

# Chapter 3

## Office of Human Resources

### Absenteeism Management

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# Office of Human Resources

## Absenteeism Management

### Overview

**In this chapter** This chapter contains the following topics:

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## Section A

### Background, Objective and Scope

#### Background

##### Sick leave benefits

The Government of New Brunswick recognizes the value of its employees. As part of the overall human resource strategy, the Province offers sick leave benefits to those employees that need it.

In most cases, this means that employees are provided with **15 sick days a year, to a maximum accumulation of 240 days**, which can be used as needed.

##### Managing sick leave benefits

While we recognize the importance of the provision of sick leave benefits to those employees that need it, it is necessary to identify and manage risks contributing to the use and abuse of such a provision.

Due to the large number of employees and significant dollars involved in providing such a benefit, it is important to manage the number and duration of absences.

##### Two types of absences

There are two types of absences:

Type of absence	Employees who are absent for reasons ...
Involuntary	beyond their control
Voluntary	within their control

While the majority of absences are involuntary, various studies report that voluntary absenteeism could account for between 20- 40% of all absenteeism.

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## Background, Continued

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**Effects of absenteeism**

The effects of absenteeism are widespread. Absenteeism leads to

- reduced employee productivity
- reduced employee morale, and
- increased overhead costs.

Further, studies have shown that replacement labor is only about 75% effective. We were interested in looking at the management of absenteeism because we feel it is an important aspect of providing value for money in service delivery.

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**Definition of absenteeism**

For the purposes of our audit, we have used the Office of Human Resources definition for absenteeism, which is,

*“the unscheduled absence from work, either for short or long periods, for health reasons.”*

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**Audit focus on sick leave**

We limited our audit to **sick leave**, as it accounts for the majority of all leave.

We excluded

- special leaves like funeral leave, educational leave, and family leave because of the relatively smaller impact, and
  - the long- term disability (LTD) plan.
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**Civil service sick days**

The average number of sick days used per employee in the Civil Service for the year 2001-2002 was **9.58**.

**Note:** The Office of Human Resources reported this statistic.

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## Background, Continued

### Yearly increase in employee sick days

Because absenteeism is one measure of the health of an organization we felt it was an important area for our Office to look at.

Because the number of sick days used by provincial government employees has been steadily increasing each year, and the workforce is aging, we felt it important to look at systems in place to mitigate costs.

We obtained these statistics from Statistics Canada, showing sick days used by all provincial government employees:

Year	Average # of days used per Government employee ...		% NB is above national average
	NB	Nationally	
2000	9.3	8.0	16%
2001	10.4	8.5	22%

### Cost of absenteeism

The Office of Human Resources reported the costs of absenteeism for the Civil Service for year 2001-2002 to be \$ 13,792,038. The Civil Service accounts for only one third of all government employees.

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## Background, Continued

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<b>Primary auditee and responsibilities</b>	<p>Our primary auditee was the <b>Office of Human Resources</b>.</p> <p>The Office of Human Resources has a number of responsibilities related to human resource management including employee absenteeism and wellness. Here is the range of responsibilities with respect to absenteeism:</p> <ul style="list-style-type: none"><li>• Sick leave policy</li><li>• Attendance at work policy and guidelines</li><li>• Long term disability program</li><li>• Family and employee assistance program</li><li>• Workers' compensation benefits</li><li>• Sick leave benefits for non-bargaining employees</li><li>• Sick leave benefits - collective agreements</li><li>• Management information related to sick leave credits and utilization for Part I employees</li><li>• Management of Part I operational HR system used to track sick leave</li><li>• Management training covering among other things, skills used to manage sick leave</li></ul>
<b>Responsibilities of departments</b>	<p>Deputy Ministers in each department also have responsibilities as it relates to the day-to-day management of absenteeism.</p> <p>Departments are responsible for the management of individual employees within the context of government policy and collective agreements and ensuring that organizational effectiveness is achieved.</p>
<b>Departments audited</b>	<p>We audited these three departments in Government as they had the highest absenteeism rates for the year 2001-2002:</p> <ul style="list-style-type: none"><li>• Transportation</li><li>• Family and Community Services, and</li><li>• Health and Wellness.</li></ul>

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## Objective and Scope

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**Objective** The objective of the audit was **to determine if government has systems and practices in place to effectively manage employee absenteeism in the Civil Service.**

We developed 5 criteria to assist us in determining whether the objective was met. This report is organized by these 5 criteria.

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**Scope** The scope of our audit was limited to the management of absenteeism in the Civil Service of New Brunswick.

The Civil Service consists of approximately 10,400 employees and includes all government departments listed in Regulation 93-137 under the *Civil Service Act*.

Our scope did not include employees of the Regional Health Authorities or District Education Councils.

We examined the management of sickness absence through

- a survey of 52 recently hired civil servants, and
  - documentation reviews and interviews with directors, managers and staff in the
    - Office of Human Resources, and
    - Departments of
      - Transportation
      - Health and Wellness, and
      - Family and Community Services.
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**Timing** Our audit work began in September 2002 and was substantially completed by April 2003.

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## Section B

### Criterion 1 - Communicating Expectations

#### Overview

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**Purpose** This section addresses the adequacy of policy and clauses in collective agreements to communicate expectations, roles and responsibilities that relate to the management of sick leave.

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**Criterion 1** *Government should have clear, comprehensive and broadly communicated policy and appropriate clauses in collective agreements that set expectations and outline the roles and responsibilities of employee, supervisor and employer.*

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**Summary** This table summarizes the problems and recommendations related to communicating expectations in policy and collective agreements:

Problems	We recommended that ...
<ul style="list-style-type: none"> <li>• Employees have little knowledge of policy /or collective agreements even though they are generally accessible, clear, well written and easy to understand.</li> <li>• Policy lacks detailed procedures to support the management of absenteeism.</li> <li>• Attendance at Work Guide is not well distributed and since it is not policy, may not be followed.</li> </ul>	<p>The Office of Human Resources</p> <ul style="list-style-type: none"> <li>• reconsider making the Attendance at Work Guide a policy</li> <li>• circulate the Attendance at Work Guide to departmental employees at all levels and</li> <li>• ensure that all employees have convenient access to sick leave policy/procedures</li> </ul> <p>Departments</p> <ul style="list-style-type: none"> <li>• include a discussion regarding accessing information on sick leave policy/procedures for new employee orientation.</li> </ul>

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## Overview, Continued

### Summary (continued)

<b>Problems</b>	<b>We recommended that ...</b>
<ul style="list-style-type: none"> <li>Clearly defined roles and responsibilities for sick leave management are either weak or missing in Policy AD 2202 and most collective agreements.</li> <li>Employees do not know what their roles and responsibilities are regarding absenteeism management.</li> </ul>	The Office of Human Resources ensures that all employees are aware of their roles and responsibilities relating to sick leave.
Employees are not notifying supervisors when absent.	Departments ensure employees are notifying supervisors of absences as per Policy AD 2202 and collective agreements.
Departments are not recovering employees' advanced sick leave.	Departments ensure that all advanced sick leave credits are recovered, as per Policy AD 2202 and collective agreements.
Department supervisors are not obtaining proof of illness from employees.	Departments ensure supervisors are obtaining medical certificates as per Policy AD 2202.

