Absentee Issues

Focused tactics and strategic partners can help to reduce workplace absenteeism

By Sonya Felix

Workplace absenteeism is a major concern these days—and with good reason. Even casual absenteeism costs Canadian employers billions of dollars a year. And that doesn't take into account disability costs, lost productivity or the demoralizing impact on the workplace.

One organization that's recently tackled this challenge is Transat Tours Canada Inc. With nearly 300 call centre employees responding to more than 1.3 million calls a year, the company's average monthly absenteeism rate of 12% was cause for alarm. "That's a huge number of absences for a call centre," said Suzanne Diefenbaker, Transat Tours' director, customer care centre, during a presentation at Benefits Canada's Face to Face: Workforce Management conference on May 29 in Toronto.

"There was a sense of entitlement in the workplace—a feeling that it was okay to be absent because others could look after the customers." In 2010, Transat Tours decided to change the statistics with a plan to identify and address absenteeism trends.

"We provided our team with an objective to reduce absenteeism by 2% to 3% for the same period [compared with] the previous year," Diefenbaker said, explaining that a tracking form was created using a simple spreadsheet to show days absent and late. "We needed to acknowledge that people do get sick, but there also had to be an understanding of how absences impact team members and clients."

A new four-stage notification process to deal with absenteeism issues was developed in conjunction with the HR team. The process starts with a verbal discussion initiated by the direct manager with employees who take two to three sick days in a row or show a trend of taking certain days off (such as Mondays). Usually, the behaviour changes after the first stage, noted Diefenbaker. But if there's no improvement, there is another talk and an email confirming the conversation. By the second stage, the director and HR are informed. At the third stage, the director attends the meeting, and by stage four, HR is involved and the employee receives written notification that he or she has not changed behaviour and further action may be required, including suspension, if necessary.

 Barely two years after Transat Tours implemented its new program, the absenteeism rate at the company's three call centres in Montreal and Toronto dropped to 3% to 4%.

High Cost

Transat Tours' experience with excessive absenteeism is not uncommon. During the event's keynote session, Dianne Dyck, an occupational health and safety specialist, provided a broader perspective on the high cost of employees being away from work. According to 2011 data from Statistics Canada, 8.1% of full-time employees are absent for all or part of the week for personal reasons: 5.9% due to their own illness or disability and 2.2% due to personal or family responsibilities. On average, in 2011, full-time employees lost 3.7% of their work time each week due to absenteeism.

All of these unplanned absences cost Canadian employers about $7.4 billion a year, according to The Conference Board of Canada. That works out to an annual cost of $572 per employee—a figure that jumps to $1,700 per employee when looking at disability on the whole, said Dyck. While these numbers are troubling enough, Dyck added that indirect costs—such as replacing people off work, paying for overtime, losing productivity and allowing for catch-up time after employees return to work—would push the total cost even higher.

"If you could reduce absenteeism by one day a year, you could make significant savings for the organization of about 22.7%,” she explained, noting that Canadian employers are not good at tracking absenteeism and have little idea about the impact of presenteeism (when employees are at work but aren't really producing). Although numbers are lacking in Canada, in the U.S., presenteeism is estimated to represent nine times the cost of absenteeism, and Dyck expects that a similar trend will be seen here.

"With studies linking high rates of absenteeism and presenteeism to low employee morale, Dyck made a case for going beyond the traditional approach of trying to "change the worker." "I'm not advising that employers give up on the traditional approach, because it is effective," she said. "But an enlightened approach would give organizations more bang for their buck." To have the most impact, she recommended that organizations build a workplace culture that is conducive to regular work attendance and strong productivity. "You need to do a cultural assessment, then drive change to the desired state and involve the grassroots to move forward."

Partners in Time

The high cost of calling in sick is well recognized by Victor Trotman, senior director, labour relations, with the University Health Network (UHN). He presented UHN as a case study on reducing absenteeism through collaboration in a unionized environment.

"Our organization is prone to
absenteeism,” he explained, noting that there are seven unions and 20 collective agreements in place. “Currently, our level of absenteeism at UHN is less than six days per employee per year, and in our benchmarking going forward, we need to reduce that level. And we’re going to do it.”

But it won’t happen overnight. Back in the 1980s, the hospitals’ absenteeism rate had jumped to an average of 13 days per employee per year. Despite a robust attendance management program and massive terminations for both innocent and culpable absenteeism, the rate remained high. The big turnaround happened when the absenteeism problem led the hospitals to consider contracting out the nutrition department to the private sector. At that time, absenteeism was running at eight days per employee per year.

Trotman and the leader of the union local decided to collaborate on finding a solution to keep the work within the organization. Expanding the focus from one department to the whole bargaining unit as a group, the union and management looked at the cost factor, injuries and lost productivity. “In many cases, we had to accommodate employees, and that was costing us $3 million a year,” said Trotman. “We had to reduce injuries to lower that cost.”

During negotiations, management proposed that if the level of absenteeism were reduced by 2.5 days per year (30%) over the next year, then employees would get a wage increase. If the absenteeism rate didn’t fall by at least 30%, they’d get nothing. The tactic worked: absenteeism fell by 40%.

“The next step was to address employees who took more than 75 hours a year off for sick time. Ron Callanan, UHN’s HR manager, suggested reclassifying them as part-time employees, and the union agreed. “When some individuals were reclassified, it began to send a message to the employees as a whole,” Trotman remarked. “The cure was fabulous—people’s absences were reduced to such an extent that it was staggering.”

Although an arbitrator later raised the standard from 75 hours to 115 hours, the focus expanded beyond the service union when a similar agreement was negotiated with unions representing technicians and nurses through the arbitration process.

“In the end, we saw a significant decline in absenteeism and reduced costs,” said Trotman. “The organization now says we need to reduce absenteeism to less than four days off [per employee] per year. That is a virtually impossible task. But we are up to the challenge, and today, we definitely have a more engaged workforce.”

Workplace Strategies

Transat Tours and UHN used different tactics to reduce absenteeism, and both saw positive results. But every workplace is different. A panel discussion led by workplace health specialist Karen Seward closed out the event by offering a wide spectrum of attendance management strategies. Suggestions included everything from training managers to recognize issues that could trigger absences, to creating a positive work environment that encourages people to come to work, to providing early support and accommodation for people with health issues and adopting successful back-to-work programs.

“Whenever employees do go off work, it is best to get involved as early as possible,” said Sheri Quinn, national health and wellness specialist with Morneau Shepell. “It’s important to understand the individual and start from the assumption that someone off sick wants to be back at work. And we need to help them navigate the support that is required for sustainable return to work.”

“Then you can direct the absence and ensure that appropriate care is involved, work with managers to see if any type of accommodation is available and educate co-workers. The workplace environment can sometimes become difficult if other workers resent having to pick up the slack for a colleague who is off sick.”

Everyone—managers, unions, employees and co-workers—has a role in preventing absenteeism and managing absences to get people back to work as soon as possible, emphasized Seward.

“We need to think about absence policies, integration of programs, accommodation and return to work as a continuum,” she summarized. “It’s important to understand the individual and start from the assumption that someone off sick wants to be back at work. And we need to help them navigate the support that is required for sustainable return to work.”