Chapter 39
Social Services—Minimizing Absenteeism

1.0 MAIN POINTS

Effective processes to minimize employee absenteeism supports effective service delivery to the public, minimizes costs, and supports the well-being of public sector employees. In 2014-15, the Ministry of Social Services (Ministry or Social Services) had the second highest sick leave usage among ministries with an average of 10.70 days per full-time employee. The Ministry's 2014-15 paid sick leave equated to $5.6 million. Employee absenteeism due to sick leave can also impact the Ministry's ability to deliver services to vulnerable citizens.

This chapter reports the results of our audit of the Ministry's processes to minimize its employees' absenteeism. For the 12-month period ended August 31, 2015, the Ministry's processes to minimize employee absenteeism were not effective. The Ministry needs to train staff on attendance management, determine the causes for employee absenteeism, and develop targeted strategies to address those causes. Also, senior management needs to receive periodic reports on the effectiveness of attendance management strategies. At August 2015, the Ministry was starting to develop plans to address these areas.

We encourage other ministries to assess the effectiveness of their processes to minimize employee absenteeism.

2.0 INTRODUCTION

Absenteeism rates for employees in the public sector differ from those in the private sector. In 2012, full-time workers in the Canadian public sector took 12.4 days off on average while Canadian private sector employees took 8.3 days.[1] While the drivers and predictors contributing to the increased employee absenteeism rates in the public sector are complex, managing absenteeism remains a key component of maintaining effective service delivery to the public in a cost efficient manner.

Under *The Saskatchewan Employment Act*, employers have a general duty to "ensure, insofar as is reasonably practicable, the health, safety and welfare at work of all of the employer's workers." The Public Service Commission (PSC), as the central human resource agency for ministries, provides ministries with guidance on managing absenteeism (e.g., an Attendance Support Policy). The responsibility to minimize employee absenteeism rests with individual ministries such as the Ministry of Social Services.

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[1] www.statcan.gc.ca/pub/75-006-x/2013001/article/11862-eng.htm (16 June 2015).

2.1   Absenteeism in the Ministry of Social Services

At March 31, 2015, the Ministry had the second largest number of employees across ministries with a full-time equivalent (FTE)[2] staff complement of 1,852[3] and payroll expenditures of $118 million.[4] At March 2015, it had approximately 220 out-of-scope staff (non-unionized); its remaining staff are within scope (in-scope, unionized).

Average sick leave usage per FTE varies across ministries. In 2014-15, the average usage of sick leave across ministries was 9.82 days. Sick leave usage ranged from a low of 6.81 days (Executive Council) to a high of 11.82 days (Ministry of Justice). In 2014-15, Social Services was the ministry with the second highest sick leave usage of 10.70 days (2013-14: 10.63 days). The Ministry's 2014-15 paid sick leave equated to $5.6 million.[5]

Excessive absenteeism increases costs, both direct and indirect, of delivering programs and providing service. If not managed well, absenteeism can lead to significant direct costs in the form of:

〉   Wages paid to absent workers

〉   Costs to replace workers (i.e., overtime pay for other employees and/or use of temporary staff)

〉   Administrative costs of managing absenteeism[6]

Studies report that employees delivering human services are often subject to elevated stress levels related to work activities.[7] Social Services' staff provide human services. PSC's attendance support information (see shaded row in **Figure 1**) indicated that on average, over the past four fiscal years, employees of the ministries working in human services took 96 hours or 12 days of sick leave annually.[8]

Figure 1—Peer Average Summary by Occupation Family for Fiscal 2014-15

Job Family	Peer Average (Illness Hours by FTE)
Program Consultation	56
Finance and Revenue	65
General Operations	71
Human Services	96
Instructional	85
Program Support	79
Inspection and Regulatory	64
Science and Technology	68
Building and Shop Trades	75
All Out-of-Scope	49

Source: Public Service Commission Attendance Support website.

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[2] Full-time equivalent employee.
[3] Ministry of Social Services, *2014-15 Annual Report*, p. 19.
[4] Amount provided by the Ministry of Social Services.
[5] Amount provided by the Ministry of Social Services.
[6] www.forbes.com/sites/investopedia/2013/07/10/the-causes-and-costs-of-absenteeism-in-the-workplace/ (19 June 2015).
[7] www.mentalhealthworks.ca/media/burnout (18 June 2015).
[8] Excluding medical appointments, pending insurance, and family and pressing necessity leave. Includes both paid and unpaid sick leave reported as illness.

