

A Study in a Steel Organisation on Employees Absenteeism

M.Prabhu

BSMED, Bharathiar University, Coimbatore-641046, India.

prabhu.vjm88@gmail.com

Abstract

This study 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 minimising absenteeism. Data was collected from 100 steel manufacturing firm organizations adopting random or chance sampling method. The data was subjected to simple percentage analysis, for demographic variables and chi square test for employee absenteeism. The results indicated the necessity feedback on employees performance. A good interpersonal relationship for the smooth functioning of the organizational activities should be maintained. The gap between absentees should be increased.

Keywords: absenteeism, production, employee's, company management, performance.

1. Introduction

A predominant feature in the Indian industries is absenteeism and its effect on labour efficiency. Employee's absence Rates, its effect on productivity are topics of discussion among many country as high rates of employee absence may signal weak labour-management relations, resulting in low productivity. Experience has shown person-days are lost on account of absentees impacts more than due to industrial disputes and allied situations. Absenteeism among the labour affects predominantly its economy, in comparison to other factors. Adverse effects on productivity for the employers and loss of wages among employees are experienced.

2. Review

In the opinion of *Dakely C.A. (1948)* "Absenteeism is the ratio of the number of production man-days or shifts lost to the total number of production scheduled to work".

The labour bureau (1962) defines absenteeism as the total shifts lost because of absence as percentage of the total number of man shifts scheduled to work. Likewise Hackett J.D (1929) defines it as "the temporary cessation of work for not less than one whole working day initiative of the worker when his presence is expected by the employer". Similarly encyclopaedia of social science observes "Absenteeism as the time lost in industrial establishment by avoidable or unavoidable absence of employees. The time lost by the strikes or by lateness amounting to an hour or two is not usually included".

Knowles (1979) opined that although absence from work may be due to any of a large number of factors, empirical evidence supporting the view that causal factors can be organisational in nature is scant. Absence may be regarded as one facet of a wider behavioural problem pervading entire organisational sub-units. The author suggests that absence could be used along with other variables as a valuable personnel statistic indicating

areas of organisational dysfunction. This means that if levels of absenteeism in such cases as these were to be improved the solution should be looked for at the organisational level rather than at the individual or job level.

Gibert. Et.al., (1992) Studied if continuous exposure to air-conditioning during working hours has an observable effect on health. Absenteeism from ill health recorded by company doctors was compared in two groups of employees of the French National Electric and Gas Company in western France, working in similar jobs and spending most of their time in either air-conditioned offices or a natural atmosphere. No difference between the two groups was observed during the two years studied with respect to the incidence, duration or frequency of medically-related absences. A similar investigation of absences due only to respiratory diseases resulted in the same conclusion. This study showed that air-conditioning has no major effects on health.

Chevalier.et.al., (1993) Studied the health status of electricity workers exposed to electromagnetic fields during their job. Two groups of exposed workers were studied from 1978 to 1993: the live line workers (n = 121) and the substation workers (n = 232.7) of the French Electricity Company (EDF). A control group was randomly selected from all the company non-management male employees; one control for each exposed subject was matched for the first year of employment. Absenteeism indices and mortality rates were computed and compared in the exposed and control groups. The absence rates were 1.98% in the substation workers and 2.5% in the control group (p<0.001) and 2.7% in the live-line workers and 2.8% in the control group (NS). No effect of the length of exposure was found. However the medical causes of sickness absence were different: exposed employees had less psychiatric and respiratory diseases but more accidents at work than their control group. Relative risks of accidents at work were 1.2 [95% confidence interval (CI) = 1.08–1.33] for substation workers and 3.22 (CI = 1.78–5.88) for live line work-

ers. EDF electromagnetic field exposed workers seemed not to be affected by any specific health problems except for an excess of accidents at work.

