

Absenteeism and Firm's Growth: A Field Study

Shakil Chowdhury*

Department of Accounting and Information System, Chittagong University, Chittagong, Bangladesh.

Abstract

As one of the noteworthy city in Bangladesh, Chittagong city's firms play a significant role in country's economy. Under such problem of absenteeism in Chittagong city's firms, the growth of firms is not remarkable. In sample firms, absenteeism is hitting the comprehensive growth. With an experimental review the study aim of this paper is to scrutinize the basic relationship between absenteeism and firm's growth. The study assayed all the direct and indirect variables of absenteeism which are inevitably affecting the growth of firms. More specifically, in recent time the firm's growth is downgraded due to absenteeism in sample firms. The study observed that employees with high paid salary are active in workplace while women have the tendency of absenteeism in workplace. Few of the firms have the absenteeism guidance policy but execution rate is rare.

Keywords: Hitting comprehensive growth, frequency, parameters of absenteeism.

1. Introduction

Absenteeism is the crucial problem for the department of human resource management (HRM). It has direct impact on firm's growth. Actually absenteeism is concerned with poor management and poor supervision of managerial body. Moreover it can be synonymous of staying away from workplace without proper logical reason and giving negative consequences to firm's growth. In Chittagong city which is especially called port city of Bangladesh, there has moderate absenteeism tendency into employees. Moreover recently from surveying reports, it is observed that the absenteeism rate in Chittagong city slightly increased. Sometimes employees are willingly absent in work place and thus it does not boost up the growth of firms. Available surveying reports portray that the absenteeism of sample firms in terms of growth during recent times has not been in satisfactory level. In this study absenteeism frequencies are taken from Sample firms which are carefully constructed with classified strategy. These absenteeism frequency showed how affects the growth of the company is also constructed carefully. Moreover this study tries to find out absolute relationship between absenteeism and growth of company with different perspectives. In sample companies, different factors are actually influencing to absenteeism and growth of company.

The central target of this study is to scrutinize the relationship between absenteeism and growth of sample firms in Chittagong city. I used the data of individual employees from sample firms with close look and closely noticed the absent rate of firms and growth rate of firms. Adopting policies in relation to absenteeism of firms are also scrutinized closely. Moreover this study closely monitored absenteeism-firing policy of firms in sample firms.

The study is organized as follows; the objectives are second section and methodology is in third section. The fourth section is Literature review. Relationship between absenteeism and growth as well as influential matters of absenteeism is interpreted in fifth and sixth sections respectively. Parameters of absenteeism and how absenteeism affects in growth rate are also stated in seven and eight section. In section nine showed what policy would be helpful in company and conclusion is in section ten.

1.1 Objectives

The aim of this study is experimental review in sample firms of Chittagong city

The specific objectives of this study are-

1. To examine which factors are affecting to absenteeism.
2. To figure out real scenario of absenteeism and affecting to final output.
3. To scrutinize how absenteeism are affecting to firms' growth.

1.1.2 Methodology

This study is based on extensive study of sample firms. Secondary data and information's are also the pivotal sources of this study. A growing number of literature catching attention of absenteeism and taken these literature as a desk study. A pragmatic questionnaire is prepared for interviewing correspondents of sample firms. A total 13 firms are investigated. 539 employees from 13 sample firms are taken as evidences. Firm's annual performances are also collected to set the study. Data, survey and individual interviews are utilized in order to bring perfection of this study.