**In this section** This section addresses the following issues.

<b>Issue</b>	<b>See Page</b>
Clarity and Accessibility of Policy or Collective Agreements	31
Roles and Responsibilities Not Clearly Defined	34
Instances of Non-compliance With Policy	36
Employees Not Notifying Supervisors When Absent	37
Departments Not Recovering Advanced Sick Leave	39
Departments Not Obtaining Proof of Illness	41
Criterion 1 Conclusion	42

## Clarity and Accessibility of Policy or Collective Agreements

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### Responsibility for policy and collective agreements

The Office of Human Resources is responsible for

- providing research and development services respecting personnel policy,
  - coordinating, publishing, maintaining and distributing the Government Administration Manual AD 2202 and its amendments and ensuring the maintenance of the Administration Manual Web site, and
  - negotiating, interpreting and administering collective agreements.
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### Importance of policy

Clear, comprehensive, and broadly communicated policy is a key element to any plan to actively manage sick leave. Policy sets standards and provides guidance to management when an employee is frequently absent.

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### Sick leave policy applicability

Policy pertaining to sick leave for the Civil Service of New Brunswick consists of

- Government Administration Manual - AD 2202 (Sick leave policy) for management and non-bargaining employees, and
  - various clauses within 12 collective agreements for bargaining employees.
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### Policy is clear but not comprehensive

#### Policy is clear

Policy AD 2202 and the 12 collective agreements we reviewed are generally clear, well written and easy to understand.

#### Policy is not comprehensive

Policy AD 2202 and the 12 collective agreements focus primarily on the administrative aspects of absenteeism, not the management of absenteeism.

Detailed procedures in policy that would support policy are absent. Some examples of detailed procedures we noted lacking in policy were

- steps for monitoring absenteeism
  - ways to accommodate individuals that are off work for longer periods of time (*Example:* The provision of alternate work arrangements), and
  - steps for addressing attendance problems.
- 

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## Clarity and Accessibility of Policy or Collective Agreements, Continued

### Attendance at Work Guide

The Attendance at Work Guide was initially developed as a policy in 2000 and was scheduled for implementation in April of that year. However, Office of Human Resource officials informed us that due to a change in priority, this never happened.

The policy became a guide and was circulated to Departments at the time.

### Problems with the Attendance at Work Guide

We noted the following problems with the Attendance at Work Guide:

The Attendance at Work Guide is ...	Audit findings
not well distributed.	Out of the 10 supervisors interviewed only 2 supervisors knew the Attendance at Work Guide existed but they were not using it in any way.
not Policy.	The employees we interviewed were not sure they would use the guide anyway. They often said it would depend on the circumstance. In our opinion, because it is not policy, it may not be followed.

### Access to policy

Administration manuals and copies of collective agreements are available

- online, and
- in hard copy from Management Services, Office of Human Resources

### Problems

We noted these 2 problems with access to policy:

- not all employees have access to computer terminals, making it difficult to conveniently access policy, and
- we conducted a survey of employees hired within the last year and noted that 12% of these employees were unaware of how or where to access information on sick leave policy/procedures.

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## Clarity and Accessibility of Policy or Collective Agreements, Continued

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**Our  
recommendation**

We recommended that the Office of Human Resources

- reconsider making the Attendance at Work Guide a policy
- circulate the Attendance at Work Guide to departmental employees at all levels, and
- ensure that all employees have convenient access to sick leave policy/procedures.

We recommended that Departments include a discussion regarding accessing information on sick leave policy/procedures for new employee orientation.

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**Departmental  
response**

The Office of Human Resources will enhance the existing policy and ensure that it is accessible to managers and employees. The Office expects to present the policy to the Board of Management for approval during the 2004/05 fiscal year. It will utilize existing materials such as the Attendance at Work guide and will contain appropriate procedures focusing as much as possible on outcomes to be achieved rather than a step-by-step process to be followed. There will be an implementation process, managed by the Office of Human Resources, which will ensure that the policy requirements are well understood by all parties, including new employees.

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## Roles and Responsibilities Not Clearly Defined

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### Assignment of roles and responsibilities

#### **In Policy AD 2202 and collective agreements**

Some responsibilities are clearly assigned to employees, supervisors, and deputies in Policy AD 2202, however, they primarily relate to the approval process for sick leave, not the management of absenteeism.

Most of the collective agreements we reviewed were void of clearly assigned responsibilities.

#### **In the Attendance at Work Guide**

While policy is weak in the clear assignment of roles and responsibilities for absenteeism management, the Attendance at Work Guide clearly describes the roles and responsibilities for attendance management at all levels of Government.

*Example:* A supervisor's role is to

- communicate expectations for regular attendance
- provide positive reinforcement for regular attendance
- support/recognize improvement towards regular attendance
- recognize, on a regular basis, the effort employees invest in their work
- ensure that workplace conditions and environment are safe and healthy, as well as rectify any problems as they arise
- maintain a good working relationship with employees to help identify situations before they become problems. Offer help and support.
- reinforce the message that income replacement benefits are a form of insurance, and
- designate a replacement to receive notification of non-attendance in the case of the supervisor's absence. Let employees know who has been designated.

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## Roles and Responsibilities Not Clearly Defined, Continued

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**Roles and responsibilities not well known**

We interviewed various departmental employees and obtained inconsistent responses regarding roles and responsibilities. Several employees did not really know what their roles and responsibilities were regarding absenteeism management.

While roles and responsibilities are detailed in the Attendance at Work Guide, as noted above

- the guide has not been well circulated, and
  - as a result employees know little of its existence.
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**Our recommendation**

We recommended that the Office of Human Resources ensure that all government employees are aware of their roles and responsibilities relating to sick leave.

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**Departmental response**

The [enhanced] policy will clarify roles and responsibilities of employees, managers, and others involved in the process. The initial implementation plan will ensure that all existing employees have been made aware of the policy and there will be a strategy for ensuring that new employees are made aware of the policy.

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## Instances of Non-compliance With Policy

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### Overview

During our audit, we noted several cases where employees did not have a clear understanding of policy. We feel this contributed to our noting several areas of non-compliance with policy, such as

- employees not notifying supervisors when absent, and
  - departments not
    - recovering advanced sick leave, nor
    - obtaining proof of illness.
-

## Employees Not Notifying Supervisors When Absent

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**Requirement to notify supervisor of absence** Policy AD 2202 clearly specifies that employees must notify their supervisor immediately due to illness.

Of the 12 collective agreements we examined

- 10 required employees to notify their supervisor of illness
  - 1 required employees to notify their supervisor OR a designated official, and
  - 1 did not specify.
- 

**Lack of notification of absence**

During our audit we noted several instances of non-compliance with policy regarding notification of absence. The majority of supervisors we interviewed are not requiring employees to notify them directly of their absence. In most cases, clerical employees are receiving notification, and are not always required to forward this information directly to supervisors.

Of the 10 supervisors we interviewed

- 2 required employees to notify them directly of their absence, and
- 8 allowed employees to notify clerical staff or fellow employees of their absence.

### Problems

In our opinion there are several problems with this aspect of non-compliance. If employees do not directly notify their supervisor of absence then

- employees may feel less accountable, and
  - supervisors
    - do not immediately know of absences, and cannot manage the absence as effectively, and
    - have more difficulty tracking absences, to ensure adequate leave reporting.
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**Our recommendation**

We recommended that Departments ensure employees are notifying supervisors of absences as per policy and collective agreements.

