

Impact of absenteeism on productivity



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Employees of different establishments are entitled to a given number of leaves like sick and local leaves among others according to the law.

Therefore, all organisations can expect a certain degree of absence and illness. However, it can be observed that more and more people in organisations are having frequent absences and many cases of illness have been recorded.

In 2007, Confederation of British Industry/AXA Absence Survey has set the cost of absence to employers in the UK at more than £13 billion a year, while cost per employee is £659 annually. According to Williams (2003), in Canada also billions of dollars are lost each year due to absenteeism.

Sickness absenteeism and sickness is therefore a growing major global problem affecting thousands organisations. High level of absenteeism is a serious problem for both large and small organisations, since they are costly to both individual establishments and economy as a whole and adversely affecting efficiency, productivity, and profitability.

Sickness absenteeism and sickness can be an indication of fundamental organisational problems. Therefore, it is important to establish the cause and find out solutions through the examination of organisation's policies and activities.

There are several reasons why employees might be absent or fall sick. These reasons might be poor working conditions and relationship with management, no motivation, and no scope of self-development, a culture within the organisation and no career opportunities, too much stress at work

among others. Thus, it is recognised that it is becoming necessary to find social and institutional remedies.

When employees are absent and ill, it leads to poor productivity. And therefore, costs of the organisation rises as the goods and services are of poor quality. In the United States according to the Commonwealth Fund, about \$260 billion are loss in output due to health-related problems. Hence, it is crucial for an organisation to understand the causes of sickness absenteeism and sickness and their impact on the organisation.

Therefore, it is both the legal and morale duties of the employer to prevent people in the organisation from being made ill with their respective jobs. This is because, a healthy worker in both public and private organisations is important, as the corporate objective of organisations largely depends on health and as well non-health issues of its population. That is, happy employees are efficient and productive employees.

Problem Statement

The problem of high level of sickness absenteeism and sickness at work is an existing problem at Air Mauritius, affecting productivity. These are most frequent among staffs working on shift hours. The sickness absenteeism rate at Air Mauritius is illustrated as follows:

Year

Sickness Absences (man-days)

2006

12457

2007

14654

2008

17323

2009

15418

Out of the sickness absences recorded, an average of 23.5% is registered on week-end. In addition, a research of the non-communicable screening exercise carried out at the Head Office and the SSR International Airport among 1100 employees illustrates that an average of 50% of the persons are pre-diabetic or diabetic, have high risks of suffering from cardiac arrest and are either obese or overweight.

Therefore, the above information gives a clear indication that the prevalence of health problems, absenteeism problem which is quite pronounced among employees of Air Mauritius Ltd. That is why, absenteeism and health issues have to be closely monitored and supported else it would have a serious effect on the performance of employees. Hence, the study will be based on finding the reasons of a high sickness absence rate and find ways to help employees to remain in good health.

1.3 Research Objectives

Identify the causes of sickness absenteeism and sickness at Air Mauritius Ltd.

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Does sickness absenteeism and sickness impact on productivity at Air Mauritius Ltd.

Give Air Mauritius Ltd employees incentives to be more productive and regular at work.

Establish an absence management policy at Air Mauritius.

1. 4 Proposed Methodology

Data collection includes primary sources and secondary sources. The primary source includes an interview with the Human Resources department and the Health & Safety department to find out the rate of absenteeism and sickness reports in the ground operations, engineering and cabin operations departments. Discuss with employees and collect data through questionnaire which will be administered to a sample of employees.

Secondary sources consist of data collected from the company's website, magazine articles, journals records like Emerald, EBSCO among others and various books about human resources absenteeism and productivity.

1. 5 The layout of the dissertation

The subject under study will be presented as follows:

Chapter 2: Literature Review

Under this chapter, a literature review has been done concerning the nature of sickness absenteeism, sickness and productivity, their costs, the factors leading to sickness absenteeism and sickness and the possible solutions to reduce sickness absenteeism and sickness and increase productivity at work.

Chapter 3: Company Profile

This chapter set an overview of the company Air Mauritius Ltd. The business in which it operates, its products and its customers are described. Its work environment, management and staff population and its evolution are as well presented.