1.1.3 Literature review

Continuous absenteeism is not only inadequate documentation but is also harmful to the triumph of initial stage. He scrutinizes this issue with more intense ways. He assessed the consequence of continuous absenteeism on both attainment and psychological results. More specifically, he suggested that continuous absenteeism reduce attainments, engagement on work and psychological engagement also. (Michael A. Gottfried, 06 Nov 2014)

The rate of absenteeism on firms depends on the size of firms. On the basis of unit cost, the connection between absenteeism and firm's size could be elucidated. He also reveals the robustness of firms in the light of

absenteeism. Enlarging a method which was used by wells, stating numerous-line firms could be more effective on workplaces. He elucidated the connection of employees and firms more closely. (Tim barmby, gamine Stephen, 2000)

This paper elucidates the incentives with relation to absenteeism by applying sample employees in certain area. They also stated that cost related with absenteeism. The behavior of employees changes in terms of cost. They found that there are various characteristics between policies and absenteeism.it finally defects on total cost of firms. (Per Johansson and Marten Palme, spring 2002)

In a workplace, there has a huge trouble which reins the improvements as well as damaging a large amount of money. Sometimes it has not any remedial ways to improve the situations of workplace. More specifically he gave a pragmatic strategy to mitigate the absenteeism problem in workplace. (Michael w moo, 1994)

People are the best prospective capital assets. On the perspective of absenteeism, it diminishes the rate of prospective capital assets which ultimately harmful for the rate of improvement on industries. He not only elucidates the effectiveness but also the discipline of employees.in this paper they figure out the connection between absenteeism and improvement and also stated the ways to reduces of absenteeism. (Gonad Sadri, mark lewis, 1995)

This paper defined that absenteeism is customarily not present in workplace certain amount of days in a year. They stated that it surely affects the output of firms which ultimately diminish the improvement, wealth position of firms. This paper also investigates the absenteeism rate in term with goal of firms and stated the subjects of evaluations and process of dealing with employees. (Federica cucchiella, Massimo gastaldi, luigi ranieri, September 2014)

The connection between absenteeism and output of firms is always negative. By employing data he found that there has increasing absenteeism rate in U.S firms, banks; organizations. He also found that the absenteeism rate is different in sample firms, organizations, and banks. (G. Douglas Jenkins jnr, nina gupta, 1982)

There has an extensive connection between absenteeism and pressure of workload. They assayed this connection with numerous aspects.by analyzing all the aspects; they found two consequences for absenteeism problems like short and long term. These two terms are related with pressure of workload. They also found become employees become absence minded on the workplace due to workload. (Michael R. Manning, Joyce S. Osland, 25 Sep, 2007)

The central goal of their paper is to scrutinize the job pressure of distance place from shore. They analyzed all the variables of absenteeism and job pressure. They used a surveying method to understand the facts of absenteeism. They found only job workload leads to absenteeism of employees. (Parl Ulleberg and Torbjosrn Rundmo, 1997).

1.2 Relationship between absenteeism and firm's growth

Absenteeism of employees is directly related to firm's growth and mandatory contributing factor to increase productivity depends on the efficient and experienced employee's presence in workplace. Every firm set their growth strategy and they try to execute it timely so that absenteeism cannot effect on growth. More specifically, firms measure their growth by output of production and the output of production is only dependent on the attendance of each and every employee on workplace timely. In fact, the cost of absenteeism is huge on the basis of firm's investment. Owners of firms always try to hire managers by giving lucrative salary and other incentives to secure growth but if managers are absence minded, certainly firm's growth must be fall down. Sometimes employee's absenteeism is not measured by financially; it can be hidden and less perspicuous fact. Poor attendance of employees hampers other employees too because other employees need to do extra work and sometimes that employees cannot do it perfectly and its effects on overall output of production and firm's growth. Simply fact, if employees do less work, less passionate and less attentive, firms output and overall growth will be curtailed. In the long run firms profit will be reduced. Furthermore, firm's growth depends on a good and sound team work. If any members of groups are absence minded and poor attendant on workplace, at that time the output will not be satisfactory and production will reduce and finally revenue margin will fall. Robust growth is always related to robust attendance so the key factor of growth of the firms is the attendance of employees. Firms always try to convince their employee to be attentive on their job assignment because they know that the absence of employees will minimize the profit margin. So Equation can be drawn that less attendance + less passionate=fall down of firms growth.

