THE IMPACT OF EMPLOYEE ABSENTEEISM ON ORGANIZATIONAL PRODUCTIVITY

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ABSTRACT

This paper aims to clarify the practical philosophy, social structures, impact on organizational efficiency, shared responsibilities and employer and employee involvement and performance evaluation results. This paper contains objectives, limitations, research methodology, findings, recommendations and conclusions. Data is collected using primary and secondary data. Answers provided by the company's employees are analyzed and interpreted. This report sheds light on the impact of unemployment on productivity in the organization. The questionnaire was developed by the researcher for the purpose of the study.

KEYWORDS: *Absenteeism, Productivity, Service Sector*

INTRODUCTION

Absenteeism means getting away from work without getting advance notice. Many of the causes of absenteeism are real, for example personal illness or family problems, however, absenteeism can also be found in other things such as poor working conditions or employees who seem uneducated in their jobs. If such an absence is excessive, it can have a negative impact on the performance of the business and, ultimately, its profitability.

Absenteeism

The term Absenteeism refers to the absence of employees from their work for a number of reasons. According to Webster's Dictionary - Absenteeism, the practice of being out of work and out of work is usually the one that is often the case. According to the Labor Bureau of Shimla Absenteeism it is defined as the total number of converts. In other words, it indicates the absence of an employee from work on a regular basis, when we are scheduled to be on duty. Any employee may stay away from work if he or she takes a leave of absence entitled or on the basis of any previous leave. Therefore, absence can be of two types of authorized or unauthorized, intentionally or in other words caused by circumstances beyond human control.

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.

Holidays

Holidays are planned in advance to spend time with families and employees. For all organizations, there are a number of approved holidays for employees to receive. These are planned holidays called holidays and many organizations even pay for holiday expenses under the Leave Leave (LTA) category.

Holidays are a type of paid leaves that an employee can receive annually or monthly, such as organizational policies. Holidays can be found on holidays or family events. Some organizations provide workers with a holiday divided into holidays.

This is not considered a form of absenteeism and if the employee does not take time off, then the organization pays the total number of days spent. In international companies, it is compulsory for employees to use all holidays. They believe that overloading employees is not a good thing and that is why taking vacations once in a while helps the employee and the organization's product.

Each organization has different policies and different holiday frameworks but most countries offer 30 days of paid leaves that are distributed throughout 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 monthsor 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.

International companies do not keep a record of the number of sick leaves a worker receives as illness can grow from one day to one month or one year depending on the severity of the disease. Danger with some kind of sick leaves. As employees go for business purposes where they can face a bad event as an accident. It can take a long time to recoup the risks that can grow for years.

A large organization assumes responsibility for employee costs if an employee encounters an accident at work

or while traveling for work purposes. Some organizations help the employee to pay for insurance. It is the organization's sole decision to retain an employee or to ask him or her to resign due to a long-term illness or accident.

When workers start to dislike their work it leads to separation. This is known as active dismissal. Employees do not care about organizational procedures.

Quitting is a major problem for many organizations. To reduce this division, organizations must come up with various benefits such as rewards and admissions of employees. Organizations should also follow a strategy for allocating work in an area of interest.

Another part of segregation and segregation, where employees are unable to maintain focus on work for reasons beyond their control. Factors such as family matters, the illness of a family member, or personal problems may be the cause of the withdrawal. Many organizations have set up staff counseling centers where employees can discuss their problems with complete confidence and the center can provide solutions to these problems.

Overworking

Many employees are constantly overworked, either for financial or non-financial reasons. Financial reasons may include the need for family finances or personal needs, while non-financial reasons may include difficulty in improving the current performance of the job to save a co-worker or coercive manager.

To prove their effectiveness, workers must work twice as many hours and earn a living and save for jobs. That will only happen after overwork that leads to depression and to deliberate 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.

