



## A CONCEPTUAL STUDY ON ABSENTEEISM, ITS CAUSES AND IMPACT ON ORGANISATIONAL PERFORMANCE

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### **Abstract**

*Absenteeism in Indian industries is not a new phenomenon. It is the manifestation of a decision by employees not to present themselves at their place of work, at a time when it is planned by the management that they should be in attendance. Many research reports reveal that there has been a phenomenal increase in absenteeism in some industrial sectors. This study examined the causes & its impact of on Organisational Performance on the basis of Secondary method. The study reveals that Absenteeism is one of the ever present problems of the industry. In absenteeism the contributing factors to absence include social such as alcoholism, family conflict, lack of proper motivation, working problems, health problem, transport problems, religious and age factor etc. have been identified as contributing factors to absenteeism. Based on the findings, it was recommended that organizations should identify the causes of workers absenteeism and seek means of reducing it, avoid regular hiring and firing of staff, discourage workers from taking irrelevant excuses to be absent from work by ensuring that workers are paid based on the hourly rate system and ensure that staff are motivated by paying them commensurate wage rate that will encourage them to remain on the job and improve their performance.*

**Key Words:** *Absenteeism, Organisational Performance, Causes, Strategies.*

### **Introduction**

Absenteeism is a social malady in an industry which disrupts work schedules, imposes extra burden on co-workers, reduces efficiency in labour productivity and lowers worker's morale. In a planned economy, absenteeism creates hindrances in production targets, profit prospects, investments and incentives to working class. The first and foremost question therefore, is to understand the concept of Absenteeism. The word absenteeism signifies the absence of an employee from work when he is scheduled to be at work, it is unauthorized, unexplained, unavoidable, and wilful absence from work. Absenteeism has also been defined as the failure of workers to report on the job when they are scheduled to work, for example when their names are actually on the pay rolls of the organization. The efficiency and experience of worker is affected by the rate of absenteeism and labour turn over. Absence is complex phenomenon. It gives rise to many industrial labour & social problems. It also reflects the attitude of the worker towards industrial life.

Organizations over the years have sought means of improving employee resource management particular with the interest of reducing the employee work absenteeism and to maintain low level of employee turnover in manufacturing industry. Employee motivation, shift work system, team work and other means of enhancing employee happiness and job satisfaction have been applied by management to reduce employee absenteeism and labour turnover to improve overall organizational performance.

### **Objectives of the Study**

- To study the various causative factors leading to absenteeism.
- To study the effect of absenteeism on organisational performance.

### **There are two type of Absenteeism**

1. **The Rare Absentee**, where an employee remain absent only in unavoidable and uncontrollable reasons.
2. **The Chronic Absentee**, where the employee is habitual to remain absent from work, and. The chronic absentees are considered to be strange variety of human beings whose different work behaviour arises in an entirely different way from that of regular workers. Some trace this behaviour to poverty and others to biological weakness or feeble-mindedness.

### **Definitions**

**Absence:** The fact of being away from one's position while scheduled to be on duty.

**Absentee:** A person who fails to report to work when scheduled to do so.

**The absenteeism becomes a problem to organizational management particularly when employees absent from their work environment without giving sufficient notice and by justifying their stand by furnishing fake reasons-**

The reasons for absenteeism are many. The factors contributing to absenteeism from work includes individual and environmental factors. These consists of sickness, accidents, occupational diseases, poor production planning (flow of work), bad working conditions and inadequate welfare conditions, lack of trained labourers, insecurity in employment, collective



bargaining process, rigid control system, lack of supervisory support, lack of interest, lack of cohesive and cordial culture and so on. The individual reasons may vary from organization to organization depending upon the organizational climate, employee's attitude and influence of external organizational factors (market forces, social activities that influence the industrial culture prevailing in geographical zone etc.).

### **Problems**

High rate of absenteeism is neither desirable to employers nor good for the employees. In majority of organizations, high rate of absenteeism has an adverse effect on quality and quantity of production, efficiency of workers and organization, organizational discipline and more importantly on the organization's intention to fulfill the new market demands. The absenteeism develops a considerable loss to organization because work schedules gets upset and delayed and management has to provide overtime wages to meet the delivery dates.