1.2.1 Causes influencing to absenteeism

It is observed from sample firms that in a workplace, there have different region's people and different characteristic's people which are the critical variables contributing toward absenteeism because of taking job pressure,doing assigned work perfectly,working like a team in a workplace depends on the multi-faceted employees. Moreover different factors are also influencing absenteeism in sample firms in Chittagong city. As Chittagong city is port city, there have huge working demands and extensive workloads. Most of the employees from sample firms confess that they cannot take excessive workloads and stresses which are leading to absenteeism

too in workplace and which are also ultimately headache of firm's growth. Closely observing some of the sample firms, I saw that poor managerial role is giving chance to employees to become absence minded in workplaces. It is observed that which firms have poor role of employees that firms have higher tendency to absenteeism. Moreover few sample firms have poor hygienic environmental situation too which is also affecting to sensitive worker and that is contributing to absenteeism. Few firms have bullying problem to female workers. Closely scrutinizing the sample firms it reveals that sickness absenteeism is acute and accidental problem is also contributing absenteeism but it is a rare case. It is also true that there also has economic problem in workplace but that is also rare case. Sometimes changing work assignments in the middle of work time which is dissatisfied to employees. Some of the employee's residence and workplace distance are so high and it is contributing to absenteeism of sample firms.

1.3 Parameters of absenteeism: the parameters of absenteeism are as follows

Employee based firms

From field investigation of the sample firms in Chittagong city, which firms have less than 15 employees, there have fewer tendencies to absenteeism because there has tight observation on employees. In fact, their amount of salaries and facilities are also satisfactory and most of the time they work like a team and their team work goes perfectly and their co-operative tendency is also high. Firms which have between 15 and 50 employees there has moderate absenteeism tendency and reason behind this tendency is that there has not enough observation compared to employees less than 15 and their facilities are not also satisfactory. Furthermore, it can be derived that which firm has more than 50 employees, there has higher absenteeism tendency. Surveying respondents it reveals that their workplace is not actually comfortable to work. The above information is described in table 1.

1.3.1 SALARY BASED COMPANY

Generally in the Chittagong city, firm's salary is satisfactory than other city's salary of Bangladesh. In Chittagong city, most of the firms try to convince their employees by giving satisfactory salary. It is also true by keeping observation to sample firms that employees who take satisfactory salary, there has lower tendency to absenteeism. From the category who takes between 10000 and 20000 taka, there has low frequency of absenteeism because of tight observation and motivation to employees. Moreover, employees cannot be absent minded due to direct supervision of managerial body. Analyzing employee's salary sheet who take a salary above 40000 taka, they have also low tendency to absenteeism. Actually they are the managerial body of the firms. If they are absent minded, firms growth will reduce sharply. That is why, they try to be attendant in their workplace timely and they also try to motivate their total employees too. Furthermore employees who take salary less than 10000 taka, there have high frequency of absenteeism. From field investigation, it can be derived that this category's salary is not paid timely and employees have also tendency that if they get high salary job from other firms they will sift. Actually they are the low qualified worker and their experience is also low. The above information is stated in table 2.

1.3.2 Broad factor based

Surveying sample firms and correspondents, it can be derived that female employees have the greater tendency to absenteeism. Due to maintaining family chores, they cannot get enough time to give in workplace. The female absenteeism frequency is so high than other statuses of employees. Sometimes they cannot take enough pressure on workplace that makes them absent minded. They are also victims of bullying in workplace which is so pivotal fact for them. Generally men are relatively active on workplace. They are always fresh minded to do assigned work. So their absenteeism frequency is also low. Few of correspondences confess that men try to be promoted on their position and for that reason they try to be vigorous in their workplace. Moreover between married and unmarried employees, married employees are absent minded in workplace. Generally they try to skip workload but unmarried employees are so active and they try to complete assigned job within time. The above data is presented on table 3.