LITERATURE REVIEW

According to M. M. Prabhu in his article entitled "A study of the steel union on the unemployment of employees" aims to identify factors that lead to employee unemployment in the organization, which can help a company manager to improve and identify employees' attitudes by reducing absenteeism. Data were collected from 100 steel production organizations using a random method or sampling opportunity. The data are based on a simple percentage analysis of population fluctuations and a square test of unemployment.

Harish K. Padmanabhan in his report "A Study on the Impact of Employee Absenteeism in Selected Manufacturing Industry" suggests that Employee Absenteeism is a major challenge that repeats a major impact on organizational performance. Staff presence ensures high productivity, quality delivery and a commitment to improving organizational performance in terms of productivity and effective human resource management. Unemployment is evolving naturally and a major workplace problem arises at the expense of employers and employees. The impact of unemployment not only leads to financial loss but also to the organization. This paper seeks to identify the causes of absenteeism and suggests ways to overcome the high rate of absenteeism.

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.

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.

Data Analysis

Table 1: 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%

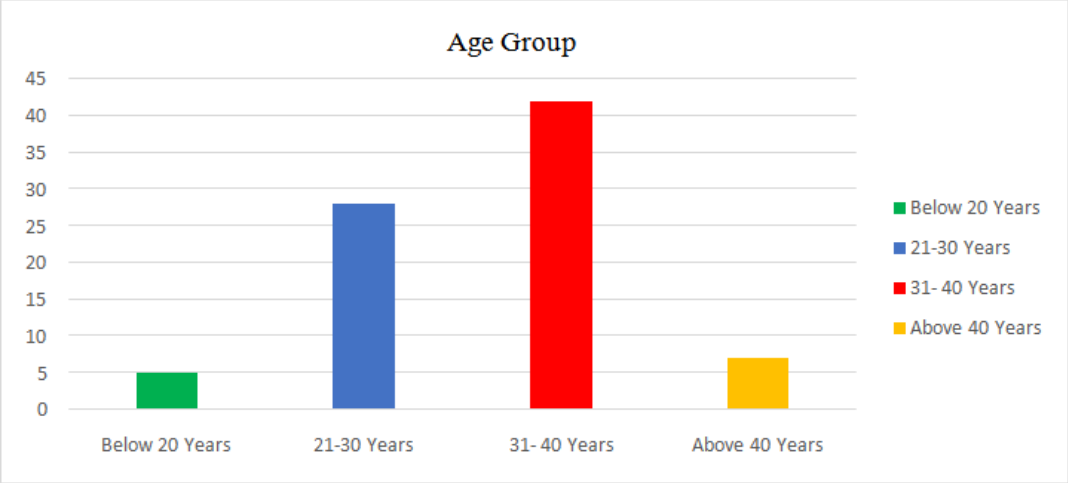


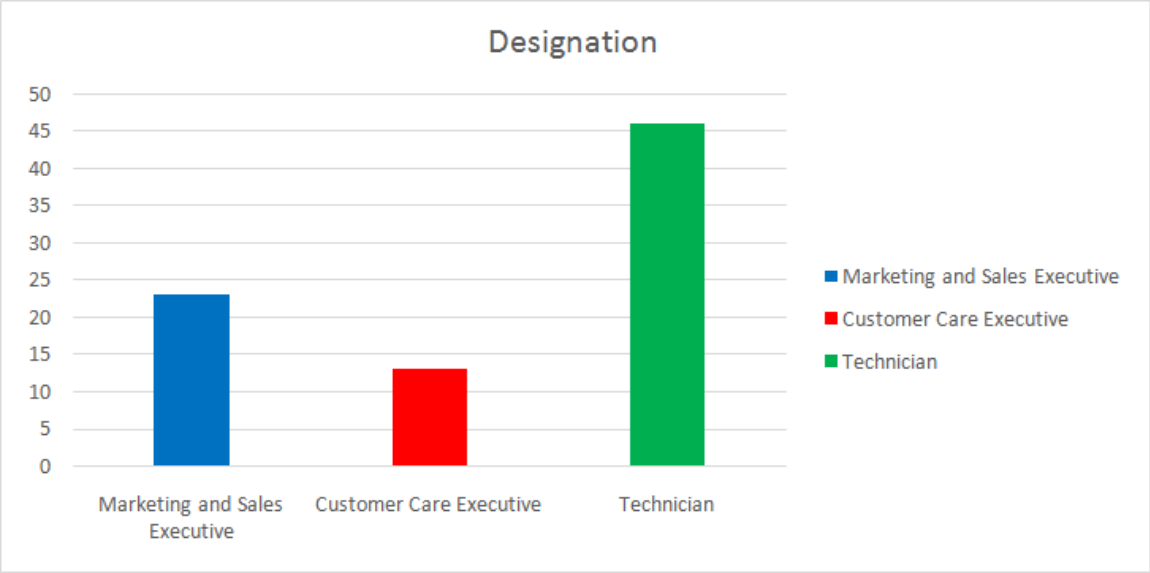
Figure 1

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: Designation of the Employees

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

Figure 2



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 3: 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%

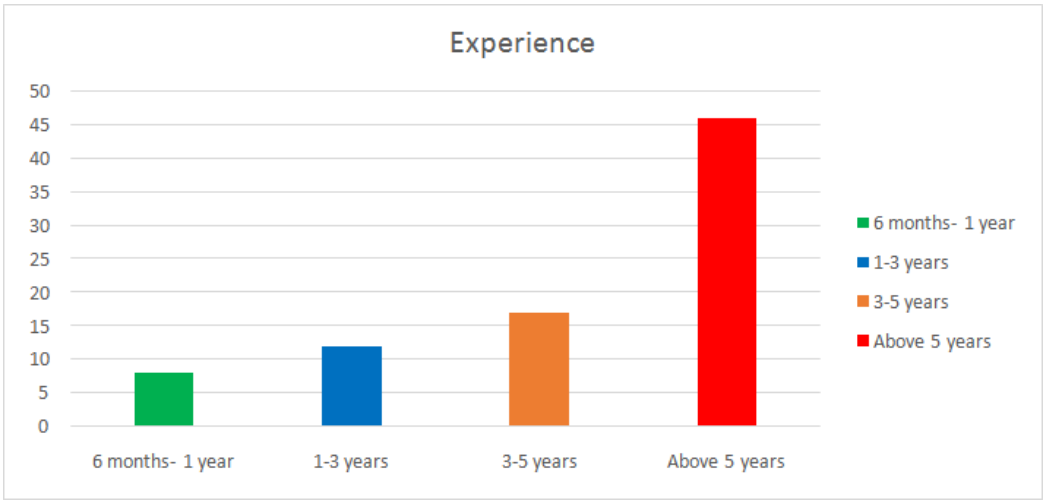


Figure 3

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 4: 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%**

