

## Chapter 26

# Saskatchewan Gaming Corporation – Minimizing Employee Absenteeism

### 1.0 MAIN POINTS

For the period August 1, 2016 to July 31, 2017, the Saskatchewan Gaming Corporation had effective processes to minimize employee absenteeism, other than the following areas. It needs to identify root causes of absenteeism to confirm its attendance management strategies focus its resources in the right areas. To support this root cause analysis, it needs to provide its managers with guidance for analyzing patterns and trends in staff absences and for documenting reasons for not referring eligible employees to attendance support programs.

Similar to other organizations in the service and casino industries, SaskGaming identifies employee absenteeism as a continuing challenge. It has not met its annual targets from 2014 to 2017, although it has shown a gradual decrease in its employee absenteeism rate. The cost of absenteeism reduces its profits. These profits support Indigenous and other communities, as well as other government priorities such as education and health care in Saskatchewan.

### 2.0 INTRODUCTION

This chapter sets out the results of our audit of SaskGaming's processes to minimize absenteeism.

## 2.1 Employee Absenteeism—A Common Problem with Significant Costs

Organizations in both the private and public sectors face issues with employee absenteeism, though it is more frequent in public sector organizations. Absenteeism includes unscheduled paid and unpaid absences of employees from work, such as illness, family leave, pressing necessity, bereavement leave, disability, and injuries.

A 2016 Statistics Canada study found public sector organizations lost 13.5 days per worker compared to private sector organizations, which lost 8.3 days per worker.<sup>1</sup> The Conference Board of Canada indicated in 2013 that:

- Only 46% of employers admitted they conduct any kind of absenteeism tracking.<sup>2</sup>
- Employees who are recovering are sometimes medically able to work part time but are not doing so. The Report cited this as a missed opportunity for employers to gain productivity in the short term and noted it is difficult to maintain connections with employees who may be slow to return to work.<sup>3</sup>

<sup>1</sup> <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2790035> (31 March 2017).

<sup>2</sup> Nicole Stewart, *Absenteeism Trends in Canadian Organizations – Missing in Action*, (2013), p. 1.

<sup>3</sup> Karla Thorpe and Louise Chenier, *Disability Management – Opportunities for Employer Action*, (2013), p. iii.



- The longer an employee is away from work due to a health issue, the greater the probability the employee will not return to work.<sup>4</sup>

Excessive absenteeism can significantly increase both direct and indirect costs of delivering programs and providing service:

- Direct costs include wages paid to absent workers, costs to replace workers (i.e., overtime pay for other employees and use of temporary staff), and administrative costs of managing absenteeism
- Indirect costs result from worker fatigue or understaffing, safety risks (e.g., inadequately trained employees filling in for absent workers, rushing to catch up after arriving as a replacement), reduced morale of workers who fill in or do extra work to cover absent workers, and reduced productivity and service quality

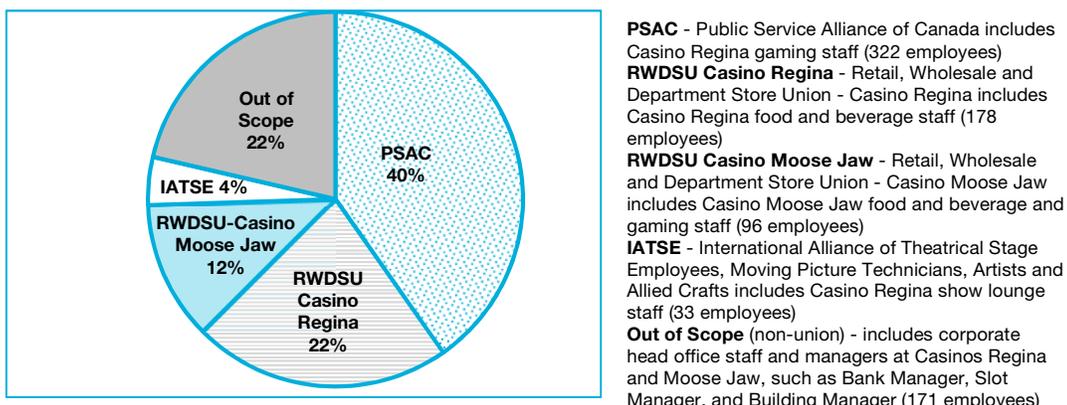
Statistics Canada’s absenteeism rates by province show that, in 2016, Saskatchewan had the second highest absenteeism rate of 10.6 days per employee (or 4.2% of total days worked).<sup>5</sup>

## 2.2 SaskGaming’s Workforce

SaskGaming operates two casinos located in Regina and Moose Jaw with a workforce of about 800 employees.<sup>6</sup> In 2017, about 42% of its workforce were Indigenous, 17% visible minorities, and 4% persons with disabilities.<sup>7</sup> In 2016-17, it spent \$37.2 million on salaries and employee benefits.