Many Social Services staff work directly with vulnerable citizens and their families. Social Services staff deliver programs that support vulnerable citizens as they work to build better lives for themselves through economic independence, strong families and strong community organizations. Employee absenteeism can impact the Ministry's ability to deliver services to these vulnerable citizens. If not managed well, absenteeism can lead to significant indirect costs such as:

❯ Adversely impacting service delivery resulting from worker fatigue, understaffing, or lack of continuity of staff

❯ Safety issues (e.g., no coverage provided to vulnerable persons, inadequately trained employees filling in for others, rushing to catch up after arriving as a replacement)

❯ Poor morale among employees who must "fill in" or do extra work to cover absent employees[9]

The public expects governments to use resources wisely. An effective process to manage absenteeism contributes to effective service delivery to the public, minimizes costs, and supports the well-being of public sector employees.

3.0 AUDIT CONCLUSIONS AND SCOPE

The objective of this audit was to assess the effectiveness of the Ministry of Social Services' processes to minimize employee absenteeism for the 12-month period from September 1, 2014 to August 31, 2015.

For the purposes of this audit, "absenteeism" includes unscheduled paid absences from work, either for short or long periods. This includes types of non-culpable (innocent) absenteeism[10] such as illness, family leave, pressing necessity, disability, and injuries not covered by worker's compensation as well as culpable (blameworthy) absenteeism[11] such as a false explanation for absence from work.

We examined the Ministry's policies related to attendance management, PSC's policies and guidelines, documents related to training courses, sick leave reports, attendance support guidelines, and other relevant documents. We also interviewed a sample of managers and supervisors (supervisors) throughout the Ministry.

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate the Ministry's processes, we used criteria based on our related work, reviews of literature including reports of other auditors, and consultations with management. **Section 5.0** includes key sources for these criteria. Management agreed with these criteria (see **Figure 2**).

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[9] www.mentalhealthworks.ca/media/burnout (18 June 2015).
[10] Public Service Commission defines non-culpable (innocent) absenteeism as the consistent inability of an employee to attend work on a regular basis due to circumstances beyond the employee's control. In this kind of absenteeism, the employee has a bona fide reason for absence such as illness or personal problems.
[11] Public Service Commission defines culpable (blameworthy) absenteeism as an absence for which the employee will be held responsible as the absences are within the employee's power to address and correct. Examples include, but are not limited to: failure to report to work, failure to provide adequate notice, failure to provide adequate explanation for absence, providing a false explanation for absence, calling in sick to work at another job, and tardiness.

Figure 2—Audit Criteria

1. **Apply policies for employee attendance at work**
   1.1 Have expectations for employee attendance
   1.2 Maintain attendance management strategies
   1.3 Define roles and responsibilities
   1.4 Communicate expectations and policies
   1.5 Provide adequate training to supervisors

2. **Address patterns of absenteeism**
   2.1 Track absences and analyze trends
   2.2 Address disruption in services (e.g., backfill employees to provide coverage)
   2.3 Maintain documentation where absenteeism issues have been identified
   2.4 Take timely action on absenteeism issues

3. **Implement strategies to support employee attendance at work**
   3.1 Support disability prevention
   3.2 Provide wellness programs and supports
   3.3 Provide stay-at-work programs (e.g., modified work arrangements)
   3.4 Provide accommodation/return to work programs

4. **Monitor performance related to attendance management**
   4.1 Collect key absenteeism information
   4.2 Assess results against absenteeism performance benchmarks
   4.3 Report key absenteeism performance indicators to senior management

We concluded that, for the 12-month period ended August 31, 2015, the Ministry of Social Services did not have effective processes to minimize employee absenteeism. The Ministry of Social Services needs to:

❭ **Train staff on attendance management**

❭ **Determine the causes for employee absenteeism**

❭ **Develop targeted strategies to address those causes**

❭ **Give senior management periodic reports on the effectiveness of attendance management strategies**

As noted in the findings below, the Ministry has developed a 2015-16 action plan to reduce employee sick leave, which identifies the need to build awareness, improve data analysis, and develop targeted plans for addressing above average sick leave.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Improved Training Needed on Attendance Management

We expected that the Ministry would clearly communicate expectations for employee attendance (e.g., provide definitions for culpable and non-culpable absences). Attendance management policies would outline roles and responsibilities and include strategies to address absenteeism (e.g., process for addressing excessive absenteeism). We also expected supervisors would be trained on how to apply attendance management policies.