Morrow. Et.al., (1999) in their study established a positive relationship between absenteeism and voluntary turnover and a negative relationship between performance and turnover. An examination of the turnover literature, however, reveals virtually no consideration of a possible interaction between these two predictors of turnover. In order to test for such an interaction, company record data were collected from a sample of nonexempt classification employees within a large regional life insurance company. Records revealed that 113 of the company’s 816 employees had voluntarily left the firm over a 2-year period. Company data on these “leavers” were compared with data on a random sample of 113 employees who stayed. Logistic regression, as opposed to ordinary least-squares regression, was used to determine the effects of prior absenteeism and performance ratings on voluntary turnover, over and above the effects of demographic factors. Results supported known relationships between absenteeism (as measured by sick leave usage), performance ratings, and voluntary turnover, but did not reveal a significant interaction effect, even over multiple time frames. Results are discussed in terms of the potential uses of company record data for early detection of voluntary turnover.

Hoeven and de Jong (2007) reported that absenteeism figures are increasingly applied as an integrated measure of health in the working population. However, a comprehensive overview of employee well-being (compromising the relative impact of physical, psychological, and organizational components) and how this relates to reported absence frequency and duration is still lacking. The present study investigates these relationships. The study has been conducted in a Dutch subsidiary of an international financial consultancy firm. Three types of data collection were used: a web-based survey among the firm’s employees, a physical health check, and the employees’ absence rates reported to the company. Together the questionnaire and the health check included the following clusters of independent variables: (a) personal characteristics, (b) job characteristics, (c) physical health, (d) self-reported well-being, and (e) perceptions of organization and communication. Of the 5 clusters of variables, the perceptions of organization and communication variables appeared to be the strongest predictors of absence frequency. This study did not find the assumed relationship between physical related well-being and individual absence duration.

Indian industries experience absenteeism as a major personal problem measurement of absenteeism. The measurement of absenteeism can be expressed as the ratio of the total amount of time lost through non-attendance to the planned working time. A calculation of absenteeism rate can be made in terms of Mondays lost.

$$\frac{\text{Number of Mondays lost}}{\text{Number of Mondays planned}} \times 100$$

$$\frac{\text{Number of days lost}}{\text{Average strength of employees}} \times 100$$

$$\frac{\text{Number of Mondays worked}}{\text{Number of Mondays planned}} \times 100$$

2.1 Objectives of the Study

Primary Objective

- To study the reasons for absenteeism of employees on Agni Steels, Erode.

Secondary Objectives

- Evaluate employee’s awareness regarding impact of absenteeism on productivity in Agni Steels, Erode
- Suggest suitable remedies to reduce absenteeism.
- Suggest organizational management of absenteeism.

2.2 Limitations of the Study

Workers are unwilling to spare time for interview. The workers fear answering questions straightforwardly. The study purely for academic purpose and is not an exhaustive one. This study is not applicable to allied steel companies.

2.3 Need and Scope of the Study

The importance of human resource management is increasingly realized in industrial and non-industrial organisation both in India and abroad. This realization has come about because of increasing complexity of management and administration. The present critical problem facing most HR departments is tackling the problem of absenteeism in their organisation, a predominant feature of Indian industrial life. It fundamentally depends on the organisational culture, the working condition and the resultant attitude on the employees. Absenteeism is a predominant problem for a management because it involves heavy expenses.

The present work has been undertaken to analyse the problem of absenteeism, its impact on Agni Steels, Erode, Tamil Nadu, India. Absenteeism is universal, but the magnitude varies according to place and occupation. The management being uncertain about the duration of absenteeism, inhibit appropriate measures to fill the job. The study reveals that absenteeism affects production predominantly. Absenteeism rate is a yardstick indicating employee’s attitudes towards his work and organisation. The study of finding the factors influencing absenteeism and analyzing the reasons can be initiated in other departments.

2.4 Research Methodology

In this study, the researcher adopted well-structured questionnaire to obtain the information (primary data) directly from the workers of Agni Steels, Erode. The main tool used for data collection is interview schedule and probability-sampling tech-

nique.

3. Analysis and Findings

The data are presented in the form of tables (Table 1 to 7). There exists a close significant relationship between age and level of satisfaction towards present wages, monthly income and opinion about controlling measures, experience and opinion about absenteeism will affect the company's discipline. There exists no significant relationship between age and opinion about the personal problems leading to more absenteeism, between monthly income and reasons for absenteeism, between experience and opinion about the absenteeism, which will damage the teamwork.

