Absence Management Trends and Opportunities

The MEARIE Group Conference

June 16th, 2016

MORNEAU SHEPELL

Health · Benefits · Employee Assistance · Retirement

Business. Needs. People.

Today's Agenda

Morneau Shepell Research provides insight into workplace absence

Why are employees absent?

What do employees have to say?

What do physicians think of their role?

How are organizations doing?

Research approach, methodology and validity

Employers

14% C- Suite
41% VP/Sr. HR
38% HR Mgr.
7% owner

Employees

81% Full-time
12% Part-time
6% Self employed

Physicians

89% GP
11% Psychiatrist

The survey was carefully designed to be **representative of the Canadian population** of employees, employers and physicians

Employers: Absenteeism is a serious business issue that is costly to our organization

% of employers

81%	manage absenteeism through **performance management**
90%	believe absenteeism is **costly for their organization**

The majority of employers say that unscheduled time off is a serious or extremely serious issue for their organization.

MORNEAU SHEPELL

Employees: 52% say illness was not the main reason for their most recent absence

Legend:
- Illness
- Non-Illness

Illness: 48%
Non-Illness: 52%

Employees indicate a direct relationship between workplace stress and absence

Employees who took time off for **non-medical reasons**

Indicated **higher level of workplace stress**

Employees: Workplace stress has an impact on health, absence and retention

% of employees

45%	Indicate that they have **thought about leaving their workplace** due to workplace stress and the impact on them
31%	Have **taken time off work** because of workplace stress and the impact on them
25%	Indicate that they **have become ill in the last 6 months** due to workplace stress

Each of these responses was split by age, with employees **under 35 years** more likely to agree**.**

MORNEAU SHEPELL

Employees: Workplace support is critical for managing the impact of stress on employee productivity

% of employees

90%	Indicate that managing employee mental wellness is important for **employee productivity**
56%	Indicate that **their organization supports mental wellness** on the job

Employees want their employer to address absence

3 strikes you're out and actually follow through with it

Reward employees that regularly come to work

Get serious about things!

Put a limit of missed days allotted before dismissal or termination

I'm not sure, it's a complicated issue

Psychological health and safety in the workplace is linked to lower absence and higher levels of engagement

Employees who rated their workplace more favourably on the dimensions of **psychological health and safety**

Indicated **better workplace effectiveness**

- Less absence
- Less presenteeism
- Higher engagement

MORNEAU SHEPELL

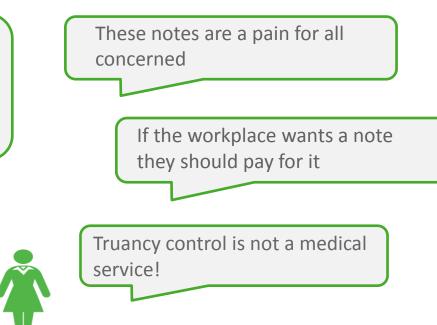# Effective absence management requires an integrated approach

Physicians: only 5% who commented, indicated that medical notes have a value in reducing unnecessary absenteeism

I understand their desire to account for absences but do not think that the burden should fall on physicians. We can't even really vouch for their illness since we often see them once they've recovered

These notes are a pain for all concerned

If the workplace wants a note they should pay for it

Using the family doctor as police; in effect may delay RTW as patient waits until they have the note then returns to work

Truancy control is not a medical service!

MORNEAU SHEPELL

Physicians: Employers need to take an active role in promoting recovery and return to work

% of physicians

74%	Indicate that the biggest barrier (besides the actual medical condition) to patients returning to work is the workplace not being able to accommodate their conditions
48%	Are not comfortable providing comments on how diagnosis could impact employee performance (work limitations)

MORNEAU
SHEPELL

Physicians are clearly pushing back on the role we have given them, leaving employers with a challenge to effectively manage absenteeism

MORNEAU
SHEPELL

Employers: Understanding the costs of absenteeism is a challenge for most

% of employers

64%	Do not monitor the cost of incidental absence
56%	Do not know the average duration of their short-term disability claims
47%	Do not monitor the incidence and cost of workers' compensation

Understand the factors that impact workplace absence

Plan Design

Program Administration

Organizational Support(s)

Organizational Culture

Integrate an absence management strategy into the operation of your business

Track and measure

You will never be able to manage an issue that is not consistently measured. You may also be at legal risk of arbitrary management without a tracking.

Solve the 'actual' problem

Address the root cause not the symptoms. Managing attendance only after the fact will not bring sustainable change.

Recognize

That absence is a workplace issue and not a medical issue. It requires an integrated approach with specific expertise and clear workplace roles.

MORNEAU SHEPELL

Proven success: EPCOR

Our strategic client partnerships have resulted in significant **financial savings**, while enhancing **stakeholder experience**

Opportunity Gap
- Fragmented and inefficient delivery of employee health services
- Lack of metrics and reporting – costs believed to be out of control
- Reliance solely on a medical model for assessing absence and disability

Solution
- Fully integrated Health Management program including Attendance Support Line, Short Term Disability (STD) and Workers' Compensation claim management, and EAP services
- Worked with five of their unions to ensure a high level of engagement in program
- Identified trends within the various Business Units and developed solutions targeted to specific work areas

25%↓ STD cases received within initial year of Triage program

48%↓ average duration of closed cases for STD (from 42 days to 20 days)

29%↑ RTW outcomes during the STD period

29%↓ number of WCB days lost per claim (from 33 days to 24 days)

MORNEAU SHEPELL

Opportunities for Employer Action

Take the time to evaluate your programs and build the business case answering the following questions

Value: Are your programs delivering on your investment?

Results: Are your programs achieving your objectives?

Appropriate: Are your programs preventative and proactive, or reactive?

Benchmarking: Are you evaluating results and making improvements?

Thank you

Kristen Coady

Director, Absence Management Solutions

416-355-5448

kcoady@morneaushepell.com

Health · Benefits · Employee Assistance · Retirement

Business. Needs. People.