THE IMPACT OF EMPLOYEE ABSENTEEISM ON ORGANIZATIONAL PRODUCTIVITY WITH SPECIAL REFERENCE TO SERVICE SECTOR

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ABSTRACT

The paper is intended to determine the working philosophy, welfare facilities, impact on organization's efficiency, mutual obligations and involvement of employer and employee and performance appraisal effects. The paper consists of objectives, limitations, research methodology, findings, suggestions, and conclusions. The information is collected using primary and secondary data. The responses given by the workers of the company is analyzed and interpreted using different types of statistical tools which are percentage analysis method. This report throws light on the impact of employee's absenteeism on the productivity of the organization. The sample size is 82 from a population of 90. The questionnaire has been designed by the researcher according to the objective of the study.

KEYWORDS: Absenteeism, Productivity, Service Sector

INTRODUCTION

Absenteeism

The word Absenteeism refers to workers' absence from their fixed work because of several reasons. According to Webster's dictionary -Absenteeism is the practice or habit of being a non-attendant and an absentee is one who is habitually staying away from work. According to the Labor Bureau of Shimla Absenteeism is defined as the total number of people shifts. In other words, it signifies the absence of an employee from work on a regular basis, when he is programmed to be at work. Any employee may stay away from the work if he has taken leave to which he is entitled or on the basis of any previous sanction of leave. Thus, absence may be of two types authorized or unauthorized, willful or in other words caused by conditions beyond one's control.

Meaning

Absenteeism means keeping away from the place of work without prior notice. Many causes of absence are authentic, as an example personal illness or family problems, however, absence can also usually be derived to alternative factors like poor work surroundings or employees who don't seem to be committed to their jobs. If such absences become excessive, they can have a hostile impact on a business's operations and, ultimately, its profitability.

The Labour Department in the Asian nation outlined the absence rate because the total man-shifts lost as a result of absences as a proportion of the whole variety of man-shifts regular. So, for calculation of the rate of the absenteeism, we require the number of persons scheduled to work and the number actually present.

Types of Absenteeism:

There are three types of Absenteeism which are:

Planned and Approved: These are the situation in which the employee has planned to take a leave and it is approved by the employer.

Unplanned but Approved: In this category, absenteeism is unexpected by the employee but is already approved by the employer, fall into this category and hence this is categorized as unplanned on account of employees.

Unplanned and Unapproved: The above categories are from the employer's end but the third category is unplanned and unapproved which is out of the employer control and serious and strong steps would be needed on employer's end in order to control.

Following are the 8 types of Absenteeism

Planned and Approved: It may be further classified as:

Holidays

Holidays are planned in advance to spend time with the families by the employees. In every organization, there arethe preapproved number of holidays for the employees which they can avail. This is planned holidays which are called vacations and most organizations even pay for the expenses of the holidays under the category of leave travel allowance(LTA).

Holidays are a type of paid leaves which the employee can avail on a yearly or monthly basis, as the policies of the organization. Holidays can be availed either for vacations or for family functions. Some organizations offer a sabbatical for employees which are classified under holidays.

This is not seen as the type of absenteeism which is negative in nature and if an employee has not taken the holidays, then the organization pays the salary for the number of days worked. In multinational companies, it is compulsory for employees to avail all the holidays. They believe that employees overload is not a good option and hence taking holiday once in a while is good for the employee and productivity of the organization.

Every organization has different policies and different leave structure but most of the multinationals provide 30 days of paid leaves which are distributed over the year.

Maternity or Paternity

Employees can take maternity or paternity leave in the organization for a limited number of days. The number of days may vary from organization to organization. Paternity leaves are lesser as compare to maternity leave.

This type of leaves is valuable for female employees working in the organization. They can avail about six months or more of maternity leaves. There are some organizations which approve work from home during this period. Paternity leave is between one day to one week as per the organizational policies. This is paid leaves from the organization and employees may extend it after approval from the employer.

Work from Home

Many organizations offer work from home options to their employees. Employees can avail this facility for a few numbers of days wherein the employee can do their work from home and are fully paid for it. As the employee is not fully absent from the organization, thus it is categorized under the form of absenteeism.

Unplanned but Approved

Sick Leave/Accident

Sickness is unplanned which every employee suffers from time to time. Every organization has some numbers of approved sick leaves and most of the organizations, these are considered as paid leaves. Sickness is not something that an employee plan in advance and hence organizations remains adjustable as long as employees are not fully recovered.