Chapter 4: Research methodology

This chapter explains the methodology that has been used to get an insight in the subject and discuss the limitations of this project.

Chapter 5: Survey findings and analysis

Here the findings that have been generated from the survey are presented using graphs, charts and they are analysed in relation to this project.

Chapter 6: Recommendations and conclusion

After the survey findings are analysed the shortcomings in the project are noted and recommendations are made.

Annex 1: Sample questionnaire given to employees.

2 Literature Review

2.1 Definitions

2.1.1 Absenteeism

In general absenteeism is defined as the failure to show for work or any other habitual duty. This usually disrupts work schedules adding workloads to those who are at work which might lead to low morale among employees. Therefore, absenteeism obstructs the good functioning of production and efficient running of an organisation. Lokke A. K, Eskildsen. J and Jesen. T. W

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(2007) similarly reported that the traditional definition of absence is about not being physically present at the place and time the employee is expected to be.

Davey. M. M, Cummings. G, Newburn-cook. C. V, and Lo. E. A (2009) have defined absenteeism as the failure to appear to work when planned, and according to them absence is measured by frequency or amount of work days missed. The Entrepreneur (<http://www.entrepreneur.com/encyclopedia>) described absenteeism as “ an employee’s deliberate or habitual absence from work. Everybody misses a day of work now and then. But it’s a problem when an employee misses too many days of work. Not showing up for work can cause serious problems when other employees have to cover for the missing worker or, worse, the work simply doesn’t get done.”

Another definition by Nicholson (1977, p. 237) said that “ Absence, in the language of economics, is an unpredictable variation in the firm’s labour supply and in labour-intensive and technologically primitive settings which can produce costly concomitant variations in output”.

Furthermore, Harvey and Nicholson (1993), p. 841 recognized that absenteeism was the major cause of lost productivity in business and industry. In a similar vein, Buschak. M, Craven. C and Ledman. R (1996) stated that absenteeism is a difficulty that every organisation or business faces creating costs and productivity problems. Thus, leading to a heavier work load on the majority of employees who have shown up for work. This type of situation tends to create dissatisfaction, frustration, stress and fatigue among employees

2. 1. 2 Types of Absenteeism

There are two main types of absence voluntary and involuntary. Hackett and Guion, (1985) have defined voluntary absences as what is in the control of the employee. These can take form of short-term, casual and illegitimate absences which is based on the motivation of the employee. On the other hand, involuntary absences are what are beyond the control of the employee; they are usually due to sickness or family responsibilities.

2. 1. 2 Sickness

Reijenga. F. A. (2006) defined sickness as all types of health problems or disabilities. As mentioned before there are two types of sickness, short term sickness for example influenza and long term sickness such as diabetes which is classified as a chronic disease.

Tabaluyan, T., Kuswadji, S (1996) reported that sickness absence is defined as not being able to work due sickness or injury, that is, the incapability to work. In the same way, Employers' Organisation, (2005) elaborated that “ sickness absence should include industrial injury, part days absence, and other self-certificated absence which is not explicitly ascribed to be an acceptable reason other than sickness.”

However, M. Borritz, R. Rugulies, K. B Christensen, E. Villadsen and T. S Kristensen (2005) indicated that “ sickness absence is a complex phenomenon that can be caused by individual, work related, organisational, and societal factors. Sickness absence has been discussed as a consequence of ill health, a coping mechanism, behaviour of social equity, a reaction to organisational injustice, or a consequence of exposure to adverse work-

environment factors.” Furthermore, Whitaker S. also agreed with the fact that sickness absence is influenced by many factors like social causes other than health issues.

2. 1. 3 Productivity

In an economist point of view productivity is a ratio of some measure of output to some index of input use, according to Eatwell and Newman (1991). Therefore, productivity is nothing more than the arithmetic ratio of amount produced to amount of any resources used in the course of production. An online definition by <http://business.yourdictionary.com>, stated that productivity is “ the efficiency with which output is produced by a given set of inputs. Productivity is generally measured by the ratio of output to input. An increase in the ratio indicates an increase in productivity. Conversely, a decrease in the output/input ratio indicates a decline in productivity.” However, definitions of productivity in the above context are meant to the manufacturing sector.

