

# RECOMMENDATIONS REPORT OF THE CITY OF CHICAGO ABSENTEEISM TASK FORCE

APRIL 2016



CITY OF CHICAGO  
MAYOR RAHM EMANUEL

**TABLE OF CONTENTS**

<b>LETTER TO THE MAYOR FROM THE CO-CHAIRS</b> .....	<b>3</b>
<b>ACKNOWLEDGEMENTS</b> .....	<b>4</b>
<b>TASK FORCE MEMBERSHIP</b> .....	<b>5</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>6</b>
<b>BACKGROUND RESEARCH</b> .....	<b>7</b>
<b>THE CHALLENGE OF DEFINING ABSENTEEISM</b> .....	<b>12</b>
<b>BASELINE ANALYSIS OF CITY ABSENTEEISM</b> .....	<b>14</b>
<b>KEY ISSUES IDENTIFIED BY TASK FORCE</b> .....	<b>17</b>
<b>RECOMMENDATIONS</b> .....	<b>19</b>

## LETTER TO THE MAYOR FROM THE CO-CHAIRS

Dear Mayor Emanuel,

The Absenteeism Task Force submits the attached report detailing the results of our review of absenteeism in the City of Chicago workforce. The report lays out the scope and complexities of absenteeism and outlines recommendations for addressing these issues.

This report builds on the work already done by many City departments and sister agencies, and draws on the suggestions and experiences of City departments, sister agencies, labor representatives, and elected officials, as well as research from national organizations and industry groups.

The Task Force's review found both successes in reducing absenteeism and opportunities to make further progress, Citywide and in individual departments. The findings and recommendations contained in this report provide a framework for implementing a comprehensive approach to reducing absenteeism across the City workforce.

Though an issue of enormous complexity, workforce absenteeism can be addressed with fundamental reforms to increase the efficiency of City government, recapture lost worktime, and change organizational culture which will, ultimately, enhance services for residents across Chicago.

Sincerely,

*Alderman Michele Smith  
43<sup>rd</sup> Ward, City of Chicago*

*Alexandra Holt  
Director, Office of Budget and Management*

Absenteeism Task Force Co-chairs

## ACKNOWLEDGMENTS

The Absenteeism Task Force thanks the many individuals, including aldermen and labor representatives, whose contributions were critical to the work of the Task Force and the development of this report.

We especially thank the staff from City of Chicago departments, who spent many hours speaking with the Task Force about their policies, practices, systems, and challenges. Their ideas and suggestions informed many of the Task Force's recommendations.

The Task Force also acknowledges the Chicago Transit Authority, City Colleges of Chicago, Society for Human Resource Management, and ideas42 for their contributions in supporting the work of the Task Force.

Finally, we would like to thank staff from the Mayor's Office, Office of Budget and Management, Department of Finance, and the Department of Human Resources for coordinating the work of the Task Force and leading the development of this report.

## TASK FORCE MEMBERSHIP

The Task Force is a 20-member group including elected officials, labor representatives, and senior leadership from multiple City departments.

### CO-CHAIRS

- Alderman Michele Smith, 43<sup>rd</sup> Ward
- Alexandra Holt, Budget Director, City of Chicago

### CITY COUNCIL

- Alderman Pat Dowell, 3<sup>rd</sup> Ward
- Alderman Pat O'Connor, 40<sup>th</sup> Ward
- Alderman Matthew O'Shea, 19<sup>th</sup> Ward
- Alderman Ariel Reboyras, 30<sup>th</sup> Ward
- Ben Winick, Director, Council Office of Financial Analysis

### LABOR

- Matt Brandon, SEIU 73
- James Ellis, Laborers 1001
- Jo Patton, AFSCME 31

### DEPARTMENTS

- Randy Conner, First Deputy Commissioner, Department of Transportation
- Carol Hamburger, Managing Deputy Comptroller, Department of Finance
- Gerald Hollowell, Deputy Director, Office of Emergency Management & Communications
- Don O'Malley, Director of Labor Relations, Department of Law
- Chris Owen, First Deputy Commissioner, Department of Human Resources
- Kurt Peterson, First Deputy Budget Director, Office of Budget and Management
- Annette Plattner, Deputy Director, Office of Budget and Management
- Jennifer Ross, Director of Personnel, Chicago Public Library
- Marisol Santiago, Director of Administration, Department of Water Management
- John Tully, First Deputy Commissioner, Department of Streets and Sanitation

In addition to its members, the Task Force drew on the expertise of other key participants, including: John Arvetis, Department of Finance; Michael Garrity, Department of Law; Nicole Hayes, Laborers 1001; and Helen Thornton, AFSCME 31.

## EXECUTIVE SUMMARY

On October 28, 2015, the City Council and Mayor Emanuel approved a resolution calling for the establishment of an Absenteeism Task Force (Task Force) focused on studying and addressing City of Chicago (City) employee absenteeism.<sup>1</sup>

The Task Force was charged with the following goals:

- To examine the causes and extent of absenteeism among City employees, with a view toward adopting recommendations to ameliorate the problem, including changes to law, policies, and procedures.
- To make initial recommendations to the Mayor within 120 days from the formation of the Task Force.
- To arrange for the online posting of City employee absenteeism data, organized by department and updated on a quarterly basis, for aldermanic and public review.

The Task Force convened a series of meetings to examine the causes of and consider solutions for absenteeism among City employees. Each meeting focused on a set of topics, including the definition of absenteeism; national benchmarks; the importance of timekeeping codes, reporting, and training; sister agency approaches to managing absenteeism; and personnel rules and protocols. The Task Force also held one-on-one sessions with representatives of City departments and conducted a survey to solicit input on key concerns and solutions.

Through this process, the Task Force identified several key areas for improvement:

- Updating the City's timekeeping system and procedures to ensure that protocols are consistent across departments and the City has more accurate attendance records for all its employees.
- Updating the City's time and attendance policies to ensure that employees and supervisors understand expectations, allowing the City to hold employees and management accountable.
- Providing management with tools and training to more effectively monitor employee attendance.
- Expanding employee orientation and training to clearly communicate attendance expectations and reinforce organizational values.

Effective management of absenteeism requires the collaboration of multiple stakeholders, including employees, supervisors, management, and labor representatives. Some of the proposed

---

<sup>1</sup> A copy of the resolution is included in Appendix A.

recommendations will require that the City work with labor representatives through the collective bargaining process. By instituting the reforms contained in this report, the City aims to reduce absenteeism while increasing the efficiency of City operations and the value for Chicago's taxpayers.

This report summarizes the deliberations and recommendations of the Task Force's members. It reflects the general consensus of the members; however, individual members may have differing views on the details and recommendations contained in this report.

## BACKGROUND RESEARCH

Absenteeism is an issue faced by private and public sector employers alike. The Task Force reviewed literature addressing the costs, productivity impacts, and causes of absenteeism.<sup>2</sup> It also consulted with ideas42, the Society for Human Resource Management (SHRM), and sister agencies on best practices. These reports and consultations largely confirmed the information shared by and gathered from City departments and labor representatives.

This section provides high level background information on absenteeism in general, including how rates are calculated, its impact, and the associated challenges of accurate timekeeping. It also summarizes recent absenteeism initiatives undertaken by the City and its sister agencies via three case studies that have informed our recommendations.