SaskGaming has about 40 departments, with over 40% of its employees assigned to the following departments: Table Games, Beverage, Operations Security, and Restaurant/Show Lounge. Over three-quarters of its employees belong to three unions under four collective agreements (see **Figure 1**). Almost all of its employees hold permanent positions.<sup>8</sup>

**Figure 1 – SaskGaming Employees by Employee Group**



Source: Adapted from SaskGaming records (2017).

<sup>4</sup> Karla Thorpe and Louise Chenier, *Disability Management – Opportunities for Employer Action*, (2013), p. 12.

<sup>5</sup> [statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/labor60a-eng.htm](http://statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/labor60a-eng.htm) (8 May 2017).

<sup>6</sup> SaskGaming records.

<sup>7</sup> *SaskGaming 2016-17 Annual Report*, p. 10.

<sup>8</sup> SaskGaming records.

As an employer, in addition to its own policies and collective bargaining agreements in **Figure 1**, SaskGaming must adhere to labour standards established under *The Saskatchewan Employment Act*. The Act sets standards for various types of employment leaves such as scheduled leaves like annual vacation, maternity, adoption, and parental leaves, and unanticipated leaves like medical, bereavement, and compassionate care leaves.

## 2.3 SaskGaming's Employee Absenteeism

SaskGaming identifies employee absenteeism as a continuing challenge. It faces challenges in managing absenteeism that are common to the service industry and to the casino industry.

The service industry requires many employees to work long hours that are outside typical business hours, can be physically demanding, and often require shift work that leaves little time for non-work commitments (e.g., family, friends, health). In addition, many employees in the casino industry handle cash and work under constant camera supervision. They must comply with gaming rules, and avoid costly mistakes.<sup>9</sup> This type of work environment, if not carefully managed, can lead to increased absenteeism.

For the last four years, SaskGaming's overall rate of absenteeism ranged between 9.5% and 8.3%—the rate is decreasing, although not meeting SaskGaming's annual targets (see **Figure 7**). In 2016-17, 2.2% of SaskGaming's salaries and benefits (i.e., \$820,000) related to additional costs because of employee absenteeism.<sup>10</sup>

Excessive costs related to absenteeism adversely affect SaskGaming profits. This, in turn, reduces funding available for supporting Indigenous and other communities, and essential government priorities such as education and health care in Saskatchewan.<sup>11</sup>

An effective process to manage absenteeism contributes to effective service delivery to the public, minimizes costs, and supports the well-being of employees.

## 3.0 AUDIT CONCLUSION

**We concluded that the Saskatchewan Gaming Corporation had, other than for the following areas, effective processes to minimize employee absenteeism for the period August 1, 2016 to July 31, 2017. SaskGaming needs to:**

- **Identify root causes of employee absenteeism to confirm attendance management strategies address them**
- **Give managers guidance for analyzing patterns and trends in staff absences**
- **Require timely documentation of reasons for not referring eligible employees to attendance management programming**

<sup>9</sup> Wan Yim King Penny, Chan Sow Hup Joanne, *International Journal of Hospitality Management, Casino employees' perceptions of their quality of work life*, (2013), p. 348.

<sup>10</sup> SaskGaming records.

<sup>11</sup> SaskGaming distributes half its net income to support government priorities and social programs, while the other half supports Indigenous and other communities in Saskatchewan.

**Figure 2—Audit Objective, Criteria, and Approach**

**Audit Objective:** to assess the effectiveness of Saskatchewan Gaming Corporation’s processes, for the period August 1, 2016 to July 31, 2017, to minimize employee absenteeism.

For the purposes of this audit, “absenteeism” includes unscheduled paid and unpaid absences of employees from work. Unscheduled absences include illness, family leave, pressing necessity, bereavement leave, disability, and injuries.

The scope of this audit does not include absenteeism of employees due to scheduled leaves, such as maternity leave, parental leave, education leave, jury duty, and union business provided under employer policy and/or governing collective agreements.