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## Employees Not Notifying Supervisors When Absent, Continued

<b>Departmental response</b>	The policy will specify notification requirements and will clarify whether or not the notification is expected to be provided to the manager directly or indirectly.
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## Departments Not Recovering Advanced Sick Leave

### Advancement and recovery of sick leave

**Policy AD 2202 clearly specifies** that special sick leave with pay may be granted up to a maximum of 15 working days under the following conditions:

- where an employee does not have enough credits to cover the period of illness, and it is expected that the employee will be able to return to work within a short time.

### Department not consistently recovering advanced sick leave

We requested information from three departments on employees that terminated between January 1, 2001 and December 31, 2002 with a negative sick credit balance. This would mean that

- employees were advanced more sick leave than they had accumulated, and
- repayment had not been made or had not been recognized in the information system.

We noted the following:

Department	Number of terminated employees with negative sick leave balances and repayment not made.
Transportation	6
Family and Community Services	4
Health and Wellness	3

### Departmental staff not aware of negative sick leave balances

The Office of Human Resources produces a monthly report detailing employees with overdrawn sick leave. They informed us this report is forwarded to the Directors of Human Resources within each government department. We are concerned that these reports are not being adequately utilized by departmental staff.

In one department we noted 28 employees with negative sick leave balances that turned out to be simply errors in the system. Thus, even though HRIS showed there were several employees owing sick days to the Province, it had gone undetected by departmental employees.

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## Departments Not Recovering Advanced Sick Leave, Continued

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**Our recommendation** We recommended that departments ensure that all advanced sick leave is recovered, as per Policy AD 2202 and collective agreements.

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**Departmental response** There is an HRIS report that specifically reports advanced sick leave. Further action on this issue would not be cost-effective since the incidence of this problem is low.

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## Departments Not Obtaining Proof of Illness

### Policy regarding obtaining proof of illness

**Policy AD 2202 specifies** the following rules apply for proof of illness:

- suitable proof of illness may be required for any period of illness, and
- an appropriate medical certificate is required, in all cases, for any period of sick leave in excess of 15 working days.

**All 12 collective agreements** we examined specify when an employer can request a medical certificate and noted the following:

#of collective agreements	Indicate when employer can request a medical certificate ...
5	for any illness.
6	for absences greater than three days or if suspected abuse.
1	not stipulated in contract.

### Non-compliance with policy

We interviewed a number of supervisors to determine their practices for obtaining medical certificates.

Of the 10 supervisors interviewed

- 5 are not requesting medical certificates, and
- 5 are requesting medical certificates after three days absence.

### Our recommendation

We recommended that departments ensure supervisors are obtaining medical certificates as per Policy AD 2202 and collective agreements.

### Departmental response

The policy (AD 2202), which applies to non-unionized employees, cannot be applied to unionized employees. The new policy proposed above will include a provision related to medical certificates. It is not anticipated that medical certificates will be required for all absences.

## Criterion 1 Conclusion

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**Criterion 1 -  
not met**

We conclude that Criterion 1 was not met.

While policy is clear, it is not comprehensive or well communicated. We noted several instances of non-compliance of policy, which we believe is directly related to the lack of communication of policy.

While we were pleased to note the development of the Attendance at Work Guide, which does provide procedures to support policy, the Guide was not well circulated and employees knew little of its existence.

The Attendance at Work Guide is not policy, but simply an optional tool to use if you wish.

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## Section C

### Criterion 2 - Providing Adequate Training for Managing Absenteeism

#### Overview

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**Purpose** This section addresses the adequacy of training provided to employees with responsibility for managing absenteeism.

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**Criterion 2** *Government should provide adequate training to employees with responsibility for managing absenteeism.*

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**Summary** This table summarizes the problems and recommendations related to training employees with responsibilities for managing absenteeism:

<b>Problems</b>	<b>We recommended that ...</b>
Adequate training for managing absenteeism is not offered.	The Office of Human Resources ensure employees with supervisory responsibility receive adequate training in absenteeism management.
Government is not identifying the risks associated with absenteeism to enable training to be focused in these areas.	The Office of Human Resources identify risk factors that contribute to abnormally high absenteeism rates and develop training programs for employees to mitigate such risks.

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**In this section** This section addresses the following issues.

<b>Issue</b>	<b>See Page</b>
Adequate Training Not Offered to Manage Absenteeism	44
Risk Factors Not Identified Nor Addressed in Training	46
Criterion 2 Conclusion	49

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## Adequate Training Not Offered to Manage Absenteeism

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**Importance of training**

Training provides employees with the skills they need to carry out their responsibilities for managing absenteeism. It provides departments an opportunity to set expectations based on the training provided.

For our audit purposes, we were looking for the existence of both

- formal training. *Example:* Courses offered, and
  - informal training. *Example:* Working with and learning from more experienced supervisors.
- 

**Training not offered nor promoted**

The Office of Human Resources is responsible for the provision of management training, including skills used to manage sick leave.

While the Corporate training calendar offers a variety of courses for supervisors, human resource employees, etc, at the time of our audit, none related specifically to absenteeism or sick leave management.

While the Office of Human Resources did develop a training session to accompany the release of the Attendance at Work Guide in 2000

- it has not been offered since then, and
- the Office of Human Resources does not actively promote the training course. It is up to departments to request the training.

During our audit we noted that only 1 of the 10 supervisors we interviewed knew the training was available.

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**Supervisors not trained to manage absenteeism**

We interviewed 10 supervisors in three Government departments and noted a significant lack of training provided in the area of absenteeism management.

Of the supervisors we interviewed

- only 1 had received any formal training in sick leave management
  - most felt they had not acquired adequate sick leave management skills from working with more experienced supervisors, and
  - all supervisors felt an increase in training would be beneficial.
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## **Adequate Training Not Offered to Manage Absenteeism,** Continued

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**Our  
recommendation**

We recommended that the Office of Human Resources ensure employees, with supervisory responsibility, receive adequate training in absenteeism management.

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**Departmental  
response**

Training will be offered as part of the proposed policy. Departments will determine who needs the training. It is not OHR's intention to require all managers to take this training since many managers currently have the skills they need in this area. It will be encouraged for new managers.

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## Risk Factors Not Identified Nor Addressed in Training

### Risks not being identified

Government is not consistently identifying and analyzing factors that contribute to high absenteeism rates. In our opinion, identifying such factors would facilitate developing training programs to address them.

### Rate may indicate risk

Some departments have higher absenteeism rates than others, and within departments, some branches have higher absenteeism rates.

The three departments with the highest absenteeism rates for the year 2002 in the Province are as follows:

Department	Average number of days per employee	% above Civil Service average of 9.58 days
Transportation	13.7	43%
Family and Community Services	10.2	6 %
Health and Wellness	10.2	6 %

Government is not examining these departments with high absenteeism rates to determine if there are risk factors that could be addressed to reduce the cost of absenteeism.

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## Risk Factors Not Identified Nor Addressed in Training,

Continued

### Patterns in causal factors might indicate risks

Departments are not analyzing absenteeism in regards to the types of illnesses causing the absence. We feel this would be beneficial in determining appropriate training and/or wellness programs for both supervisor and employee.