### ABSENTEEISM RATES

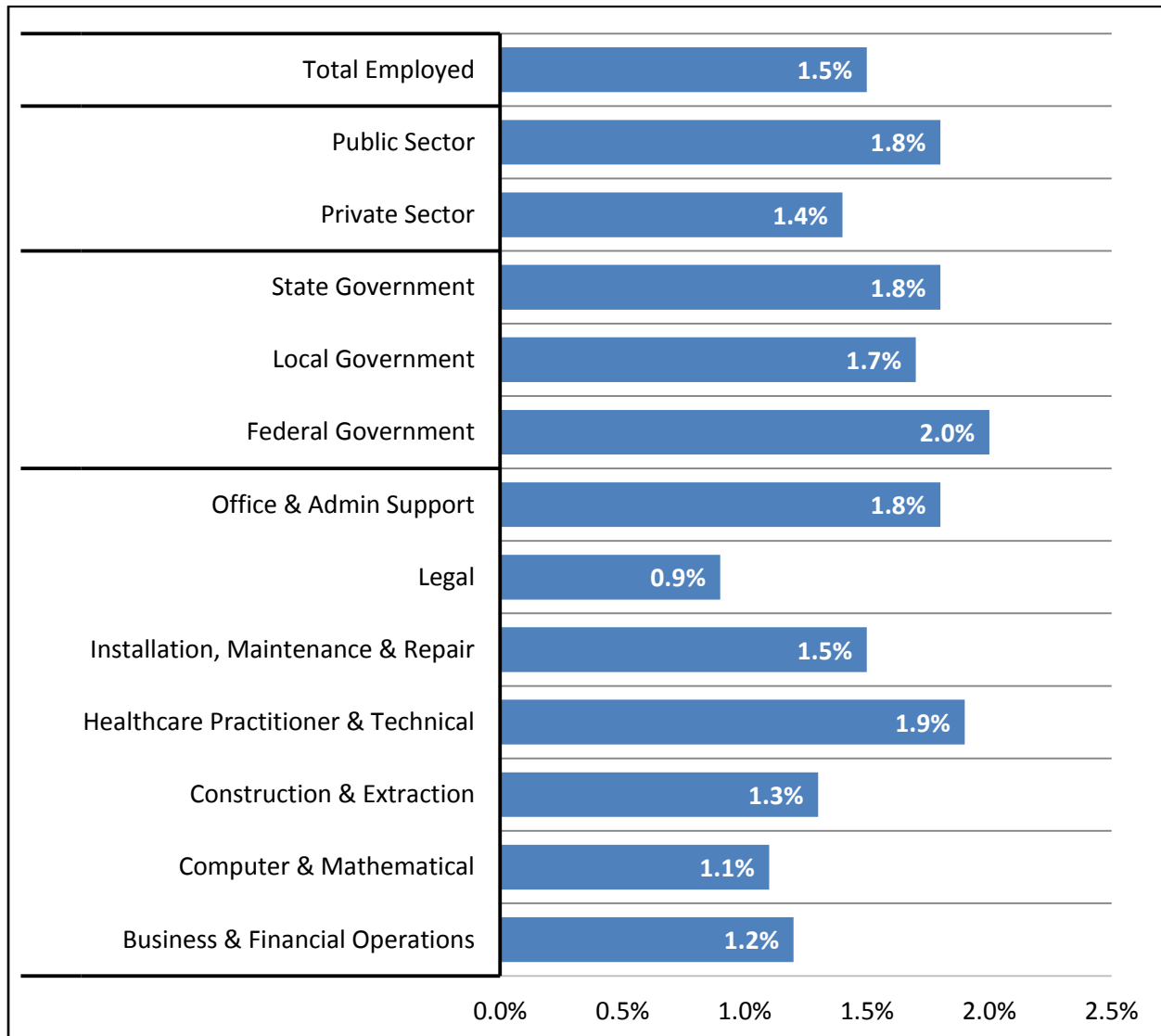
Rates of absenteeism or lost worktime vary by industry type, by private versus public sector, and within the public sector by level of government. The U.S. Bureau of Labor Statistics (BLS) publishes data on absence rates and lost worktime rates among various industries and employer types. These rates include both paid and unpaid time off work. The BLS lost worktime rates are summarized in Figure 1.0 (*Source: BLS, 2015*).<sup>3</sup> Apart from the BLS data, absenteeism benchmarks for municipalities are scant and the measures vary from one local government entity to the next.

---

<sup>2</sup> Additional background information can be found in a variety of white papers including: (i) "Limited Visibility: The Public Sector Absence Management Challenge", Kronos; (ii) "The Latest Front in the Battle Against Wasteful Spending", Governing; (iii) "Absenteeism: The Bottom-Line Killer", Circadian; and (iv) "Total Financial Impact of Employee Absences in the U.S.", Kronos and Society for Human Resource Management.

<sup>3</sup> The BLS defines lost worktime rate as the hours absent as a percent of hours usually worked. Absences are defined as instances when persons who usually work 35 hours or more per week (full time) worked less than 35 hours for one of the following reasons: own illness, injury or medical problems; child care problems; other family or personal obligations; civic or military duty; and maternity or paternity leave. Excluded are vacation days, personal days, holidays and other situations (such as labor disputes, bad weather or other reasons). See <http://www.bls.gov/cps/cpsaat47.htm>

Figure 1.0 Lost worktime rates by sector, industry



### IMPACT OF ABSENTEEISM

Absenteeism in the workplace has both direct and indirect costs that impact operations and productivity. These include, but are not limited to, overtime and payroll costs, diminished productivity, missed service targets, and low employee morale. Figure 2.0 summarizes absenteeism-related costs.

The direct costs associated with absenteeism can lead organizations to accrue significant cost overruns associated with unanticipated payroll costs. For many organizations, one of the key costs of employee absences is replacement workers or workers hired on overtime in place of employees who are not at work. For service organizations, including local governments, high rates of absenteeism may impact the provision of basic services. When an employee is absent, there may not be sufficient staff to meet service or project deadlines.



Additionally, when absenteeism is widespread or the same employee is routinely off work, the workload increases for other employees who must provide coverage. Habitual absenteeism, when unchecked, can negatively impact organizational culture, erode confidence in management, diminish productivity, and result in heightened levels of employee burnout and/or turnover.

Figure 2.0 Direct and indirect costs of absenteeism

	DIRECT	INDIRECT
FINANCIAL	<ul style="list-style-type: none"> <li>• Payroll costs</li> <li>• Overtime costs</li> <li>• Worker replacement costs</li> <li>• Cost of decreased service use</li> </ul>	<ul style="list-style-type: none"> <li>• Productivity loss (individual and organizational)</li> <li>• Administrative costs</li> <li>• Management time loss</li> </ul>
SERVICE RELATED / QUALITATIVE	<ul style="list-style-type: none"> <li>• Loss of service</li> <li>• Safety concerns</li> <li>• Quality of service</li> </ul>	<ul style="list-style-type: none"> <li>• Low morale</li> <li>• Reduced trust/increased dissatisfaction with services</li> <li>• Higher turnover</li> </ul>

### TIME AND ATTENDANCE RECORDKEEPING

Most organizations utilize a system for establishing employee work hours (e.g. shifts) and recording when employees start and stop work along with any exceptions such as vacations, sick leave or personal days. Incomplete and inaccurate recordkeeping impedes monitoring and controlling of employee absenteeism and may increase both indirect and direct costs to the employer. Inaccurate time tracking often results from manual, or paper tracking, of employee time records where data entry errors tend to be higher than automated systems. Manual tracking, whether used exclusively or in conjunction with automated systems, relies on self-reporting by employees and requires managers to monitor the timeliness and accuracy of paper forms. Coding errors that occur when manual exceptions are entered into the payroll system compounds the inaccuracy of the timekeeping records. These inaccuracies, intended or accidental, result in direct costs to employers in the form of payment for time not worked and inaccurate vacation payouts upon separation. These impacts are in addition to the costs associated with the staff needed to manage a paper-based system in the first place.

Manual systems make it difficult for managers to track absenteeism in a consistent manner and may allow for problems to go undetected. Automated timekeeping systems provide enhanced monitoring and minimize errors, although most automated systems have manual processes, such as for coding exceptions. Careful monitoring of time is required regardless of the level of system automation.

The City's timekeeping system makes use of biometric time clocks for capturing employee in and out swipes (e.g. time punches).<sup>4</sup> The biometric clocks use hand geometry technology designed to protect individuals and companies from fraudulent transactions by ensuring that employees can only swipe in for themselves, and nobody else. The captured data feeds into the Chicago Automated Time and Attendance (CATA) system, which is used for tracking time and attendance and generating payroll. Various CATA codes are entered manually to record time exceptions such as employee vacations, sick days, unexcused absences, and missed swipes. Such codes are only entered by authorized individuals such as supervisors and timekeepers.

### **CITY AND SISTER AGENCY ABSENTEEISM INITIATIVES**

Per the Mayor's directive, in 2013 an internal workgroup was formed with City and sister agency representatives to compile absenteeism data and share best practices aimed at reducing absenteeism and negating adverse operational impacts. The success stories shared by the Chicago Transit Authority, City Colleges of Chicago, and the City's Department of Fleet and Facility Management are presented below and provided insight to the Task Force in the development of its recommendations.

