Effects of Workers Absenteeism on Business Environment

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Abstract:-
Absenteeism is the failure of a worker to report for work when he is scheduled to work. Any worker who reports for duty even for a part of the day or shift should not be counted among absentees. It has existed from the beginning of industrialization; absenteeism affects any organization Big or small, public or private sector, modern or traditional. The business environment includes the internal and external environment. In internal environment the workers and the employees in the company are involved. So the whole business environment is affected by the workers absenteeism. And for decrease in workers absenteeism the various programmes and the Yoga class & Lecture on physical fitness, achievement of self-set targets, Programs for skills development, developing their tools of innovation, Lectures on communication & time management skill have to be conducted by the organizations.

Keywords: - Absenteeism, Business Environment, Motivation, unskilled workers.

INTRODUCTION:
Absenteeism is the term used to describe the fact of an individual's missing on his or her regular daily activity. The statistics relate to only voluntary absenteeism defined as absence due to reasons which are personal to the individuals concerned. As such absence of a worker on account of a worker on account of strike or layoff, that is, involuntary absence, is not considered as absence for purpose of these absenteeism statistics.

Leaves with prior permission can be included in absenteeism only if they are likely to disrupt the schedule of work. Such leaves can be leave without pay or leave on ESI certificate. Absenteeism rate is the percentage of Man-days lost due to voluntary absence (both authorized and unauthorized) to the corresponding total of Man-day schedule to work. It has existed from the beginning of industrialization; absenteeism affects any organization Big or small, public or private sector, modern or traditional.

Absenteeism and tardiness both share the same negative impact on a company's employee morale. Neither should be tolerated. Both infractions require a written plan that detail company policy to counter employees consistently implemented by all level of management, and mandated and enforced by Senior Management.

There are a number of programs that can be implemented individually to reduce employee absenteeism. Programs such as health awareness, personal counseling, continuing education, and employee incentive programs, can be effective against innocent and culpable absenteeism. More devious form of culpable absenteeism may require a policy of progressive discipline. Progressive discipline is typically a five part program calling for initial employee counseling, written counseling, reduction in hours or job reclassification, involuntary suspension, and if all else fails, employee termination.
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 standpoint as well as a personal standpoint.

**Absenteeism is Classified into:-**
- I. Absence without leave
- II. Absence due to sickness
- III. Absence due to annual leave and public holidays and statutory holidays
- IV. Absence due to social reasons (funerals, illness of family members)
- V. Absence due to union action

**OBJECTIVES:**
1) To identify the causes of absenteeism.
2) To establish relations between causes and effects of Absenteeism.
3) To suggest how to calculate absenteeism for employees.
4) To recommend strategies in reducing absenteeism.

**Research Methodology:**
The research is carried out through the secondary data. "Secondary data is information has been collected by someone else for another reason, other than the one on hand". Domgan & Fleming (2003) Secondary data may be classified as internal or external. Internal data are those which have generated within the firm, external data are those generated by sources outside the firm. Internal data includes sales, cost and budget data and other forms that are readily available. These are easy to access and are relatively inexpensive to obtain. External data are those that are produced by government bodies, commercial publishers and market research organizations. Business data may be obtained from guides, books. The external data for this thesis was sourced from the material and websites.

According to Webster’s Dictionary -
"Absenteeism is the practice or habit of being an ‘absentee’ and an ‘absentee’ is one who habitually stays away”.

**Absenteeism formula:**

It can be expressed as under:-
Mondays worked is obtained by summing up the number of Mondays worked by persons
Working each shift over all the shifts worked on all days.

\[ \text{Man-day lost (both due to authorized and unauthorized absence)} \times 100 \]

Man-day schedule to work

**Literature Review:-**
**Causes of absenteeism:**
The general causes of absenteeism are:
A) **Social and religious ceremonies:**
Social and religious functions divert the workers from work to social activities. The report of the study Group on Iron and steel Industry points out: some religious consideration
account for absenteeism to a certain extent. For example, during Dassera, about 20% of employees take earned leave or remain on unauthorized absence.

B) **Industrial Fatigue:**

Workers try to seek some part-time job to improve their financial condition due to their poor wages, this part-time job compelled workers to devote more time to extra job, which obtain results in constant fatigue and frequent absence of from work.

C) **Alcoholism:**

Drinking habitual of workers also constituted the main cause of absenteeism. After receiving wages workers usually rush to liquor shop to drink, which affects their minds.

D) **Indebtedness:**

Most of the workers suffer from a high degree of indebtedness. This is a general causes in Indian industry. Workers are always worried about the financial matters.

E) **Improper and Unrealistic personnel policies:**

In most cases, unskilled, untrained, illiterate and inexperienced workers are recruited who fail to cope with and adopt themselves to their jobs and to their industrial environment etc.

**Effects of absenteeism:**

Absenteeism is a malady which disturbs work schedule, impose burden on co-workers and on supervisors and causes unnecessary overtime which results not only in increasing of labor cost but also reduces efficiency and morale of workers. It hinders proper planning of production, productivity, profit & investment. It is a major obstacle for industrial growth and development.