The multinational companies do not keep a record on the number of sick leaves an employee avails as illness may extend from one day to one month or for one year depending on the gravity of illness. An accident is another kind of sick leaves. As employees travel on business purpose during which they may face an unfortunate event such as an accident. It may take a long time to recover accidents which may extend for years.

The most organization takes responsibility for the expenses of the employee if the employee has met with an accident in the workplace or while traveling for work purposes. Other organizations help the employee to pay through insurance. It is the sole decision of the organization whether to keep the employee or ask him/her to resign on account of long-term illness or accident.

Bereavement

This is a type of leave availed by the employee when someone dies in his family. Very few organizations provide bereavement leaves, this may range from one day to a couple of days. It is unplanned but approved the type of Absenteeism.

Unplanned and Unapproved

Disengagement

When employees start to dislike their work then it leads to disengagement. This is known as active disengagement. The employees do not take any interest in the proceedings of the organization.

Disengagement is a serious problem for most of the organizations. To reduce this disengagement, the organizations must come up with a variety of benefits such as rewards and recognition for the employees. Organizations must also follow the strategy of allocating work which is in the area of interest for the employee.

The other part of disengagement is passive disengagement, in which the employees may not keep concentration at work due to reasons out of their control. Things like family matters, sickness of a family member or personal issues may be the cause of passive disengagement. Many organizations have installed employee counseling centers wherein employees can discuss their personal problems in full confidence and the center provide a solution to such problems.

Overworking

A lot of employees overwork on a regular basis, which may be due to financial or non-financial reasons. Financial reasons may include the need for money for the family or personal needs, whereas non-financial reasons may include struggling to improve the current performance at work to save the job or compelling boss.

To prove their efficiency, employees have to work double their working hours and justify their salaries and save jobs. That will be possible only after overworking which ultimately leads to stress and leads to intentional long-term absenteeism.

Personal Reasons

Every human being is different and so is every individual employee. The personal reasons for one employee may not be applicable to other employees. Personal reasons may be anything but are not limited which include workplace bullying, depression, etc. and disturb their work-life balance. Depression is another cause of employee absenteeism. Depression may be due to personal or professional reasons which can be observed by the behavior of employee very easily.

Productivity

Productivity is the ratio between output and input of the organization. It is a quantitative relationship between what an organization is producing and what it spends to produce. Productivity is nothing but the reduction in wastage of resources organization utilizes in production, resources like men, material, machine, time, space, capital, etc.

In the words, Peter Drucker defines productivity as a balance between all the factors of production that will give the determined output with the minutest effort.

Service Sector

The service sector is the third most important sector of the three economic sectors. The others are the primary sector and the secondary sector the same as the manufacturing sector.

The service sector includes the production of services instead of end products. Services include attention, advice, access, experience, and affective labors commonly known as intangible goods.

The tertiary sector or service sector of industry involves the facility for providing services to other businesses and final consumers. It may involve the transport from one place to another, distribution and sale from producer to consumer, it happens in wholesaling and retailing, pest-control, entertainment, etc. The goods may be transformed in the process of providing the service. However, the focus is on interaction with people and providing services to the customer rather than producing physical goods.

LITERATURE REVIEW

According to M. Prabhu in his article titled " A study in steel organization on employee absenteeism" aims to identify factors that result in employees' absenteeism in an organization, which may help the company manager to develop and identify attitudes of employees for minimizing absenteeism. Data were collected from 100 steel manufacturing organizations adopting random or chance sampling method. The data were subjected to a simple percentage analysis for demographic variables and chi-square test for employee absenteeism.

The results indicated the necessary feedback on the employee's performance.

Harish K. Padmanabhan in his report on "A Study on Impact of Employee Absenteeism in Selected Manufacturing Industry" suggests that Employee Absenteeism is the main challenge which replicates high impact on the performance of an organization. Employee presence at work ensures high productivity, quality delivery and commitment towards improving the performance of the organization in terms of productivity and effectiveness of human resource management. Absenteeism is erratic in nature and serious workplace problem that occurs at the expenses of both employers and employees. The impact of absenteeism leads to not only leads to financial losses but also the goodwill of the organization. This paper attempts to identify the causes of absenteeism and suggest measures to overcome the high rate of absenteeism.