The causes of absenteeism, its effect on productivity and cost in terms of finance and administrative effectiveness are quite clear, but what is unclear is how to take affirmative action to control absenteeism. This should be done in such a way as not to develop mistrust, costly administration and system avoidance. Traditional methods of absenteeism control based on disciplinary procedure have proven to be ineffective and have failed to motivate the work force to meet organizational demands to compete at a global level. Unless management identifies and addresses the actual factors that influence employees to remain absent from work, it will be difficult for the organization to remain competitive at national and international levels. It is therefore imperative to probe into micro and macro aspects of organizational absenteeism to meet organizations long term cherished goals.

The levels of absenteeism and reasons for its occurrence are dependent on many variables in an organizational environment. This particular research identifies seven key factors that affect the absence rate for employees. These seven factors can be detailed as follows:

1. Family circumstances;
2. The physical health of the worker;
3. The work environment;
4. The degree of job stress;
5. Employer-employee relations;
6. Union coverage; and
7. Work schedules.

**Absenteeism has the Potential to Cause Numerous Impacts Upon an Organization;** these include lost productivity, poorer quality of product / service, decreased customer satisfaction, and a negative effect on the performance/morale of other employees. Other operational consequences of absenteeism include greater financial costs to the employer, as well as a greater employee workload. Each of these impacts has the potential to cripple an organization's operational ability, and seriously undermine its efforts to stay competitive or viable. Hence it is necessary to develop effective strategies to curb the absenteeism in Indian organizations.

### **Strategies to Curb the Absenteeism**

1. High collaborative culture.
2. Be aware of problems that may affect employee attendance or performance.
3. Develop open communication between managers, supervisors and employees.
4. Employees are encouraged to voice their concerns so their perceptions of the work place are clear and can be dealt with.
5. Cooperation with union representatives can be very helpful in attendance management and should be encouraged.
6. Regularly scheduled department meetings are an excellent way not only to hear employee perceptions and concerns but also to communicate organizational goals.
7. An employee's relationship with their supervisor can greatly influence their feelings about their work, their coworkers and thus their attendance at work.
8. More openness and transparency on the part of management.
9. Encourage risk taking and experimentation among members.
10. Make each employee aware that they are a valued member of the "team", that they play an important role in your organization and that their attendance is critical.
11. Hold regular meetings; keep your staff informed and involved.
12. Know your employees; without prying show an interest in their personal lives.



13. Familiarize with community programs which you can recommend to an employee if he/she has a need for assistance (i.e. marital or financial counselling).
14. Awareness, commitment and involvement by all levels of staff.
15. Match the attendance records during a period of "high" workload to a period of "normal" workload.
16. Bonus for unused sick leave.
17. Official warnings.
18. Develop a comprehensive and collaborative continuous improvement program throughout the department.
19. Counsel individual employees. Discuss with all employees problems of unjustifiable time off.
20. Bonus work (e.g. Saturday) should not be available to any worker who has been absent during the week.
21. Introduce an incentive scheme to reward those who don't have an absent day. This is measured quarterly and annually.
22. Greater attention by supervisors and more accountability of operations management and other management has improved sick leave.
23. Front line management will be held accountable for attendance management performance.
24. A management structure be engineered to identify and execute objectives relating to absence prevention, disability management and attendance control.
25. Effective training and development program.
26. Effective career planning And development program.
27. Each worksite should develop and maintain an attendance management policy.
28. Employers should track attendance and assign costs based on reliable data.
29. The Attendance Management Team should be given the ability to develop complex case management strategies and aggressively intervene where appropriate.
30. Employees should be encouraged to give as much notice as possible for anticipated absences. Absent employees should be requested to keep contact with their employer.
31. The employer should be informed of any changes in the employee's health status.
32. Employees should be called if they are not keeping contact with the employer. The purpose is to show concern and desire for the employee to regain a healthy status and return to work.
33. In addition to individual counselling make use of family counselling methods.

### **Conclusion**

It is reported that these strategies got effective feedback from the employees and employer's part in order to curb the absenteeism. It is reported that the rate of absenteeism reduced from 34% to 20 % within a period of 6- 10 months. The requirement here is the committed management force with single task to carry forward this strategic function with fidelity and accuracy. Many strategies like community intervention programs and industrial counselling strategies have major impact on the behaviour of absented employees. It is envisaged that a culture of open communication and collaboration can reduce the level of absenteeism through strategic interventions.

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