Table 1. Demography factors

| Item | Sample (N= 132) | Percentage (%) |
|---------------------------------------|-----------------|----------------|
| Gender | | |
| Male | 88 | 88.0 |
| Female | 12 | 12.0 |
| Age | | |
| < 20 | 10 | 10.0 |
| 21-30 | 77 | 77.0 |
| >30 | 13 | 13.0 |
| Marital status | | |
| Unmarried | 46 | 46.0 |
| Married | 54 | 54.0 |
| Education qualification | | |
| Graduates | 3 | 3.0 |
| Diploma / ITI | 46 | 46.0 |
| SSLC | 51 | 51.0 |
| Working experience (in years) | | |
| 1-5 | 70 | 70.0 |
| 6-10 | 27 | 27.0 |
| <10 | 3 | 3.0 |
| Category of the respondents | | |
| Labour | 63 | 63.0 |
| Operator | 14 | 14.0 |
| Supervisor | 23 | 23.0 |

Table 1 researcher the more Male employees (88%) than female responded. Of the largest age group was 21 to 30 years old, accounting for 77 % of the total. Most respondents were married (54.0%) and had qualification of post graduation (54.0%). Majority of the respondents had a work experience of 1-5 years (70.0%). Categories of the respondents are (63.0%) labour, then (14.0%) of the respondents are operators and (23.0%) of the respondents are supervisors.

Table 2. Reasons for Absenteeism of the Respondents

| Absenteeism | No. of Respondents | Percentage |
|-------------------|--------------------|------------|
| Shift work | 31 | 31.0 |
| Working condition | 46 | 46.0 |
| Work load | 7 | 7.0 |

| | | |
|---------------------|-----|-------|
| Job dissatisfaction | 16 | 16.0 |
| All the above | 0 | 0.0 |
| Total | 100 | 100.0 |

Table.2 report that 31.0% of the respondents' absenteeism is due to the shift work. 46.0% of the respondents' absenteeism is due to the working condition, 7.0% of the respondents' absenteeism is due to heavy workload and 16.0% of the respondents' absenteeism is due to dissatisfaction with job.

Table 3. Leading Problem to more Absenteeism

| Leading problem | No. of Respondents | Percentage |
|-------------------------------|--------------------|------------|
| Health | 13 | 13.0 |
| Festivals and other functions | 30 | 30.0 |
| Alcoholism | 33 | 33.0 |
| Family problems | 24 | 24.0 |
| Total | 100 | 100.0 |

Table.3 report that 13.0% of the respondents' absenteeism is due to health problems, 30.0% of the respondents' absenteeism is due to festivals and other domestic functions, 33.0% of the respondents is absenting because of alcoholism and 24.0% of the respondents' absenteeism is due to family problem.

Table 4. Satisfaction with the Present Wages

| Opinion | No. of Respondents | Percentage |
|---------------------|--------------------|------------|
| Highly satisfied | 6 | 6.0 |
| Satisfied | 36 | 36.0 |
| Neutral | 25 | 25.0 |
| Dissatisfied | 20 | 20.0 |
| Highly dissatisfied | 13 | 13.0 |
| Total | 100 | 100.0 |

It could be observed from the Table.4, that 6.0% of the respondents are highly satisfied with the present wages, 36.0% of the respondents are satisfied with the present wages, 25.0% of the respondents are neutrally satisfied with the present wages, 20.0% of the respondents are dissatisfied with the present wages and 13.0% of the respondents are highly dissatisfied with the present wages.

Table 5. Factor Will Motivate Respondents to Attend Regularly

| Opinion | No. of Respondents | Percentage |
|--|--------------------|------------|
| Good employee's relations | 10 | 10.0 |
| Work environment | 8 | 8.0 |
| Future prospects | 29 | 29.0 |
| Recognition of work | 20 | 20.0 |
| Incentives & bonus provided based on performance | 33 | 33.0 |

| | | |
|-------|-----|-------|
| Total | 100 | 100.0 |
|-------|-----|-------|

Table.5 report that 10.0% of the respondents are motivated to good employees' relations, 8.0% of the respondents are motivated to work environment, 29.0% of the respondents are motivated to future prospects, 20.0% of the respondents are motivated to recognition of work and 33.0% of the respondents are motivated to incentives and bonus provided based on performance.