1.3.3 Causal based factors

Health issues are pivotal issue for absenteeism. Correspondence of Sample Company confesses that the frequency of sickness causes is high. Sometimes they willingly take leaves and do absenteeism. Health problems are so common excuse that they give fake reason to be avoided from fired from job. It is observed from sample firms that there are different type's sickness excuses they show to their managers like malaria, typhoid, diarrhea etc. The next category is accidental and there frequency rate is moderate comparatively to sickness causes. Few correspondents confess that they sometimes injured like mechanical accident, chemically injured etc. They also confess that these accidental injured are serious than other injured. Some of the employees are victims of life time. In this injury or accidental cases, firms give some facilities to employees which are not also satisfactory. It is also observed from third category of other causal fact like marriage ceremony, family program etc. There has low frequency absenteeism. The above data is described on table 4.

1.4 Firm's growth affected by absenteeism: How firm's growth affected by absenteeism are as follows

1.4.1 Time based affected

Firms output always depend on the firms time based strategy. This strategy works smoothly when employees are not absent on workplace. Generally in other cities employees always try to meet their daily output strategy but in Chittagong city there has some shortage to meet daily output strategy because of absenteeism. It ultimately affects yearly based strategy and finally effects growth of the firms. Surveying sample firms, it can be derived that the frequency of yearly basis absenteeism affecting to growth is 11.7%. Few employees told that their growth rate of yearly basis is not satisfactory just because of absenteeism. They cannot execute their plan smoothly because of absenteeism. Some firms also showed that their weekly basis strategy is worked smoothly because employee co-operation is high and absenteeism frequency is also low on weekly basis work plan. Moreover it is observed from sample survey that monthly and half yearly basis absenteeism effecting to growth is moderate and their effecting rate of firm's growth is also moderate. The frequency rate is respectively 7.9% and 6.8%. The above data is presented on table 5.

1.4.2 Based on firms size

It can be observed from sample firms that there have wide differences between small size firms and large size firms. In the first category of small firms, there has low growth in Chittagong city but in the third category which is large sizes have high profit margin and growth also. The frequency of growth margin respectively are 3.9% and 9.8%. moreover, some sample firms confess that investment which is a pivotal fact to growth of firms. If investment is low, their growth will also be low. Correspondences also elucidated that middle size firm's gets lower growth level in terms of investments. But they try to convince more to their employees so that they attend in workplace and attain their expected growth rate. The above data is described on table 6.

1.5 Attitude towards improving absenteeism and policy

The philosophy of growth is that less absenteeism and makes sound growth of firms. In these situations, it is observable that employees should be more morale about absenteeism because they are the integral part of growth of firms. It is also true that few of the sample firms have less attendance important policy and for that reason there has more absenteeism attitude toward employees. In those circumstances, managerial body should be aware to attendance policy so that each and every employee can be monitored soundly. Managerial body can take several steps to mitigate the tendency of absenteeism and steps could be:

A) Attendance should be computerized so that managerial body can trace how many days employees are absent in workplace.

B) There should be more attendance reward orientation in workplace so that employees feel not to be absent minded in workplace. If firms reward more on the basis of present of workplace, employee automatically feels to avoid absenteeism.

C) The workplace should be supportive to employees so that they can feel more comfort on their workplace. From Sample firms, it is observed that which workplace is more supportive there has less absenteeism.

D) If managerial body is more communicative, employee feels better in workplace because they can express their problems to managerial body and they get to solve these quickly if they have any problem in workplace.

E) Training can make employee less absent minded cause they can know the work perfectly by training. So firms should be training oriented so that employee to be aware their workplace and assigned work

F) Family and medical leave should be kept in policy so that they can take if it is truly needed. It can reduce absenteeism sharply in workplace.

G) Disciplinary procedures should be implementing in workplace so that firms maintain good environment in workplace and employees feel better in workplace.

These policies are urgently needed if managerial body wants to reduce absenteeism and want to make growth oriented as early as possible. By implementing these policies firms can get faster growth. Statistical supervision is also needed to work this policy smoothly. Moreover employee should be more self-developed so that they can contribute in company's growth. They also should be more aware about cost of the company, if they can minimize cost, it will also help to get more profit from company. So be active in workplace is beneficial to both employees and firm's growth.

