

Problem of absenteeism at abc inc

Psychology



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Problem of Absenteeism at ABC Inc. Low motivational level is leading ABC Inc. towards the problem of absenteeism among the employees. On an idiosyncratic day between 4.5 and 7% of employees at ABC Inc. fail to show up for work, which does not sound like a high rate of absence, but more time is lost for the reason that of low morale and absenteeism than through strikes and lockouts. The yearly costs of low morale and absenteeism in the United States are estimated to be \$29 billion and a change of 4.99% in the national absence rate changes the gross national product by \$10 billion. (London, 134-135) A great number of studies are done to identify the determinants of low morale and absenteeism. Many variables are found to be considerably related to indices of absence, the results appear to be unstable across situations and time.

Every compensation and retention program is based on a formula for enhancing motivation that engages four fundamental variables: effort, performance, outcomes, and satisfaction. The logic behind these programs goes something like this: employees at ABC Inc. will put in the accurate quantity of effort to meet performance hopes if these part-time employees at ABC Inc. gain the kinds of results that include pay raises and promotions which will provide part-time employees satisfaction. In simpler words, ABC Inc. should provide its employees what they want, and employees will work hard to get it.

Effort => Performance => Outcomes=> Satisfaction

Conversely, the problem with most compensation and retention programs like of ABC Inc. is that they center exclusively on the submission of outcomes and overlook the three beliefs that are the key to making the motivation solution work:

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Can one do it

Will outcomes be tied to one's performance

Will outcomes be satisfying to one (White, 67-68)

The first conviction compacts with the relationship between employee effort and performance. The second compacts with the relationship between performance and outcomes. And the third compacts with the relationship between outcomes and satisfaction. These three beliefs form the basis of the belief system of motivation and performance.

The pay and motivation controversy worries the dispute over the use of pay and reinforcement to motivate people's performance and interest. In business, managers repeatedly offer enticement to employees for exceptional performance. Over the past 30 years, a number of psychologists have questioned the wisdom of these practices. The concern is that pay undermines employee's motivation and performance. If employees are paid more for doing an interesting task, the claim is that employees will come to like the task less and engage in it less once the pay are no longer forthcoming. (Caruth, 15-16)

The contention that pay undermines motivation rests on a body of experimental research from social psychology. The negative effects of high pay occur under a circumscribed set of conditions and that, when appropriately arranged, pay can be used to enhance motivation and performance.

The research on the indicates that pay can be used to increase motivation and performance on tasks that are of low initial interest. On high-interest tasks, positive effects are obtained when participants are verbally praised for their work and tangible pay are offered and explicitly tied to performance

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standards and success. The only negative effect occurs when tangible pay signifies failure or is only loosely tied to behavior. Negative effects of high pay can be easily prohibited and that managers can use pay effectively to motivate performance and interest.

Hence ABC Inc. should keep the employees motivated through providing a market compatible compensation and benefits plan to its employees that will result in low turnover rate of employees as well as better performance of the company.

ABC INC.

Motivational Level and Absenteeism Ratio Graph

Works Cited

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