**Audit Criteria:**

Processes to:

1. Set expectations for employee attendance
  - 1.1 Define roles and responsibilities (e.g., employee, supervisor, union)
  - 1.2 Communicate expectations and policies for employee attendance
  - 1.3 Train supervisors (e.g., managers)
2. Implement strategies to support employee attendance
  - 2.1 Analyze absenteeism by employee (e.g., sick and injury patterns)
  - 2.2 Use attendance management strategies to assist employees to stay at work (e.g., wellness, family assistance, return to work, disability prevention programs)
  - 2.3 Take timely action on absenteeism issues
3. Monitor attendance management
  - 3.1 Assess attendance information to identify absenteeism causes
  - 3.2 Report key absenteeism performance information to senior management and the Board
  - 3.3 Adjust attendance management strategies, as necessary

**Audit Approach:**

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate SaskGaming’s processes, we used the above criteria based on our related work, reviews of literature including reports of other auditors, and consultations with management. SaskGaming’s management agreed with the above criteria.

We examined SaskGaming’s policies and procedures related to minimizing employee absenteeism. We analyzed attendance data from SaskGaming’s reports and IT systems. We interviewed staff and managers responsible for managing absenteeism at SaskGaming. We examined attendance information (e.g., schedule, timecard, attendance support files) for selected employees with high or unusual absences.

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 Clear Attendance Policies Communicated

SaskGaming clearly defined roles, responsibilities, and expectations for absenteeism for all employees in its various policies (e.g., leave of absence, sick leave, attendance support), as well as in collective agreements for unionized employees.

SaskGaming’s policies outlined allowable leaves, acceptable use of leaves including use of accumulated unused sick leave, and required notifications of absences from work (see **Figures 3** and **4** for details). In addition, the policies required SaskGaming to compare actual absenteeism rates to its annually established target on an overall basis, and by unionized and out-of-scope employee groups.

We found SaskGaming reviewed its employee attendance policies bi-annually, as required by policy.

SaskGaming made its policies for employee attendance readily accessible to staff. It communicated policies and related expectations through a variety of means (e.g., intranet, memos, team meetings, information sessions).

**Figure 3—Key Policies related to Allowable Leaves and Employee Absences**

<p><b>Leave of absence policy</b>—requires employees to report to work unless on an authorized leave.</p> <p><b>Sick leave policy</b>—requires employees to notify managers when they will be absent from work, and managers to document reasons for these absences. Managers are to use these reasons as basis of approving (or not) the absence type and hours, as well as identifying whether they require employees to provide additional information to support the leave (e.g., doctor's note).</p> <p><b>Attendance support policy</b>—expects employees and managers to address non-culpable (innocent) absenteeism. This includes identifying the reasons for excessive absenteeism and exploring steps to correct the concerns. It defines excessive absenteeism as exceeding SaskGaming's annual target absenteeism rate for two consecutive quarters. For each assigned employee with excessive absenteeism, managers must:</p> <ul style="list-style-type: none"> <li>➤ Review the employee's attendance reports and records</li> <li>➤ Meet with the employee to discuss attendance concerns</li> <li>➤ Identify the cause of absenteeism, if possible</li> <li>➤ Determine whether absences are culpable or non-culpable</li> <li>➤ Determine an appropriate attendance support strategy (e.g., participation in SaskGaming's Attendance Support Program)</li> </ul> <p>In addition, it requires SaskGaming to set an annual target absenteeism rate. It sets out the method to calculate actual absenteeism rates.</p>
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Source: Adapted from SaskGaming policies (2017).

We found these policies set clear expectations of employees to report to work, and for managers to be aware of reasons for their staff's absences. In addition, they expected managers to work with staff who had excessive absenteeism to address the reasons for those absences and improve their attendance at work. They clearly defined excessive absenteeism—as absences from work more often than SaskGaming's target absenteeism rate (threshold). As shown in **Figure 7**, SaskGaming's overall target for 2016-17 was 8.0%, which equates to about 16 days per employee per year.

In addition, each of the four collective agreements clearly set agreed-upon hours of work and employee benefits such as sick leave, family leave, pressing necessity, and leaves for disabilities or injuries (see **Figure 4**). For areas not covered in an agreement, SaskGaming's employment policies apply.

