



## EMPLOYEE ABSENTEEISM OF MANUFACTURING SECTOR IN HYDERABAD CITY - AN EMPIRICAL STUDY

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### **Abstract**

*Absenteeism has been recognized as a vital issue, which affects the production of the organization and the community as a whole. The main problem, which the manufacturing sectors face today, is the absenteeism of workmen. The sample size is limited to 150 by randomly selecting the workers from different departments. Both primary and secondary data were collected by interview method and by referring the company manual and the website of the companies. From the findings it is clear that the workers level of satisfaction towards the company is low. Absenteeism can be further reduced by considering the reasons of absenteeism and by implementing the various suggestions and the strong and systematic policy of the company can reduce the absenteeism.*

**Keywords:** *Career Advancement, Trainings Provided, Working Environment.*

### **Introduction**

Absenteeism has been recognized as a vital issue affecting discipline and production in the organized industry today. It is a major socio-psychological problem in industries. Absenteeism in Indian industry is not a new phenomenon. The Royal Commission of Employee reported, "High absenteeism prevails among industrial employees mainly due to their rural orientation". Absenteeism is a serious problem for a management because it seriously involves heavy expenditure and loss of production. The main objective of organization is to maximize profit by maximum utilization of men, materials and money. When there is a problem of absenteeism the three above said sources are not fairly utilized. Absenteeism is one of the common factors, which affects both the production, and the growth of the organization. No company can afford to allow high incidence of absenteeism to eat up its hard earned corporate profits. In general the absent rate indicates the relative cost to a given company because productions workers simply cannot produce as much annually when absent rates are high as they can when absent rates are low. When the employees are away from the work, it is difficult for the employer's to maintain production schedule. Reduction of absenteeism is beneficial not only to the industry but also to the nation as a whole. The treatment of dismissal by the employer would never ultimately help to reduce absenteeism. Employee force is an integral and important component of the wealth of nations, as other factors like land, capital, and machine. Measured by what employee contributes to output, productive capacity of human beings is now vastly larger than all other forms of wealth taken together which has chiefly contributed to economic growth of countries. An employee is under an obligation not to absent himself from work without good cause during the time at which he is required to be at work spot by the terms of his contract of service. Absence creates many administrative problems, resulting in dislocation of work. The contribution of employee towards production is possible only when the individual comes to the work spot and delivers his employee to somebody. Employee is inseparable from the employee himself he sells his employee in person. An employer works to earn, to do so it is imperative on his part to be present on the work spot every day. When the workers are absent from the work, it leads to loss in the man-hours, which has direct influence on the production and productivity. This underlines the importance of the need for workers to be present. Absenteeism refers to the absence of an employee from work that is scheduled to be at work. It refers to the loss of man hours on account of the absence of a percentage of workers scheduled to be at work.

### **Reviews**

Dirk et al., (2002) he found that, through structural equation modelling showed that this was indeed the case for the relation between LMX (leader member exchange) behaviour and subordinate absenteeism. Supervisory conflict management behaviour was not directly related to subordinates' feelings of reciprocity, but only indirectly through LMX-behaviour. Finally, and quite surprisingly, subordinates' feelings of reciprocity turned out to be positively related to their absence frequency. Praveen et al., (2005) in this study examined the effect of



national culture on absenteeism using a sample of 17,842 respondents from 24 countries. Based on Hofstede's cultural dimensions, they postulated that uncertainty avoidance, power distance, individualism, and masculinity will be negatively related to absenteeism. Similarly, based on the GLOBE cultural dimensions, however, they hypothesized that in-group collectivism and gender egalitarianism will have negative relationships with absenteeism. Consistent findings were obtained for the common elements of both the Hofstede and GLOBE cultural dimensions, demonstrating convergence of our findings.

James et al., (2008) indicated that stressful life events were significantly associated with both presenteeism and absenteeism, to the same degree. These results extend previous research in suggesting that employees are substituting presenteeism for absenteeism. However, different health risks (chronic conditions vs needing counselling support) were more likely to predict absenteeism than presenteeism. By supporting a substitution hypothesis, the present study suggests that both presenteeism and absenteeism are important measures of employee health and organizational productivity.

Anne et al., (2009) this paper explores how the toll of cost cutting and implementation of tighter welfare eligibility rules elicited collective resistance through leave taking and highlights how absenteeism can be more than an individual response of passive disengagement. Jeff et al., (2012) in this paper helps to extend the current work on leadership; it examines the passive avoidant style, which remains understudied to date; and it enriches our understanding of the relationship between leadership style and absenteeism as an outcome variable by moving beyond a one-dimensional conceptualization of absenteeism. Finally, it serves as a basis for future research by providing evidence for a somewhat counter-intuitive finding that, under passive avoidant leaders, workers appear to come to work when sick, but stay away from work when well.