According to the researchers N. Shilpa & B. Masthanamma, Assistant Professor, Department of Business Administration, Annamacharya P.G college of Management Studies, Jawaharlal Nehru Technological University, Rajampet, AndhraPradesh, India, A Study on Symptoms and Preventions of Employee Absenteeism- A high unit of absence and turnover will cause serious issues for business like loss of productivity which have an effect on performance and impact the morale of the remaining staff. So, the current paper appearance at the causes of absence and its ranks and what the leader will do to scale back absence rates in the organization.

RESEARCH METHODOLOGY

Research Methodology is a blueprint of the Study conducted. The purpose of this chapter is to focus on the methodology of the study and the process and methods according to which the research was executed. The outline of this chapter includes the statement of the research problem, the Objectives of the Study, Hypothesis to be tested, the type of Research Design and related methodology i.e. tools and procedures which included the population of the study, sampling procedure and sample size, data collection techniques and data analysis techniques of the study.

Statement of Problem

Absenteeism is one of the great catastrophes faced by all the organizations in this modernized world which results in low productivity. So, the organization has to take various actions to reduce absenteeism.

Type of Research

The study follows a descriptive research method. Both primary and secondary data were used for the data collection.

Primary Data

Primary data was collected through structured questionnaire method and personal interview of the employees.

Secondary Data

Secondary data was collected by referring to various online websites, journals, articles, etc. regarding employee absenteeism.

OBJECTIVES

- To identify the reasons for absenteeism.

- To measure the employee's absenteeism level.

- To know the attitude of management towards their workers and the awareness regarding their problems.

- To study the impact of absenteeism on the organizational performance.

- To find out the various Personal factors affecting absenteeism.

Hypothesis

The following research hypothesis was tested:

H_0: Absenteeism does not significantly affect organizational productivity.

H_1: Absenteeism significantly affects organizational productivity.

Research Design
Type of Study

The study conducted for the research was descriptive type.

Sample Design
Sample Population

Selected Service Industry

Sample Frame

One Service Industry

Sample Size

82 working employees

Data Collection

- Structured Questionnaire.

- Personal Interview.

Methodology of Analysis
Methods

Percentage method

Tools

- Graphs

- Tables

- Figures

- Bar diagrams

Limitations of the Study

- The study is limited to 82 respondents.

- The level of co-operation was poor due tothe work nature of the employees.

- The possibility of biased answers from some of the respondents due to the fear of superior.

Data Analysis

Table 1: Table Showing Age Group of Employees

Parameters	Frequency	Percentage
Below 20 Years	5	6.1%
21-30 Years	28	34.1%
31- 40 Years	42	51.2%
Above 40 Years	7	8.5%
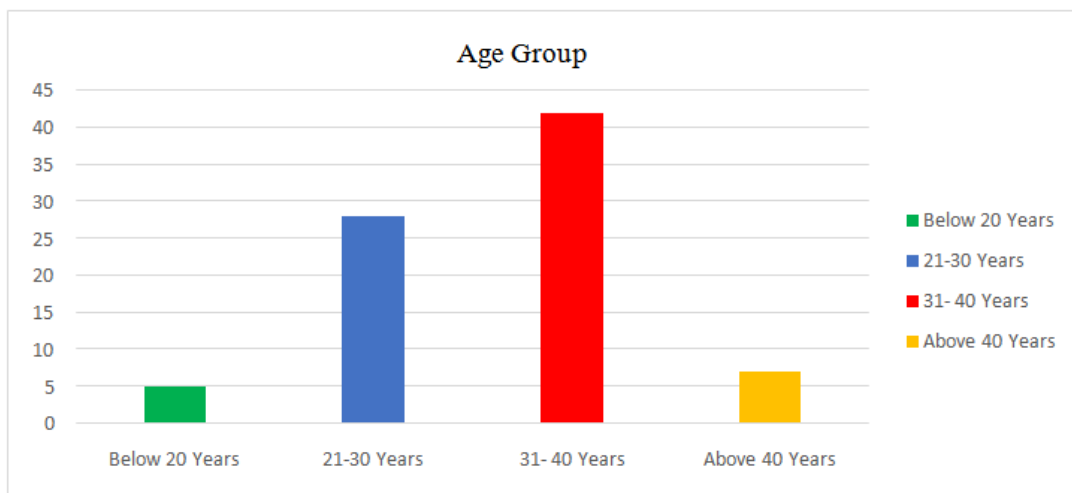
Figure 1

From the above figure, it is inferred that 51.2% employee who participated in the survey fall under the age group of between 31-40 years and 31.4% of employee belong to the age group between 21-30 years. Between the age group below 20 years, there were only 6.1% employee and 8.5% of employee fall under the age group of above 40 years.

