
Absence Management and Disability Assistance Services Update

Recommendation

That the report of the Chief Human Resources Officer dated March 4, 2019, be received as information.

Topic and Purpose

This report is intended to provide information on the assessment of the Pilot Program including data regarding employee's experiences following the one-year extension.

Report Highlights

1. The City of Saskatoon made major revisions to the Attendance Support Program in the spring of 2016 and has since rolled out the updated program to all managers and supervisors. At that same time, a pilot study of the effectiveness of outsourced management of Disability and Attendance Management Services was launched at Saskatoon Transit.
2. There were four categories in the Transit study: in-house management of the Disability Assistance Program, outsourced management of the Disability Assistance Program, in-house management of the Attendance Support Program, and outsourced management of the Attendance Support Program.
3. The study demonstrated that there were no significant differences in the results of in-house versus outsourced management of the Disability Assistance program. There were only slightly better results with Disability Assistance Program management in-house. The study also demonstrated internal management of the Attendance Support Program to be more effective.
4. Best practice among multiple industries demonstrates that performance and absence management (Attendance Support Program) is best led by an employee's immediate supervisor.
5. Transit employees involved in the pilot program were surveyed on their experience. Analysis of these survey results indicate that the Attendance Support Program and the Disability Assistance Program services, both internal and external, require modification.

Strategic Goal

This report supports the long-term, 10-year strategy of making health and safety a top priority in all that we do under the Strategic Goal of Continuous Improvement.

Background

The City of Saskatoon entered into a pilot program with a third-party absence management consultant in accordance with the program policies and procedures as documented in the Disability Assistance Program (DAP) manual and the Collective Agreement (Dec 2012) between the City and The Amalgamated Transit Union, Local No 615 (ATU) and between the City of Saskatoon and Saskatoon Civic Middle Management Association (SCMMA).

This pilot program involved employees of Saskatoon Transit who are members of ESA, SCMMA and the ATU bargaining units.

The original duration of the pilot involved a 12-month period commencing March 15, 2016. The scope of the program expanded to include attendance support program for employees who experienced more than 10 cumulative days of sick-related absences over one calendar year.

On July 19, 2016, an update was provided on the pilot. The matter was deferred and Administration was directed to provide a further update inclusive of comparative data at a later date.

City Council, at its Regular Business meeting held on September 25, 2017, resolved that:

- “1. The one-year pilot program for absence and disability management be extended for an additional one-year to enable a more complete assessment of the benefits of using a third-party vendor to provide disability and/or absence management support, and;
2. At the completion of the one-year pilot the Administration report back on evaluation activities and results as they pertain to employee experience of contracted services.”

Report

The Pilot Program commenced on March 15, 2016 as a one-year program and has been extended two times, now totalling nearly 36 months.

Management of the program was broken down into two different components:

- Disability Assistance Program (DAP) or those employees dealing with long term medical issues exceeding 10 consecutive days.
- Attendance Support Program (ASP) or those employees who had experienced 10 or more cumulative days of absence—reported as sick leave—in a calendar year.

Under the DAP the external agency was responsible for managing 36 cases. Of these, 12 employee’s attendance patterns improved, 9 remain unchanged or do not have enough data to make a determination and 15 worsened. At that same time, 16 cases were managed internally. Of these, 6 employee’s attendance patterns improved, 9 remained unchanged or do not have enough data to make a determination, and 1 worsened.

DAP files are typically more difficult to assess given the nature of the long-term illnesses that are being managed. It is expected that when a consultant receives a new referral, that in most cases employees will need help navigating the medical system, will require support to ensure that they are receiving appropriate benefits, and

are provided the earliest opportunity to return to work in some capacity when safe to do so.

As such, most DAP cases will show worsened attendance until the employee has sufficiently recovered from their illness to develop a return to work plan. On an aggregate level, both internal and external management of DAP demonstrate increases in employee hours off work.

Under the ASP, commencing on March 15, 2016, an external agency was responsible for managing 67 cases. Of these, 26 employees showed positive changes in attendance behaviour, 20 remained unchanged or do not have enough data to make a determination, and 21 worsened. On an aggregate level, these 67 cases show a slight improvement in attendance.

Following council direction at the September 2017 meeting, Saskatoon Transit launched the internal ASP and has since had 11 employees through the program. Of those cases, 7 showed positive changes in attendance behaviour, 4 remain unchanged or do not have enough data to make a determination, and none worsened. On an aggregate level, these 11 cases show significant improvement in attendance.