Denis et al., (2013) it was found that distributive injustice is indirectly linked to short-term absences through exhaustion. By contrast, the relationship between distributive injustice and long-term absence can be explained by two mediating variables, namely, exhaustion and psychosomatic complaints. In spite of the non-longitudinal nature of this study, the results suggest that the stress model and the medical model best explain the relationship between organisational injustice and absenteeism, while the withdrawal model via organisational commitment is not associated in this study with absenteeism. For the healthcare sector, the need to reduce absenteeism is particularly urgent because of budget restrictions and the shortage of labour around the world. This is one of the first studies to provide a complete model that analyses the stress process in terms of how organisational justice affects short- and long-term absences, in a bid to understand the specific process and factors that lead to shorter and longer episodes of absence.

Dwayne (2014) the study utilized a cross-sectional self-report survey research design which does not permit causal inferences to be made. Longitudinal research is needed to further investigate these relationships reported here. Managers should seek to minimize workplace bullying as well as excessive job demands to help alleviate the risk of employees developing negative health outcomes. The study investigated how different categories of stressors interact with each other to predict various health outcomes or forms of job strains. Amanda et al., (2016) findings indicate that there was a strong influence of social rewards such as social support and recognition in the workplace on officer absenteeism rates. Low workload was associated with a higher frequency of absenteeism suggesting a potential under loading effect. There were a number of significant interactions providing support for the effort-reward imbalance mechanism and the separation of the reward construct. Security rewards were particularly influential and significantly moderated the relationship between effort and absenteeism. Differential effects of occupational rewards were identified in the study, indicating that there are significant opportunities for expansion of the effort-reward imbalance model along with opportunities for HRM practitioners in terms of employee recognition and remuneration programmes. This paper considers and expanded model of worker strain and contributes a longitudinal assessment of the association between perceived effort and reward systems and worker absenteeism.

Pranab and Pallavi (2016) low performers are worse affected by absenteeism as compared to the high performers. Inclusion of some other factors, such as study habits, additional hours spent on quantitative modules, student's



ethnicity background, particularly in the context of United Arab Emirates, could have emboldened the robustness of the study. Non-availability or paucity of this information, to some degree, has limited the conclusions of this study. Proponents of mandatory attendance argue that there is a positive correlation between attendance and performance.

### **Methodology**

Absenteeism is a common factor prevailing in the Indian industries. The main objective of organization is to maximize profit by employing minimum number of men, material and money. When there is a problem of absenteeism the above said factors are not fairly utilized. So the need for reducing absenteeism is not only the need for the company but also the need of the nation. The study conducted to find the reasons for the absenteeism, the factors leading to absenteeism, to find whether the workers are motivated after the introduction of the various schemes to reduce absenteeism etc. The study is also conducted to analyze the relationship of various factors with absenteeism.

Absenteeism is not a new problem in the Indian industries. It is a universal fact. Absenteeism is one of the common factors, which affect both the production, and the growth of the organization. So controlling and preventing absenteeism become the aim of the whole nation. Chronic absentees are persons who habitually stay away from their work. Unauthorized absence will increase the workload of other workers. Moreover the production will decrease and the company will be in a position to close the business. This is not only the problem of the company alone it will affect the employer, the employee and the community as a whole.

The study also includes the attitude of the workers towards the company who belongs to chronic absentees. To study the various reasons for absenteeism in the manufacturing sector, to find out whether the workers are motivated by the introduction of new schemes by the company and to find out the measures to control absenteeism. To find the relationship between absenteeism and the various factors leading to absenteeism. The study was conducted within a limited time period. The sample size is limited to 150 from the population of 300. Only the absentees who absented more than 20 days in the year 2015 and 2016 are taken as the population.

Descriptive research design has been followed to conduct the research study. The success of any formal research depends on its sound research design. As the aim of this research is to identify the factors leading to absenteeism and the relationship between various factors and absenteeism this project is purely descriptive in nature. Stratified random sampling is used for the study. Under stratified sampling the population is divided into several sub populations that are individually more homogenous than the total population. The workers who have been absent for more than 20 days in the year 2014 and 2015 are selected for the study. So the population for this particular research is 300. 50% of the population (150) is selected for the study as the sample size.

### **Objectives Of The Study**

1. To find out the causes of absenteeism in the organization.
2. To provide suggestions in the form of solutions to reduce the rate of absenteeism

### **Results and Discussions**

In the HR department, from a total of 25 absentees, 12 of the absentees are from the age group above 50. In the Finance department, from a total of 24 absentees, 8 of the absentees are from the age group 31 – 40. From a total of 10 absentees in the marketing department, 7 of the absentees are from the age group above 50. In the production department from a total of 15 absentees, 6 are from the age group 31 – 40. In R & D department, 11 of the absentees are from the age group 31 – 40 from the total of 14. The other departments include the total of 62 absentees, 25 are coming under the age group above 50 in the others category. Finally from the 150 absentees 140 belongs to the married category.