**Figure 4—Days of Paid Leave in Collective Bargaining Agreements and Policies**

Policies/Agreement	Amount of Paid Leave per Employee (days)		
	Sick <sup>A</sup>	Family	Bereavement
Policies (apply to all employees; additional detail exists in collective bargaining agreements—see below)	15	3 <sup>B</sup>	3 <sup>B</sup>
Public Service Alliance of Canada (PSAC) Agreement	15	3 <sup>B</sup>	3
Saskatchewan Joint Board, Retail, Wholesale and Department Store Union—Casino Regina (RWDSU) Agreement	12	-	3
Saskatchewan Joint Board, Retail, Wholesale and Department Store Union—Casino Moose Jaw (CMJ RWDSU) Agreement	12	3 <sup>A</sup>	3 <sup>C</sup>



Policies/Agreement	Amount of Paid Leave per Employee (days)		
	Sick <sup>A</sup>	Family	Bereavement
International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts of the United States, its Territories and Canada Local 295 (IATSE) Agreement	12	-	-

Source: SaskGaming's collective agreements and policies.

<sup>A</sup> Unused amounts accumulate from year to year.

<sup>B</sup> Deducted from the employee's available sick leave.

<sup>C</sup> Unused amounts accumulate to a maximum of 7 days.

We found SaskGaming employees earn slightly different amounts of leave benefits depending on the applicable agreement. As such, managers with employees in multiple unions must be familiar with each of these agreements. With respect to leaves, we found that managers were generally familiar.

## 4.2 Annual Absenteeism Targets Seem Achievable

SaskGaming's annual target for overall absenteeism seems achievable when compared to rates of absenteeism in a 2011 Statistics Canada study.

As shown in **Figure 7**, SaskGaming's annual targets have ranged between 8% and 9% over the last three years. SaskGaming based its targets on its actual prior year average absenteeism rates. Over the last three years, SaskGaming has decreased the annual target by one-half percentage point per year to emphasize that it expects employee attendance to improve. These annual targets are set to help it move towards its long-term target of 5.5%. SaskGaming's Board approved these targets.

The 2011 Statistics Canada study found full-time public sector employees working across Canada holding one job were absent from work for illness, disability, family responsibility, or other personal reasons 5.2% of the time. It found that the rate was higher for full-time workers that belonged to unions, workers with permanent jobs, and larger workplaces (over 500 employees).<sup>12</sup>

SaskGaming has many of the characteristics that the study associated with higher absenteeism rates, such as a workforce of 800 employees, 78% of its staff are unionized, and 97% of staff hold permanent positions.<sup>13</sup> This suggests having an annual target of about 8% and a long-term target of 5.5% are achievable.

## 4.3 Programs Available and Used to Support Employee Attendance

SaskGaming actively used two key programs to support employees with absenteeism concerns: the Attendance Support Program and the Managed Abilities Program.

With the help of consultants, SaskGaming developed each of these programs. During the development and implementation, it consulted with unions, employees, managers, legal counsel, and other Crown corporations.

<sup>12</sup> Statistics Canada, *Work Absences in 2011*, [www.statcan.gc.ca/pub/75-001-x/2012002/article/11650-eng.pdf](http://www.statcan.gc.ca/pub/75-001-x/2012002/article/11650-eng.pdf) (29 August 2017).

<sup>13</sup> SaskGaming records.

The programs are mandatory except where the manager exercises discretion based on the reasons for the absences (e.g., temporary personal or family issues). As noted in **Section 4.4**, SaskGaming does not consistently document the reasons for not placing eligible employees in the programs.

### **Attendance Support Program**

The Attendance Support Program is a program for employees with excessive non-culpable absenteeism. SaskGaming has offered this program since 2011. For this program, excessive absenteeism is where an employee takes more non-culpable leave than SaskGaming's annual target for two consecutive quarters.

As shown in **Figure 5**, this Program has three progressive stages. Managers decide if a participating employee must repeat the stages multiple times depending on the circumstances and improvements made by the employee, or require the next stage of support. To graduate from this program, the employee must demonstrate four consecutive quarters of absenteeism below SaskGaming's annual target. Graduation can occur when an employee is in any stage. SaskGaming Human Resources (and union representative, if applicable) must be involved in the last stage.

