ABSTRACT

Employee absenteeism is a worldwide phenomenon which, due to the financial impact on a nation’s economy, is an important subject on the international agenda. In order to provide new insights into employee absenteeism a model with a broad variety of determinants is constructed and tested for Europe as a whole and the individual countries. Based on previous studies, a wide selection of determinants was distinguished and divided into categories such as demographics, health-, household- and job characteristics.

Absenteeism is the term generally used to refer to unscheduled employee absences from the workplace. Many causes of absenteeism are legitimate, for example personal illness or family issues, but absenteeism also can often be traced to other factors such as a poor work environment or workers who are not committed to their jobs. If such absences become excessive, they can have a seriously adverse impact on a business’s operations and, ultimately, its profitability.

The Labour Department in India defined the absenteeism rate as the total man-shifts lost because of absences as a percentage of the total number of man-shifts scheduled. So for calculation of the rate of the absenteeism we require the number of persons scheduled to work and the number actually present.

INTRODUCTION

Absenteeism takes several forms ranging from vacation to injury. But why people avoid work at times? Innocent absenteeism is inevitable unlike culpable absenteeism. Whatever type of absenteeism is, management should have a contingent plan in place as is affects the normal work schedules and productivity. Costs associated with absenteeism may be either direct or indirect. The confederation of British Industry (CBI) reported that in 2010, industry wide, £12.5 billion was lost due to the direct cost of absenteeism. When employees are faced with grievances, they register them with management in several manners and absenteeism is no exception to this. Managers should be wary about these costs as they may fail the organization from attaining its objectives. Management should measure absenteeism and finally find solutions to control its negative effects, bearing in mind that not only does absenteeism brings problems, but it can alert the manager of possible hidden problems.

Causes of absenteeism

Employee absenteeism is a dual factor cause. Some causes are voluntary and involuntary and the list of causes is below:

- Illness and accidents
- Lack of job satisfaction
- Boredom on the job
- Poor working environment
- Poor supervision and inadequate leadership
- Low level of staff motivation
- Personal problems such as financial, childcare etc.
- Workload and stress.
- Income protection plans.

Effects of absenteeism

It is important to note that absenteeism result in goal miss and the problems and/or costs associated with absenteeism are:

Increased staff supervision because the new replacement staff will lack knowledge and experience, therefore a need for constant supervision and the need to cross-check their work regularly.

Absenteeism lead to loss of productivity given the replacement staff will require training and also because of the learning curve effect.
In some cases, absent staff are not immediately replaced, this will tend to create work overload for other staff who will be asked to take extra work to cover up for absent staff.

Consumers are likely to complain because some customers will have developed some ‘intimacy’ with staff in terms of service and they prefer to be served by such staff always when they visit the company. In addition to this, staff on replacement will be very knowledgeable to meet all the customer demands, leading to customer complaints.

Staff on replacement of absent employees will need to be trained so that they can work with confidence.

Absenteeism costs to the Employer

According to a 2005 study, unscheduled absenteeism costs $3,600 per year for each hourly worker and $2,650 for each salary employee. Despite the large costs of absenteeism, some employers don’t measure its impact on a regular basis. The indirect costs include:

• Payment of overtime to the existing staff for additional work.
• Increase in wage bill due to hired staff.
• Training costs associated with hired staff.
• Lost productivity
• Increase in costs due to payment of sick leave.
• Rescheduling of work calls for additional cost.

Having seen the consequences of absenteeism, management should come ways of controlling and managing the absenteeism. There are several methods that can be used and among them they include;

Measurement of absenteeism

Before absenteeism can be controlled, it is of vital importance that it must be measured. Measurements of absenteeism will give the organization the pattern of absenteeism and at the same time the likely culprits. Absenteeism can be measured in the following ways:

Lost Time Rate = (Number of working days lost/Total number of working days)*100

The above formula measures absenteeism for the organization as a whole to assess the overall level of organisational absenteeism.

