

Study on what is absenteeism management essay



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To many in the world of work, absenteeism is one of those stubborn problems for which “..... there is no clear culprit and no easy cure” (Rhodes & Steers, 1990). Furthermore, as a general phenomenon it does not discriminate against individuals on the basis of sex, race and religion. Bydawell (2000) postulates that “ employers have the right to expect good attendance from their employees as employment is a contract between two consenting parties.” The author additionally states that absentee issues will undeniably arise within the employment relationship, and should be resolved in a way which is fair and unbiased to both the employer and the employee. Absenteeism can be very costly to organisations and gargantuan reserves can be realised through successful management of non-attendance at work. In addition to the cost implications, absenteeism is influenced by dozens of interconnected factors which make it even more difficult to “ quantify, qualify, or rectify” (Tylczak , 1990). One of these factors which have been cited by different researchers is an employee’s level of job satisfaction in the workplace. In combination with this, George and Jones (2002) maintain that “ many scholars have studied the relationship between absenteeism and job satisfaction in an attempt to discover ways to reduce absenteeism.” Early job satisfaction research has emphasised the fundamental assumption that job disappointment represents the main reason of absenteeism (Steers, Porter & Bigley, 1996). McShane’s (1984) review as quoted by Steers et al. (1996) supported the notion that employees who are disappointed with various aspects of their jobs are more likely to be absent. Studies by McShane (1984) found “ job satisfaction to be more highly related to frequency of absences than to number of days lost” (Steers et al., 1996, p. 409).

Rhodes and Steers (1990) propose that employee attendance is based on an employee's motivation to attend as well as their capability to attend.

According to George and Jones (2002), job satisfaction is one of the factors affecting an employee's motivation to attend. It becomes important to calculate the strength of the relationship between absenteeism and job satisfaction as " positive attitudes can at times serve to " pull" the individual towards the organisation and the reverse can be expected when attitudes are more negative " (George & Jones, 2002, p. 94).

An employees' ability to attend is influenced on the other hand by factors such as family responsibilities, transportation problems, accidents and etc. Once all these variables are recognized, managers may begin to understand why employees sometimes choose not to come to work when they are fully capable of attending. By the same token, it is " equally important for managers to understand those circumstances in which people, for whatever reason (illness or otherwise), are genuinely unable to come to work" (Rhodes & Steers, 1990).

Furthermore, the question most people would ask is " what is an acceptable absenteeism rate?" In terms of the Basic Conditions of Employment Act 75 (1997), an employee is entitled to 30 working days sick leave in a three-year period. Bydowell (2000) states that if all the employees within a company jointly take their full entitlement, the company's absenteeism rate will run at approximately 4 %, which is generally believed to be tolerable. Some companies permit employees to exceed their 30 days, but in these instances it would be regarded as unpaid leave. typically organisations do not take these additional days into account when calculating their absenteeism rate

and it results in an mistaken estimation of the situation. Bydawell (2000) purports that “ in reality, many companies run at absenteeism rates as high as 12 % without even realising it.”

Absenteeism seems to be a behaviour that organisations can never get rid of, but they can rather control and manage it. George and Jones (2002) note that “ organisations should not have absence policies that are so restrictive that they literally force workers to come to work even if they are ill.

Organisations may want to recognise that a certain level of absence is indeed functional.”

Before looking at the causes, outcomes and issues related to absenteeism i need to look at the definition of the following terms:

Absenteeism

Job satisfaction

Absenteeism

In terms of the discussion, the three terms “ absence, absenteeism and sickness absence” will be used as synonymous in sense, implying that workers who were scheduled for work and expected to attend, did not turn up.

Cascio (2003) defines absenteeism as “ any failure of an employee to report for or to remain at work as scheduled, regardless of the motive.” Milkovich and Boudreau (1994) describe absenteeism from an organisation’s point of view as “ the frequency and/or duration of work time lost when employees do not come to work.” Absenteeism therefore implies “ an unplanned,

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disruptive incident; but more distinctively, it can be seen as non-attendance when an employee is listed for work” (Van der Merwe & Miller, 1988).