Table 2: Table Showing Gender of Employees

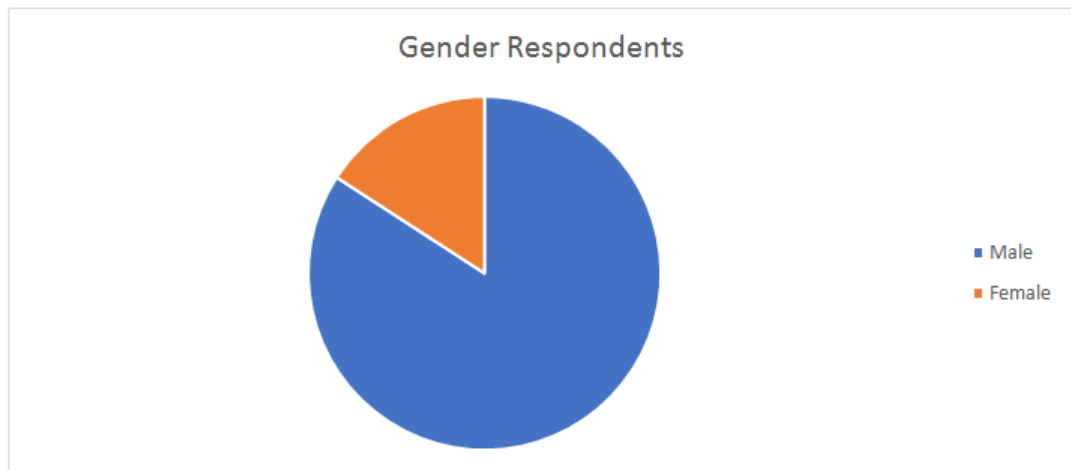| Gender	Respondents	Percentage
Male	69	84.1%
Female	13	15.9%

Figure 2

From the above figure, it is inferred that from the total respondents 84.1% were male and 15.9% were female.

Table 3: Table Showing Designation of the Employees

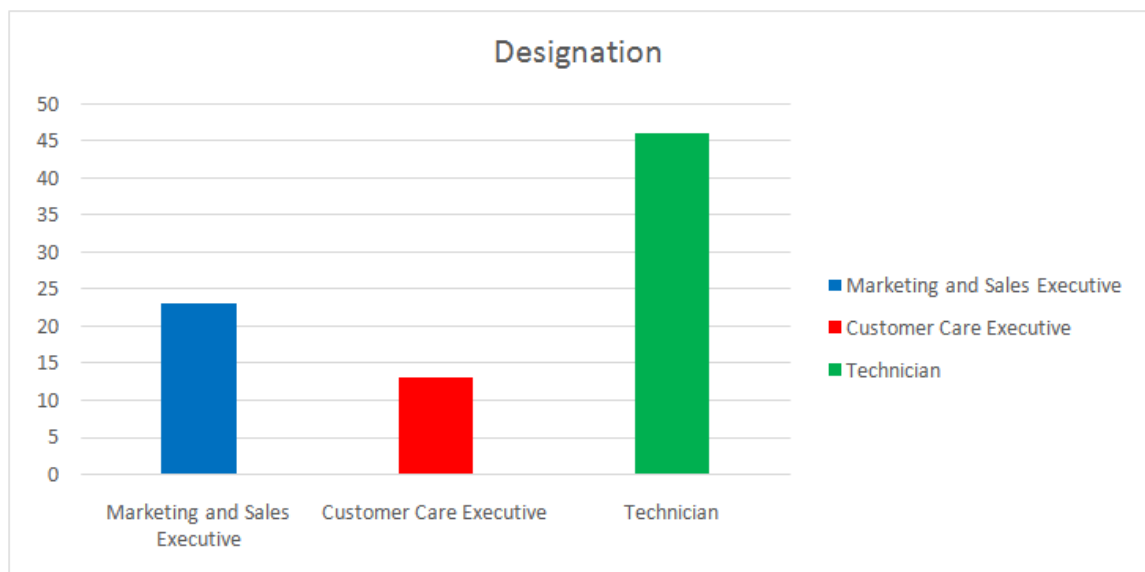| Designation	Respondents	Percentage
Marketing and Sales Executive	23	28%
Customer Care Executive	13	15.9%
Technician	46	56.1%

Figure 3

From the above figure, it is inferred that there is three major designations in the organization which includes 28% of marketing and sales executive, 15.9% of customer care executive and maximum percentage of 56.1% are technicians.