### **Figure 5—SaskGaming's Attendance Support Program**

- The Attendance Support Program has three stages as follows:
- **Stage 1:** comprised of face-to-face meetings between a manager and an employee who has excessive absenteeism. The manager re-emphasizes attendance expectations, communicates attendance is monitored, confirms attendance issues, and sets a target (i.e., personal goal) for the following quarter. The manager offers to assist the employee in identifying other resources and supports available. The manager records and retains the details of the meeting for future reference.
  - **Stage 2:** manager and employee discussions build on the Stage 1 counselling meetings if an employee's absenteeism continues to be a concern. They discuss progress and action taken by the employee to improve absenteeism and set revised goals for the following quarter.
  - **Stage 3:** face-to-face meetings with the employee, human resources, and a union representative will occur to discuss the employee's ongoing failure to meet attendance expectations. They build on the previous meetings with the employee. Managers advise that continued failure to demonstrate a significant and sustained improvement will result in termination. Termination is recommended if the employee does not improve.

Source: Adapted from SaskGaming's Attendance Support Policy (2017).

SaskGaming provides managers with templates for each stage that outline what it expects managers to discuss with employees in the counselling meetings. For files we examined, we found managers completed the templates and sent them to human resources after each stage, as expected. Human resources summarized each meeting in an expectation letter and provided it to the employee to emphasize what was discussed. Retaining information about meetings provides managers with a source of information to help them keep track of employee progress. It also shows they are implementing this program as expected.

At July 11, 2017, SaskGaming had 111 employees in the Attendance Support Program (14% of its employees).

### **Managed Abilities Program**

The Managed Abilities Program offers support to employees with non-culpable absenteeism concerns related to medical issues (e.g., injuries, mental health, addiction). SaskGaming began to introduce this Program in 2016-17. It is an early intervention program for eligible employees who meet one or more of the following criteria:



- Having more than 13 absences in the prior 13 months
- Work-related time loss injury
- Pattern absences where there is a reasonable explanation for the absences

In addition to eligible employees, managers can refer others, or employees can request, to participate in this program. Employees that will not voluntarily participate in this program are referred to the Attendance Support Program.

SaskGaming uses an external service provider to deliver this program at an annual cost of about \$110,000. The service provider monitors the employee's absences, meets with the employee, and assesses (from a medical specialist perspective) the best way to support the employee to return to work. This may include recommending SaskGaming provide the employee with work accommodation or leaves of absence (e.g., to deal with addiction or mental health issues).

SaskGaming removes employees from the Managed Abilities Program once the desired results are achieved (e.g., employee has addressed root cause of absenteeism). If the employee is not co-operating with the service provider or not achieving the desired results, SaskGaming moves the employee into the Attendance Support Program.

For files we examined, we found SaskGaming followed the processes for employees in this program, including later referral to the Attendance Support Program if required.

At July 11, 2017, SaskGaming had 20 employees in the Managed Abilities Program (2.5% of its employees).

#### **4.4 Guidance Needed for Documenting Decisions Not to Refer Employees to Programs**

SaskGaming did not require managers to document the basis for not referring employees who meet the established criteria to attendance management programming. It also did not set deadlines for when managers must complete and give human resources documentation of the basis of their decision not to refer employees to such programs.

Managers assess each eligible employee's situation to determine appropriate referrals to attendance management programming. When the manager determines the programs are not necessary due to the cause of absenteeism (e.g., not ongoing issues), there is no guidance (e.g., template) for documenting this decision.

We found that human resources staff use informal processes to request and document information about these manager decisions. For files we examined for employees with high or unusual absences, we found that management in one department did not always provide human resources staff with adequate reasons for their decisions. **Figure 6** describes how the lack of guidance contributed to this situation.

### Figure 6—Example of How Lack of Guidance Contributed to Not Referring Staff to Attendance Management Programs

For one high-absenteeism employee we examined, we found SaskGaming did not have a documented reason for the manager not placing the employee in an attendance management program. Human resources staff asked for the reason and received unsatisfactory responses from the manager of the employee. Human resources staff did not follow up timely.

Upon further investigation, we found that management in this department did not fully understand how it could use the programs to support its employees. As a result, management was reluctant to place certain eligible employees in the programs and provided vague responses to human resources. We found four such eligible employees during 2016-17. The department had over 50 employees.

When this issue persisted for several months, human resources staff escalated the matter to a director who required the management of this department to provide adequate reasons for the decisions, or refer the employees to the programs. In July 2017, management began to refer some of these employees to the programs.

Source: Adapted from SaskGaming records and interviews with SaskGaming employees (2017).