Among the absentees who are having more than 20 years experience 24 persons have some other source of income. 4 of the absentees who belong to 16 – 20 years experience have some other source of income. Among the absentees who are having 11 – 15 years experience, 5 persons have some other source of income. 8 absentees who

are having 6 – 10 years experience have some other source of income. Only 1 person who is having less than 5 years experience have some other source of income. From the table it is clear that there is a direct relationship between age and the number of persons who is having other source of income. As the age increases, the number of persons who is having other source of income also increases.

**Table 1: Descriptive Statistics**

	Mean	SD	Cronbach's Alpha
Career Advancement	3.47	1.08	0.60
Trainings Provided	3.79	1.06	0.65
Working Environment	3.70	1.10	0.61
Welfare Facilities	3.72	1.05	0.74
Safety Measures	3.63	1.03	0.75
Medical Facilities	3.65	1.03	0.59
Transportation Facilities	3.98	1.03	0.69
Employee Grievance Redressal	3.87	0.83	0.67
Loan Facilities Provided	3.72	0.94	0.63
Communication from Top Management	3.55	1.19	0.75

**Table 2: Employee Absenteeism for Median values**

		Employee Absenteeism				
		1.00	2.00	3.00	4.00	5.00
Career Advancement	> Median	0	2	4	14	20
	<= Median	9	16	60	63	31
Trainings Provided	> Median	0	1	14	19	18
	<= Median	9	17	50	58	33
Working Environment	> Median	0	1	2	22	32
	<= Median	9	17	62	55	19
Welfare Facilities	> Median	0	1	7	11	24
	<= Median	9	17	57	66	27
Safety Measures	> Median	0	1	2	12	30
	<= Median	9	17	62	65	21
Medical Facilities	> Median	0	1	3	7	28
	<= Median	9	17	61	70	23
Transportation Facilities	> Median	0	2	12	21	34
	<= Median	9	16	52	56	17
Employee Grievance Redressal	> Median	0	3	1	15	33
	<= Median	9	15	63	62	18
Loan Facilities Provided	> Median	0	1	6	4	35
	<= Median	9	17	58	73	16
Communication from Top Management	> Median	0	1	9	1	39
	<= Median	9	17	55	76	12

Since the calculated value is lower than the critical value null hypothesis is accepted and alternative hypothesis is rejected. So there is no significant relationship between distance and nature of job.

H<sub>01</sub> : There is no significant relationship between age and reasons for absenteeism.

Since the calculated value is greater than the critical value null hypothesis is rejected and alternative hypothesis is accepted. So there is significant relationship between age and reasons for absenteeism.

H<sub>02</sub> : There is no relationship between independent variables and employee absenteeism.

**Table 3: Model Summary of Regression Analysis**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.794 <sup>a</sup>	.631	.613	.65452	.631	35.602	10	208	.000

a. Predictors: (Constant), Communication from Top Management, Medical Facilities, Employee Grievance Redressal, Career Advancement, Working Environment, Loan Facilities Provided, Transportation Facilities, Trainings Provided, Welfare Facilities, Safety Measures

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	152.519	10	15.252	35.602	.000 <sup>b</sup>
	Residual	89.106	208	.428		
	Total	241.626	218			

a. Dependent Variable: Employee Absenteeism

b. Predictors: (Constant), Communication from Top Management, Medical Facilities, Employee Grievance Redressal, Career Advancement, Working Environment, Loan Facilities Provided, Transportation Facilities, Trainings Provided, Welfare Facilities, Safety Measures

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.001	.247		-.005	.996
	Career Advancement	-.244	.058	-.251	-4.242	.000
	Trainings Provided	-.016	.065	-.016	-.251	.802
	Working Environment	-.032	.053	-.033	-.595	.552
	Welfare Facilities	.004	.067	.004	.058	.954
	Safety Measures	.271	.070	.266	3.864	.000
	Medical Facilities	.103	.063	.100	1.637	.103
	Transportation Facilities	.131	.064	.128	2.040	.043
	Employee Grievance Redressal	.406	.081	.318	5.029	.000
	Loan Facilities Provided	.080	.068	.072	1.185	.237
	Communication from Top Management	.258	.062	.291	4.168	.000