3.1 Chi – Square Analysis

Table 6. Employee Category and Level of Satisfaction towards Opportunities Provided by the Company

| Employee category | Level of satisfaction | | | | | Total |
|-------------------|-----------------------|-----------|---------|--------------|---------------------|-------|
| | Highly Satisfied | Satisfied | Neutral | Dissatisfied | Highly Dissatisfied | |
| Labour | 12 | 15 | 15 | 21 | 0 | 63 |
| Operator | 4 | 4 | 3 | 3 | 0 | 14 |
| Supervisor | 3 | 11 | 3 | 6 | 0 | 23 |
| Total | 19 | 30 | 21 | 30 | 0 | 100 |

Chi-Squared Test

Calculated χ^2 value : 5.980
 Degrees of Freedom : 6
 Table value : 12.592
 Significant : Not Significant

Table.6 reveals that calculated chi-squared value is less than the table value and the result is not significant. So the null hypothesis is accepted. Hence, there exists no significant relationship between employee category and level of satisfaction towards opportunities provided by the company.

Age and Level of Satisfaction towards Present Wages

Null Hypothesis (H_0) : There is no significant relationship between Age and level of satisfaction towards present wages.
 Alt. Hypothesis (H_1) : There is a close significant relationship between Age and level of satisfaction towards present wages.

Table 7. Age and Level of Satisfaction towards Present Wages

| Age | Level of satisfaction | | | | | Total |
|----------------|-----------------------|-----------|---------|--------------|---------------------|-------|
| | Highly Satisfied | Satisfied | Neutral | Dissatisfied | Highly Dissatisfied | |
| Below 20 years | 3 | 1 | 3 | 2 | 1 | 10 |
| 21-30 years | 1 | 27 | 20 | 17 | 12 | 77 |
| Above 30 years | 2 | 8 | 2 | 1 | 0 | 13 |
| Total | 6 | 36 | 25 | 20 | 13 | 100 |

Chi-Squared Test

Calculated χ^2 value : 22.512
 Degrees of Freedom : 8
 Table value : 15.507
 Significant : Significant at 5% level

Table.7 shows that calculated chi-squared value is greater than the table value and the result is significant at 5% level. So the null hypothesis is rejected. Hence, there exists a close significant relationship between age and level of satisfaction towards present wages.

3.2 Suggestions

From the findings, most of the respondents are absent after availing the sanctioned leave by the company. It is suggested that the company should provide more leave especially for important

Employee Category and Level of Satisfaction towards Opportunities Provided by the Company

(H_0) : There is no significant relationship between Employee category and level of satisfaction towards opportunities provided by the company.

(H_1) : There is a significant relationship between Employee category and level of satisfaction towards opportunities provided by the company.

occasions and on medical leave grounds, which may reduce the absenteeism. It is observed that low wages leads to absence, resulting in absence for attending other more remunerative jobs. Therefore, the company takes necessary steps to reduce such absenteeism. Even though being aware of absenteeism can collapse the company's discipline and result in loss, they are availing leave for festivals and other occasions. Therefore it is suggested that the company provides paid leave on important local festival days.

From the analysis, it is observed that personal factors influence absenteeism. The ill health is the major criteria, which influence the employees, towards absenteeism. The company may provide medical facilities and conduct periodical medical check-up for the employees. Counselling regarding absenteeism-

its effect on the morale of other employees and awareness as non-achievers or ineffective workers. It may induce the employees to report for work.

4. Conclusion

This study has undertaken different analysis to identify the opinion of employees towards absenteeism. The analysis has interpreted, findings and suggestions have been provided explaining the factors that influence the absenteeism and employee's opinion about the absenteeism. Suggestions for implementation by the company to reduce the rate of absenteeism have been opined.

5. Acknowledgement

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6. References

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