How much is alcohol-related absenteeism costing workplaces?

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Introduction and Aims: Alcohol use negatively impacts workplaces through increased absenteeism. However, exact quantification of alcohol-related absenteeism is unknown. This study estimated the cost of alcohol-related absenteeism to Australian workplaces.

Design and Methods: Secondary analysis of the 2019 National Drug Strategy Household Survey was used to estimate the annual mean days absent due to employee’s: specific alcohol use; and injury/illness absenteeism (above days taken by alcohol abstainers). Age, gender, marital status, and socio-economic status were controlled for. Mean values were multiplied by the number of employees who consumed alcohol, and $376.248 (2017 average weekly income plus 20% employer on-costs). The final cost estimate averaged the costs associated with 1) and 2). This approach was applied to exclude costs which may be accounted for by tobacco-related absenteeism (due to concurrent alcohol and tobacco use).

Results: Workers who consumed alcohol reported taking 0.4 days off work per year due to their alcohol use. This equated to a cost of $1.2 billion (low bound estimate). Abstainers and alcohol consumers reported 6.0 and 7.7 days absenteeism due to injury/illness per year. Alcohol consumers were therefore absent an additional 1.7 days than abstainers at a cost of $6.0 billion (high bound estimate). The final estimate was $3.6 billion (average of the high and low bound estimates).

Discussions and Conclusions: Alcohol-related absenteeism cost Australian workplaces approximately $3.6 billion in 2017. Workplaces wanting to reduce this substantial impost may consider implementing an alcohol use policy and providing education and training programs.

Implications for Practice or Policy: These findings have important workplace policy and preventive implications. Employees’ alcohol use has numerous negative impacts for the workplace, not least of which is absenteeism. Employee’s drinking patterns may be amenable to change through effective intervention and modification and thus costs subsumed by industries can be reduced.

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