Job satisfaction

Spector (1997) stated that job satisfaction merely as “ the extent to which people like their jobs and the different aspects of their jobs.” Job satisfaction is also defined as a reaction towards different facets of one’s job that is a person can be relatively satisfied with one aspect of his or her job and dissatisfied with other aspects (French, 1998; George & Jones, 2002; Kreitner & Kinicki, 2001). Robbins (1998) defines job satisfaction as a general approach towards one’s job; the difference between the quantity workers receive and the amount they consider they should receive.

<http://www.jstor.org/pss/255965> (accessed at 13/04/2010)

http://etd.uwc.ac.za/usrfiles/modules/etd/docs/etd_init_6525_1175242441.pdf (accessed at 13/04/2010)

www.CottrillsReward.com/motivation (accessed at 13/04/2010)

Types of Absenteeism

Absenteeism can be classified into three broad categories (Van der Merwe and Miller, 1998) as under;

Sickness absence,

Authorised absence or absence with permission and

Unexcused absence or absence without leave.

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Sickness Absence

Sickness absence is a category where employees claim health problem as their reason for absence. Requirements regarding medical or doctor's certificates vary and are determined by company policy or the Basic Conditions of Employment Act (BCEA). The Basic Conditions of Employment Act 75 (1997) is that a certificate needs to be produced after two days of sickness absence. Most managers have found that certification is not a guarantee of genuine absence as it has become easy for people to gain access to medical certificates.

Authorised Absence / Absence with Permission

Absence with permission is where workforce gives an "justification" for their absence whether that be for holidays, study leave, special leave etc. Usually such a request is included in the absence policy (Van der Merwe & Miller, 1988).

Unexcused Absence

All absences that do not fall in above mentioned categories and where no valid reason is given or not accepted are known as unexcused absences (Van Der Merwe & Miller, 1988). This type of absence, when it reaches difficult extent, will have to be pointed out to employees in question in command to fetch their attendance in line with satisfactory standards.

Employees who come to work later in the day or who disappear earlier are in general not recorded on the leave records of employers and the manager is normally aware of such absences (Wolmarans, 1994).

A MODEL OF ABSENTEEISM

Aamodt (1996) maintains that before an organisation spends time and money trying to stop absenteeism, it must first be aware of the theories around why people don't turn up on work. different models have been developed to describe absence deeds, but the Integrated Model of Attendance developed by Rhodes and Steers (1990) provides a heuristic structure on the different factors influencing employee attendance (FIGURE1.).

FIGURE1

Source : Absenteeism Model, Source: Rhodes & Steers (1990, p. 46)

FIGURE1 suggests that an employee's attendance (Box 8) is primarily determined by two important variables:

An employee's motivation to attend (Box 6)

An employee's ability to attend (Box 7)

The authors further suggest that the employee's motivation to attend is influenced by two factors:

Satisfaction with the job situation (Box 4)

Pressures to attend (Box 5).

In the context of this model, the job situation refers to the general working environment and not only the nature of the tasks.

Rhodes and Steers (1990) list seven factors related to the job situation that could guide to increased job satisfaction namely (Box 1):

job scope

job level,

role stress

size of the work group

style of the leader, co-worker relations and the opportunity for advancement.

A few of these factors are explained briefly. If, for example, the particular management style is dictatorial and disliked by staff, it could cause friction and poor attendance might be the consequence (Rhodes & Steers, 1990). In terms of co-worker relations, Johns (1996) argues that group norms have a strong impact on attendance levels. Du Plessis et al. (2003) found that a “culture” of absenteeism amongst one group of employees might influence work values and devotion of other employees. New employees seem to adopt the existing culture, values, norms and standards of the organisation which they join, i. e. they might be influenced by the present absenteeism norms in the organisation (Rosseau, 1985 as quoted by Du Plessis et al., 2003). Lau, Au and Ho (2003) found that industries with a high group absence rate also had higher levels of individual absences. Organisations are therefore faced with the challenge of managing absence behaviours within groups as it influences the behaviour of employees entering the organisation.