During our audit, we examined situations in which employees had used a significant amount of sick leave in 2000-2001 and 2001-2002. We looked at 30 employee records in three departments and noted the following:

Department	Highest # of sick days taken by 1 employee in 1 year	Average sick days per employee in Civil Service for 2001-2002	Various reasons for long term absences
Health and Wellness	245.5	9.58	<ul style="list-style-type: none"> <li>• 30% back &amp; surgical issues</li> <li>• 30% stress</li> <li>• 10% cancer</li> <li>• 30% unknown illness with doctors excuse</li> </ul>
Transportation	243	9.58	<ul style="list-style-type: none"> <li>• 10% back injury or other work related injury</li> <li>• 20% heart &amp; respiratory</li> <li>• 50% stress &amp; mental illness</li> <li>• 20% other medical/surgical</li> </ul>
Family and Community Services	221	9.58	<ul style="list-style-type: none"> <li>• 40% stress related</li> <li>• 30% diabetes/heart</li> <li>• 20% injury</li> <li>• 10% other medical</li> </ul>

**Note:** Due to our limited sample, we cannot be certain these statistics are indicative of all absences in Government. However, we feel that identifying causal factors for absences is a start at identifying and mitigating risks.

**Example:** If a department determined that half of employee absences were due to back injuries, this might be an indication that back injury prevention systems need to be improved upon.

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## Risk Factors Not Identified Nor Addressed in Training, Continued

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**Training not provided in regions with highest risk**

We found little evidence of absenteeism reports being used by supervisors that would detail risk factors. Only one department we audited was preparing quarterly absenteeism statistical reports by region.

*Example:* The report for the quarter ending Dec 31, 2002 showed that when compared to regional averages, one region had

- 25% higher absenteeism rates, and
- 69% higher long term sick leave.

While we were told that senior management and departmental human resource directors are reviewing these quarterly reports, we could find no evidence that training had been provided to management in the regions with the highest rates.

We feel the accumulation of absenteeism statistics by region/supervisor, types of illness, age, occupation, etc. would be useful if circulated to

- Human Resource directors
- senior departmental officials, and
- supervisors.

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**Our recommendation**

We recommended that the Office of Human Resources identify risk factors that contribute to abnormally high absenteeism rates and develop training programs for employees to mitigate such risks.

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**Departmental response**

The policy and associated training will deal with high-risk situations.

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## Criterion 2 Conclusion

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**Criterion 2 -  
not met**

We conclude that Criterion 2 was not met.

There is a lack of training offered to employees responsible for managing absenteeism. Further, training is not being developed to address high-risk areas.

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## Section D

### Criterion 3 - Information to Support Management Decision-Making

#### Overview

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**Purpose** This section looks at the completeness, accuracy and timeliness of information to support management decision making on absenteeism

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**Criterion 3** *Government should have systems and practices in place to ensure the complete, accurate and timely recording and reporting of information to support management decision making on absenteeism.*

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**Summary** This table summarizes the problems and recommendations related to completeness, accuracy and timeliness of information systems:

<b>Problems</b>	<b>We recommended that ...</b>
No assurance that sick leave information is complete.	Departments have controls in place to ensure that sick leave slips are completed and submitted for all absences as per policy.
Some inaccuracies in sick leave information	The Office of Human Resources develop controls to ensure that employees do not get sick leave credits they are not entitled to for the month of commencement of work.
Sick leave slip information is not always timely.	Departments ensure that sick leave slips are submitted and entered into HRIS in a timely fashion.
Sick leave information produced is not being used to support management decisions.	The Office of Human Resources <ul style="list-style-type: none"> <li>• educate departmental employees on the interpretation and usage of reports provided. Departments should then ensure that reports are used to make decisions to better manage employee absence.</li> <li>• consider the cost/benefit of enhanced reporting, and</li> <li>• ensure that all supervisors with the responsibility for managing sick leave have access to employee sick leave information. Further, they should educate employees and promote the use of such access.</li> </ul>

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## Overview, Continued

### Description of systems

The Human Resources Information System (HRIS) is the corporate human resource information system used throughout the New Brunswick civil service. It includes the recording of absenteeism information. Most departments have assigned a clerical employee to input sick leave data into HRIS.

We were pleased to note the development of this sophisticated system and that it is producing some useful, and relevant information. However, we did note some areas for improvement in the completeness, accuracy and timeliness of information.

### In this section

This section addresses the following issues.

Issue	See Page
No Assurance Sick Leave Information Is Complete	52
Some Inaccuracies Noted in Sick Leave Information	55
Sick Leave Information Not Always Timely	57
Sick Leave Information Not Used for Decision-Making	58
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## No Assurance Sick Leave Information Is Complete

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### Policy on completion of sick leave slip forms

Policy AD 2202 states that an employee, on return to work, completes the appropriate departmental or agency documentation.

Various collective agreements refer to employees completing a signed application for leave.

When an employee returns to work, this is what should happen:

1. The employee:
  - completes a sick leave slip, and
  - gives the sick leave slip to their supervisor for approval.
2. The supervisor signs the sick leave slip and gives to a clerical person to enter into HRIS.

Sick leave credits are automatically calculated and assigned to employees every month. Sick leave credits are deducted only when a sick leave slip is entered into the system.

This is an area of risk, because if a sick leave slip is not entered into the system, there will be no sick leave credit deducted.

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## No Assurance Sick Leave Information Is Complete, Continued

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### Problems submitting sick leave slips

We noted the following problems with the submission of leave slips:

#### **Delay in completing sick leave slips**

Absences often take place well before sick leave slips are entered into HRIS. There is a time lag between the date of the absence and the date an employee completes a sick leave slip.

Supervisors we interviewed were not concerned that employees were intentionally not submitting sick leave slips, but did admit that employees often forget to complete the sick leave slips for anywhere between 1 and 4 months.

#### **Inconsistent reporting to supervisor**

Policy AD 2202 and most collective agreements we examined stipulate that employees who are absent must report their absence directly to their supervisor. This is important to enable the supervisor to note employee absences and ensure the appropriate leave documentation is received.

In the three departments we audited, we noted varying practices regarding the reporting of absences. Departmental supervisors we interviewed were not insisting that employees necessarily contact them when they called in sick. Employees were reporting absences to either

- their supervisor
- clerical employees, or
- fellow employees.

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**No Assurance Sick Leave Information Is Complete, Continued**

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**Weak controls for sick leave slip collection**

Once an absence has been reported to a supervisor, the next step is to ensure a sick leave slip is collected. For departments that do not complete weekly time sheets, this becomes even more difficult. The absence must be noted in such a way that triggers the completion of a sick leave slip.

In the three departments we audited, various employees were attempting to keep lists of names of individuals who called in sick, and this list was used as a control sheet for ensuring sick leave slips were collected.

We did find that the control sheets were sometimes not up to date, and sick leave slips were often not collected until months after the absence. Because a number of different employees could add or delete names from the control sheets, we cannot be assured of the completeness.

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**Sick leave data entered into HRIS**

We were interested in determining if sick leave information that was recorded on sick leave slips was being entered and captured by HRIS. We audited 132 sick leave slips and determined that 100% of these sick leave slips were reflected accurately in the system.

Thus, these three departments had developed systems to ensure that all sick leave slips received are properly entered into the system. However, we are uncertain as to whether sick leave slips are completed and submitted in the first place.

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**Our recommendation**

We recommended that departments have controls in place to ensure that sick leave slips are completed and submitted for all absences as per policy.

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**Departmental response**

The proposed policy will address this departmental obligation.

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## Some Inaccuracies Noted in Sick Leave Information

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**Introduction**

Accurate sick leave information is an important aspect of ensuring eligible employees receive only the benefits they are entitled to receive. During our audit, we noted some areas in the system that need strengthening.

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**Employee Self Service contributes to accuracy**

The Office of Human Resources has developed an *Employee Self Service* (ESS) application within HRIS. ESS allows employees to access a variety of human resource data, including their own sick leave information.

