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ABSENT WORKERS COST THE CANADIAN ECONOMY BILLIONS

Despite a direct absenteeism cost of more than \$16 billion last year, less than half of Canadian organizations tracked the number of days or the reasons for absences

Ottawa, September 23, 2013 – The average Canadian worker was absent the equivalent of almost full two work weeks in 2011. These absences – which can range from time off for minor illnesses to longer-term leaves of absence – cost the Canadian economy an estimated \$16.6 billion in 2012, according to a Conference Board of Canada study released today.

“Absenteeism is more than a human resources issue. Unless organizations start proactively addressing absenteeism, this trend will most likely accelerate as the workforce ages,” said Nicole Stewart, author of [*Missing in Action: Absenteeism Trends in Canadian Organizations*](#). “Organizations can begin to address the issues through better tracking of the number of absences and reasons for absenteeism.”

HIGHLIGHTS

- **The average absenteeism rate in 2011 was 9.3 days per full-time employee. The public sector absenteeism rate was higher than that of the private sector.**
- **Despite the enormous cost of absenteeism, less than half of Canadian organizations currently track employee absences.**
- **Absenteeism rates were highest in the health care and social assistance sector, followed by government and public administration.**

The direct annual cost of absenteeism is based on survey data provided by organizations to the Conference Board. Organizations estimated that the direct cost of absenteeism averaged 2.4 per cent of gross annual payroll – which translated to a loss of \$16.6 billion in 2012.

The average absenteeism rate in Canada in 2011, based on Statistics Canada data, was 9.3 days per full-time employee. The public sector absenteeism rate (12.9 days) was higher than that of the private sector (8.2 days). And among unionized workers, the absenteeism rate was 13.2 days, compared to 7.5 days for non-unionized employees.

Although precise international comparisons can be difficult to make, Canada's absenteeism rate is high when measured against countries such as the United States or the United Kingdom. Various studies have estimated U.S. and U.K. absenteeism rates at between five and seven days annually per employee.

Tracking helps organizations understand how often employees are absent from work and the reasons for those absences. In 2012, 46 per cent reported that they track absenteeism by dates, a slight increase from 40 per cent in the Conference Board's 2009 survey. But few organizations measured the direct cost of absenteeism – only 15 per cent tracked this data, which is unchanged from the 2009 results.

The economic losses identified in the study do not consider any indirect costs that might also affect organizations, such as replacement costs for absent workers, administrative expenses, or negative effects on other workers or customers.

This Conference Board briefing, [*Missing in Action: Absenteeism Trends in Canadian Organizations*](#), is the first in a three-part series of publications. The next publication, [*Creating an Effective Workplace Disability Management Program*](#), provides a framework for employers and identifies the key elements of a successful disability management program.

The third publication, *Disability Management: Opportunities for Employer Action*, provides advice and guidance for organizations to more effectively manage absenteeism. These findings will be presented at the Conference Board event, [Disability Management and Benefits 2013: Driving Productivity with Effective Workplace Practices](#), on Oct. 28-29 in Toronto.

The Conference Board, in partnership with Sun Life Financial and Acclaim Ability Management Inc., will be launching a series of [workshops](#) to highlight effective strategies and best practices for employers in the areas of disability management, accommodation, and return to work.

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-30-

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