2. 1. 3. 1 Productivity in the Service Sector

Rutkauskas. J and Paulaviciene. E (2005) have studied the concept of productivity in the service sector and they argued that productivity, efficiency and effectiveness are terms that should be used together. This is because to be productive one should be both efficient and effective. The analysis of productivity is a difficult task in the service sector. As the productivity concept in the service sector involves both the organisation and the customer. According to Tolentini (2004) productivity depends on the value of the products and services and the efficiency upon which they are produced and distributed to the customers. Similarly in the research work of <https://assignbuster.com/impact-of-absenteeism-on-productivity/>

Maroto-Sanchez. A (2010) productivity is about being both efficient and effective. He described effectiveness as to how an organisation meets the active needs and expectations of its customers. Hence it can be seen that, to be productive in the service sector employees have to be both effective and efficient. Therefore, employers have to ensure that their employees are effective and efficient enough to provide a good service to their customers.

2. 2 Causes of sickness absenteeism and sickness

There are various factors that affect sickness absence and sickness. Factors affecting sickness absence in the aviation sector can be classified as health related issues such as injury at work such as musculoskeletal pains stress and fatigue and so on, and non-health related issues like organisational commitment, job satisfaction among others since according to Whitaker. S. research, sickness absenteeism is influenced by a variety of factors non-related to health. Testimonials that have been gathered among employees at Air Mauritius have proved that sickness absenteeism is mostly related to the non health-related issues. However, it is only after the analysis of the questionnaires that we will be able to understand the real causes of absenteeism and its impact on productivity.

2. 3 Non Health-related issues

2. 3. 1 Organisational Commitment

“ Organisational Commitment is typically measured by items tapping respondents’ willingness to work hard to improve their companies, the fit between the firm’s and the worker’s values, reluctance to leave, and loyalty toward or pride taken in working for their employers” (Maume, 2006, p. 164).

Similarly, Boolaky. M and Gokhool. D, p. 73 defines organisational

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commitment as the degree to which a person is committed to the organisation he or she is working for. The person is proud to be associated to the organisation and is committed to work towards the objectives and goals of the organisation.

Many studies have reported that there is a relationship between organisational commitment and absenteeism. Gellatly, 1995 and Somer, 1995 studies have concluded that organisational commitment is negatively related to absenteeism. That is, when an employee is not committed to its organisation, this will tend to impact negatively on absenteeism. A research carried out by Meyer and Allen (1991) reported that commitment comprises three components namely affective, continuance and normative. Where affective commitment refers to the individual's emotional attachment to the organisation he/she is working, that is the individual participates in the organisation's activities because he/she wants to. Continuance commitment is when someone realises that too much energy or time have been devoted to leave the organisation or that they would not be able to find another job. And normative commitment is when an individual feels that he/she has an obligation to participate in the activities of the organisation and that it is the right thing to do. Meyer (1997) found that affective commitment was strongly linked to absence behaviour. However, normative commitment according to Meyer (1993) was negatively related to absenteeism on the other hand Somers (1995) has found no relationship between the two. And at last, Mayer and Schoorman (1992) concluded that continuance commitment did not have a strong relation with absenteeism.

2. 3. 2 Job Involvement

Job involvement commonly includes identifying with the job,

actively participating in the job, and perceiving job performance to be important

to self-image (Blau. G. J, 1985; Rabinowitz & Hall, 1977). Robbins (1998) defines job involvement as “ the degree to which a person identifies with his or her job, actively participates in it, considers his or her performance important to self-work.” That is, job involvement refers to the extent to which one is committed and participates in his or her job.

The direct relationship of job involvement to absenteeism is very ambiguous. Blau. G. J (1986) review of the studies carried out at that time, found that the studies had different conclusions; this is because there are differences in the measurement and samples taken. Taunton et al. and Cohen (2000) showed that there is a negative relationship between job involvement and absenteeism. However, job involvement and productivity have a positive relationship. That is, as job involvement increases, productivity increases and vice versa. According to W. H. Weiss (2006) employees who are involved in their jobs, that is, they have the know-how of why they need to carry out certain tasks and how does these contribute to the organisation’s goals are the most productive workers. Therefore, it can be noted that job involvement is necessary to increase productivity of employees.

