

ABSENCE REPORTING

EXECUTIVE SUMMARY

Employee attendance is one indicator that measures the well-being of The City's workforce. This report provides The City's current absenteeism statistics and trends benchmarked against similar organizations, as well as information on the safety, health and wellness, and disability management strategies that contribute to a healthy, productive workplace.

ADMINISTRATION RECOMMENDATION(S)

That the SPC on Utilities and Corporate Services recommends that Council:

1. Receive the report for information to address part 1 of the Notice of Motion; and
2. Direct Administration to continue reporting the current performance measures related to employee absences through regular reporting mechanisms, including mid-year and year end reports and to apply a results-based accountability approach to employee absence performance measures to address part 2 of the Notice of Motion.

PREVIOUS COUNCIL DIRECTION / POLICY

On November 24, 2014, Council directed Administration to report to the SPC on Utilities and Corporate Services on:

- 1) The current state of employee absences, including an analysis of available information for comparable organizations, and a recommendation to report such information regularly to Council no later than April 29th, 2015; and
- 2) An integrated plan to address employee absences which would include proposed common corporate and business unit performance measures with targets specific to each business unit, considering each unique work environment. The report will be forwarded to Council for consideration and approval, with incorporation into Action Plan at the 2015 November business plan and budget adjustments.

BACKGROUND

In Canada, there has been increased focus on workplace absenteeism with the recent release of Statistics Canada data on workplace absences and the subsequent studies by several public policy research organizations. These studies show that workplace absenteeism contributes to a loss in productivity and may result in disruptions in service delivery. The City recognizes the impact of absenteeism and is committed to supporting health and wellness of employees and having a positive influence on outcomes such as productivity and engagement.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The investigation addresses each of the items set out in the Notice of Motion:

1) Current state of employee absences, including an analysis of information for comparable organizations

Research indicates that tracking absenteeism is the first step in minimizing the impact of employee absences. Identifying patterns and employee health and safety risks enables organizations to determine root causes and implement strategies to address these risks. A 2012 Conference Board of Canada survey indicated that only 46% of organizations reported that they track absenteeism. Internally, The City collects and reports information on workplace absences

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including Workers' Compensation Board (WCB) claims for occupational illnesses and injuries through monthly health and safety dashboards, and Sickness and Accident (S&A) benefit plan claims for non-occupational illnesses and injuries through quarterly workforce reports.

Statistics Canada's annual Labour Force Survey (LFS) samples the Canadian population, collecting employment information including employee absences for occupational and non-occupational injuries and illnesses. Compared to the public sector combined average of 12.5 days lost, The City's combined average days lost over the last three years was 10.4 days. Over the last three years, The City's performance has consistently been below the public sector average and also indicates a decreasing trend (attachment).

Absences related to occupational illnesses and injuries are benchmarked against the WCB Cities Industry which includes the claim performance of all Alberta cities. In 2014, The City's average days lost per claim of 19.5 days was slightly above the Cities Industry average of 16.7 days. This is mainly attributed to a significant number of complex surgical cases. The City's average days lost performance has remained relatively steady over the past three years and is averaging approximately 9% higher when compared to the Cities Industry (attachment). To address occupational injury and illness trends, actions have been set out in the Corporate Safety Strategy focusing on five strategic result areas: safety culture, leadership, governance, programs and services, and measurement and evaluation.

For absences related to non-occupational illnesses and injuries (S&A), The City participates in the HR Metrics Service, which compares human resources data from Canadian organizations in both the public and private sectors. The HR Metrics Service calculates absenteeism rate differently than Statistics Canada. The City's results will differ between the Statistics Canada and the HR Metrics Service benchmarks due to the difference in methodology (attachment). In 2014, The City's non-occupational absenteeism rate (S&A) decreased to 8.7, which is equal to the public sector median. Over the past three years, both the public sector median and The City's results were trending down, however The City's result showed a faster rate of decline than the benchmark (see attachment). To further address non-occupational absenteeism, The City's focus is on wellness and health promotion, health risk management and disability management.