Table 4: Table Showing Experience of the Employees

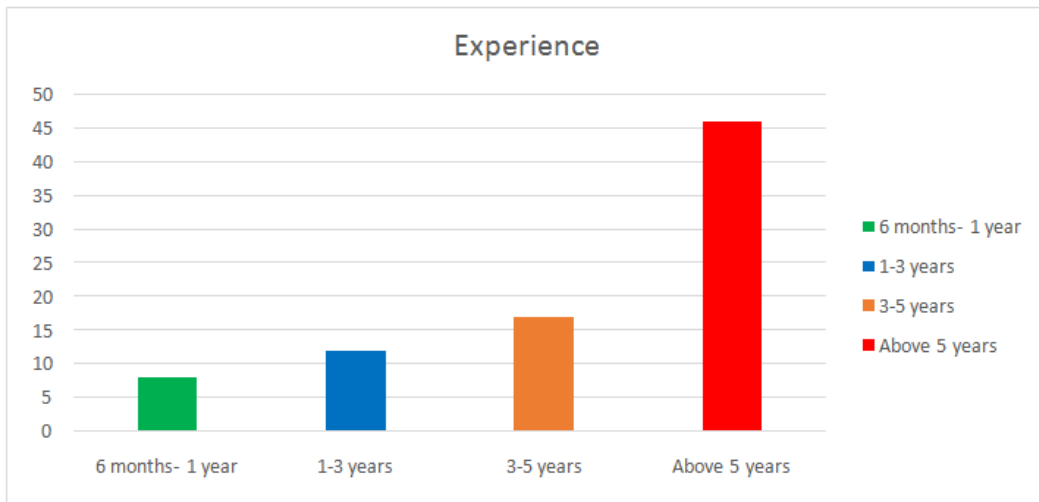| Experience	Respondents	Percentage
6 months- 1 year	8	9.8%
1-3 years	12	14.6%
3-5 years	17	20.7%
Above 5 years	46	56.1%

Figure 4

From the above figure, it is inferred that 9.8% of respondents have 6 months to 1 year of experience, 14.6% have 1 to 3 years of experience, 20.7% have 3 to 5 years of experience and 56.1% have above 5 years' experience

Table 5: Table Showing Responses of the Employees Regarding "Absenteeism Affects the Working Culture of the Company"

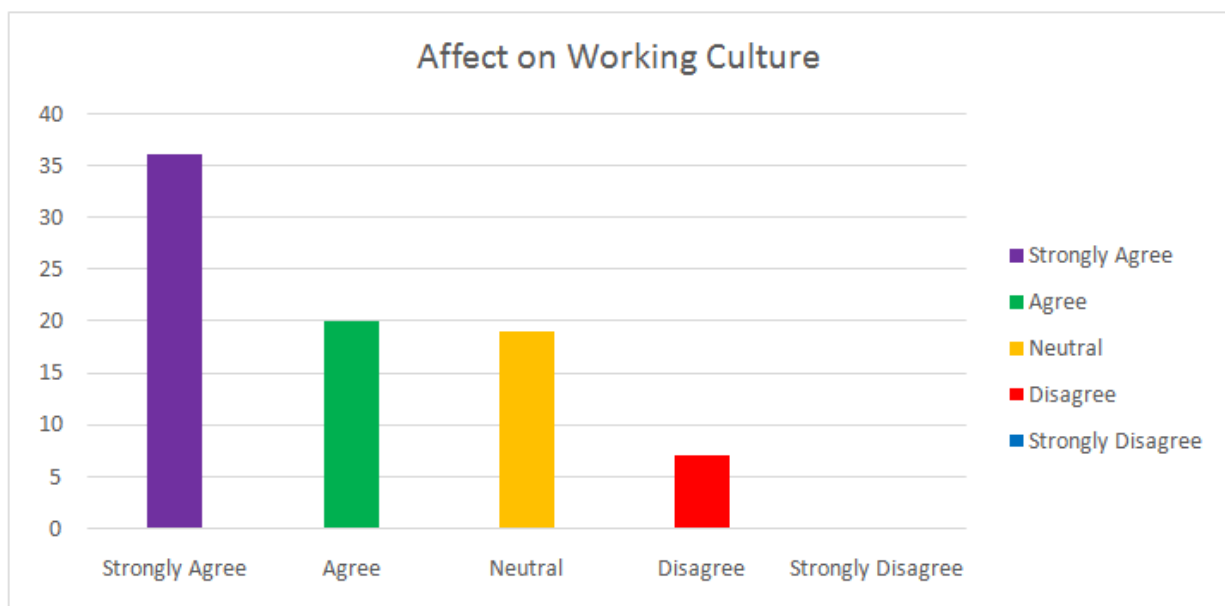| Opinion	Respondents	Percentage
Strongly Agree	36	43.9%
Agree	20	24.3%
Neutral	19	23.1%
Disagree	7	8.5%
Strongly Disagree	0	0
Total	**82**	**100%**