Furthermore, the model suggested that employee's values and expectations also have an influence on employee attendance (Box 2). Attitudes, values and goals differ considerably from person to person, depending on what is important for the individual at a particular point in time. Rhodes and Steers (1990) postulate that " work related attitudes (for example, job involvement) can play a significant role in determining how employees view the psychological contract between employees and management, as well as how committed they are to coming to work. " Further variables cited by these authors include personal work ethics and the centrality of work which refers to how important work is in a person's life goals. The decision by an employee to absent him/herself is thus related to the importance attached to work.

Another factor influencing attendance is the personal characteristics and backgrounds of employees (Box 3).

Tylczak (1990) terms this category " employee specifics" and includes things like gender roles, desire to spend time with friends and hobbies. As an example, older, more established employees might be more stable and might report fewer sick leave incidents than younger employees who do not mind risking their jobs due to absence.

Closely related to this is the question of whether lifestyle choices influence absenteeism. According to Ericson (2001), lifestyle choices such as smoking, drinking and other substances could influence absenteeism. Common in organisations is the trend of employees taking sick leave either on a Friday or on a Monday due to alcohol and other substance abuse. Ericson (2001)

maintains that “ the area of lifestyle choice is probably the hardest part of absenteeism management to address, as it blurs the lines between personal habits and the workplace.” An organisation can offer counselling services to help resolve these personal problems in an attempt to reduce absenteeism levels. These plans are in general referred to as employee support programmes (EAP's) and is defined as “ a confidential counselling and referral service provided by organisations as an employee advantage” (Strazewski, 2005).

Finally, the model suggests that there are certain “ pressures to attend” (Box 5) which have an influence on an employee's motivation to attend and these include the economic/market conditions (like unemployment), incentive and reward systems, personal work ethic and organisational commitment. Hence, if unemployment levels are high, people might be less willing to take sick leave for fear of losing their jobs (Rhodes & Steers, 1990).

There are also factors that constrain an employee's ability or capacity to attend (Box 7)

Illness

Family related and transport problems

Individual personality traits

Demographic variables also impact on absenteeism and includes like;

Age

Tenure (length of an employment)

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Marital status

Number of dependents

Gender

Job level etc.

http://etd.uwc.ac.za/usrfiles/modules/etd/docs/etd_init_6525_1175242441.pdf (accessed at 14/04/2010)

Common Reasons behind Absenteeism

Some of the common reasons behind absenteeism are as under;

Serious accidents and illness

Low morale

Workload

Employee discontent with the work environment

Benefits which continue income during periods of illness or accident

The existence of income protection plans (collective agreement)

Poor working conditions

Boredom on the job

Inadequate leadership and poor supervision

Personal problems (financial, marital, substance abuse, child care etc.)

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Poor physical fitness

The existence of income protection plans (collective agreement)

Transportation problems

Stress

http://superfriends13.tripod.com/causes_absent.htm (accessed at 14/04/2010)

Absenteeism measurement

Rhodes and Steers (1990) point out that measuring absenteeism can serve four purposes to organisations, namely, to administer payroll and benefit programmes, for production scheduling, to identify absenteeism problems and to measure and control personnel costs.

Administering payroll and benefits programs

According to Rhodes and Steers (1990), information about who is present and who is absent from work can assist organisations in determining whether absence is compensable under a benefit program or other contractual arrangements.

Production scheduling

Rhodes and Steers (1990) maintain that it is important to have absence data available as it can assist managers in planning for which human resources will be needed to meet production requirements. In this way, organisations will avoid the cost of overstaffing and also be protected from having too few employees at work.

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Identifying absenteeism problems

To assess whether there is an absenteeism problem, it is important to measure absenteeism and have this data available. This could assist in determining if some departments have higher absence rates than others, how an organisation compares with others in the industry, whether there is a certain trend and so forth (Robinson, 2002).

Measuring and controlling personnel costs

Excessive absence can be costly to organisations. Anderson (2004, p. 26) notes that “ unexpected absence costs corporate America billions of dollars annually in direct costs.” By measuring absence, the organisation could estimate the costs, thereby reducing its effect on the organisation. Moreover it can facilitate the determination of which proportion of absenteeism managers are able to control, in order to devise appropriate strategies to reduce absence in the workplace (Rhodes & Steers, 1990).