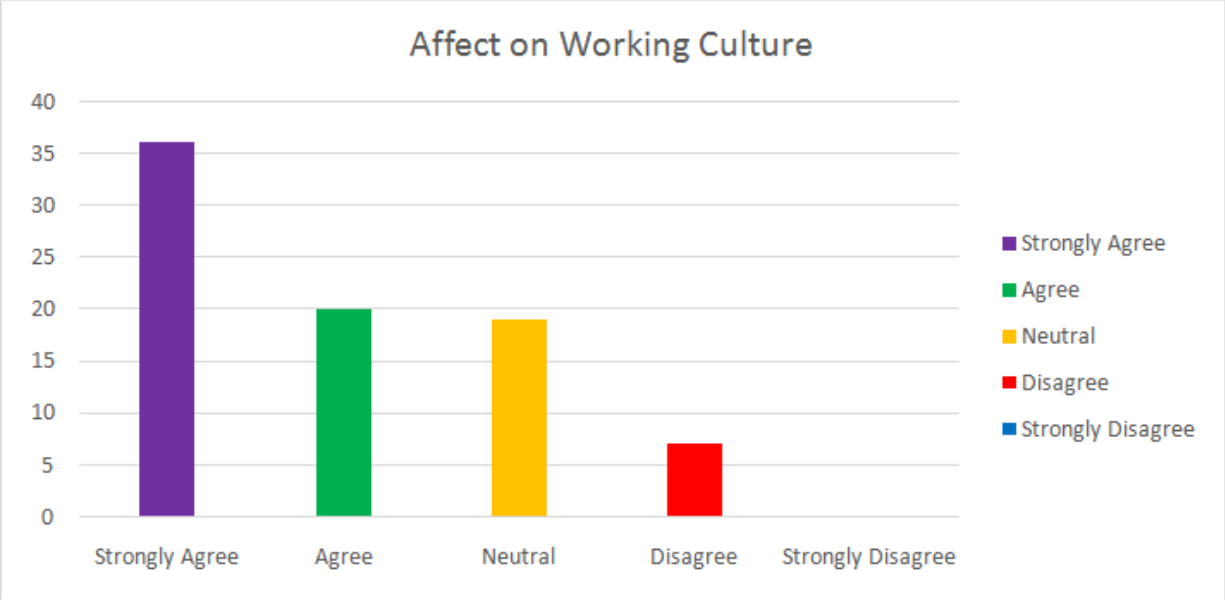


Figure 4

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 5: 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%**

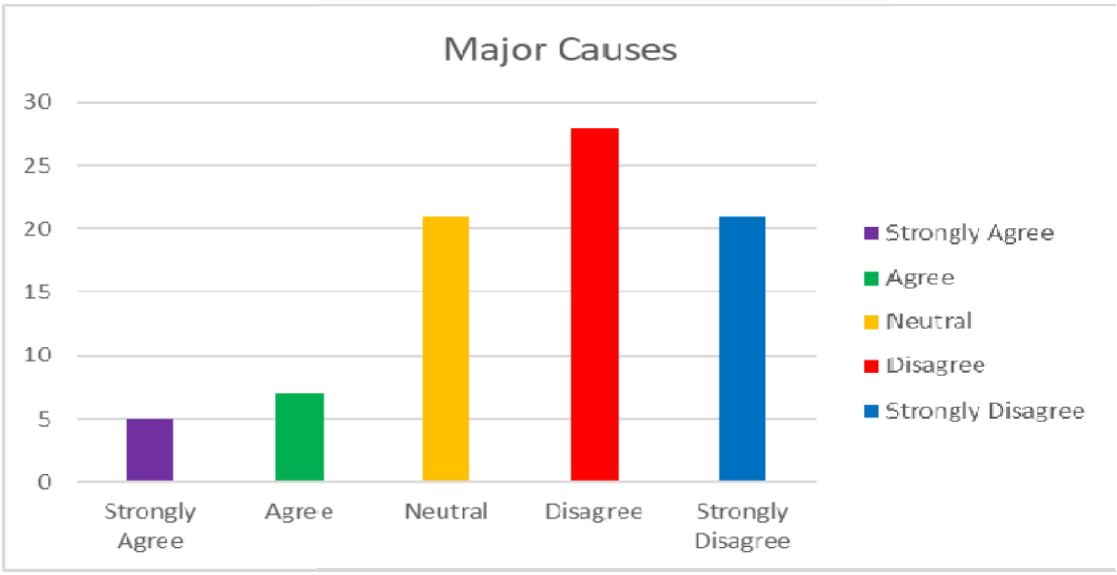


Figure 5

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.

Findings

- Most numbers of employees are between the age group of 31-40 years, which is 51.2% of the total number ofrespondents.
- There are maximum numbers of males working in the organization than females, i.e. 84.1% of the total workingpopulation 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.

CONCLUSIONS

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 requiresthat 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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