In our survey of 52 employees hired within the last twelve months, 96% reported knowing how to access their own sick leave information.

Because employees can regularly check their own sick leave information, we feel this contributes to the overall accuracy of data. However, we cannot be assured that employees would report an error in their balance of sick leave credits.

---

**Errors in assigning sick leave credits****Policy on sick leave credits and employee commencement**

Policy AD 2202 specifies that when the employee commences work after the first 10 working days of the month then he/she begins to accumulate sick leave credits after the first day of the following month.

During our audit, we sampled 31 employees who commenced work after the first 10 working days of the month, thus disqualifying them from a sick leave credit that month. Of these, 4 employees (13%) were erroneously assigned a sick leave credit for the month of commencement of work.

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**Errors noted**

We also noted several other errors in the course of our audit work.

*Example:* We noted the system showed one employee as having a balance of -16.75 days, which was corrected during our audit to a balance of +21.5. Departmental employees explained to us that the employee was supposed to be reimbursed sick days when a workers' compensation claim was processed, but the reimbursement never took place.

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## Some Inaccuracies Noted in Sick Leave Information, Continued

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<b>Our recommendation</b>	We recommended that the Office of Human Resources develop controls to ensure that employees do not get sick leave credits they are not entitled to for the month of commencement of work.
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<b>Departmental response</b>	The low incidence of this problem means that the cost of additional controls would exceed the benefit derived from them.
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## Sick Leave Information Not Always Timely

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### Introduction

Information must be timely in order to be used effectively in making decisions.

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### Sick leave slip data entry not timely

Officials at the Office of Human Resources informed us they assumed departments were using HRIS "live" to enter data. In other words, as sick leave slips are received, they are entered in the system with very little delay.

During our auditing, we determined this is not the case and noted that

- employees are not always submitting sick leave slips for entry on a timely basis, and
- clerical employees are batching sick leave slips and often entering them in batches of months at a time.

This table summarizes the timeliness of sick leave slip data entry for the Civil Service for the year 2002.

Sick leave slips entered....	Percentage
Same month	46.5%
1 month later	37.8%
2-6 months later	8.9%
Greater than 6 months later	6.7%

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### Our recommendation

We recommended that departments ensure that sick leave slips are submitted and entered into HRIS in a timely fashion.

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### Departmental response

While it would be ideal if all leave could be recorded immediately after the leave period, there is no evidence that the time lag is causing serious problems. There is no suggestion that employees get undeserved benefits as a result of the delay or that management reporting is adversely affected. The Office of Human Resources will encourage departments to expedite the processing of these leave forms; however, additional corporate controls are not anticipated since the costs of such controls would exceed the benefits.

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## Sick Leave Information Not Used for Decision-Making

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### Introduction

The collection and recording of sick leave information is a time consuming and costly process. If reports are being produced from the information, but are not used to support decision-making, the information is of limited value.

As part of our audit, we wanted to determine if absenteeism information produced by HRIS was being used for decision-making.

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### Absenteeism reports not used effectively

We were pleased to note that the Office of Human Resources prepares absenteeism reports for each department on a monthly basis.

Deputy Ministers receive a report detailing the average number of sick days taken and the associated cost for their own departmental employees and for the Civil Service as a whole. These reports show statistics for the current month as well as prior months in the calendar year.

However, we noted that these reports were not provided to the supervisors we interviewed. Further, we found no evidence that such reports were used to support management decisions. We believe the reports are produced but not being effectively used by departments.

### No Formalized Absenteeism Targets and Goals

As will be discussed under Criterion 5, because there are no formalized absenteeism targets or goals, simply providing absenteeism statistics to departments may be of limited value.

We question the value of Deputy Ministers knowing what their departmental absenteeism rates are without knowing what they should be.

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## Sick Leave Information Not Used for Decision-Making,

Continued

### October highest month for absenteeism

We reviewed the number of sick days taken per month for all employees in the Civil Service for the fiscal years 2001-2002 and 2002-2003. We noted the following:

Year	Average # of sick days taken per month	Month with highest # of sick days	% sick days higher in October than average for the year
2001-2002	8461	October	14%
2002-2003 <i>Note: Only first 10 months available at time of audit.</i>	7259	October	21%

### Absenteeism statistics not used

In the course of our audit, we found no evidence in either the Office of Human Resources, or the three departments we audited, that management had addressed the issue of why October has the highest absenteeism rates.

No departmental supervisors we interviewed were aware of the statistics, and no one had initiated any work in this area.

### Suggestion for enhanced reporting

Hand in hand with the need to better communicate the value and usefulness of reports, the Office of Human Resources could also be looking at the value of enhanced reporting.

While as noted above, there are some useful absenteeism reports being produced, we developed suggestions of some other reports that may be beneficial and would support decision-making. Examples of some useful reports used to manage absenteeism are absence by:

- days of the week
- duration of days
- supervisor/branch
- age/occupation/sex

Office of Human Resources Officials agreed with us that these reports would be useful, however they were concerned about the cost/benefit of producing them. While we understand this dilemma, we feel such reporting is necessary to provide management with the tools to adequately manage absenteeism.

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## Sick Leave Information Not Used for Decision-Making, Continued

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**Supervisors not  
accessing  
employee sick  
leave records**

The Office of Human Resources informed us that they felt all supervisors had access to their own employees sick leave records through HRIS. The purpose of this access was so supervisors would be able to manage and monitor their employees' sick leave more diligently.

Of the 10 supervisors we interviewed we noted:

- only 4 actually had access to their employees sick leave records, and
- only 2 of these 4 supervisors were using the access, and it was only for ensuring employees had sick credits available, and not for monitoring purposes.

---

**Our  
recommendation**

We recommended that the Office of Human Resources

- educate departmental employees on the interpretation and usage of reports provided. Departments should then ensure that reports are used to make decisions to better manage employee absence.
- consider the cost/benefit of enhanced reporting, and
- ensure that all supervisors with the responsibility for managing sick leave have access to employee sick leave information. Further, they should educate employees and promote the use of such access.

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**Departmental  
response**

These recommendations will be dealt with as part of the training associated with implementation of the proposed policy. It is anticipated that the few managers who do not have access to the managerial self service site will acquire it over time. Enhanced reporting will be considered and implemented if the business case warrants it. This will be assessed during the 2004/05 fiscal year.

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## Criterion 3 Conclusion

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**Criterion 3 -  
partially met**

We conclude that Criterion 3 was partially met.

We were pleased to note the development of Employee Self Service where employees can check their own sick leave information. We feel this contributes to the overall accuracy of data.

However, we did note errors in the completeness of the information system. And because data is not always entered in a timely fashion, the information provided is not always up to date.

We found no evidence that information produced is being used to support management decisions.

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## Section E

### Criterion 4 - Integration of Attendance Management Practices

#### Overview

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**Purpose** This section discusses how well attendance management is integrated into day-to-day management practice.