#### **Department of Fleet and Facility Management Case Study**

The Department of General Services and the Department of Fleet Management were consolidated beginning in the summer 2011 with full integration into the Department of Fleet and Facility Management (2FM) on January 1, 2012.

Each of the departments that formed 2FM had a different definition of absenteeism, along with different rules and protocols. Certain management practices had developed over time, including permitting employees to take numerous "no pay days" and unchecked tardiness. Timekeeping procedures and codes were inconsistent as were expectations and controls for employee swipes and time edits. While some divisions were managing absenteeism prior to the merger, many were indifferent to the negative effects that absenteeism had on operations.

To address these issues, several reforms were initiated to improve management oversight and streamline and codify absence codes. These included the development of a comprehensive 'Guide for Using CATA Codes' and a revised Edit Form, used to manually record time when an employee failed to or was unable to swipe. These changes ensured consistent and accurate time and attendance records. The department's expectations were also made clear and a robust training initiative ensured that supervisors understood their role in and responsibility for effectively managing absenteeism.

---

<sup>4</sup> The Fire and Police Departments currently utilize paper-based timekeeping systems. Both departments will transition to the City's automated CATA system by Winter 2018 – a timeline that accounts for operational and technological considerations.

2FM established “absenteeism triggers” to flag potential rule violations. These triggers were reported to supervisors on a monthly basis and bureau-wide reports were sent to senior management. Progressive discipline was consistently applied whenever triggers and the circumstances of absenteeism warranted action. Senior leadership routinely reviewed absenteeism data at the employee level and key performance indicators were reported to and reviewed by the Commissioner on a monthly basis.

In 2012, the department recorded nearly 12,000 lost work hours due to overt unpaid absenteeism, which was an average of each employee being absent for nearly 11.5 hours during the year (in addition to paid time off).<sup>5</sup> By 2015, the department reduced overt absenteeism to approximately 3,450 lost work hours; an average of each employee being absent for only 3.5 hours during the year. The overt absence rate fell from .57% in 2012 to only .18% in 2015, representing a 65% decrease in overt absenteeism.

### Chicago Transit Authority Case Study

In 2011, the Chicago Transit Authority (CTA) embarked on an initiative to study and address absenteeism. It was determined that the tracking and collecting of absenteeism data was inconsistent and incomplete, and a collection template and aggregation model was built to ensure accountability, accuracy, completeness, and consistency.

An in-depth analysis was conducted which included historical and cross-department comparisons; this analysis helped to identify absence problem areas and patterns across the agency. Several mechanisms were developed to communicate the results of the analysis, including: a monthly report with views into each department, location, function, position, and absence type; department-level absenteeism dashboards; visual displays to communicate detailed absenteeism results to personnel along with comparisons to other CTA locations; and “targeted lists” which utilized predictive modeling to find repeat users on specific days where absenteeism rates have historically spiked.

In addition, policies were clarified and training was provided to facilitate consistent application of policies and procedures, including disciplinary guidelines for absenteeism. A new employee management system was installed which allowed an increased focus on workers compensation and “return to work” programs. A new Leave Management Department was also established to streamline and consolidate administrative tasks, and a third party administrator was engaged to more effectively manage and monitor FMLA.

As a result of these efforts, the CTA showed a 19.4% decrease in its absenteeism rate from 2011 through 2013 accounting for approximately 21,000 fewer days taken.<sup>6</sup> The CTA has maintained that level through 2016.

---

<sup>5</sup> Overt absenteeism includes unexcused absences and unpaid sick leave.

<sup>6</sup> The CTA defines absenteeism as sick days, FMLA, injured on duty, absence without leave, and late arrivals or “misses”.

### City Colleges of Chicago Case Study

In order to improve efficiency, reduce payroll errors and more accurately track employee time and manage absenteeism, in 2014 the City Colleges of Chicago (CCC) instituted an electronic time and attendance system called *CCC Works*. The automated time and attendance system uses time clocks and a web interface system to provide real-time access to time and attendance records. In addition, this automated and paperless time sheet system provides employees and managers a faster and more accurate way to record and manage time off requests and leave balances.

CCC broadly communicated its work rules contained in the Employee Handbook to provide a clearer definition of absenteeism and consequences for violations. A robust employee and manager training program was also implemented along with the enhanced communication efforts that routinely engaged employees via attendance-related email blasts, policy flyers and proactive individual notifications when employees were nearing a violation. Progressive discipline was consistently applied to address problems. Reports were generated for senior management on key performance indicators to inform the team of various metrics.

In July of 2013 prior to the implementation of *CCCWorks*, CCC had an absenteeism rate of 1.6%. During the initial stages of monitoring post-implementation of *CCC Works*, the absence rate increased and peaked at 3.8% in January 2015 as a result of more accurate exception time reporting, including sick and other time away from work, accurate timekeeping, and stricter adherence to attendance policies. Since January 2015, the absenteeism rate declined and has held steady at between 2.5-3.0%.<sup>7</sup>

## THE CHALLENGE OF DEFINING ABSENTEEISM

An absence occurs whenever an employee who was scheduled to work does not work, regardless of reason. While it is expected that workers will miss a certain number of workdays each year, excessive absences have a negative impact on operations, productivity, service levels and finances. Employees miss work for any number of reasons, some of which are legitimate while others are not. While most employees are afforded excused time off, primarily in the form of vacation and sick leave, habitual absenteeism is more blatant, disruptive, and costly.

The causes of absenteeism are many and generally include the following: burnout, stress, and fatigue; childcare and eldercare; depression and mental health issues; disengagement and feeling undervalued; illness and injury (self or family member); sporting events, national events and weather events; extended weekends (days off before and after the scheduled “weekend” and holidays); and entitlement mentality.

---

<sup>7</sup> The CCC defines absenteeism as the failure of an employee to report to a scheduled shift. Absenteeism includes sick days (paid and unpaid), call offs, no call/no shows, and days absent without paid time.

SHRM has defined absenteeism as the failure of an employee to report for work when the employee is scheduled to work. Furthermore, they distinguish between legitimate and non-legitimate absences via the following methodology:<sup>8</sup>

- Excused Absence. An excused absence occurs when all four of the following conditions are met: a) the employee provides sufficient notice to his or her supervisor, b) the reason is found credible or acceptable by his or her supervisor, c) such absence request is approved by his or her supervisor, and d) the employee has sufficient accrued paid time off (PTO) to cover such absence.
- Unexcused Absence. An unexcused absence occurs when one of the four conditions noted above is not met.

Excused absenteeism is predominantly driven by employee-benefit packages that include paid vacation, sick leave, and personal days, as well as parental, bereavement, jury and/or medical leave (including the requirements of the federal Family and Medical Leave Act (FMLA)). Additionally, leave due to an on-the-job injury or for disciplinary proceedings such as suspensions or paid administrative leave are considered planned and/or excused, even if undesirable. Absenteeism definitions, policies and benchmarks vary in which types of absences are included and how they are categorized (unexcused vs excused, paid vs unpaid, planned vs unplanned). Further, the way in which disability, bereavement, military, jury, disciplinary, and other types of administrative leaves are quantified and categorized also varies. These variations make it difficult to set benchmarks based on external, nationwide standards or on other governments or entities.

The definition of absenteeism developed by the Task Force is outlined below in the Recommendations section.

## **MEASURING ABSENTEEISM**

After defining an organizational standard of absenteeism, there are several methods for measuring absenteeism. They include:

- **Absence Rate:** Ratio of workers with absences to total full-time wage and salary employment
- **Lost Worktime Rate:** Hours absent as a percent of hours usually worked
- **Unscheduled Absence Rate:** Share of workforce missing from work at any given time due to unscheduled absence
- **Mean Absence Rate:** Total paid-unscheduled hours divided by total paid-productive hours

---

<sup>8</sup> Society for Human Resource Management, Attendance Policy #2, May, 30, 2014.