Figure 5

From the above figure, it shows that 43.9% of respondents strongly agree that absenteeism affects the working culture of the company, whereas 24.3% agree, 23.1% were neutral and 8.5% disagree.

Table 6: Table Showing Responses of the Employees Regarding "Welfare Facilities, Salaries are the Major Causes of Employee Absenteeism"

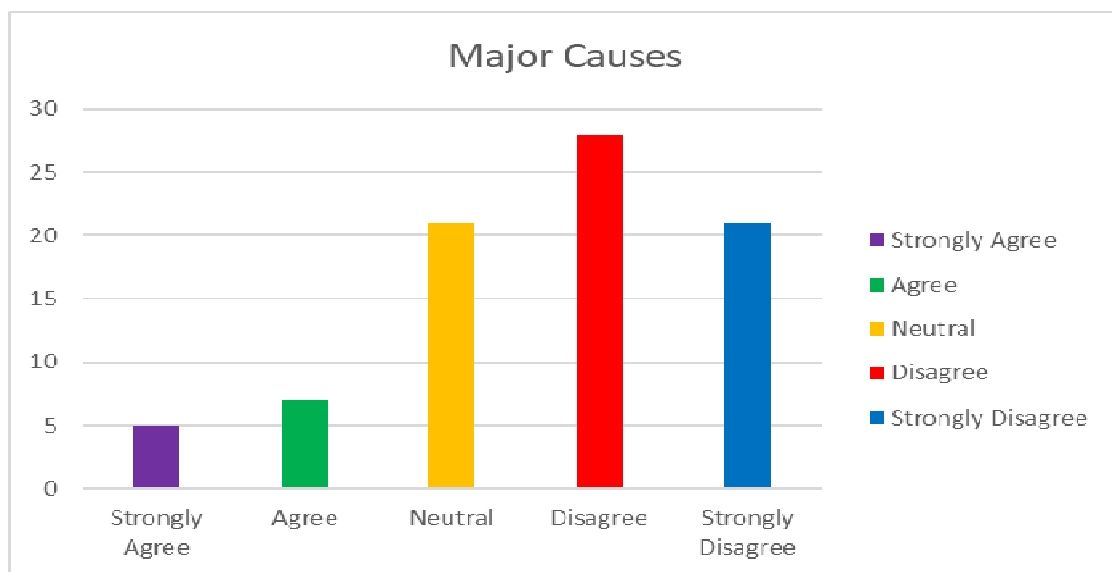| Opinion	Respondents	Percentage
Strongly Agree	5	6%
Agree	7	8.5%
Neutral	21	25.6%
Disagree	28	34.1%
Strongly Disagree	21	25.6%
Total	**82**	**100%**

Figure 6

From the above figure, it shows that 6% of the respondents strongly agree that welfare facilities, salaries are the major causes of employee absenteeism, whereas 8.5% agree, 25.6% are neutral, 34.1% disagree and 25.6% strongly disagree.

Table 7: Table Showing Responses of the Employees Regarding "The Rate of Absenteeism can be Reduced with Mutual Commitment and Involvement of Employer and Employee"