According to *The Public Service Regulations, 1999*, and the collective agreement (that applies to the unionized employees of the Ministry), a probationary or permanent

employee of the Ministry with three or more months' continuous service is entitled to 15 working days of sick leave with pay at the beginning of each fiscal year. If an employee does not use all of their sick leave, the employee carries over the remaining number of days to the next fiscal year for any future sick leave. An employee's supervisor may require the employee to provide a medical certificate (i.e., doctor's note) before approving paid sick leave. Using information from the Ministry's payroll system, we found there were 288 employees with 15 or more days of sick leave in 2014-15.

We found enterprise-wide government (e.g., ministries) has set a target of 9 days of sick leave per full-time equivalent employee (FTE) for the 2015-16 fiscal year. At the end of fiscal 2014-15, as previously noted, the Ministry's actual average sick leave usage per FTE was 10.70 days. There is a ministry-wide initiative to reduce sick leave across ministries to 7 days of sick leave per FTE by 2018. The Ministry has adopted the government-wide target of 7 days of sick leave per FTE by 2018. The Ministry communicated this target expectation to ministry supervisors at a management forum in spring 2015.

The Ministry has identified this reduction in sick leave as a key performance initiative. As a result, the Ministry developed a 2015-16 action plan to reduce employee sick leave. Planned actions include building awareness among supervisors and employees, using data analysis to identify areas with above average sick leave utilization, and developing targeted plans for areas with above average sick leave utilization.

As part of its *Human Resource Manual* (HRM), PSC has established policies and guidelines for managing employee attendance. HRM is available to all Government of Saskatchewan employees and to the public.[12] PSC policies and guidelines are intended to assist supervisors with daily human resource management activities. The Ministry expects its staff to follow these central policies and guidelines to support its attendance management.

Also, as part of the HRM, PSC has established an attendance support policy for employees of all ministries. As summarized in **Figure 3**, the policy sets out roles and responsibilities of various groups involved in supporting employee attendance at work (i.e., supervisors and management, human resources, union, and employees). The policy also defines "innocent" and "blameworthy" absenteeism.

Figure 3—Roles/Responsibilities Outlined in PSC's Attendance Support Policy

Group	Key Responsibilities
Employees	❯ Maintain health and well-being so as to ensure regular attendance at work ❯ Provide reasons for absence, tardiness, or leaving early ❯ Notify their manager/supervisor as soon as possible when there is a reason to be absent from work ❯ Maintain communication with their manager/supervisor or designate while absent (especially important when the employee is unable to return to work and the estimated length of illness is unknown) ❯ Attend personal affairs and obligations on their own time, to the extent possible and in accordance with the terms and conditions of the collective agreement (where applicable)

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[12] www.publications.gov.sk.ca/details.cfm?p=10842 (28 September 2015).

Group	Key Responsibilities
Supervisors & Management	❯ Communicate expected standards and obligations ❯ Communicate the protocol for advising of absenteeism in the workplace ❯ Provide support and assistance when deemed necessary (e.g. Employee and Family Assistance Program, exploring workplace arrangements that are mutually beneficial) ❯ Monitor levels of sick leave usage on a regular basis in their work units and take appropriate and timely action to correct absenteeism issues ❯ Ensure employees are aware of patterns of usage, should an issue of absenteeism be observed ❯ Maintain concise and objective written documentation where absenteeism issues have been identified ❯ Discuss and resolve issues regarding attendance with employees. In the case of extended absence, the manager/supervisor will take reasonable steps to maintain contact with the employee during absence
Human Resources	❯ Provide advice to managers/supervisors on the provisions and procedures of the attendance management policy ❯ Work with managers/supervisors to identify the source of employee's attendance issues, determine available resources and facilitate return to work programs or reasonable accommodation ❯ Provide advice on human rights, *The Labour Standards Act* and regulations, *The Public Service Act* and regulations, collective agreement provisions, and policy interpretations where applicable
Union	❯ Foster a workplace culture that supports the health and well-being of all employees

Source: Adapted from PSC's Attendance Support Policy (section: PS 817).

The Client Services Agreement between the Ministry and PSC further defines the roles and responsibilities for payroll and human resource services for the Ministry and PSC. Under the agreement, PSC is responsible for providing advice and support to supervisors on attendance management issues, whereas the Ministry is responsible for managing employee performance, along with establishing and communicating employee performance expectations.

The Ministry may also utilize various attendance management strategies to assist employees to stay at work as outlined in the HRM. These include the following areas:

❯ Employment accommodation – accommodating employees to stay at work while experiencing limitations and managing symptoms of an illness or injury

❯ Variable work hours/job sharing – allowing employees to reduce their hours of work

❯ Telework – allowing employees to work from alternate locations

❯ Employee and family assistance program – a program designed to assist employees with personal problems affecting job performance

❯ Corrective discipline – sets out a process for correcting employee misconduct

PSC develops training for Ministry supervisors and employees, including attendance management training. New employees of the Ministry receive orientation training that includes coverage of the attendance management policy.