The individual absenteeism can be measured using Individual absence frequent formula. This method works out the number of lost hours per staff over a certain period of time for example over thirty days or over a year.

Individual frequency = (Number of absent employees/Average number of employees)*100

Daily attendance registers: Attendance registers in every office are very important in recording employee’s presence. It is from these records where staff absence records will be extracted by comparing the days they were supposed to be at work and their actual attendance. Office attendance registers will not give the cause of absenteeism as attendance is recorded only.

Clocking system: A biometric attendance system can used to recognize individual’s attendance. Employee clocking system is a way of knowing and measuring who is in and who is not in. Special machines (biometric) may be used to detect each individual and to avoid abuse in some cases.

Benchmarking

The most important and less subjective measure of absenteeism is benchmarking. The company can do absenteeism benchmarking in the following ways;

Industrial benchmarking: Comparisons of absenteeism rates can be done with other companies in the same industry to find out the best acceptable level. Usually a company with best work practices will be chosen for absenteeism benchmarking. Figures obtained through industrial benchmarking must be used with caution since bases used in benchmarking are likely to be different.

Company may also compare its previous rates on absenteeism obtained in the past. Given the dynamic operating environment and changes in staff motivational needs, previous rates on absenteeism of the company must be used with caution as well.

Frequency of disruptions in scheduled work: The request for work reschedule can be used to measure the absenteeism when such requests are vouched back to determine the reason for the work reschedule.

Management of Absenteeism

The following measures are used to control absenteeism and their use will also depend heavily on the ability of the manager:

Flexible work arrangement

Management should put in place flexible work arrangements so that both personal and work demands are balanced. Flexible work arrangements include shift work and working from home. This option will balance employee’s conflicting demands and at the same minimizing absenteeism.

Leadership

Some causes of absenteeism are due to type of leadership in place, the practice of people centered leadership like democratic leadership will to some extent motivate people
and at the same mitigate absenteeism. Staff should be given freedom as long it is within the scope of the organizational goals and objectives interest.

**Communication**

Communication is very vital. Information starvation put staff in curiosity leading to speculation of what is expected of them or of the outcome of some major organizational developments. Clear communication of goals and objectives of the organization to the right people at the right time will minimize staff absenteeism.

**Teamwork**

Not only teams are used to accomplish complex tasks, but teams also play a crucial role in staff motivation through creation of a sense of belonging got from team work. It is therefore management’s duty to promote team work as a way of controlling absenteeism.

**Clear goals**

What is expected of very employee should be communicated in an appropriate manner. In addition, such goals need to be clear and free of jargon so that the meaning will be clearly being conveyed to staff. Where possible, meetings should be periodically being held to reinforce the understanding of each individual within the organization.

**Withholding of sick pay**

Withholding of sick pay can be used to control absenteeism, but isn’t punishing the staff concerned and also negatively affecting morale him or her? Management where possible should find out the reasons before such drastic actions are taken as reversing them will not solve anything but avoidance.

**Reduction of annual leave days**

Employees who are absent without a convincing reason(s), their accumulated leave entitlement should be deducted to compensate for the days when they were absent. I short run may work but in the long run, it is likely to negatively affect their work morale.

**Medical reviews**

In some cases absenteeism may be caused by the staff that has a terminal illness, management where necessary should intervene and come up with a permanent solution. For example employees with terminal illness may be given choice to take a voluntary package on medical grounds. By doing so, the company will have made some savings in the long run. The approach used to carry out this measure should be well informed because employee rights are very important and in no ways they must not be violated.

**Work design**

Work in some cases may be boring and repetitive. Given the competition between personal and work goals, one may end up preferring to abscond work. Management must work very interesting so that people will enjoy doing it. How the work is made interest should again be agreed between the manager and the subordinate. Job enlargement and job enrichment may motivate staff as long it is agreed.