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**Criterion 4** *Government should ensure an active attendance management approach is well - integrated into day-to-day management practice.*

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**Summary** The following table summarizes problems and recommendations related to attendance management practices:

<b>Problems</b>	<b>We recommended that ...</b>
Government has no formalized attendance management program.	The Office of Human Resources establish a formalized attendance management program that is well integrated into day-to-day management practice.
No departmental individual(s) dedicated to overall attendance management.	The Office of Human Resources ensure that Deputy Ministers clearly assign responsibility for overall attendance management to an individual or individuals. This individual(s) should be given a clear mandate and senior management should monitor results.
Short but frequent absences are not well managed.	The Office of Human Resources <ul style="list-style-type: none"> <li>• develop systems that enable supervisors to review reports that would clearly show the development of absences patterns, and</li> <li>• ensure that short but frequent absences are appropriately scrutinized and reviewed by management.</li> </ul>

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## Overview, Continued

### Summary (continued)

There are some areas for improvement in the management of long-term absences.	<p>The Office of Human Resources</p> <ul style="list-style-type: none"> <li>• consider the use of a generic medical form to be used by all Government employees, which encourages doctors to complete an expected date of return and describe possible tasks employees <u>can</u> do.</li> <li>• develop a formalized trigger regarding the number of days absent that would force a review by management and/or Human Resource personnel. <i>Example:</i> If an employee is absent x number of days, a meeting would take place between employee and employer to discuss the situation and possible return to work, and</li> <li>• provide departments with formalized guidance on their legal "duty to accommodate."</li> </ul>
There are some areas for improvement in the promotion of wellness.	The Office of Human Resources evaluate the major causes for absenteeism and consider developing appropriate wellness strategies to minimize absences.
Government is not identifying high-risk areas and managing these.	The Office of Human Resources identify and manage high-risk areas for absenteeism.

**In this section** This section addresses the following issues.

Issue	See Page
No Formalized Attendance Management Program	64
No Dedicated Departmental Attendance Managers	65
Short But Frequent Absences Not Well Managed	66
Some Improvements Needed For Managing Long Term Absences	68
Few Appropriate Wellness Strategies to Address Risks	73
High Risk Areas Not Identified Nor Well Managed	75
Criterion 4 Conclusion	76

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## No Formalized Attendance Management Program

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**Benefits of a formalized program**

The benefits of a formalized attendance management program are that government can detail expectations for attendance management and provide a best practices approach to be used consistently by all departments.

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**Limitations of not having a formalized program**

We determined early on in our audit that the Office of Human Resources has not established a formalized attendance management program. This lack of a formalized program means that

- expectations for management are not documented and well known
  - results are not reviewed and changes made accordingly, and
  - practices vary amongst departments.
- 

**Our recommendation**

We recommended that the Office of Human Resources establish a formalized attendance management program that is well integrated into day-to-day management practice.

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**Departmental response**

As indicated above, the current policy will be reviewed and revised where necessary. It is anticipated that this policy, complemented with current levels of expertise provided by OHR and line department HR staff, will provide the guidance that managers need to be effective in managing absenteeism. No formalized program will be developed at this time.

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## No Dedicated Departmental Attendance Managers

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### Introduction

Deputy Ministers are responsible for the day-to-day management of departmental employees.

While we would not expect Deputy Ministers to necessarily perform absenteeism management tasks themselves, we would expect a clear delegation of responsibilities to other employees.

While various departmental employees have been assigned various tasks as it relates to absenteeism (*Example*: Supervisors to approve sick leave/clerical employees to enter data into system), there is no assignment of a dedicated attendance manager.

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### Benefits of a dedicated attendance manager

In our opinion, departments would benefit from assigning a manager responsible for the overall management of departmental absenteeism.

This would allow all efforts to

- be coordinated
  - provide a consistent approach to managing absenteeism, and
  - contribute to accountability of results.
- 

### Our recommendation

We recommended that the Office of Human Resources take the lead in ensuring Deputy Ministers clearly assign responsibility for overall attendance management to an individual or individuals.

This individual(s) should be given a clear mandate and senior management should monitor results.

---

### Departmental response

The proposed policy will be based on the principle that attendance management must be integrated into the day-to-day management work done by managers. The policy will not encourage the separation of attendance management from all the other elements of human resource management carried out by managers. Corporate and departmental management information (MIS) reports on sick leave are produced now and are provided to Deputy Ministers for monitoring and management purposes.

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## Short But Frequent Absences Not Well Managed

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### Why manage short frequent absences?

It is important to manage short but frequent absences not only because the costs are significant, but also to maintain good morale amongst the employees that are present at work.

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### Short frequent absences avoid scrutiny

We noted that short but frequent absences generally avoided scrutiny because:

- Sick leave policy AD 2202 only requires medical certificates for absences of greater than 15 working days.
- Many collective agreements only require medical certificates for absences of greater than 3 working days.
- While supervisors can look at individual employee absence records, there are no reports being produced that would clearly show the development of absence patterns.
- There is no formal trigger point (*Example: Absent for 5 days in the last 6 months*) that would mandate a management review.

Supervisors informed us that

- short but frequent absences are common in occurrence and the most difficult to manage, and
  - some employees feel that a sick day here and there is an entitlement, not an insurance.
- 

### Absences may be symptom of bigger problem

Short but frequent absences may be a symptom of a bigger problem. Literature reports that unhappy employees call in sick more frequently.

Thus, it is important for frequent absences to be reviewed not only to minimize the frequency of unnecessary absences, but to also assist in determining if the absences are really a symptom of a bigger problem.

*Examples:*

- Does the workplace promote a healthy, happy working environment?
  - Are there stresses in the workplace that could be identified and rectified?
- 

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## Short But Frequent Absences Not Well Managed, Continued

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**Our recommendation**

We recommended that the Office of Human Resources

- develop systems that enable supervisors to review reports that would clearly show the development of absences patterns, and
  - ensure that short but frequent absences are appropriately scrutinized and reviewed by management.
- 

**Departmental response**

This issue will be dealt with by the proposed policy and if additional reporting is necessary and cost-beneficial it will be developed and made available to managers.

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## Some Improvements Needed For Managing Long Term Absences

### Definition: Long-term absence

While Government has not formalized the definition of long-term absences, most supervisors we interviewed described long-term absences as being greater than 10-15 days.

### Statistics for long-term absences

We reviewed statistics in three Government departments for employees that used 15 or more sick days a year in 2001 and we determined the following:

Department	# of employees using 15 or more sick days	Average # of sick days taken per employee	Equivalent in years of work lost
Transportation	422	41.3	67 years
Health and Wellness	138	33.9	18 years
Family and Community Services	227	33.4	29 years

### Early intervention is important

Research shows the importance of early intervention in returning employees to the workplace. Several studies have indicated that the longer a person is away from their job, the less likely it is they will return to work.

A study completed by the Ontario Medical Association states, "an individual has a 50% probability of returning to work after six months on disability leave, 20% after 1 year, and only 10% after 2 years."

We were interested in determining what steps government is taking to return an employee to the workplace within a reasonable time period.

### No formalized early intervention program

While we noted some examples of good practice in long-term absence management, government has no formalized early intervention program.

Of the three departments we audited, we found varying practices for returning employees to work. One department has developed their own long-term disability management program, while another has recently drafted a disability management policy and program.

*Continued on next page*

## Some Improvements Needed For Managing Long Term Absences, Continued

### Benefits of an early intervention program

While recognizing the need for flexibility due to individual circumstances, we see value in a formalized government wide approach to early intervention. In our opinion, this approach would provide

- fairness and equity in all departments, and
- comfort that all departments were meeting a certain standard.

### Process for reviewing absences

Here is the process for reviewing long-term absences as described to us by management in three government departments.