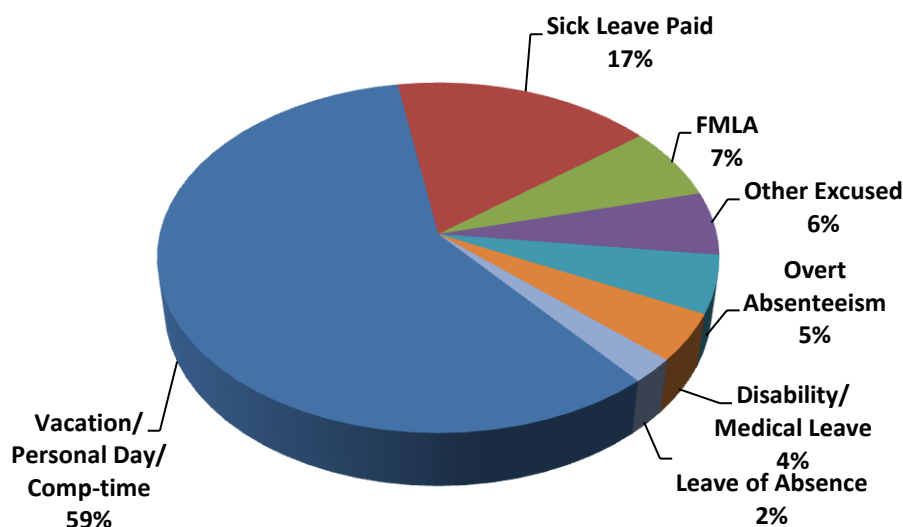
Given the varying definitions of absenteeism and measurement options, benchmarks are only helpful when an organization adapts their definition of absenteeism to that of the benchmark. As previously noted in this report, the BLS provides absenteeism data by occupation and industry, including the public sector, in the form of both an absence rate and lost worktime rate. The public dashboard discussed in the Recommendations section and posted in Appendix B uses the lost worktime rate for measuring absenteeism. It should be noted, however, that the BLS data is compiled from the Current Population Survey, which includes a monthly sample survey of 60,000 households (see footnote 3); how these absences are categorized and tabulated and how they correlate to the City's timekeeping codes is imprecise.

## BASELINE ANALYSIS OF CITY ABSENTEEISM

### ANALYSIS OF CURRENT DATA

The Office of Budget and Management and the Department of Finance conducted a baseline analysis of City absenteeism using data from the CATA system. Figure 3.0 displays citywide absenteeism by category for 2015 data.

Figure 3.0 2015 Citywide absenteeism categories



This analysis showed that earned leave, including vacation, personal days and compensatory time, made up the majority of absences (59%), followed by paid sick leave (17%), FMLA (7%), other excused (6%), overt absenteeism (5%), disability and medical leave (4%), and leaves of absence (2%). The 'other excused' category includes multiple types of leave such as bereavement, jury duty, union business, military leave, and administrative leave, each approximately 1% or less of all City employee leave. The 'overt absenteeism' category includes unpaid sick leave and unexcused absences.

Because vacation, personal days, and compensatory time are generally taken as a right and therefore are not considered “absenteeism” by generally accepted standards, these categories of leave were not the focus of our study. Rather, the Task Force considered the remaining forms of absenteeism.

At the other extreme is “overt absenteeism,” which includes unpaid sick leave and unexcused absences. Figure 3.1 displays percentages of the overt absences. Overt absences account for about 12% to 14% of the overall lost worktime.

Figure 3.1 2015 Overt absences by type

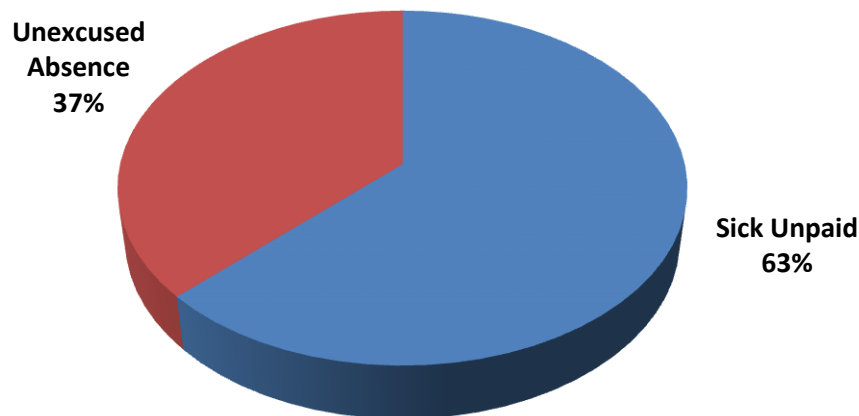


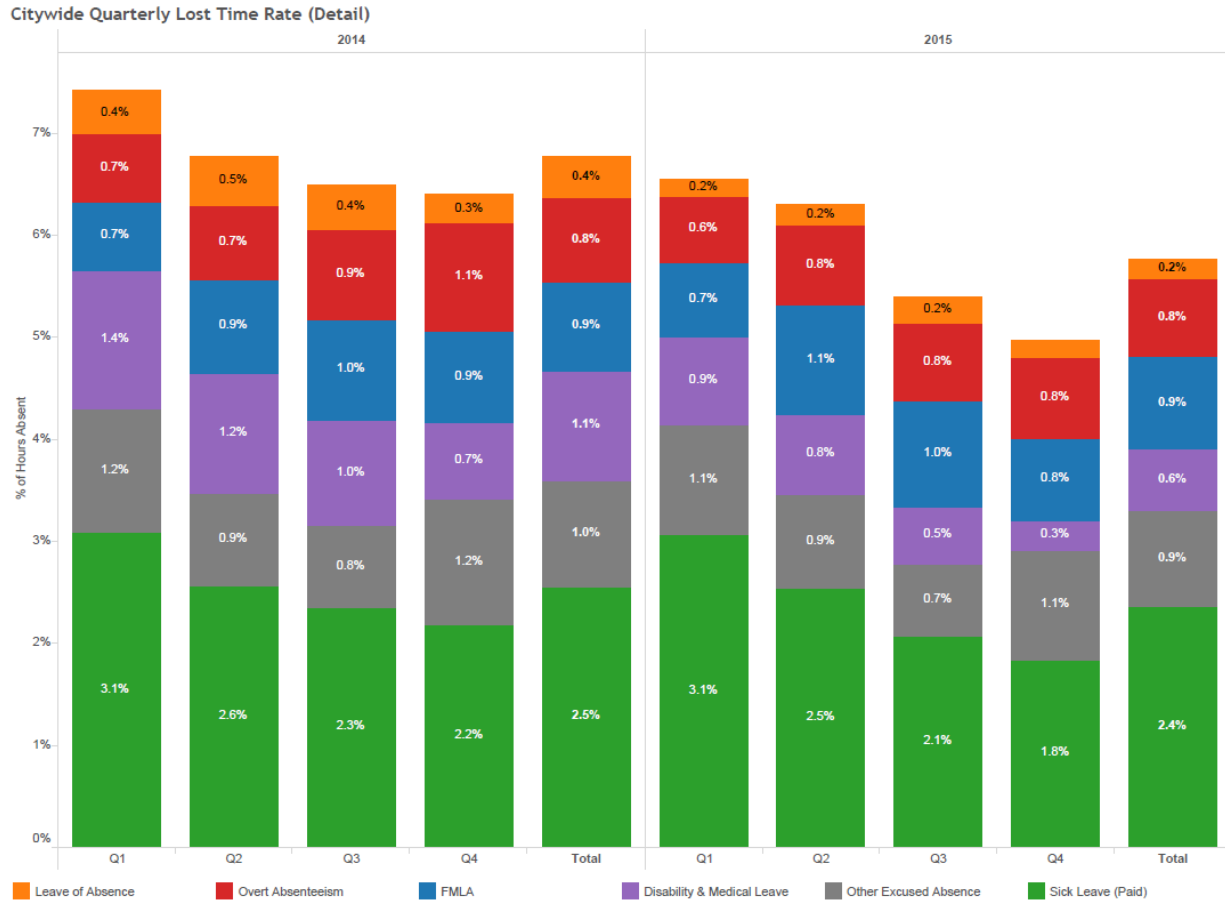
Figure 3.2 displays the lost worktime rates for the City as a whole. It should be noted, however, that this analysis was impacted by significant variations in timekeeping policies and practices across City departments. The criteria used to code absences in the CATA system are not consistent across departments. One department may code an absence differently than another department, and departments may even differ in what qualifies as an absence. While the aggregate absence data is accurate, the designations into the noted categories are less precise. These variations make it difficult to obtain an accurate picture of absenteeism across the City.<sup>9</sup>

The Task Force recognizes that the City’s lost worktime rates are higher than the national average; some part of the difference may be due to more generous paid leave provisions in the City than in other organizations.