Not having clear guidance increases the risk of managers not understanding the requirement, process, or deadline for documenting and providing human resources with the basis for their decisions not to refer eligible employees to attendance management programming. In addition, not having clear guidance increases the risk of not providing employees with timely support to help minimize their absenteeism.

1. **We recommend that the Saskatchewan Gaming Corporation provide its staff with clear guidance for documenting the reasons for not referring eligible employees to attendance management programming.**

## 4.5 Attendance Training and Supports Provided

SaskGaming trained and supported managers and staff in its attendance expectations and in the use of its attendance management programs. It communicated its annual target absenteeism rate to employees each year in April.

SaskGaming primarily used on-the-job training to reinforce its attendance expectations of staff and managers, and to train managers on the use of its attendance management programs. It gave new employees attendance-management information through on-the-job orientation with their managers. Periodically, it provided or made available training about relevant topics related to managing absenteeism (e.g., identifying potential mental health issues). SaskGaming supplied managers with manuals and guides to assist in managing employee absenteeism.

It offered formal training to managers when it first implemented each attendance management program. In subsequent years, SaskGaming trained new managers on-the-job (one-on-one) because it had only a few new managers starting at the same time (i.e., low turnover of managers—three managers hired from August 2016 to July 2017).

Human resources staff supported managers in managing absenteeism, which included reinforcing the training received. Human resources staff gave managers regular reports on employee absences, and expected them to identify and address absentee issues related to assigned staff. SaskGaming allowed time for managers to review these reports and meet with their staff as required.



In addition, SaskGaming's computer systems captured and tracked key data related to employee absenteeism and attendance strategies.

Managers we interviewed felt that they received sufficient training and support.

## **4.6 Annual Job Appraisals Used to Reinforce Attendance**

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Besides its attendance management programming, SaskGaming assesses employee attendance in conjunction with each employee's annual job appraisal.

Incorporating review of attendance into the annual job appraisal of each employee helped SaskGaming to confirm employees understood attendance expectations. Both the employee and management sign the annual appraisal.

## **4.7 Better Guidance Needed for Analyzing Trends and Patterns**

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SaskGaming did not give managers sufficient guidance to help them efficiently identify and analyze employee absenteeism trends and patterns, even though it expects them to do so.

It did not provide guidance for the types of trends and patterns to include in the analysis, or how to carry out, use, document, and share results of the analysis.

Each month, managers received reports showing total absence hours for the month including paid sick, unpaid sick, and leave without pay by employee and absence hours by day of the week. Each quarter, managers received reports showing who took more leave in that quarter than the target. The reports did not highlight potential long-term trends or patterns (e.g., sick days following statutory holiday or vacation, comparisons for multiple periods).

Managers we interviewed indicated they focused on attendance patterns for employees with excessive absenteeism. We found the nature and extent of their analysis varied. The processes most of these managers used to look for patterns took a significant amount of manual effort and time. Furthermore, we found managers did not summarize or document their analysis so that it could be used for analysis at the department and overall organization level.

In addition, we found that SaskGaming did not provide a forum or way for managers to share best practices or lessons learned in looking for absenteeism trends and patterns.

Without adequate guidance for analyzing absenteeism trends and patterns, managers may not focus their absenteeism management efforts in the right places. Also, managers may not have sufficient information to support organization-wide analysis of root causes of absenteeism and the related evaluation of strategies to minimize absences.

2. We recommend that the Saskatchewan Gaming Corporation develop guidance to help managers analyze absenteeism trends and patterns of their employees.

## 4.8 Identification of Causes for Not Achieving Target Absenteeism Rates Needed

SaskGaming did not analyze organizational trends or patterns of employee absenteeism to identify potentially systemic reasons for not achieving its target absenteeism rates.

As shown in **Figure 7**, SaskGaming's actual overall absenteeism rates are gradually decreasing even though it has not yet achieved its target for overall absenteeism in any of the last three years. It is making slow progress towards achieving its long-term target of 5.5%.

As previously noted, SaskGaming expects continued improvement in employee attendance and sets annual rates to promote that improvement.

**Figure 7—SaskGaming Overall Absenteeism Rates from 2013 to 2016-17**

Overall Absenteeism Rate <sup>A</sup>	2013	2014	2015-16 <sup>B</sup>	2016-17	Long-term target
Actual	9.3%	9.5%	8.9%	8.3%	--
Target	None set	9.0%	8.5%	8.0%	5.5%

Source: SaskGaming annual reports for 2014, 2015-16, and 2016-17.