2. 3. 3 Job Satisfaction

“ Job satisfaction refers to an emotional state of mind that reflects an affective reaction to the job and the work situation, whereas the focus of

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organizational commitment is on a more global reaction (emotional or non-emotional) to the entire organization (Dipboye et al., 1994; Farkas and Tetrick, 1989; Lance, 1991; Russell and Price, 1988).” (Falkenburg. K and Schyns. B, 2007, p. 710)

Job satisfaction is defined as “ the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs” (Spector, 1997, p. 2). This description implies that job satisfaction is a broad or global emotional reaction that individuals hold about their job. Researchers and practitioners have evaluated different “ facets” or “ dimensions” of satisfaction. Examining these facets is usually useful for assessing employee satisfaction with critical job factors. Traditional job satisfaction facets consist of: co-workers, pay, job conditions, supervision, nature of the work and benefits (Williams). Studies have found that job satisfaction can also be an independent variable affecting both productivity and absenteeism. (Boolaky. M and Gokhool. D, p. 75).

There have had many theories on the relationship between job satisfaction and absenteeism. Most of these studies concluded that as job dissatisfaction increases, self-reported absenteeism increases (Taunton et al. 1885, Drago and Wooden 1992). In 1982, a study made by the Business Roundtable stated that job dissatisfaction affects absenteeism to a great extent. Employers should understand that the company’s goals and quality supervision are necessary for job satisfaction. It has also been noted that as size of job increased, job satisfaction decreased.

Furthermore Hinze et al. (1985), report that identified the relationship between absenteeism and job satisfaction describe that absenteeism was lower among those who had strong cohesiveness that is, team spirit, and when management criticised workers for being absent it was observed that absenteeism was lower, employees who regarded their work as mentally inspiring had fewer absences.

Moreover Hausknecht, Hiller and Vance. (2008), defined job satisfaction as the sense of enjoyment that individuals derive from their experiences on the job and within the team they work with. Therefore, according to this report high attendance is expected in working environment where there is high satisfaction. This is because, the members of the team have this feeling of belonging and support among themselves.

Moreover, it can be observed that in a working environment where there is high satisfaction it increases the level of productivity. P. Valdes-Flores and J. A. Campos-Rodriguez (2008) describe “ job satisfaction as a set of favourable or unfavourable feelings for the employees to perceive their work and that determine the possibility of a major disposition to achieve higher performance, consequently, job satisfaction refers to an individual’s general attitude towards his or her job”.

Link between involvement and commitment

Blau (1986) had developed the interaction of job involvement and organisational commitment and how this affected absence behaviour.

Moreover, Blau and Boal (1987) refined the idea. The study reported that there are four level of contribution of high and low of job involvement and

job commitment. When job involvement and job commitment are high, employees are not likely to be absent and if they happened to be absent this could be due to genuine sickness. This type of employees is called “institutional stars”. Those who experience a low job commitment but high job involvements are absent because of career prospects or due to working environment, these persons are called “lone wolves”. Individuals with low job involvement and high organisational commitment called the “corporate citizen” respect their co-workers and also abide to the norms and goals of the organisation they work for. Those could be absent from work in according to the organisation’s lawful absence rules. And lastly the “apathetic employees” identify themselves having a low job involvement and organisational commitment, they have highest rate of absence.

Link between organisational commitment and job satisfaction

Many studies have reported the association between organisational commitment and job satisfaction (Meyer et al, 2002). According to Levison and Moser, (1997) employees tend to be lethargy without job satisfaction, which reduces organisational commitment. Furthermore, a study carried out by Steers and Rhodes (1978) stated that job satisfaction and organisational commitment play a big role in determining employee attendance. Griffeth et al (2000), indicated that organisational commitment was a better predictor of absenteeism than job satisfaction. However, as job satisfaction is more about the emotional state of mind, it is influenced by daily events rather than organisational commitment which cover the organisation as a whole and develops over time (Sagie, 1998).