---

<sup>9</sup> The dataset does not include the Chicago Police Department or the Chicago Fire Department, as those departments have yet to fully transition to the City’s automated time and attendance system.

Figure 3.2 Citywide lost worktime (2014 & 2015)



### DEPARTMENTAL SURVEY

In addition to the quantitative analysis of existing absenteeism data, meetings were held with senior staff from City departments. Each meeting included a discussion about perceived and known problem areas and recent reform initiatives, as well as a review of departmental timekeeping protocols, time and attendance policies and procedures, and disciplinary triggers.

This survey revealed several challenges with managing absenteeism largely impacted by policy, procedure, and work rule variations. Most notably, the lack of consistent City-wide policies and accountability standards adversely impacts absenteeism management at the department level. Additionally, departments reported challenges with the administration and monitoring of FMLA. The information gained through these meetings was critical to identifying the key problem areas noted later in this report. The data compiled and presented above is useful for establishing a baseline from which to measure further progress, but understanding the current and past practices of departments enabled the Task Force to develop meaningful recommendations to address specific areas of absenteeism.



In addition to learning about department challenges, the Task Force also learned about the following reform efforts that are already in progress in various departments:

- The **Chicago Public Library** used employee notifications, primarily focused on the cost of unpaid absences to the employee, to target and reduce absenteeism.
- The **Department of Water Management** updated its time and attendance policy including rules around swiping, lunch, absence notification, tardiness and sick leave. The department is generating monthly reports to track overt absenteeism and using progressive discipline to change employee behavior.
- The **Department of Fleet and Facility Management**, in cooperation with SEIU Local 73, instituted revised work rules that set clear standards and consequences for overt absenteeism for its custodial workers.
- The **Department of Streets and Sanitation**, in cooperation with Laborers' Local 1001, instituted various management initiatives and employee trainings to reduce absenteeism. These were focused on training of supervisors and more frequent reports to identify absenteeism patterns.

## KEY ISSUES IDENTIFIED BY TASK FORCE

The Task Force distilled the findings outlined above into three issue areas – Recordkeeping, Policies and Procedures, and Training and Culture – and identified nine priority issues across these issue areas.

### RECORDKEEPING

#### **Issue #1** There is no uniform, comprehensive, Citywide policy on “swiping” and timekeeping

While most employees in most departments swipe in and out at the beginning and end of each day, there are a variety of exceptions that have been made for individual employees and for entire departments, and there are varying levels of enforcement across departments. This lack of consistency makes it difficult to accurately monitor absences. Accurate attendance records are necessary to determine if pay should be docked or if discipline may be appropriate.

#### **Issue #2** Timekeeping codes are not utilized consistently

Attendance is tracked in the City's CATA system using a series of codes that identify the type of absence. These codes, however, are used differently by different departments and even by different time editors in the same department. Inconsistency in the use or interpretation of these time and attendance codes undermines the City's ability to develop meaningful attendance data and to diagnose potential attendance issues.

#### **Issue #3** The City's time and attendance tracking system is not user-friendly

The existing CATA system has limited options for tracking and reporting on attendance and absences and does not provide a platform for employees and managers to visualize or review their attendance record. This makes it difficult for supervisors and employees to proactively manage attendance.

## POLICIES & PROCEDURES

### **Issue #4 Enforcement of attendance standards is often inconsistent or unproductive**

The Task Force found that the application of existing time and attendance rules is inconsistent across departments, meaning that employees may be subject to varying standards. Inconsistent application of such rules by supervisors and management also makes it difficult to enforce progressive discipline for repeat offenders. In addition, standards that could be centralized - such as FMLA management and rules for non-represented Fair Labor Standards Act (FLSA) exempt employees - are decentralized, leading to lack of clarity for employees and supervisors.

### **Issue #5 Restrictions on staffing capacity management may deter action on personnel issues**

The hiring and firing of individuals and the engagement of part-time or temporary replacement workers can be cumbersome for departments, due in part to specific legal requirements that apply to the City. Concern about the time and effort it may take to replace or cover for a suspended or terminated employee may discourage management from addressing absenteeism-related issues.

### **Issue #6 Many supervisors are not adequately trained and held accountable**

While trainings are offered, these trainings have not been frequent enough or effective at providing supervisors and managers with the knowledge they need to manage absenteeism. In addition, supervisors are not consistently held accountable for effectively managing employee time and attendance.

## TRAINING & CULTURE

### **Issue #7 Perceived and real biases undermine the legitimacy of discipline**

Supervisors' personal biases (e.g. friendships with subordinates, membership in the same bargaining unit) can undermine accountability for both employees and supervisors. If standards and discipline are not applied evenly across the workforce, the process may not garner the respect necessary to effect actual changes in behavior.

### **Issue #8 The organizational culture amongst some employees encourages absenteeism**

The current available data shows that absenteeism increases during inclement weather, near holidays and weekends, and during sporting events. It also shows that unpaid sick leave often goes unchecked and that sick leave may be utilized for reasons other than legitimate illnesses. A sense of entitlement to these absences contributes to overall lost worktime for the City.

### **Issue #9 Employee training and orientation does not establish clear expectations**

There is a lack of mandated employee training to establish and communicate attendance rules and expectations and encourage desired organizational values. Clearly and consistently communicated guidelines and expectations could positively impact both attendance and culture.

## RECOMMENDATIONS

The Task Force is recommending a series of actions – some longer-term and some shorter-term – to address each of the absenteeism-related issues discussed above. Many of these recommendations will require considerable time and effort to implement; however, with support from management in every City department these recommendations have the potential to stimulate reform.

Each of the recommendations includes a target implementation date. Given the complexities associated with many of the recommendations and the need to meet and discuss and/or collectively bargain with labor, this approach was deemed most realistic.

### PRELIMINARY RECOMMENDATIONS

There are two overarching recommendations that the Task Force advises be adopted in addition to the substantive recommendations outlined below.

#### Adopt a Common Definition of Absenteeism

A common working definition of absenteeism is necessary for tracking, policy-making, and effective discipline. The Task Force recommends that the City formally adopt SHRM's standard for defining absenteeism, under which an absence is defined as the failure of an employee to report for work when the employee is scheduled to work.

Absences will be deemed excused or unexcused according to the following criteria:

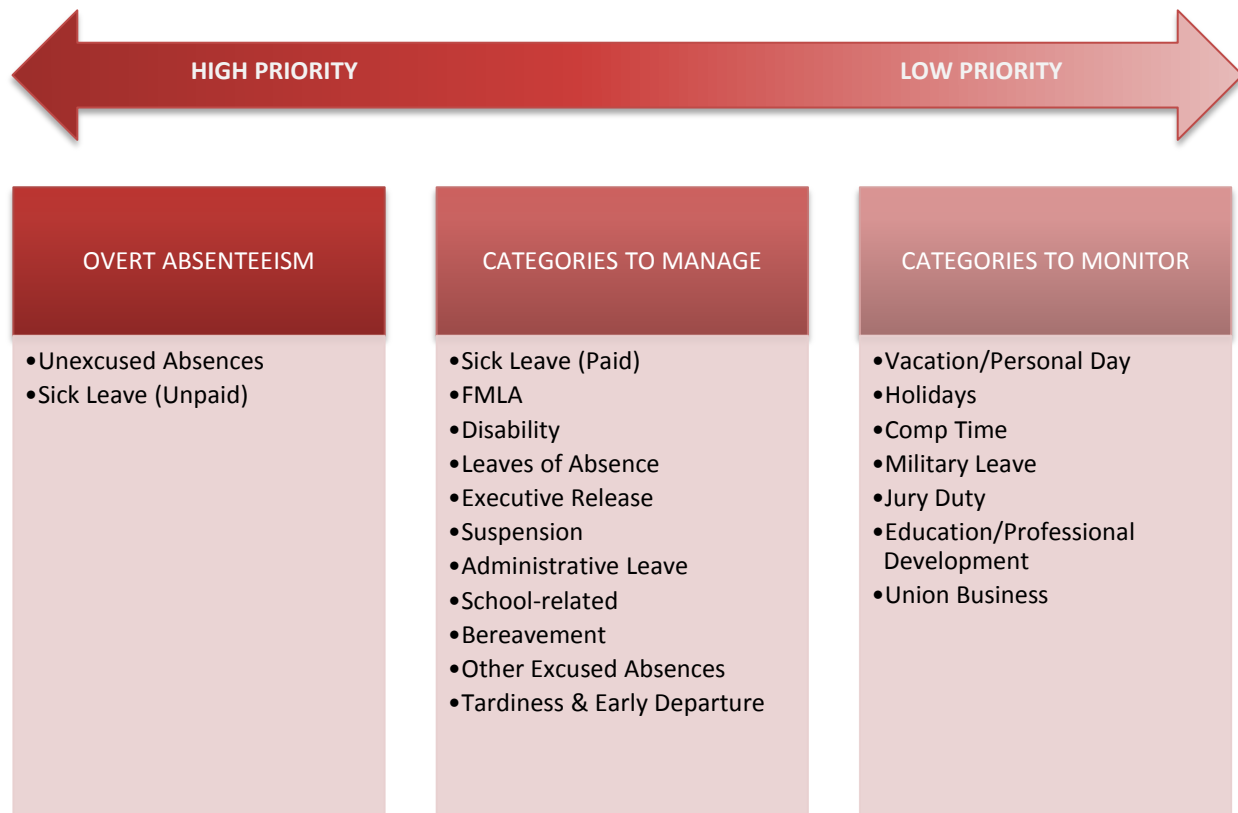
- An 'Excused Absence' occurs when all four of the following conditions are met: a) the employee provides sufficient notice to his or her supervisor, b) the reason is found acceptable by his or her supervisor and a City of Chicago policy, c) an absence request is approved by his or her supervisor, and d) the employee has sufficient accrued paid time off to cover such absence, is otherwise compensated (e.g. Jury Duty, Bereavement Leave, Administrative Leave, Executive Release, etc.), or is covered by an approved leave provision (e.g. FMLA, duty disability, leave of absence, etc.).<sup>10</sup>
- An 'Unexcused Absence' occurs when any one of those four conditions is not met.

Management reforms must be put in place to effectively manage and monitor all forms of absenteeism. However, it is the recommendation of the Task Force that the City focuses its attention on overt absenteeism as it is the most disruptive to City operations. Figure 4.0 further defines the absenteeism management priorities delineated by the Task Force.

---

<sup>10</sup> Different criteria may apply to part time employees who are not entitled to paid sick time.

Figure 4.0 Absenteeism priorities



### Establish a Workforce Management Group

In order to drive reform and implementation of the substantive recommendations outlined in this report, the Task Force also recommends the creation of a Workforce Management Group with senior representatives from the Department of Finance, Department of Human Resources, Department of Law, Mayor's Office, and Office of Budget and Management. This group should be charged with implementation of the Task Force's recommendations and more generally with developing City-wide personnel policies and procedures, leading training initiatives, and addressing new and existing personnel performance trends. The Workforce Management Group will report to the City Council Committee on Workforce Development and Audit on a semi-annual basis, or as otherwise requested by the Committee, to provide an update on progress in implementing the Task Force recommendations.

### KEY ISSUE AREA RECOMMENDATIONS

**Recommendation #1:** Develop a comprehensive swiping policy that establishes uniform expectations and rules for all City employees to drive public accountability.

While the City utilizes a centralized timekeeping system that tracks time and attendance through daily swiping, not all employees are enrolled in the system and some employees fail to record their start or end times. Given the importance of this recommendation, the City issued a memorandum to

departments in March 2016. The policy is effective as of April 15, 2016 and requires every City employee to clock in and out each day, regardless of title or function, with few exceptions. To track compliance with the new swiping policy, reports should be run and analyzed on a regular basis by the Department of Finance to ensure that employees are complying with this directive. Implementation: Spring 2016.

Further, the Fire and Police Departments should be transitioned from their paper-based timekeeping systems to the City's automated CATA system. Implementation: Winter 2017 for the Fire Department and Winter 2018 for the Police Department.

**Recommendation #2:** Streamline attendance codes used in the CATA system and publish a corresponding guidebook to ensure consistent use of codes across all City departments.

At present, each City department utilizes their own menu of CATA codes and the way in which these codes are used varies. Furthermore, certain codes are generic and ambiguous and thus do not provide useful information regarding the reason for an absence. The Task Force recommends that duplicative and generic codes be removed from use and that the City publish a CATA guidebook for departments on the appropriate use of each code. Implementation: Fall 2016.

**Recommendation #3:** Establish a dashboard that publically displays Citywide and departmental lost worktime rates and trends.

A public dashboard displaying City employee absence data would enhance transparency and provide the public with information they need to hold the City accountable for employee absenteeism. The Task Force proposes a public dashboard that is organized by department and updated on a quarterly basis for aldermanic and public review. A proposed public dashboard is included in Appendix B. Implementation: Spring 2016.

**Recommendation #4:** Develop a comprehensive time and attendance policy that provides guidelines on work hours, absence reporting, leave provisions, and rule violations.

The City's existing time and attendance policies are neither easily accessible nor applicable to every department. In addition, these policies have not been backed up with procedures for effective implementation, monitoring, and enforcement. The Task Force recommends that the City create a comprehensive time and attendance policy that applies to all City departments and ensure that the procedures necessary to effectuate the policy be put in place in each department.<sup>11</sup> The policy should set a floor rather than a ceiling, such that departments may implement more restrictive policies based on operational needs but cannot opt for less restrictive policies. Implementation: Winter 2017.

---

<sup>11</sup> Given the nature of the sworn workforce in the Police and Fire Departments, it is likely that a separate policy, in line with internal command directives, will need to be developed for these departments.

**Recommendation #5:** Provide departments with actionable monthly reports that identify absenteeism issues by employee and hold managers accountable for fair and consistent enforcement of policy standards.

Given the current limitations of the City's timekeeping system, it is challenging for managers to obtain reports to study absenteeism events and trends. The Task Force recommends that the Office of Budget and Management, working with the Department of Finance and Department of Human Resources, create and issue reports on a monthly basis that provide department management with insight into absenteeism trends by employee. These reports are intended to be management tools to both support management and to hold managers accountable for effectively addressing absenteeism. It is recommended that summary reports are also sent to labor representatives showing absenteeism trends relevant to their members. A sample monthly report for departments is included in Appendix C. Implementation: Summer 2016.

**Recommendation #6:** Reform and streamline the progressive discipline for absenteeism.

At present, the City's progressive discipline process for addressing absenteeism is cumbersome, requiring multiple disciplinary hearings and a series of punitive suspensions that result in unpaid time off, which adversely impact workforce planning and result in increased absenteeism. The Task Force recommends that a system be adopted that minimally impacts operations while providing employee's sufficient time to modify their absenteeism patterns. It is also suggested that labor representatives receive early notification of persistent patterns of absenteeism. Implementation: Summer 2017.

**Recommendation #7:** Reform City policies and procedures related to the administration of the FMLA in order to ensure clarity on eligibility, use, and audit requirements.

The City's FMLA administration is decentralized, resulting in significant policy and procedure variations across City departments. The Task Force recommends that the Department of Human Resources develop a City-wide audit, investigation, and management approach for FMLA to support departments in the administration and monitoring of FMLA leave. Additionally, a comprehensive policy and procedures guide should be developed to ensure consistent and legally-defensible procedures are being followed by all City departments. Implementation: Winter 2017.

**Recommendation #8:** Train all supervisors on time and attendance policies and expectations, actionable monthly report responsibilities, and effective coaching techniques to reduce absenteeism.

If front line managers are not informed about and empowered to enforce the time and attendance policies, the policies cannot be effective. The Task Force recommends that all supervisors participate in mandatory training on time and attendance policies and effective methods of implementation, so that they understand both policy provisions and their responsibilities in managing employee absenteeism. These trainings should be a joint effort along with the City's labor management partners to ensure that all members of collective bargaining units are informed. Implementation: Winter 2017 and ongoing.