Organizations “are often faced with the dilemma of insourcing or outsourcing disability management programs. Employers often dismiss insourcing because they do not realize the cost/benefit ratio or they want to distance themselves, at least theoretically, from difficult ‘people’ decisions. However, to effectively manage absence, employers should control (and own whenever feasible) medical management and return-to-work decisions¹.” Best practice indicates that performance and absence management (Attendance Support Program) is best led by an employee’s immediate supervisor.

The City of Saskatoon made major revisions to the Attendance Support Program in the spring of 2016 and has since rolled out the updated program to all managers and supervisors. The redesign included a major philosophy change. This is that employee performance is to be managed by supervisors/managers and that attendance and punctuality is a component of employee performance. This redesign has had success through the organization.

Assessment of total Transit employee absences related to sick-time usage indicates that absenteeism hours increased in 2017, but has decreased slightly in 2018.

The assessment of the program having a third-party consultant at Saskatoon Transit highlighted a few challenges with an external agency managing employee performance:

¹ “Impact of a Disability Management Program on Employee Productivity in a Petrochemical Company”, Journal of Occupational and Environmental Medicine, Volume 48, Number 5, May 2006.

- Supervisors ended up being less effective at managing employee performance related to attendance in the first ten days because the expectation emerged that once employees would exhaust their ten days, they would be transitioned over to the external agency and that the supervisor would not have to engage in difficult conversations regarding performance.
- Some employees referred under the ASP had a rebound effect. Once they showed improvement in their attendance and they were officially removed from the external agency's program, their attendance immediately worsened. This suggests that having supervisory duties managed by a third-party did not result in all cases of sustainable behaviour modification and that a third-party is not as effective at sustainable culture change as managing performance with an employee's immediate supervisor.

As has been stated through other reports; several grievances were submitted by the union on behalf of employees working with the external agency. Between March 2016 and October 2018, 24 individual grievances have been heard at various levels of internal grievance hearing related to this matter and one policy grievance has proceeded to arbitration. While it is important to watch this indicator, grievances are not themselves correlated to program success but rather can be seen as an anticipated reaction to changes in organizational programs and policy.

Employee Survey Results highlights the survey and results from the 130 employees in the pilot pool. Of those files, 103 (67 ASP, 36 DAP) were managed by the external agency and 27 were managed internally (16 DAP, 11 ASP). All employees involved in the pilot program were surveyed at the end of the pilot, and of those 130 requests for survey responses, 25 (19.2 percent) employees responded and provided information on their experience in the program. Of those employees, 21 worked with the external agency, 4 directly with the City of Saskatoon. Analysis of these survey results indicate that the overall satisfaction from employees from the services, both internal and external, requires modification.

52.4 percent of employees working with the external agency that responded to the survey, indicated that they strongly disagree with the statement that: "My overall experience with the Disability Assistance Program was valuable." Employees working with internal resources indicated the same strong disagreement at 25 percent. Conversely, 25 percent of employees working with internal resources reported that they strongly agreed with the statement and 9.5 percent of employees working with the external agency reported the same strong agreement.

Communication Plan

A communication plan will be developed upon instruction from the Administrative Leadership Team and City Council. Determination of what level of information is required to be disseminated and to which target audience is yet to be determined.

Policy Implications

These recommendations are in-line of existing policies, and therefore there are no policy implications known at this time.

Financial Implications

To maintain a third-party at the current capacity will cost approximately \$75,000 per year (52 employees). To expand that to cover the entirety of Saskatoon Transit will cost approximately \$125,000 per year and to expand to cover the entirety of the City of Saskatoon (not including Police or any Civic Board) would cost between approximately \$350,000 and \$450,000 per year.

Existing internal employee capacity will be utilized and budget is already allocated for special audits. As such, with the recommended course, no further budget implications are expected.

Privacy Implications

The privacy of information pertaining to employees, medical conditions, treatment, and other personal information is of the utmost importance. Processes are in place to ensure that there is restricted access to such information and that alternate arrangements are made in the event the situation requiring enhanced confidentiality and/or potential conflict of interest arises.

Other Considerations/Implications

There are no public and/ or stake holder involvement, policy, environmental, privacy, or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

A transition plan will have to be developed to transition employees working with the third-party back to the City of Saskatoon. It is anticipated that the third-party will require to be retained for an additional three months to support the transition.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Report Approval

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