Link between job satisfaction and job involvement

Wegge, J, Schmidt, K, Parkes, C and Dick, R. V (2007) found that events at work impact on how employees feel at work thus determining job satisfaction. Furthermore, job involvement measures the importance of the job to one's self opinion and therefore represents personality differences. Job satisfaction is situational variable and job involvement personality in our reasoning. Thus, they both interact. That is, if job satisfaction is low, job involvement will negatively affect absenteeism. However, when job satisfaction is high in any situation it will overcome the impact of job involvement on absence behaviour. Job satisfaction therefore has a moderate impact on job involvement and absence. To be more precise, when job satisfaction is low, job involvement is negatively related to absenteeism whereas, when job satisfaction is high, job involvement is not associated to absenteeism.

2.3.4 Organisational Culture

Morgan, G has described organizational culture as: “ The set of the set of beliefs, values, and norms, together with symbols like dramatized events and personalities, that represents the unique character of an organization, and provides the context for action in it and by it.” Another definition of organizational culture by Schein, E “ a pattern of shared basic assumptions that the group learned as it solved its problems that has worked well enough to be considered valid and is passed on to new members as the correct way to perceive, think, and feel in relation to those problems.”

Norms influence everyone in an organisation; they are unwritten and usually tell things like they are influencing everyone's perception in the organisation

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and they contribute to the norms and support them. Nowadays, we live in an absenteeism culture. According to Smit (2000), absenteeism and culture are negatively related. That is, employees encouraged and supported by the society to call a sick leave. However, employers do support absenteeism as a cultural phenomenon. That is, when people take sick days when they are not sick, employers accept this as a cost to the organisation. (Allen. R. F, Higgins M. 1979)

2. 3. 5 Motivation

Robbins and Coulter (1999) have defined motivation as “ the willingness to exert high levels of effort to reach organizational goals as conditioned by that effort’s ability to satisfy some individual need”.

Luthans (1998) stated “ that motivation is the process that arouses, energizes, directs, and sustains behaviour and performance. That is, it is the process of stimulating people to action and to achieve a desired task. One way of stimulating people is to employ effective motivation, which makes workers more satisfied with and committed to their jobs. Money is not the only motivator. There are other incentives which can also serve as motivators.”

Steers & Rhodes (1978), developed the most common model of absenteeism. They depicted that attendance is determined by the employee’s motivation to go to work. However, Lee (1989) evaluated the theoretical facts of the Steers & Rhodes Model (1978) and found that motivation is not strongly related to attendance. Nevertheless, the study of Burton. J. P, Lee. T. W, Holtom. B. C (2002), claimed that sickness

absenteeism was related to one's motivation to attend work. That is, according to some theories sickness absenteeism is not only due to illness but it may be voluntary, Brooke (1986). Employees might use sickness as an excuse not to go to work, where there are other causes of this particular behaviour, Martocchio (1996). Moreover, the Recruitment and Employment Confederation (REC) suggested that in order to reduce absence, the best way was to ensure that employees are well-motivated by their jobs. And to motivate employees, employers have to keep them informed of their behind-the-scenes strategies for survival during recession, Anne Fairweather (2009), head of public policy at an organisation.

Motivated employees can be productive employees. Recognition, working environment and work achievement are factors that can keep employees motivated thus highly productive. Employees who achieve the goals directed by their supervisor are usually well-motivated. And expect recognition after the long hours of hard work, for instance an increase in salary, bonuses or promotions. According to a research carried out by Personnel Today (2008), employees were more productive when they received recognition for their work and praise from management. Working environment is another factor to motivate employees in being productive and need to be provided with a pleasant environment to work. Therefore it can be noted that motivation is necessary to increase productivity.

Personal Issues

Every employee in any organisation has to go through personal issues. It can be observed that facing these issues most of the time and energy of that particular person is focused on their personal issue they are dealing with.