**EFFECTS ON WORKERS:**

1. **Income loss:** ‘No work, No pay’ is a normal principle & severity of absence rate affects workers income and cutting in his salary which ultimately affects him leading to indebtedness & low standard of living. Absenteeism also affect on promotional policy of an employee.
2. **Low efficiency:** Long absence from job for any reason leads to decrease in speed of work & lowering of efficiency. Dissatisfaction may increase fatigue, monotony & ultimately result in absenteeism.
3. **Low morale:** Loss of income due to absenteeism & constant financial crisis affect workers morale & decrease his productivity.
4. **Monotony & fatigue:** When workers are not satisfied with their job or after they come to work after a long leave, they adopt indifferent attitude and try to avoid work, increasing monotony & fatigue leads to boredom & they take leaves without pay. Avoiding work may lead to less concentration & may cause accidents.

**EFFECTS ON EMPLOYER:**

1. **Additional burden of reserves:**

   The employer keeps reserves to utilize their service to substitute cases of regular absentees, this incurs additional financial burden. This affects cost of production & reduces quantum of profit.
(2) **Overtime to co-workers:**
If workers proceed with leaves with wages, employer have to pay wages to absentee as well as give overtime allowance to co-workers to whom the work of absentee is assigned.

(3) **Low production:**
After the long duration of absenteeism, employee finds it difficult for few days to work with full zeal and speed.

(4) **Employment of unskilled workers:**
Sometimes employer need to substitute absentee with unskilled labor which may not provide same quality of product.

(5) **Incentive scheme increases cost of production:**
The incentive given to reduce absenteeism to workers adds to cost of production.

**Measures to control absenteeism:**
Various measures are taken by the management to reduce the absenteeism. No single measure can be effective in controlling absenteeism; but a skillful combination of various measures would definitely lead to desired results.

These measures are:

1. **Adoption of a well – defined recruitment procedure:**
   The selection of employees on the basis of communal, linguistic and family consideration should be discouraged or avoided. The management should look for aptitude and ability in the prospective workers.

2. **Provision of healthful and hygienic working conditions:**
   It is essential that workers should be provided with proper and healthy working conditions. The facilities of drinking water, canteens, lavatories, rest rooms, lightening and ventilation need to be satisfactory. All these help in keeping the worker cheerful and increase productivity.

3. **Provision of reasonable wages and allowances and job security for workers:**
   The management should pay reasonable wages and allowances, which include old age allowance, length-of –service allowance, transportation and housing allowance etc. so that the worker may have security of employment.

4. **Motivation of workers:**
   The management should recognize the needs of the workers and offer them adequate housing facilities, subsidized food, free medical aid etc. and other monetary and non-monetary benefits. Their genuine difficulties; for example, their need of money at the time of marriage, death, family illness and disablement should be recognized and considered by management. The social security measures such as provident fund E.S.I. facilities, gratuity and pension should be provided, so that workers may have a sense of belonging.

5. **Improved communication and prompt redressal of grievances:**
   Timely written notices, instructions, meeting and counseling improves communication between the workers and management. A procedure for fair and prompt redressal of grievances is essential. Supervisors should be trained to handle workers grievances in humane manner.

6. **Safety and Accident prevention:**
   Personal factors as negligence, over-confidence, carelessness etc and technical factors as unguarded machinery and explosives, defective equipment and hand tools are factors for the
hazards to which industrial workers are exposed; management should ensure that proper operational procedures and safety instructions are followed.

7. **Cordial relations between supervisors and workers:**
   Therefore, supervisors should be given a proper training in this field to create an atmosphere in which co-operation exists between them and the workers would freely discuss their problems with the supervisors.

8. **Development of worker’s education:**
The system of worker’s education should be so designed as to take into account their educational needs as individuals for their personal evaluation; as operatives for their efficiency and advancement; as citizens for a happy integrated life in the community; as member of a trade union for protection of their interests.

**Conclusion:-**

1. Lack of self motivation and accountability was observed amongst the absenteeism cases.
2. Lack of interest and zeal was observed amongst the workers at their workplace.
3. **Casual attitude towards work leads to:**
   - Low productivity
   - Lack of Manpower
   - Affects the quality
   - Affects the quantity.
4. Adverse past record of workers make them hesitant to come to their workplace.
5. Strong union backing for the absenteeism cases was observed.
6. **Common reasons for absenteeism are:-**
   - Alcoholism
   - Old age
   - Family problem
   - Personal problem
   - Medical problem
7. The shift timing seems to be inconvenient for some workers.
8. Second employment for better financial rewards.
9. Workers are not concerned of the crisis faced by the company due their absenteeism.

Community development centre should play an important role in the upliftment of the workers by organizing programs like:-
Yoga class & Lecture on physical fitness for the employees above 40 year’s of age,Counseling of employees in distress to reduce chronic absenteeism, drug addiction, indebtedness, matrimonial discords, attitudinal change etc.,Team building programs to make them realize one’s potential through achievement of self-set targets, Programs for skills development & also to develop their tools of innovation., Lectures on communication & time management skill.
Once in a year awareness programme should be held to make the workers realize the consequences faced by the company in quantifiable terms and also their own losses regarding their wages and other policies.
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