STATE OF WASHINGTON
DEPARTMENT OF RETIREMENT SYSTEMS
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October 19, 2005

RECEIVED
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Department of Personnel
Director's Office

Eva Santos, Director
Department of Personnel
Post Office Box 47500
Olympia, Washington 97504

Dear Eva:

The Department of Retirement Systems has been identified as the state agency with the highest average employee sick leave use for the past several years. I'm committed to exploring this trend, understanding it, and taking action if necessary. We are in the process of gathering and evaluating data to analyze why this has occurred, and will make some conclusions by the end of November.

We will be examining a number of factors as potential contributors to our level of sick leave, including:

- The demographics of our workforce
- The nature of our work – predominantly call center activity
- Past timekeeping practices
- Impact of small employee numbers and/or significant events on total employer average

We need to explore these factors to understand our numbers and what would be a reasonable absence rate. Some of the data we need is not available in the current HRM system. We are gathering it in other ways within DRS so we can know where to concentrate our efforts.

If we identify any challenges, I intend to address them in a progressive and supportive way. If you would like to discuss this issue, please give me a call at 664-7312.

Sincerely,

Sandy

Sandra J. Matheson
Director

cc: Tom Fitzsimmons, Chief of Staff
Governor's Office

Washington State
Health Care Authority

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October 18, 2005

TO: Governor Christine Gregoire

FROM: Steve Hill, Administrator

SUBJECT: Sick Leave Use – Health Care Authority

On August 11, Department of Personnel presented their GMAP information to you and your panel. Part of the data shared dealt with the average use of sick leave hours among state employees, including data points for agencies experiencing sick leave use above and below the state average. The Health Care Authority represented one of the data points for sick leave use above the state average (Quarter 1, 2003). Further analysis revealed that we have been consistently above the state average in sick leave use. I am pleased to report, however, that our average use of sick leave for the second quarter of 2005 is lower than it has been in at least the past three years.

In analyzing the sick leave data, we were unable to unearth any obvious patterns or reasons behind the amount of sick leave taken. This may be partly due to the inadequate level of information recorded in connection with each employee's absence. However, we uncovered two contributing factors possibly associated with high sick leave: a feeling of employee disengagement due to the lack of steady leadership; and a lack of rigorous performance management.

Steps we have taken or will take to address the issues include:

Implementation of a new policy regarding leave use. The policy contains more guidance and controls relative to management of leave. Supervisors will also be expected to review employee leave use over time to identify potential patterns and address them.

- In two of our major programs (Basic Health and PEBB) we are implementing a new scheduling software program which will enable us to capture more detailed information behind the use of sick leave. In conjunction with the software improvement, we will also be defining and tracking "anticipated" versus "unanticipated" absences. It is the unanticipated absences which have a greatest impact on scheduling and managing workload.

- Development of a recognition program within Health Care Authority. This program, which will include formal as well as less formal, day-to-day types of recognition, will place an emphasis on employee presence and engagement.

- In a larger context, we are exploring alternative programs in the area of employee wellness and work/life balance.

We look forward to reporting our progress in managing employee attendance. In the meantime, please feel free to contact me at 923-2828 if you have questions or would like more information.

cc: Eva Santos, Director, Department of Personnel