Stage	What happens
1	The employee gives a medical note to their immediate supervisor.
2	The supervisor reviews the medical note and contacts the employee as deemed appropriate.
3	When the absence continues for a longer period of time the following happens: <ul style="list-style-type: none"> <li>• the supervisor contacts departmental human resource staff for assistance in managing the absence, and</li> <li>• human resource staff:               <ul style="list-style-type: none"> <li>• contacts the employee and their physician, and</li> <li>• reviews possibilities for re-integration into the work place.</li> </ul> </li> </ul>

*Continued on next page*



## Some Improvements Needed For Managing Long Term Absences, Continued

**Problems and possible solutions** We noted the following problems with departmental management of long-term absences:

Problem	Implication (s)	Possible Solution
<p>Medical certificates from doctors are vague, they do not detail</p> <ul style="list-style-type: none"> <li>• expected date of return, or</li> <li>• what an employee <u>can</u> do.</li> </ul>	<p>Supervisors</p> <ul style="list-style-type: none"> <li>• have difficulty planning for replacement workers</li> <li>• are less able to plan an alternative work schedule/or accommodate employee</li> <li>• don't bother asking for medical certificates, leaving employees less accountable.</li> </ul>	<p>Enforce the usage of a generic medical form to be used by all Government employees, which requires doctors to complete an expected date of return and describe possible tasks employees <u>can</u> do.</p>
<p>No triggers that would force management review, thus some long-term absences are "falling through the cracks."</p> <p><i>Example:</i> We noted one employee absent for 205 days in one year that had not been contacted for follow up or return to work possibilities.</p>	<p>Employees may not be returned to work as quickly as possible.</p>	<p>Develop a formalized trigger that would force a review by management and/or Human Resource personnel.</p> <p><i>Example:</i> If an employee is absent x number of days, a meeting would take place between employee and employer to discuss the situation and possible return to work.</p>

Continued on next page

## Some Improvements Needed For Managing Long Term Absences, Continued

### Problems and possible solutions (continued)

Problem	Implication (s)	Possible Solution
<p>Human Rights Legislation requires that employers do not discriminate based on a disability. On the other hand, an employer is not required to accommodate an employee to the point of undue hardship. Thus, there is gray area when it comes to knowing to what extent departments must continue to employ an individual who is unable to perform their current job.</p> <p>Practices varied in the three departments we audited.</p> <p>Some departments are able to find employees suitable work within their own department, while others are not.</p> <p><i>Example:</i> A Department of Transportation official shared with us the difficulty in finding a laborer with a back injury a suitable alternate work environment.</p> <p>No departments were actively seeking employment in other departments for employees who were unable to perform work within their own departments.</p>	<ul style="list-style-type: none"> <li>• Employees not being offered alternate work arrangements other than their own job, and potentially staying off work longer than necessary.</li> <li>• Fairness and consistency amongst departments regarding accommodation not being promoted.</li> </ul>	<p>Government should provide guidance to management on their legal "duty to accommodate."</p>

*Continued on next page*

## Some Improvements Needed For Managing Long Term Absences, Continued

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### Our recommendation

We recommended that the Office of Human Resources

- consider the use of a generic medical form to be used by all government employees, which encourages doctors to complete an expected date of return and describe possible tasks employees can do.
  - develop a formalized trigger regarding the number of days absent that would force a review by management and/or Human Resource personnel.  
*Example:* If an employee is absent x number of days, a meeting would take place between employee and employer to discuss the situation and possible return to work, and
  - provide departments with formalized guidance on their legal "duty to accommodate."
- 

### Departmental response

The proposed absenteeism policy will address long-term absence. Consideration will be given to whether or not a generic medical form is viable or appropriate. OHR will assess the trigger concept as part of its review of enhanced reporting. The Office of Human Resources has delivered a one-day information session to all departments on the "duty to accommodate". Fifty-seven individuals from thirteen Part I departments attended the session on June 18, 2003. This will be repeated when required.

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## Few Appropriate Wellness Strategies to Address Risks

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### **Government initiatives**

Both private industry and public sector organizations are recognizing the benefits of wellness promotion. Programs are commonly offered to employees to help them to

- stop smoking
- control high blood pressure
- promote fitness and nutrition, and
- reduce stress.

Studies have shown that such initiatives improve employee morale and reduce absenteeism. Some initiatives we noted that the provincial government has undertaken to reduce sickness absence are

- Employee Family Assistance Program (EFAP)
- ergonomics assessments
- scent reduction program
- flexible working hours, and
- flexible working arrangements.

Some departments have implemented

- walking clubs and wellness promotions, and
  - paid flu shots.
- 

### **Problems with Government initiatives**

We found these problems with the government initiatives:

- In our survey of 52 new employees, 29% reported not being aware of the Employee Family Assistance Program (EFAP).
  - Despite options made available in Government Policy AD 2253 regarding alternate work arrangements, supervisors we interviewed informed us that their departments are still not providing employees with flexible working hours/arrangements.
  - Departmental employees informed us they feel more could be done to promote wellness. They would like to see some employer paid fitness programs.
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## Few Appropriate Wellness Strategies to Address Risks, Continued

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**HRIS can't distinguish reasons for absence**

Because HRIS only records an absence as a sick day and does not distinguish between various reasons for absences, for example flu, stress or sore back, it becomes difficult to develop wellness programs to address the major contributing factors of absenteeism.

While government has implemented some useful wellness programs, we found no analysis that would show that these wellness programs were targeted at the areas causing any significant amount of preventable absenteeism.

---

**Our recommendation**

We recommended that the Office of Human Resources evaluate the major causes for absenteeism and consider developing appropriate wellness strategies to minimize absences.

---

**Departmental response**

As mentioned in the general comments above, steps are being taken to move gradually towards a comprehensive employee wellness approach which is intended to maximize wellness rather than focus on management of absences. The ultimate objective of this strategy is to prevent illness, to mitigate the effects of illness, and to maximize employee work satisfaction and productivity. This wellness strategy will be an integral part of the comprehensive government wellness strategy.

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## High Risk Areas Not Identified Nor Well Managed

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### **Retiring employees high risk**

As discussed earlier in our report, there are several risk factors that have not been identified as it relates to the management of absenteeism. Absence statistics by supervisor, region, types of illnesses, and occupation are not being used to identify high-risk areas.

During our audit it also came to our attention that the issue of retiring employees is also an area of risk. We looked at sick leave usage for 382 employees in three departments who retired between January 1, 2001 and December 31, 2002.

We noted that

- in the 12 months prior to retirement, these employees used 4.3 times more sick days than the 2001-2002 provincial yearly average, and
  - the total number of days used by these employees was 15,830, which equates to 60.9 years worth of work.
- 

### **Government not managing sick leave for retiring employees**

We surveyed senior management and supervisors in these three government departments to determine if they were identifying and managing high-risk areas for absenteeism - specifically employees nearing retirement.

We determined that

- retirement had not been formally recognized as a high risk area
  - only one department had done any analysis to compare absenteeism rates of retiring employees to non-retiring employees, and
  - there is no plan in place to mitigate such risks.
- 

### **Our recommendation**

We recommended that departments identify and manage high-risk areas for absenteeism.

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### **Departmental response**

The proposed policy will be designed to deal with those aspects of absenteeism management having the greatest consequences, costs, benefits, and potential for improvement.

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## Criterion 4 Conclusion

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**Criterion 4 -  
not met**

We conclude that Criterion 4 was not met.

Government has not established a formal attendance management program. Short but frequent absences are not well managed and sometimes employees on long-term absences fall through the cracks or are not offered alternate employment.