According to (Van der Merwe & Miller, 1988) the two most widely used measures of absence are:

The Gross Absence Rate (GAR), which measures the extent of absence

Absence Frequency Rate (AFR), which measures the incidence of absence taking).

The Gross Absence Rate (GAR)

the formula for GAR is as follows:

GAR = \hat{I} 100

The disadvantage of the GAR is that it gives an overall figure and can be distorted by long sick absences. Two or three employees who are on sick leave for a few weeks, could inflate the organisation's GAR and could give an incorrect impression of a severe absence problem.

Absence Frequency Rate (AFR)

The AFR is used to overcome these disadvantages. The formula for calculating AFR is as follows:

AFR =

Van der Merwe and Miller (1988) note that " when computing the AFR, each absence, irrespective of the length, is counted as one incident." The AFR is expressed as a ratio, and normally it is given per month, i. e. the absence incidents per person per month. These two measures provide a useful summary description of both the extent and frequency of absence in organisations.

http://etd.uwc.ac.za/usrfiles/modules/etd/docs/etd_init_6525_1175242441.pdf (accessed at 16/04/2010)

Cost related to absenteeism

Absenteeism is costly and managers are continuously exploring ways to reduce the cost. Bydowell (2000) and Schumacher (2004) underlined the growing concern that employees who absent themselves and present doctor's certificates, are in fact absent for non-health related matters. Some employees even use their sick leave as vacation days when they have

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shattered their annual leave benefits. This makes it very difficult for managers as some employees have an “entitlement” state of mind.

Haswell (2003) maintains that it is unlikely that absenteeism can be completely eradicated in organisations hence, financial provision should be made for sick benefits. To determine whether absence is really a problem to be addressed, the organisation has to measure the costs of absence to the organisation.

A number of studies have attempted to determine the financial implications of absenteeism. Chadwick-Jones (1982) as cited by Butler (1994, p. 26) estimated that “one day’s absence by an employee costs the organisation one and a half times the daily rate of pay of that employee.” Most companies probably use their own methods of determining the cost associated with absenteeism. However, according to Butler (1994), there are a few ways to estimate absenteeism costs.

One of these is the aggregate approach that estimates the number of additional employees to be hired to offset the effects of absenteeism. The company thus hires casual labour or temporary employees to fill in for the absent employees, especially in positions that cannot be left vacant, for example, an organisation’s receptionist position. Goodman and Atkin (2000) as cited by Butler (1994, p. 26) indicate that “the cost therefore of recruiting, selecting, training and paying these additional employees represents one way

in which the costs of absenteeism can be estimated. “

Another approach estimates the incremental costs per day associated with the absent employee, for example, salary and pension that still have to be paid during the employee's absence. According to Butler (1994, p. 26), " if an employee is absent and a casual/temporary employee is hired, the task of management is to compare the costs that would have been involved if the absent employee had come to work, plus the additional costs of hiring a replacement employee." It is important then for organisations to have a proper system in place to determine the costs of absenteeism, so that it can be managed effectively.

5. Organizational Behaviour Theories and Absenteeism

5.1 Maslow's Hierarchy of Needs

If motivation is driven by the existence of unsatisfied needs, then it is worthwhile for a manager to understand which needs are the more important for individual employees. In this regard, Abraham Maslow developed a model in which basic, low-level needs such as physiological requirements and safety must be satisfied before higher-level needs such as self-fulfilment are pursued. In this hierarchical model, when a need is mostly satisfied it no longer motivates and the next higher need takes its place. Maslow's hierarchy of needs is shown in the following diagram:

Implications for Management

Maslow's theory holds, there are some important implications for management. There are opportunities to motivate employees through management style, job design, company events, and compensation packages, some examples of which follow:

Physiological needs: Provide lunch breaks, rest breaks, and wages that are sufficient to purchase the essentials of life.

Safety Needs: Provide a safe working environment, retirement benefits, and job security.

Social Needs: Create a sense of community via team-based projects and social events.

Esteem Needs: Recognize achievements to make employees feel appreciated and valued. Offer job titles that convey the importance of the position.