PSC also has a learning catalogue that offers a list of training sessions, available both in-person and on-line. These training sessions include information on employee attendance. We found very few Ministry employees we tested were aware of and accessed the online training opportunities related to employee attendance. For example, only 11 Ministry employees took attendance policy e-learning training in 2014-15.

For supervisors we interviewed, we found that supervisors were only generally aware of PSC's policies, and sometimes utilized the various attendance management strategies (e.g., referred employees to the employee and family assistance program). For example, we found, contrary to policy, two instances where supervisors allowed employees to record absences due to family leave as sick leave in situations where employees had used up their available entitlements for family leave. Also, we found none of the 14 employees we tested with excessive absenteeism (i.e., over 15 days of sick leave without extended illness cited as a cause in 2014-15) had a formal meeting with their supervisors. Attendance support guidelines suggest meetings with such employees, followed up by written communication to those employees. Written communication provides documented expectations when attendance needs improvement.

Training promotes understanding of attendance management expectations, provides guidance to supervisors to address absenteeism issues, and can increase awareness of programs and supports available to manage employee absenteeism. Awareness helps support a culture of attendance and compliance with policies.

1. **We recommend that the Ministry of Social Services actively encourage supervisors to take available attendance management training and monitor participation.**

4.2 Identification of Causes of Absenteeism Needed

We expected that the Ministry would have a system for tracking absences of employees, determining causes of absences, and analyzing trends (e.g., to identify work units experiencing chronic or excessive absenteeism). Where absenteeism issues were identified, documentation would be maintained and timely action taken. We also expected the Ministry would mitigate disruption in services as a result of absent employees.

We found supervisors used varying means to track absences among their staff. While all supervisors could obtain their employees' entitlement reports[13] from the Ministry's payroll system, we found most did not obtain or review these reports with sufficient frequency to enable them to track absences or determine how best to manage them on a timely basis. We found the frequency of review of these reports ranged from bi-weekly to annually with most supervisors obtaining and reviewing them on a quarterly basis. Regular review is necessary given the Ministry had 692 employees with 10 or more days of sick leave in 2014-15 (extracted from the Ministry payroll system).

About one-quarter of the supervisors we interviewed used other means, such as tracking employees' absences on a spreadsheet, paper calendar, or day planner; this allowed these supervisors to observe trends. Most supervisors we interviewed were aware of specific reasons for their employees' absences and had obtained documentation, such as doctor's notes, from their employees for more extended absences (e.g., absent for more than a week). However, we found four supervisors had limited interaction with their employee(s) that had taken a higher than average amount of

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[13] An entitlement report outlines leave carried over, earned and taken by an employee, including sick leave, vacation leave, family leave, and leave for pressing necessity.

sick leave (i.e., greater than 10 days in 2014-15 without extended illness) to determine causes. Without identifying employee absenteeism issues, supervisors are unable to address the issues in a timely manner.

In 2015, the Ministry and PSC started to develop a method of analyzing absenteeism patterns (i.e., trends). For example, PSC began preparing and distributing absenteeism reports from the payroll system to supervisors in June 2015. These reports identified employees with more than 10 days of sick leave in 2014-15, which days of the week (e.g., Monday-Friday) absences occurred, and the total numbers of days absent. However, we found that not all of the supervisors we interviewed had seen this report as of August 31, 2015.

Not receiving timely information on employees with higher than average sick leave reduces the opportunity for supervisors to take timely action to reduce future absences.

> 2. **We recommend that the Ministry of Social Services give all supervisors quarterly reports that identify employees with higher than average sick leave to help them determine the reasons for such absences.**

Determining causes of absences would enable analysis of these causes at work unit levels and in turn, assist in the development of actions to reduce employee absenteeism. Without sufficient information on absenteeism causes, the Ministry cannot develop targeted attendance management strategies to address the causes identified or know whether its existing programs are sufficient.

> 3. **We recommend that the Ministry of Social Services, working with the Public Service Commission, develop targeted strategies to manage employee absenteeism based on an analysis of the causes for absenteeism.**

To minimize disruption of services, we found the Ministry assessed whether to backfill longer-term employee absences on a case-by-case basis. For four out of seven employees with extended absences we tested, the Ministry backfilled the positions of employees on leave. In these cases, the Ministry paid for a temporary employee while also paying for the employee on sick leave.

We also found the Ministry managed absences without extended illness through vacancy management. Vacancy management is where co-workers generally provide coverage for employees absent for shorter periods of time spaced intermittently throughout the year.