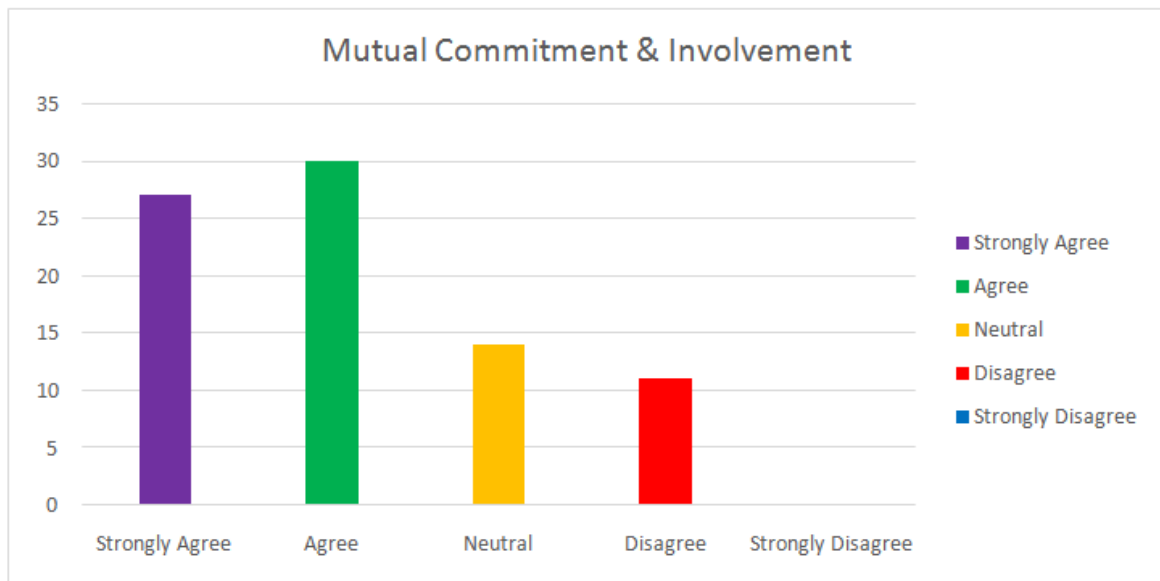| Opinion	Respondents	Percentage
Strongly Agree	27	32.9%
Agree	30	36.5%
Neutral	14	17%
Disagree	11	13.4%
Strongly Disagree	0	0%
Total	**82**	**100%**

Figure 7

From the above figure, it interprets that 32.9% respondents strongly agree that the rate of absenteeism can be reduced with mutual commitment and involvement of employers and employees, whereas 36.5% agree, 17% were neutral and 13.4% disagree.

Table 8: Table Showing Responses of the Employees Regarding "Lack of Performance Appraisal Affects the Absenteeism among Employees"

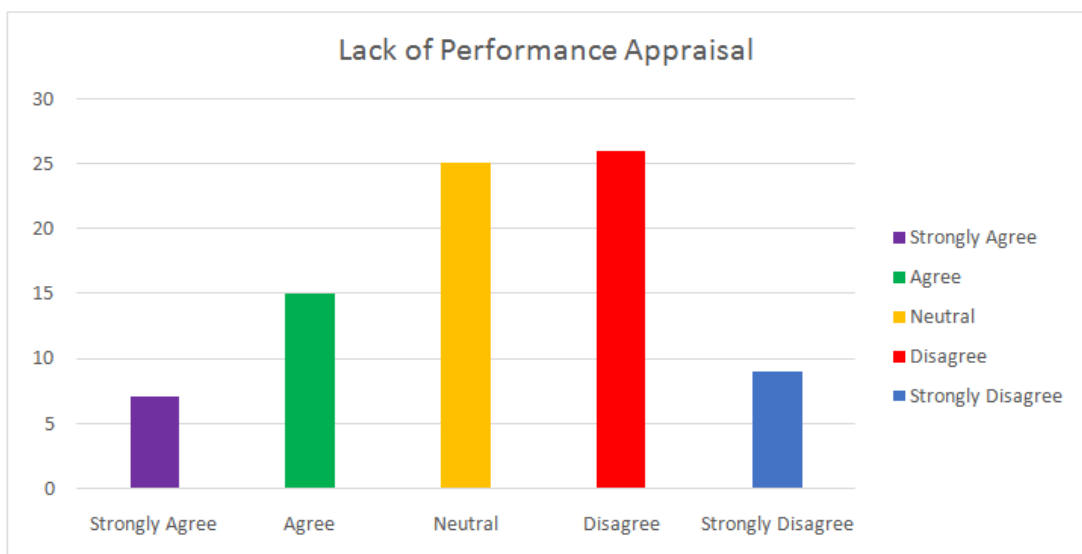| Opinion	Respondents	Percentage
Strongly Agree	7	8.5%
Agree	15	18.2%
Neutral	25	30.4%
Disagree	26	31.7%
Strongly Disagree	9	10.9%
Total	**82**	**100%**

Figure 8

From the above figure, it shows that 8.5% of the respondents strongly agree that lack of performance appraisal affects the absenteeism among employees, whereas 18.2% agree, 30.4% were neutral, 31.7 disagree and 10.9% strongly disagree.