Self-Actualization: Provide employees a challenge and the opportunity to reach their full career potential.

5. 2 Herzberg's Motivation Hygiene Theory (Two Factor Theory)

To better understand employee attitudes and motivation, Frederick Herzberg performed studies to determine which factors in an employee's work environment caused satisfaction or dissatisfaction. He published his findings in the 1959 book *The Motivation to Work*.

The studies included interviews in which employees were asked what pleased and displeased them about their work. Herzberg found that the factors causing job satisfaction (and presumably motivation) were different from that causing job dissatisfaction. He developed the motivation-hygiene theory to explain these results. He called the satisfiers motivators and the dissatisfier's hygiene factors, using the term "hygiene" in the sense that

they are considered maintenance factors that are necessary to avoid dissatisfaction but that by themselves do not provide satisfaction.

Details available at: <http://www.netmba.com/mgmt/ob/motivation/mcclelland/>

(Accessed on April 24, 2010)

Factors Affecting Job Attitude

Leading to Satisfaction

Leading to Dissatisfaction

Achievement

Recognition

Work itself

Responsibility

Advancement

Growth

Company policy

Supervision

Relationship w/Boss

Work conditions

Salary

Relationship

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Implication for Management

Herzberg argued that job enrichment is required for intrinsic motivation, and that it is a continuous management process. According to Herzberg:

The job should have sufficient challenge to utilize the full ability of the employee.

Employees who demonstrate increasing levels of ability should be given increasing levels of responsibility.

If a job cannot be designed to use an employee's full abilities, then the firm should consider automating the task or replacing the employee with one who has a lower level of skill. If a person cannot be fully utilized, then there will be a motivation problem.

Critics of Herzberg's theory argue that the two-factor result is observed because it is natural for people to take credit for satisfaction and to blame dissatisfaction on external factors. Furthermore, job satisfaction does not necessarily imply a high level of motivation or productivity.

5.3 McClelland Theory of Needs

In his acquired-needs theory, David McClelland proposed that an individual's specific needs are acquired over time and are shaped by one's life experiences. Most of these needs can be classed as achievement, affiliation, or power. A person's motivation and effectiveness in certain job functions are influenced by these three needs. McClelland's theory sometimes is referred to as the three need theory or as the learned needs theory.

5. 3. 1 Achievement

People with a high need for achievement (nAch) seek to excel and thus tend to avoid both low-risk and high-risk situations. Achievers avoid low-risk situations because the easily attained success is not a genuine achievement. In high-risk projects, achievers see the outcome as one of chance rather than one's own effort. High nAch individuals prefer work that has a moderate probability of success, ideally a 50% chance. Achievers need regular feedback in order to monitor the progress of their achievements. They prefer either to work alone or with other high achievers.

5. 3. 2 Affiliation

Those with a high need for affiliation (nAff) need harmonious relationships with other people and need to feel accepted by other people. They tend to conform to the norms of their work group. High nAff individuals prefer work that provides significant personal interaction. They perform well in customer service and client interaction situations.

5. 3. 3 Power

A person's need for power (nPow) can be one of two types - personal and institutional. Those who need personal power want to direct others, and this need often is perceived as undesirable. Persons who need institutional power (also known as social power) want to organize the efforts of others to further the goals of the organization. Managers with a high need for institutional power tend to be more effective than those with a high need for personal power.

Implications for Management

People with different needs are motivated differently.

High need for achievement - High achievers should be given challenging projects with reachable goals. They should be provided frequent feedback.

While money is not an important motivator, it is an effective form of feedback.

High need for affiliation - Employees with a high affiliation need perform best in a cooperative environment.

High need for power - Management should provide power seekers the opportunity to manage others.

All organizational behaviour theories stress that if employees are satisfied than they will contribute as much as they can in the success of an organization. Organizations can use various methods in order to keep their worker happy and if staff is happy and like to come on work regularly it mean that there are less chances of absenteeism and it can save the huge cost associated with the absence of employees.

So it is the responsibility of organizations to manage and make sure that they have adequate system that can bring their workforce normal to work. Details analysis on these approaches will be later on discussed in this article.