<sup>A</sup> Employee Absenteeism is a weighted average of absenteeism rates by union and out-of-scope staff. Employee Absenteeism Rate = (absent hours for all employees/ total work hours for all employees) x 100.

<sup>B</sup> In common with other CIC Crowns, in 2015-16, SaskGaming changed its fiscal year-end to March 31 from December 31. For 2015-16, the results are for the 15-month period January 1, 2015 to March 31, 2016.

Each quarter, SaskGaming gave senior management a written comparison of its actual performance to its absenteeism target. The quarterly reports included high-level analysis of the results. For example, reports indicated an increased number of employees on extended leaves of absence as a reason for not meeting the target. Reports did not identify causes of extended leaves (e.g., medical leaves). In addition, reports did not set out systemic absenteeism trends, patterns, or root causes (i.e., reasons for not meeting targets).

We also found SaskGaming's monitoring of employee absenteeism focused primarily on individual employees with excessive absenteeism. It did not attempt to identify potential organization/department-wide absenteeism trends, patterns, or root causes. For example, it did not analyze trends or patterns of absences over multiple years, or by type of leave, department, or location.

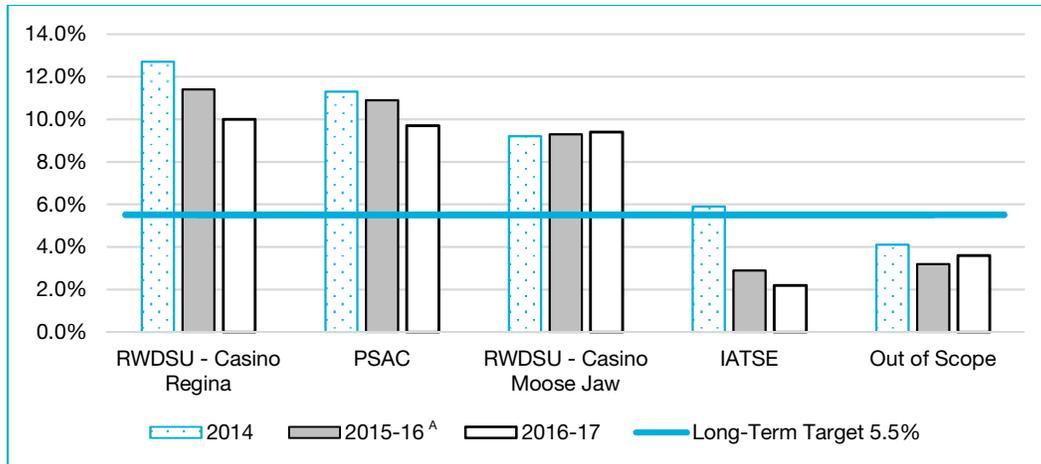
While SaskGaming management has assumed some root causes of absenteeism (e.g., shift work, non-traditional work hours, working with currency and the public, being a developmental employer), it had not determined whether actual absenteeism data supported these assumptions. Nor did it determine if additional unidentified root causes of absenteeism existed.



As described in **Section 4.7**, SaskGaming’s ability to do analysis, to some extent, was impeded by how and whether managers document their analysis of absenteeism for their department or area.

**Figure 8** shows the two largest employee groups (i.e., PSAC with 40% of total employees, and RWDSU-Casino Regina with 22% of total employees) have the highest absenteeism rates, but are showing improvement. Also, consistent with the Statistics Canada Study, absenteeism rates for the union employees are higher than for the out-of-scope employees.