4.3 Determine Strategies to Address Causes of Absenteeism

We expected that the Ministry would:

❭ *Support disability prevention*

❭ *Provide wellness programs and supports*

❭ *Provide stay-at-work programs (e.g., modified work arrangements)*

❭ *Provide accommodation/return to work programs*

The Ministry supports disability prevention programs through its Occupational Health and Safety committees (OH&S) and Employee and Family Assistance Programs (EFAP). EFAP is a confidential and voluntary program offered through PSC. Employees can self-refer to EFAP. Workplace supervisors or human resource management can also refer them to EFAP. The Ministry also implemented a Safety Improvement Plan, which was developed in 2014. The Plan focuses on: slips, trips, and falls, physical exertion, and safety training. The Ministry logs critical work incidents; it develops and monitors action plans to prevent future incidents from occurring and causing injury.

In 2014, the Ministry also developed a Culture Committee consisting of Ministry staff located throughout the province. The Culture Committee identified the following key areas of focus: employee recognition, communication, retention, innovation, and workload pressures.[14]

The Ministry provides its staff with benefits available to Saskatchewan government ministry staff. For example, the Ministry, consistent with PSC policies, provides a Flex Benefit Spending Account to its out-of-scope employees to help promote physical activity.[15] Also, Public Employees Benefits Agency managed extended health benefits (i.e., prescription medication, eye exams, various health practitioners including physiotherapist, psychologist, massage therapist) are available to eligible employees.

In addition, we found some areas within the Ministry had developed wellness committees in their program area or physical location.

We noted that the Ministry can, on a case-by-case basis, provide modified work arrangements and employment accommodations that allow employees to stay at work when they might otherwise need to take a leave of absence. Supervisors can work with their assigned PSC human resource consultants and the related employee to create a modified work arrangement for the employee.

However, supervisors we tested indicated that they did not readily consider the use of modified work arrangements. They tended to accept employees would be absent from work for the period their doctors indicated, in writing, rather than developing options to keep them working (e.g., from home or on a part-time basis).

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[14] Ministry of Social Services, *Annual Report for 2014-15*, p. 17.
[15] Physical activity improves wellness, contributes to reduce absenteeism, and reduces the cost of health benefits. www.cs.gov.sk.ca/1205FlexInfo (18 September 2015).

Management indicated the Ministry is aware that it must do more in terms of developing modified work arrangements and employment accommodations. At September 15, 2015, the Ministry was in the process of hiring a Disability Management Consultant. Management expects this position to provide support and consultation to supervisors in developing modified work arrangements and employment accommodations for ill or injured workers.

As noted in **Section 4.2**, the Ministry did not collect and analyze sufficient information relating to underlying causes of absenteeism. While the Ministry has a number of programs to support employee attendance at work, without assessing underlying causes of absenteeism, it does not know whether its existing programs are sufficient. Lack of this information increases the risk the Ministry will not reduce the extent of sick leave its staff take.

4.4 Monitoring of Attendance Management Strategies Needed

We expected that the Ministry would collect key absenteeism information and then assess this information against a performance benchmark. Senior management would also receive a report on absenteeism performance.

Senior management received monthly updates about the status of achieving its 2015-16 action plan to reduce employee absenteeism. Their August 2015 update indicated PSC had developed a toolkit to support supervisors in their roles and new attendance data reports. However, as noted in **Section 4.2**, not all of the Ministry's supervisors had received these reports as of August 31, 2015.

Ministry supervisors received (usually quarterly) employees' entitlement reports that outlined total sick leave taken to date. Assistant Deputy Ministers received, on a quarterly basis, sick leave reports. Its Executive Committee[16] received quarterly workforce indicators reports; these reports included actual average sick leave days per FTE by division as compared to the average sick leave usage target. The first quarter report for 2015-16 indicated actual 10.33 days of sick leave per FTE as compared to its target of 9 days per FTE. The reports did not include reasons as to why the target was not met.

As previously noted, sufficient information is necessary to enable the Ministry to develop targeted attendance management strategies to address the causes of absenteeism. Senior management's receipt of regular progress reports on this effectiveness would help them understand causes for employee absenteeism and whether the Ministry's actions were effectively reducing absenteeism.

> 4. **We recommend that the Ministry of Social Services give senior management periodic reports on the effectiveness of its attendance management strategies, including detailed analysis of the results.**

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[16] The members of the Executive Committee are the Deputy Minister (Chair), Assistant Deputy Ministers, Director of Executive Planning and Operations, Executive Directors of Finance and Property Management, HR, and Strategic Policy, and the Director of Communications.

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