The Conference Board of Canada has completed a series of research studies examining the issue of absenteeism. In their findings, they identify a number of best practises and effective strategies to control absenteeism. The City's safety, health and wellness, and disability management strategies are aligned with these Conference Board of Canada recommendations and include a range of integrated policies, programs and services. These address both occupational and non-occupational absences and are grouped into three categories: prevention, early intervention, and recovery. Based on our combined performance, it is reasonable to conclude that The City's proactive approach has positively contributed to the declining trend in absenteeism. Human Resources and Environmental & Safety Management will continue to collaborate on the integrated service delivery model and commit to working together to further improve employee attendance.

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2) Reporting to Council on employee absences

Setting improvement targets for absences is one practise used by organizations to reduce the impact of absenteeism. Targets can give direction to leadership teams as they work to reach a corporate goal. Targets can also help in assessing the effectiveness of disability management programs. However, there are also risks with setting targets specific to illnesses and injuries. Encouraging the attendance of sick or injured employees may compromise the health and safety of others and may also prolong or worsen an employee's illness or injury. This also contributes to "presenteeism" where employees are physically at work but exhibit low levels of performance.

Additionally, there are concerns around the potential actions a corporation would take if the target is not achieved either corporately, at a division level, or by an individual. Labour arbitrators have consistently ruled that employers cannot discipline employees for absences that are considered to be unavoidable and beyond the employee's control. Imposing discipline for these types of absences is considered discriminatory. However, this does not preclude employers from addressing excessive absenteeism, as long as the definition of excessive absenteeism reflects the norms of the corporation. These norms must be based on actual statistics and cannot be set arbitrarily.

An alternative to setting performance targets is the implementation of a "results-based accountability" (RBA) approach. RBA is a disciplined way of thinking and taking action used by organizations to improve the performance of their programs and services. This involves using trends and forecasts as a way of defining success, instead of using point-to-point improvement such as targets. RBA focuses on turning the forecast curve away from the baseline and towards improved results.

There are a number of performance measures related to employee absences within the 2015-2018 Action Plan. The Corporate measures included in Action Plan are:

- W.PM17 Annual average number of days lost per Lost Time Claim (LTC) throughout the Corporation.
- W.PM25 Corporate average number of sickness and accident days per eligible employee.

By applying the RBA methodology to these performance measures, The City will be better able to measure the effectiveness of existing programs and services that contribute to improving attendance. It is recommended that Administration continue reporting these performance measures through the existing Council reporting mechanisms including the mid-year and year end reports, and begin applying an RBA approach.

Stakeholder Engagement, Research and Communication

Although safety, health and wellness, and disability management strategies are effective, many of the contributing factors that impact employee attendance are not within the direct control of the employer or the employee. Some examples of these contributing factors are included in a Statistics Canada publication on the differences between public and private sector absences. Statistics Canada finds that demographic factors (e.g. age, sex), occupation, and job permanency have an impact on absenteeism rates. The Conference Board of Canada research study supports these findings and also finds that unionized environments are more likely to have

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higher rates of absenteeism as sick leave entitlements are typically included in collective agreements, and unionized environments have better safeguards against punitive actions due to absences. Considering the complexity of the variables that affect employee attendance, it is practical for organizations to plan for a certain level of absenteeism.

Strategic Alignment

The City's safety, health and wellness, and disability management strategies are in alignment with Council's priority of "a well-run city", and support the strategic action of striving to be an employer of choice.

Social, Environmental, Economic (External)

N/A

Financial Capacity

Current and Future Operating Budget:

N/A

Current and Future Capital Budget:

N/A

Risk Assessment

The use of disciplinary action related to absenteeism targets may result in labour action that could determine The City's practices as discriminatory resulting in harm to the corporate reputation.

REASON(S) FOR RECOMMENDATION(S):

Total employee absences at The City are within acceptable levels and indicate a declining trend. There are corporate targets, comprehensive strategies, and reporting mechanisms in place that contribute to this trend. Furthermore, the application of a "results-based approach" to employee absence performance measures is expected to result in further improvements.

ATTACHMENT

Employee Absence Benchmarking