Government is not identifying and managing high-risk areas such as retiring employees.

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## Section F

### Criterion 5 - Measuring and Reporting on Effectiveness of Attendance Management

#### Overview

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**Purpose** The purpose of this section is to discuss the extent government is measuring and reporting on the effectiveness of attendance management.

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**Criterion 5** *Government should measure and report on the effectiveness of attendance management on a regular basis and make changes as appropriate.*

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**Summary** This table summarizes the problems and recommendations related to measuring and reporting of the effectiveness of attendance management:

<b>Problems</b>	<b>We recommended that ...</b>
No documentation and communication of goals.	The Office of Human Resources document and communicate goals for absenteeism to all levels of Government.
No objectives.	The Office of Human Resources <ul style="list-style-type: none"> <li>• Develop objectives relating to the management of absenteeism that are linked to goals and broadly communicated to all levels of Government.</li> <li>• Regularly compare absenteeism statistics to other Provinces and private industry, as a step to measure the effectiveness of absenteeism management.</li> </ul>
No reporting on effectiveness.	The Office of Human Resources report on the effectiveness of absenteeism management. Reporting should include descriptions of <ul style="list-style-type: none"> <li>• intended vs. actual results, and</li> <li>• strategies to accomplish goals.</li> </ul>

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*Continued on next page*



## Overview, Continued

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**In this section** This section addresses the following issues.

<b>Issue</b>	<b>See Page</b>
No Documentation and Communication of Goals For Absenteeism Management	79
No Objectives For Absenteeism Management	81
No Reporting on Effectiveness of Absenteeism Management	84
Criterion 5 Conclusion	85

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## No Documentation and Communication of Goals For Absenteeism Management

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**Accountability for results** Government must be held accountable for results. The management of absenteeism is no exception. In order to fulfill this obligation for accountability, information on intended and actual results must be produced and presented to the Legislative Assembly and ultimately the public.

### **Policy AD 1605 and accountability**

One measure of effectiveness is the extent to which an organization has achieved its intended results, or its plans. This is reflected in the PNB's policy AD 1605. Subsection 5.1(a) of the Annual Report Policy states:

*“To the degree possible, departments and agencies should give a clear account of goals, objectives and performance indicators. The report should show the extent to which a program continues to be relevant, how well the organization performed in achieving its plans and how well a program was accepted by its client groups.”*

The policy focuses on accountability reporting. One can see that good planning is a fundamental assumption to good reporting.

If the departments and agencies are supposed to be giving a clear account of their goals and objectives when the year is finished, it is obvious that they should have had them in place when the year began. And these goals and objectives should be driving the departments' programs throughout the year.

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**Definition: Goal** The Canadian Council of Legislative Auditors (CCOLA) defines a goal as “a general statement of desired results to be achieved.”

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**Goal for absenteeism management** Officials at the Office of Human Resources clearly described two goals to us that they hoped to achieve in regards to the management of absenteeism.

These goals are as follows:

1. To have no material increases in absenteeism rates year by year.
2. To have employees get the sick time they truly need and no more.

These statements meet the CCOLA definition of a “general statement of desired results.”

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*Continued on next page*

## No Documentation and Communication of Goals For Absenteeism Management, Continued

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**Problems with goals**

While we were pleased to note these goals had been developed, we noted the following problems

- the goals are not documented in any policy/collective agreement, and
- other than Office of Human Resource officials, no departmental employees we interviewed were aware of the goals.

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**Our recommendation**

We recommended the Office of Human Resources document and communicate goals for absenteeism to all levels of government.

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**Departmental response**

The proposed policy and the training material will articulate goals related to the management of absenteeism.

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## No Objectives For Absenteeism Management

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**Definition:  
Objective**

The Canadian Council of Legislative Auditors defines an objective as "a specific statement of results to be achieved over a specified period of time. This statement may be described in terms of a target."

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**No objectives  
for absenteeism  
management**

We determined from our interviews with Office of Human Resources officials, that there are no such objectives for absenteeism management. As we have noted, specific well-defined objectives are a foundation of good reporting.

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**Difficulties  
developing  
targets**

Literature describes some organizations as having targets of

- improving absenteeism rates by a certain %
- achieving the same as or better than national averages, and
- achieving a desired %.

Officials at the Office of Human Resource described to us their difficulty in developing targets for absenteeism. They feel they cannot assign a magic number, or easily assign another target.

While we sympathize with the difficulties, we think it is important to develop a target for absenteeism.

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## No Objectives For Absenteeism Management, Continued

### NB highest absenteeism in Canada

The Office of Human Resources is not comparing absenteeism statistics to other organizations. In our opinion, a good starting point to measuring effectiveness would be to compare your organization to other public and private sector organizations.

This table summarizes absenteeism statistics for provincial governments in Canada for 2001 as reported by Statistics Canada:

Province	Average sick days used per employee
New Brunswick	10.4
British Columbia	10.3
Nova Scotia	9.9
Saskatchewan	9.1
Quebec	9
Newfoundland & Labrador	8.3
Prince Edward Island	7.8
Ontario	7.7
Alberta	6.9
Manitoba	6

### NB sick days: Government higher than private sector

We obtained statistics on absenteeism rates in the New Brunswick private sector from Statistics Canada. We noted that New Brunswick public sector employees consistently use a higher number of sick days than their counterparts in private industry.

This table shows the percentage by which government absenteeism rates exceed private industry rates:

Year	Higher % absenteeism rates in government vs private sector
1999	31.7%
2000	24.7%
2001	20.2%

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## No Objectives For Absenteeism Management, Continued

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**Our recommendation**

We recommended that the Office of Human Resources

- regularly compare absenteeism statistics to other Provinces and private industry, as a step to measure the effectiveness of absenteeism management, and
  - develop objectives relating to the management of absenteeism that are linked to goals and broadly communicated to all levels of government.
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**Departmental response**

While the proposed policy will articulate absenteeism goals, it will not include quantitative objectives or target utilization levels. Given the frequency distribution curve (17 % of employees took no sick leave in 2002) and the fact that employee needs vary, a generic target would be inappropriate. An assessment of the viability of inter-provincial comparisons will be made to determine if the information is readily available, consistent, comparable, and cost-effective to collect. Implementation of this recommendation will depend on the results of this assessment.

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## No Reporting on Effectiveness of Absenteeism Management

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**Responsibility to report on effectiveness**

In response to growing expectations for accountability, clearly management has a responsibility to report on effectiveness. This is often accomplished through departmental annual reports.

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**High cost of absenteeism yet no reporting**

During our audit, we noted a significant lack of both corporate and departmental reporting on the effectiveness of absenteeism management.

Despite the significant costs of absenteeism, we found no reporting of the management of these costs in any departmental annual reports.

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**Our recommendation**

We recommended that the Office of Human Resources report on the effectiveness of absenteeism management in its departmental annual report.

Reporting should include descriptions of

- intended vs. actual results, and
  - strategies to accomplish goals.
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**Departmental response**

The Office of Human Resources will review the effectiveness of the proposed policy at a suitable point after its implementation. Since formal evaluations are costly, periodic reviews will be the approach taken.

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## Criterion 5 Conclusion

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**Criterion 5 -  
not met**

We conclude that Criterion 5 was not met.

The Office of Human Resources does have established goals, however these goals are not documented nor broadly communicated. Further, there is a lack of established objectives.

The Office of Human Resources is not measuring or reporting on the effectiveness of absenteeism management.

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