**Recommendation #9:** Develop a robust employee training and information program that clearly establishes time and attendance expectations and policies and conveys the benefits of a good attendance record.

Initiatives designed to reduce absenteeism must begin with clear communication of expectations to the employees who will be impacted. These trainings should include information not only on time and attendance policies, but also on the benefits of a strong attendance record, the adverse effects of chronic absenteeism on their co-workers, and methods for self-monitoring of attendance records. Implementation: Winter 2017 and ongoing.

#### **NEXT STEPS**

The Workforce Management Group will develop a more formal implementation plan and work schedule to ensure that each of the Task Force's recommendations are acted upon. The plan and schedule will include both short and long term goals as previously noted, though it will strive to set incremental deliverables whenever possible. Regular reports will be provided to the Workforce Committee of City Council on progress in implementing the Task Force's recommendations.

## APPENDIX A: Resolution

### RESOLUTION

**WHEREAS**, The common causes of absenteeism include injury, illness or sickness; burnout and stress; the need to provide childcare or eldercare when normal caretaking arrangements have fallen through; and disengagement by employees who are not committed to their jobs, their co-workers, and their employers; and

**WHEREAS**, A recent study titled "*Absenteeism: The Bottom-Line Killer*", published by Circadian, a workforce solution company, concludes that unscheduled absenteeism costs employers in the United States roughly \$3,600.00 per year for each hourly worker and \$2,600.00 per year for each salaried employee; and

**WHEREAS**, The costs of absenteeism include wages paid to absent workers; productivity lost due to understaffing; for certain positions, overtime paid to replacement workers; administrative costs related to managing absenteeism, including time spent by departmental managers disciplining errant employees and finding suitable replacement workers; and resentment among employees who religiously come to work, but who, due to their co-workers' habitual absence, are burdened with extra duties and responsibilities; and

**WHEREAS**, Absenteeism can be difficult to address, because there are both legitimate and poor excuses for missing work, and it can be challenging for employers to monitor, control, and reduce absenteeism in an effective manner; and

**WHEREAS**, Notwithstanding these challenges, which affect public- and private-sector employers alike, it is particularly critical for public-sector employers like the City of Chicago to do everything in their power to ensure that taxpayer dollars are well spent, and that the vast majority of city workers, who are dedicated to their jobs throughout the year, are not taken advantage of by co-workers who intentionally and habitually miss work entirely or work less than their full shifts; now, therefore,

#### **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:**

**SECTION 1.** The above recitals are expressly incorporated herein and made part hereof as though fully set forth herein.

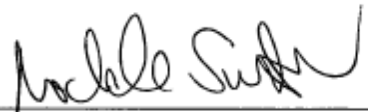
**SECTION 2.** There is hereby established an Absenteeism Task Force, the members of which shall be appointed by the Mayor. The members of this task force may include representatives from the Department of Human Resources, Office of Budget and Management, and the Department of Law; representatives of organized labor; aldermen; a representative of the Council Office of Financial Analysis; and representatives of private business and consultants with knowledge of best practices in the area of reducing workforce absenteeism, in addition to any other individuals the Mayor may select. The task force shall examine the causes and extent of absenteeism among city employees, with a view toward adopting recommendations to ameliorate the problem, including changes to law, policies, and procedures.



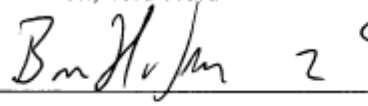
**SECTION 3.** The Absenteeism Task Force shall make its initial recommendations for such changes to the Mayor no later than 120 days after its members are appointed, and shall make additional recommendations from time to time, as appropriate, thereafter.

**SECTION 4.** The Absenteeism Task Force shall arrange for the online posting of City employee absentee data, organized by department and updated on a quarterly basis, for aldermanic and public review.

**SECTION 5.** The Absenteeism Task Force shall not be part of the City's organizational structure. Its members shall be appointed informally, and it shall conduct its proceedings informally. The task force's recommendations shall not bind the City. The members of the task force shall not receive compensation from the City.

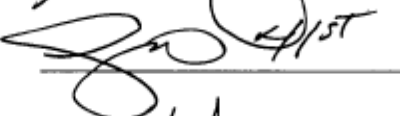
  
Michele Smith  
Alderman, 43rd Ward

 70

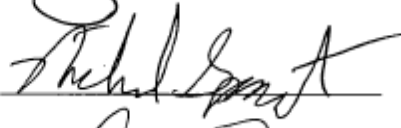
 2


 15

 47

 4/15T

 46

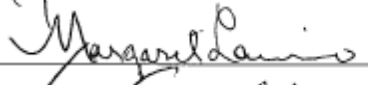


 45

 37

 17

 35

 39

 36th

 (31)