**Health promotion and wellness programs**

Absenteeism can also be managed by providing employees with counseling and advice on the good living ways that may include what type of food to eat. Furthermore employees may be provided with training facilities like gym so as to keep them stress free and health. Microsoft at its head office in USA has introduced fitness facilities within its work premises. In addition to this, Johnston & Johnston introduced gym activities at its head office as well. The results got after such facilities were introduced were improved staff attendance at work and at the same time staff morale improved.

**Change of work place environment**

Changes in the work place (organizational development) it can cause absenteeism. It is management responsibility to continue motivating employees under changing organizational development. Changes in employee’s work environment threaten job security as many changes in the organization pause uncertainty in future employment given the poor communication that may exist. Lewin’s behavioral modification theory cab is used by management. Employees need to be told why changing and what are the benefits. For staff to accept change, management should provide incentives that will foster good behavior.

**The Carrot Approach**

The carrot approach is an approach use to tackle the absenteeism by rewarding employees who did not take any sick days in a given period. This approach help to increase in attendance for example DHL introduced a ‘carrot’ approach to tackle high absenteeism rates, which resulted 11% increase in attendance but sometime this approach could have legal implications as under this approach employees are rewarded for not taking days off, but if the event was out of employ’s control, such as funeral, public duty or religious holiday?

**The Stick Approach**

The stick approach is an approach used to punish those who are absent themselves from work above a certain
number of days. The stick approach by management tends to be harsh on staff. Employer can withhold payment of sick leave to those employees who claim to be sick. Reduction of annual leave entitlement is another form of punishment that can be used by employers on its employees.

**Balanced approach in absenteeism**

Not all employees can easily change. The differences in people call upon management to treat each employee depending on his/her circumstances. The balanced approach seeks to harness between well behave employees and those who fail to comply with organization’s standing policies without reasonable causes. Those employees who constantly breaks standing orders will disciplinary treated so that they will not repeat their unproductive behavior. On the other hand, employees who show good behavior (attendance) will be rewarded accordingly so that the good behavior in them will continue. Rewarding employees for mere attendance does not promote attainment of organizational goals and objectives. Attendance should be linked to performance in order to make the payment made for those who maintain positive attendance objective.

Managers who have knowledge and experience are always ahead of the competitors since managing motivated employees is easier and result in company’s productivity. Management need to understand the reasons beyond absenteeism than a mere control over absenteeism.

In a nutshell we can summarise that absenteeism in workplace may be managed as follows:

- Management must conduct regular health checks on its employees to control absenteeism that is due to illness. This approach may threaten employee motiva-tional and at the same time people are not obliged to disclose their nature of diseases. Management will not obtain correct information during its periodic health checks on its staff.
- Management should at all times keep its staff moti-vated through creation of a conducive work environment. The favorable environment for employees is subjective as organization is made up of diversified people, but in general, the environment should make staff feel belonging and at the same contributing to the success of the organization.

• A comprehensive policy concerning annual leave entitlement should be designed by management. This policy should be aligned to the company values and goals and objectives. In addition, management should communicate this policy document to all staff and were necessary, should endeavour to explain ambiguity if there is any.

**CONCLUSION**

Absenteeism if not properly managed may fail the organization to attain its goals and objectives. Management need to understand the consequences of absenteeism and the reasons beyond absenteeism. Such appreciation will give confidence to management in the strategies to be used in control of absenteeism. Approaches in managing absenteeism need to be combined as individual use of some of them may result in subjectivity. Many absenteeism strategies ignore the impact of illness and disease on the workplace and its major role in shaping work attendance. Wellbeing strategies including health promotion, screening, rehabilitation, drug and alcohol and psychosocial support strategies can and should be dressed in the context of a workplace performance strategy. Employee’s motivation through work design and incentives play a role to mitigate the incidences of absenteeism. Company policies in use affect the employees’ attendance. A holistic view of absenteeism by the manager is required in order to measure absenteeism objectively and to manage it. Absenteeism by itself helps manager to uncover real problems and a certain level of it is required since other causes of absenteeism are even beyond the control of the organization or the individual in question.