**Figure 8—Long-Term Target and Actual Absenteeism Rates for 2014-2017 by Employee Group**



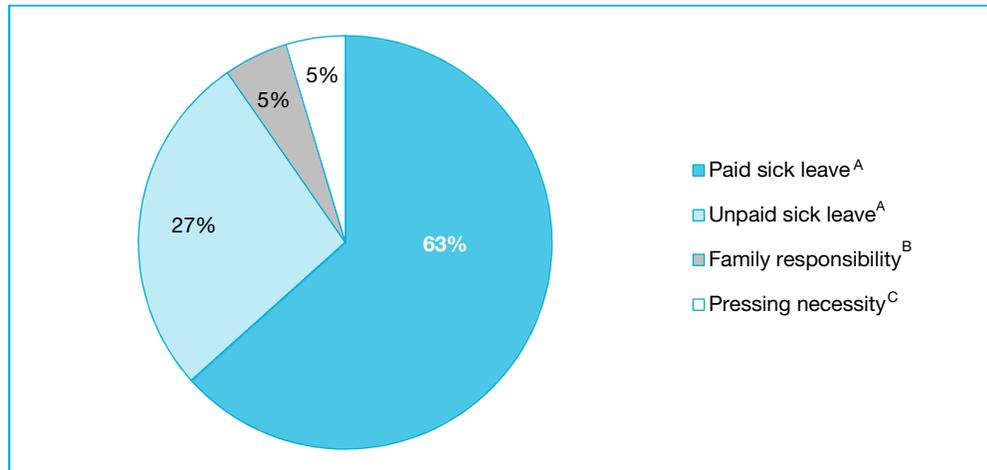
Source: Adapted from SaskGaming records (2017).

<sup>A</sup> In common with other CIC Crowns, in 2015-16, SaskGaming changed its fiscal year-end to March 31 from December 31. For 2015-16, the results are for the 15-month period January 1, 2015 to March 31, 2016.

By analyzing absenteeism data from August 2016 to July 2017, we found that almost two-thirds of SaskGaming absences related to sick leave with pay and about one-quarter to sick leave without pay (see **Figure 9**). We also found that four departments accounted for about half of all absences (Table Games: 24.2%, Beverage: 8.5%, Operations Security: 8.2%, Restaurant/Show Lounge: 7.9%). These four departments account for only 43% of all of SaskGaming’s employees. Improved employee work attendance for these departments could have a significant impact on improving SaskGaming’s overall absenteeism rate and reducing associated costs of absenteeism.

Analysis of year-over-year data by the types of absences and the departments and locations with higher levels of absenteeism could help SaskGaming direct time and resources to areas with high rates of absenteeism. Analyzing such trends and looking for patterns would help it confirm or determine root causes of absenteeism. This in turn, would help it determine and report to its Board whether existing strategies sufficiently address those root causes.

- We recommend that the Saskatchewan Gaming Corporation regularly analyze organization-wide employee attendance patterns and trends to help identify root causes of its employees’ absenteeism, and confirm its strategies address these causes.**

**Figure 9—SaskGaming Absenteeism Rates by Type of Leave (August 2016 to July 2017)**

Source: Adapted from SaskGaming records (2017).

<sup>A</sup> Sick leave includes bereavement leave.

<sup>B</sup> Family responsibility includes family illnesses or accidents, parent-teacher interviews, and pre-arranged medical or legal appointments.

<sup>C</sup> Pressing necessity absences are unforeseen circumstances characterized by adverse events over which the employee has little or no advance warning or control (e.g., fire or flood impacting an employee's primary residence, severe blizzard with road closures, vehicle breakdown where no alternative transportation is available).

## 4.9 Evaluation of Attendance Management Programs Anticipated

To monitor the success of its attendance management programming, SaskGaming regularly compares rates of actual absenteeism to targets. In addition, it expects to review its Managed Abilities Program.

SaskGaming, through its attendance management programming and monitoring against targets, recognizes employee absenteeism has real costs (additional wages and administrative costs) and can impact its staff morale and productivity.

SaskGaming's main strategy to handle absenteeism is its Attendance Support Program. SaskGaming used its overall absenteeism targets to measure the success of the Attendance Support Program in prior years when it had only one strategy. Management does not have a process to evaluate the success of the Attendance Support Program now that it has introduced additional strategies (e.g., Managed Abilities Program).

SaskGaming developed measures to help it evaluate the success of its Managed Abilities Program during its pilot in 2016-17. SaskGaming did not report to senior management and the Board on these measures at the end of the pilot as it determined these were not effective measures. In 2017-18, it worked with its service provider to develop a different set of measures. SaskGaming advised us that it expects to track these measures quarterly and review the Managed Abilities Program each year based on these measures. At July 2017, SaskGaming had not yet evaluated the Managed Abilities Program.

We found that SaskGaming adjusted strategies based on feedback from managers. Senior management and the Board of Directors reviewed and approved all adjustments.

As described in **Section 4.8**, analysis of trends and patterns of employee absenteeism may help SaskGaming confirm its strategies are minimizing absenteeism. This analysis



may also identify strategy improvements to help SaskGaming achieve its long-term target absenteeism rate of 5.5%.

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