Carrie M. Austin 34

Paul Mills 53

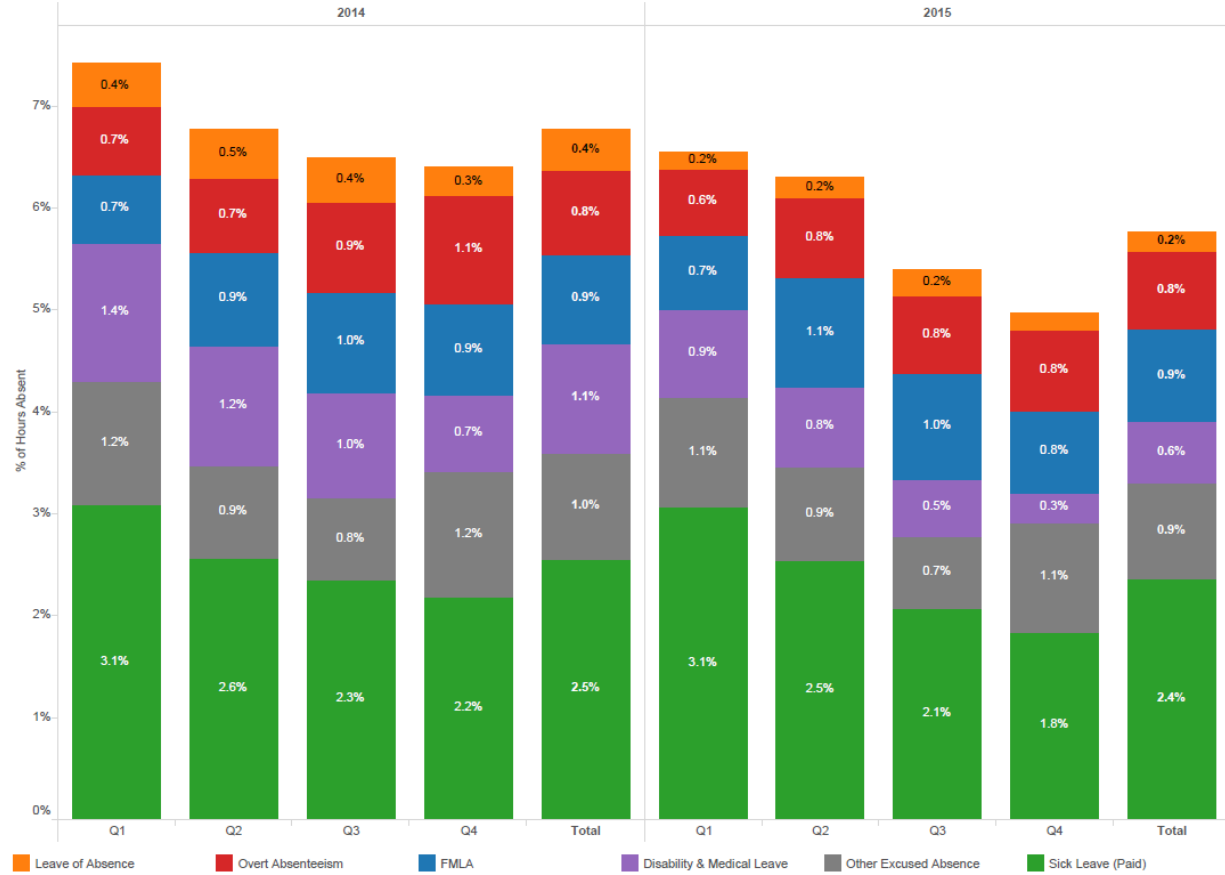
Manifolli 25

3 42

P. J. Connor 40th

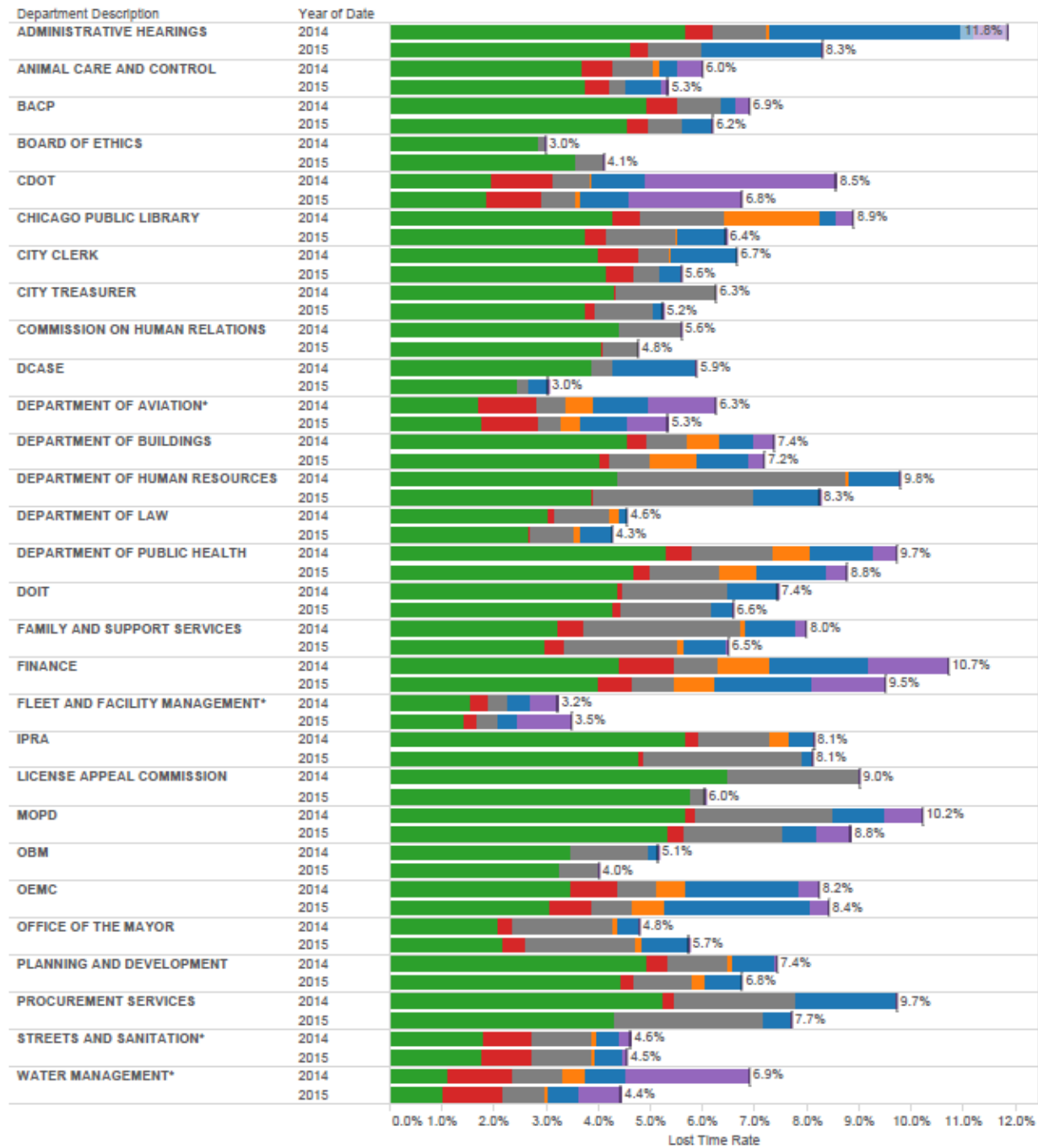
### APPENDIX B: Public Dashboard

Citywide Quarterly Lost Time Rate (Detail)



Note: Does not include the Chicago Police Department or the Chicago Fire Department. Excludes vacation, personal days, and holidays.

Department Lost Time Rates (2014-2015)



**Lost Time Category**  
 Sick Leave (Paid)      Other Excused Absence      FMLA  
 Overt Absenteeism      Leave of Absence      Disability & Medical Leave

\*Infrastructure Department

Note: Does not include the Chicago Police Department or the Chicago Fire Department. Excludes vacation, personal days, and holidays.

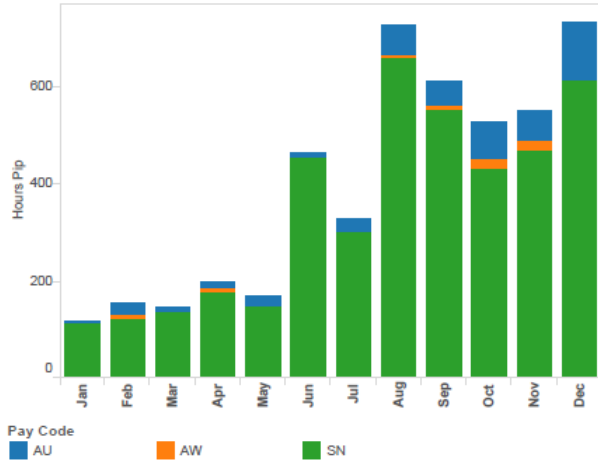
### APPENDIX C: Sample Monthly Department Report

#### 2015 Department Absenteeism Dashboard

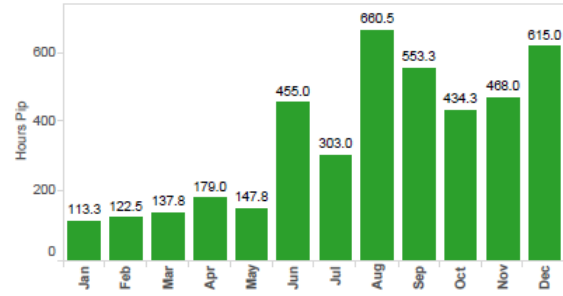
Department Absenteeism Summary	Department Detail	Employee Trend Analysis
--------------------------------	-------------------	-------------------------

#### Department Absenteeism Summary

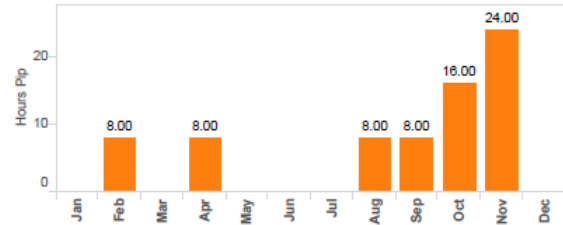
Monthly Absenteeism



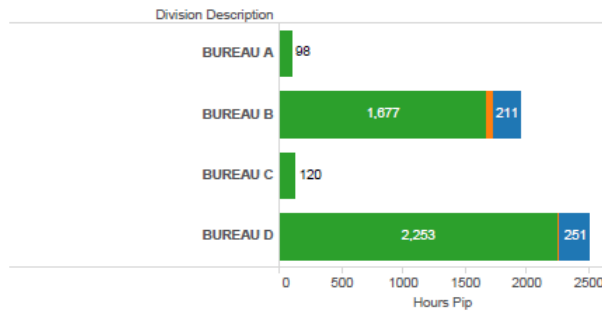
SN Monthly Hours



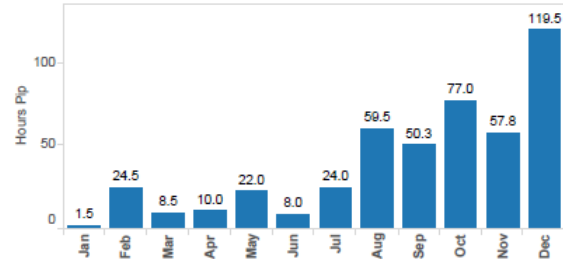
AW Monthly Hours



Bureau Summary Hours



AU Monthly Hours



**SAMPLE**