

Significances of absenteeism on Productivity: Some remedies

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Abstract

Employee absenteeism is a major problem for almost all employers. And it is a costly problem. Absenteeism is one of the most serious problems facing employers in today's workplace. Legitimate illnesses still account for the majority of absences, but more employees are using sick days for non-health-related reasons. But this is making a huge difference in the productivity of the company as well linked with problems to the employer. Most employers recognize that in order to keep their employees happy, and therefore productive, they cannot expect them to work tirelessly without a break. That is why the vast majority of employers give their employees time off to take care of personal business, stay home from work when they are sick, or enjoy periods of rest and relaxation.

Keywords: Absenteeism, Productivity, Remedies

Introduction

There are several policies implemented by the government since a long time for the betterment of the MSME's but there are still problems at the enterprises level which are still dominating. The Indian MSME sector has remained mostly tiny, technologically backward and lacking in competitive strength. They are suffering from a number of problems; more or less common to a wide range of enterprises. All industrial units, small or large have to sustain themselves on their own competitive strength and also be commercially feasible. The trending problem faced by today's Enterprises is Absenteeism. It is quite common looking for the percentage of Absenteeism, but rare are the studies about the effects of Absenteeism on Productivity of an Enterprises.

Concept of Absenteeism in MSME's

The excess costs arise from a variety of absence types that all cause disruption to the business, make it difficult to deploy the workforce, and have a profound effect on productivity, profit margins, and employee morale.

Causes of the absenteeism

The rate of the absenteeism in Indian industries is very high and cannot be dismissed. A Statistical study of absenteeism of Indian Labour observed that, the basic cause of absenteeism in India is that industrial worker is still part-time peasant. Thus the workers go to find jobs at cities after the harvesting their crops. It means that when the transplanting season. These workers consider to the modern industrialism is insecure. Thus, cause to high rate of the absenteeism in the industrial sector. According to the Labour Investigation Committee (1946), there were many reasons that caused the absenteeism of the industrial workers. The Commission pointed out many factors which caused the absenteeism in Indian industries. The causes are Sickness and low vitality, Means of Transport, Hours of

work, Nightshift, Social and religious Function, Drinking and amusement, etc.

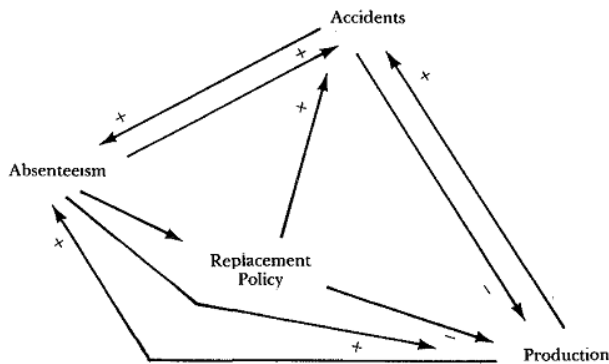
Impact of absenteeism

The effects of the absenteeism of the workers in the factories adversely effect to the employers, the cost of production of the factory is increased because of the absent of the workers, by employed extra temporary staffs in order to replace the absentee.

The effects of absenteeism in the workplace are directly proportionate to decreased productivity. The company, eventually, is trying to cover up the direct and indirect cost involved to hire temporary staff, and pay employees for overtime. So the cost of the production of the company is increased as the result they increase the price of the commodity, so the consumers have to pay high price for the commodities. However, the workers themselves also effect of the absenteeism because their income is reduced according to the principle of "no work no pay", as the result their standard of live decreased. Thus, absenteeism adversely affects the employers and the workers, and consumers and ultimately, it can be adverse effect to the growth of the economy in the country. So all these give rises to many industrial labour and social problems.

Absenteeism has different consequences variables, but the important one to look for is Productivity. There are many consequences of Absenteeism, they can be either positive or Negative, for an organization the positive part is Greater labour force flexibility, whereas the negative part is the Decreased productivity, Increased cost, More Grievances, Hiring, training, and paying additional workers and maintaining records for, administering, Increased Accidents and enforcing an absenteeism program all represent costs to management of the organization. Both negative and positive consequences may exist simultaneously.

Possible Relationships among Absenteeism, Accidents, and Production.



A variety of industrial relations indicators, quality of working life indicators, and organizational effectiveness Indicators are used for the studies. Measures of quality and direct labor efficiency are available and can be considered productivity measures. The absence measure is calculated as a rate per year at the plant level. It includes days absent, excluding contract days off, over scheduled working days. Regression analyses were run on the influence of variables such as total hours worked, grievance rate, absenteeism rate, quality-of-working-life rating, and plant dummies, on quality and efficiency. The other reason the MSME’s are facing Absenteeism is the

lack of skilled labour due to which they feel unsecured and low because of less productivity, International labor organization has come up with a solution for the same to manage their human resources better and improve the industry-specific benchmarks like higher employees' efficiency, fewer rejected products, reduced absenteeism and lower accident rates. SMEs can improve labour productivity by more than 30 per cent and make substantial savings in cost.

How can an Enterprise reduce Absenteeism and improve Productivity?