a. Dependent Variable: Employee Absenteeism



The main reasons behind absenteeism are the dissatisfaction with job and the workload of the workers. Apart from that health problems of the aged workers also lead to high rate of absenteeism. The main factors, which lead to absenteeism of the workers, include the low rate of satisfaction towards motivation, and low rate of satisfaction towards wages. Even though the absentees are not fully motivated, a small part of the work force is motivated for a better work after the introduction of the schemes. There is a significant relationship with the factors leading to absenteeism and absenteeism in most of the cases. Absenteeism is more in the departments like tyre curing, band building, tyre building etc., which involves difficult task. Workload and working condition may be the reason for absenteeism in these departments. Percentage analysis according to age gave the result that 31 – 40 aged workers are absenting more. This may be due to family responsibility and other family problems. It is clear that a major part of the absentees are married. This is due to various personal problems, family problems, child care, other household responsibilities etc. A large part of the absentees are coming from the nearby localities that are from less than 3 kms. So the absenteeism is not due to distance. This shows their low morale towards the company. The most shocking fact is that the major groups of absentees are experienced persons. This is because of the high rate of job security in the company and may be because of health problems. Other source of income is not a reason for absenteeism. Most of the absentees depend only on the company for their living. Awareness about leave rules and leave facilities is not the reason for absenteeism. Most of the absentees are very much aware about the leave rules and leave facilities. The age group below 40 years is absenting because of workload and the age group above 40 years are absenting because of their high dissatisfaction in the job. More than half percentage of the absentees is very much dissatisfied with their wages. Most of the workers feel that the company is not giving enough rewards for their good performance. This will generate a psychologically negative attitude from the workers towards the company. Unawareness of the schemes introduced by the company can also be said as a reason for absenting. Most of the workers are unaware of the schemes. The workers are not satisfied with the motivation given by the company. The company can introduce more useful schemes for reducing absenteeism. Another main factor is the lack of good relationship with the superiors. Majority of the workers have some difference of opinion with the superiors. Relationship with the co – workers is not a reason for absenteeism. A major portion is very much satisfied with the co – worker relationship. The most appropriate suggestion given by the workers to reduce absenteeism is to re arrange the existing shift schedule.

### **Suggestions**

One main suggestion to reduce absenteeism is allowing a normal rate of shift exchange between the different shift workers. This will allow the worker to do overtime and the other worker's absence will not affect the organization. Get-together of the workers in different shifts should be conducted once in two months for at least 2 hours. This will help to increase the relationship and mutual understanding among the different shift workers. The rest interval or the lunch break is only a pause to the workers for a highly motivated work for the next session. So after the lunch the worker should feel fresh. Some entertainment like television, music etc can relieve the strain of the workers. Moreover at least some workers will try to keep up the timings indirectly for the lunch break and to come back for work. Increased rate of job security is one reason for absenteeism. So the management should make an agreement with the union that a worker who absents without any truthful reason for more than the limited days should be suspended from the company. That worker's photograph and the warning letter given to him should be displayed on the notice board. This will create a fear of the loss of job in the minds of the workers. An officer should be appointed to enquire about the reasons for the absenteeism of the workers and should provide counselling programmes for the mentally depressed persons to reduce their personal problems. Providing accommodation to the workers is another way to reduce absenteeism. If charging very cheap rental, this can bring profit to the company in the long run. Moreover the other advantages include:

1. Absenteeism due to distance can be reduced.
2. Motivated workforce.
3. Superiors can identify the reason for absenteeism very easily.
4. Will improve the relationship between the workers.

Alcoholic relief programmes should be conducted to the workers who absents due to alcoholism. Incentives to the workers can be given by the middle of every month. This will help to reduce the difficulty of the worker to face



his colleagues without money since because friend circle is very important for each and every person. Moreover the other workers will be motivated to do more work and earn more money. Once they start saving, the workers will not feel that they are not getting enough wages. Since the supervisor is the immediate leader to the workers keen interest should be taken in appointing superiors. Superiors should deal with the workers in a professional manner to influence the workers. Apart from all these improving the working condition, health, safety and welfare measures are also important. Improving the superior - worker relationship is another important factor. Some group games and other entertaining programmes can be conducted for the workers to make the job interesting. Counselling can be given to the workers, who have some personal problems.

### Conclusion

Since manpower is most important, the problem of absenteeism affects the organization in many ways. The main reason that is the basis for absenteeism is the workers morale towards the organization. The company should take necessary steps immediately to increase the morale and satisfaction of the workers because workers form the integral part of the organization. The management should convince the workers about their importance in the organization and the workers should feel that they belong to the organisation family. The study helped to identify the reasons for absenteeism and the satisfaction level of the workers towards the various factors leading to absenteeism. The management can take steps to reduce absenteeism by implementing the suggestions and can take some more measures by considering the causes of absenteeism. The companies can become the largest manufacturers in the world if they adopt necessary steps to reduce the problems in the factory through employee engagement.

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