Table 9: Table Showing Responses of Employees Regarding "Routine Work is Affected due to Absenteeism at Work"

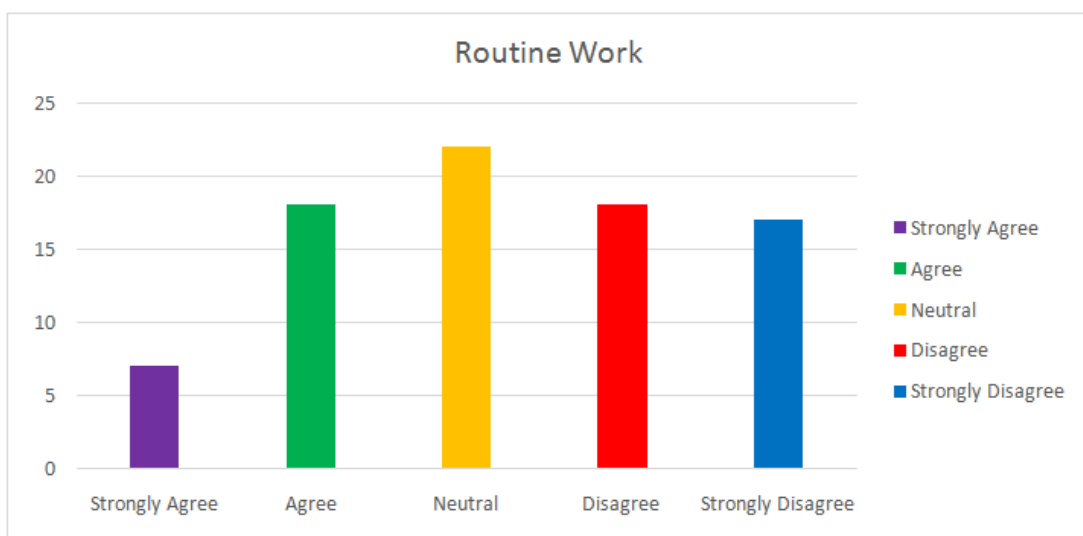| Opinion	Respondents	Percentage
Strongly Agree	7	8.5%
Agree	18	21.9%
Neutral	22	26.8%
Disagree	18	21.9%
Strongly Disagree	17	20.7%
Total	**82**	**100%**

Figure 9

From the above figure, it interprets that 8.5% strongly agree that routine work is affected due to absenteeism at work, whereas 21.9% agree, 26.8% were neutral, 21.9% disagree and 20.7% strongly disagree.

Findings

- Most numbers of employees are between the age group of 31-40 years, which is 51.2% of the total number of respondents.

- There are maximum numbers of males working in the organization than females, i.e. 84.1% of the total working population of the organization.

- A maximum number of the employees working in the organization are a technician.

- Almost 56.1% i.e. more than half of the employees are having an experience above 5 years.

- It shows that absenteeism affects the working culture of the company.

- Welfare facilities, salaries are some of the major causes of employee absenteeism.

- It is observed with the help of a questionnaire survey that the rate of absenteeism can be reduced by mutual commitment and involvement of the employer and employee.

- Most of the employees were neutral about the routine work being affected due to absenteeism at work.

- From the above analysis, it is observed that absenteeism does not significantly affect organizational productivity, so we accept H_0 and reject H_1.

CONCLUSIONS

This study analysis the issue of employee's absenteeism. Absenteeism has a negative impact on organizational productivity. There is a number of actions a company can take to reduce the impact of absenteeism on organizational productivity. Absenteeism is a serious and costly problem faced by companies throughout the world. This problem requires that all employees understand the consequences of such behavior from a company's viewpoint. All companies must approach this problem by providing employees various benefits so that it will improve the working culture at the organization and also reduce.

RECOMMENDATIONS

- The organization must improve the welfare facilities and provide monetary benefits to the employees so that the absenteeism rate will become less.

- An organization must maintain a good relationship with the employees and also involve them in the important discussion regarding the productivity or working culture of the organization.

- An organization should take measure to address absenteeism to identify the reasons for absenteeism at work.

- There should be proper performance appraisal at the organization so that it will help in the reduction of absenteeism at work.

- An organization must make some strict policies to reduce the absenteeism.

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