To achieve considerable reductions in the additional costs caused by absence in the workplace, employer must be able to reduce the rate of absenteeism, and the subsequent effect that absenteeism has on the business. So what can the employer do to achieve this?

Identification

Identification is the most important factor, first the employer has to find the type of the absenteeism, the rate and the pattern of occurrence. This can be achieved by accurately and efficiently tracking absenteeism rates and patterns on a regular basis. Employer can do this by using a designed software. The most effective workforce management systems can also help to calculate working hours and holiday entitlement accurately to ensure all staff are treated fairly. It can even help managers to monitor the cost of absenteeism.

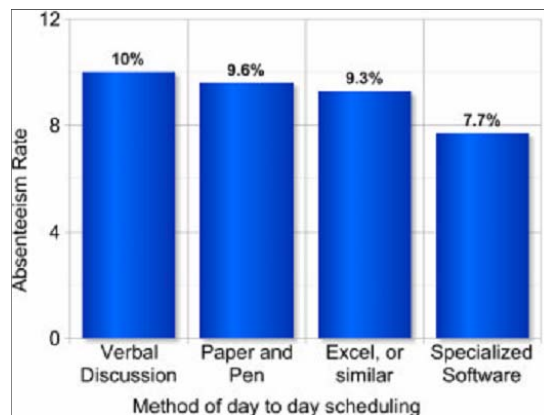


Fig 1: Absenteeism is lowest in facilities that use specialized software to manage day to day scheduling tasks, used by a Canadian Company

Formal Policies have to Implemented and communicated to the employees

Stringent policies have to prepare by the management and the same has to be communicated to the employees, it would be the HR manager duty to check that these policies are implemented and followed in a routine by the employees.

Determine the reasons of absence with effective strategies

As a business leader or HR professional it’s important to understand the reasons for an absence in order to deal with it properly. The knowledge attained from effective absence reporting and measurement can help managers to intervene early, which is known to dramatically cut absenteeism levels, improve return to work rates, and therefore positively affect the bottom line. For example, if someone is taking time off work because they are dissatisfied with their job, or they have

problems at home, managers armed with this knowledge are able to come up with solutions and implement effective strategies to address the issue with the staff member and hopefully prevent it from occurring again if the absence is due to a workplace problem. On the other hand if someone is ill, managers can make the judgment when it is sensible for the person to return back to work - as it’s important to prevent other staff from falling ill too. Certain illnesses or injuries may benefit from some form of rehabilitation intervention and the key is ensuring that those employees who need support services can access them quickly.

Consider strategies to discourage absenteeism

In an effort to reduce absenteeism, there are a number of effective strategies that can be put in place. For instance, offering flexible working arrangements could prevent

employees from taking unplanned absence. Most employees are likely to have other priorities outside of work, such as family commitments, and as highlighted in our report many would appreciate fluid work schedules that allow them to vary their work around certain obligations.

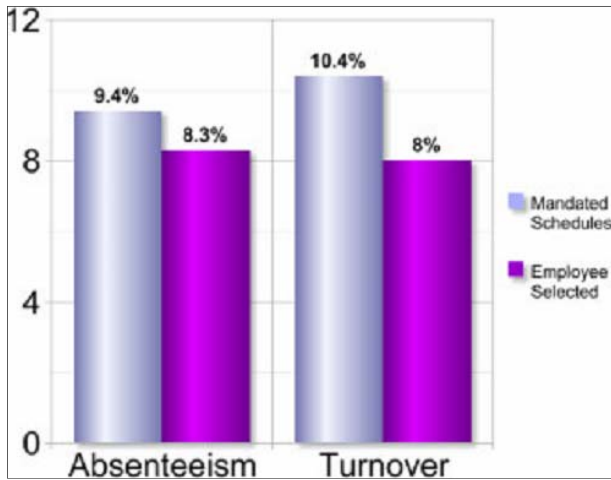


Fig 2: Allowing employees to select the schedule pattern reduces absenteeism and turnover. Used by a Canadian Company

Create a supportive and positive working environment

A pro-active way to reduce absence is to look at prevention. This can be achieved by offering a positive working environment and a range of employee benefits. A business' culture is one of the most important things to consider when attempting to engage staff and reduce absenteeism. It can be difficult to make everyone happy all of the time, however trying to get that balance right will prove to employees that you're serious about their wellbeing. Developing a mission statement and a set of values for your business will help to create a unified working environment. In addition, training up managers so they have the communication and support skills needed to effectively deal with any issues early on, will help.

Conclusion

By the study made it clearly shows that businesses will be able to reap significant rewards in terms of greater productivity and staff retention if they put in place strategies to effectively deal with all types of unplanned absence, whether that's health related or not.

Not only should managers be motivated to reduce absenteeism because of the excess costs, but without absence tracking tools, employers cannot adequately estimate their accrued liabilities, potentially creating an issue that impacts the financial certifications required by the Sarbanes Oxley Act. Because an accurate portrayal of accrued paid time off (PTO) is needed, there is a considerable incentive for senior financial managers to learn more about what absenteeism really means for their companies.

Offering these types of benefits not only makes companies more desirable places to work, but can also mean that staff work more efficiently, take less time off and are more loyal.

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