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Personal issues can take the form of family problems, ill parents or young children to take care of, drug abuse, drinking problems, sexual orientation and many more distracting one from his or her job. According to Ericson (2001) issues like child and eldercare, single-parent families are those characteristics that might lead to an impact on absenteeism at any level in an organisation. Furthermore, Goff et al. (1990) found that when one's work and family issues are conflicting there is a greater frequency of absenteeism. It has also been noted that management in most organisations are lenient, staffs make excuses of being sick so as not to attend work, consequently, recording a sick leave. This is also common in the aviation sector especially among staffs having odd working hours; they find it easier to register for sick leave so as to be able to manage their own issues. Shift work influence the working choices of parents and to be able to retain shift workers child-care services should be offered, P. D. Brandon and J. B. Temple (2007).

Employees have to make sure that they do not bring their personal issues into the office. Therefore, organisations must be able to provide a pleasant environment where employees would not think about their personal issues instead of concentrating on their work. Some company might also provide psychological help to their staffs. As personal problems can lead to a fall in productivity.

Health Related Issues

Health promotion seems to impact positively on employees' health, morale, level of sickness absenteeism and productivity. Unfortunately it is noted that the necessary structures and facilities to promote health are not available at

Air Mauritius, however, management has shown its intention to change the situation and has establish wellness and fitness centres.

Chronic Diseases

Chronic diseases do have an impact on employees' sickness absence and sicknesses at work, example of chronic diseases are diabetics, cancers among others. The productivity of the organisation is also affected when the employee is ill. For example an employee suffering a particular form of cancer will have various complications and might not be able to attend work for a few days. This will lead to a lack of staff, thus increasing the workload of others. Therefore, organisations can exercise some control over illnesses by ensuring a safe and healthy workplace, proper ergonomic design, health and safety management 27policies/practices to address absenteeism in the workplace (Ericson, 2001). These can facilitate healthier working environments and provide favourable conditions to reduce absenteeism and enhance satisfaction and productivity.

Fatigue and Stress

According to the New Grolier Webster International Dictionary of English Language fatigue is defined as the tiredness of a person's physical or mental energy. More precisely it is described as a specific reaction of our central nervous system and muscular system due to exertion (S. L. Smith et al., 2009). That is, the exhaustion of strength due to continued stress. Stress on the other hand is identified as factors causing mental or emotional strain or tension to a person (New Grolier Webster International Dictionary of English Language). Khodabakhsh Ahmadi and Kolivand Alireza, (2007) stated that " stress is often used to describe the body's responses to demands placed

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upon it, whether these demands are favourable or unfavourable.” In this context however, stress is related to the work place where due to unsatisfactory work organisation, management, environmental design and differences between the efforts put into work compared to the rewards received (S. L. Smith et al., 2009).

The level of work-related stress has increased consequently during the past few years in the aviation sector. C. Kelleher & S. McGilloway, 2005, claimed in a research carried out for an Irish airline that the level of work-related stress among stress is high. Khodabakhsh Ahmadi and Kolivand Alireza, 2007, have found that the level of work stress among military pilots has also increased. The report of the ITF 2009, indicated that there has been a serious increase in stress and fatigue since 2000.

There are various causes of work-related stress and fatigue in the aviation sector. The odd and long hours of work which usually results in overtime, drain staffs both emotionally and physically. Fatigue and stress is also caused due to the lack of rest. Airline staffs working in different time zones and odd hours are the ones experience chronic sleep deprivation. A rise in the level of flights and passengers has led to uncontrollable work load due to high work demands causing stress and fatigue among staffs. The tradition of overbooking flights in almost all airlines is the cause of various problems. Passengers who find themselves left behind due to the lack of seats on the flights are usually furious and tend to shout at staffs using abusive language thus stressing them.

People working in the aviation sector have experience a consequent rise in the stress level at work (S. L. Smith et al., 2009). Hence this impact on sickness absenteeism and sickness thus affecting the productivity level of employees.

Injury at work

An organisation must make sure that it provides the proper safety equipment to its employees. This is because accidents can happen where employees could be injured. This would cause sickness absenteeism due to the employee's inability to attend work, leading to a fall in productivity due to the lack of employees and increased work load on those present at work. Also the costs