1.6 Conclusion

There is negative relationship between absenteeism and growths of firms. I examined this relation with different perspectives by separating employees man, women, married male and female, unmarried male and female, and showed who has more absenteeism tendency and whose contribution more to growths of firms. In this study, I also tested absenteeism tendency by salary based employees and figured out whose tendency are also more to absenteeism. As a result I found in sample firms of Chittagong city that female employees and low salary employees have the most tendencies to absenteeism. Keeping close observations to all of the sample firms in Chittagong city, it can also be derived that young employees contributing more to growth of firms. As firms have

low policy regulation and low managerial bodies co-operativeness in workplace, firms believe that this condition will ameliorate soon. Firms also believe that each and every employee will contribute more to growth of firms.

1.7 Reference

- Micheal A. Gottfried (2014): chronicle absenteeism and its effects on students' academic and socioemotional outcomes. *Journal of education for students placed at risk (JESPAR)*, volume 19, and issue 2.
- Barmby, T. and Stephen, G. (2000). Worker Absenteeism: Why Firm Size May Matter. *The Manchester School*, 68:568-577. Doi: 10. 1111/1467-9957. 00219
- Per Johansson and Marten Palme (spring 2002) Assessing The Effect Of Public Policy On Worker Absenteeism, *The Journal Of Human Resources*, Vol. 37, No. 2 , pp. 381-409
- Golnaz Sadri, Mark Lewis, (1995) Combatting Absenteeism In The Workplace, *Management research News*, Vol. 18 Issue: 1/2 pp. 24-30
- Gupta, N and Jenkins, G.D (1982), Absenteeism and turnover: is there a progression? [1]. *Journal of Management Studies*, 19:395-412. Doi: 10. 1111/j. 1467-6486. 1982. Tb00116. x
- Michael R. Manning and Joyce S. Osland (1989): The relationship between absenteeism and stress, *Journal of work and stress*: Volume 3, issue 3, page 223-235.
- Parl Ulleberg, Torbjosrn Rundmo, (1997) job stress, social support, job satisfaction and absenteeism among offshore oil personnel. *Work and stress* 11:3, page 215-228.

Table 1. : Classifying the absenteeism of employees in individual firm

A	B	C
1 Kamrul Food and Bevarage	13	0
2 Fried peppers	11	1
3 Ambrosia food firm	14	1
4 Manik Food Firms	9	1
5 Pacific food firm	39	3
6 Sparkle accessories firm	37	2
7 Ayesha steel mills	43	4
8 Evergreen packaging firm	28	3
9 Pack one accessories	31	2
10 National Packegeing	72	9
11 Titas Machinery center	91	7
12Ismail steel Mill	68	8
13 King Flower Firm	83	11

Source: field investigation, 2017 October.

Where,

A= the name of firms.

B= the Number of employees.

C= the number of days absenteeism.

Table 2. Classifying the salary based employee's absenteeism.

A	B	C	D	E	F	G	H	I	J
Kamrul food and beverage	13	4	0	5	0	3	0	1	0
Fried Peppers	11	2	1	3	0	5	0	1	0
Ambrosia Food Firm	14	5	1	2	0	6	0	1	0
Manik Food Firms	9	3	1	2	0	2	0	1	0
Pacific food firm	39	11	1	13	2	9	0	6	0
Sparkle accessories Firm	37	14	2	11	0	8	0	4	0
Ayesha steel Mill	43	17	1	9	1	13	2	5	1
Evergreen Packeging firm	28	13	1	5	1	3	0	7	0
Pack one accessories	31	9	1	7	0	11	1	4	0
National packeging	72	23	3	19	1	23	4	7	1
Titas Machinery Center	91	17	1	27	2	36	3	11	1
Ismail Steel Mill	68	13	1	20	1	29	5	6	1
King flower Firm	83	41	5	14	1	11	1	17	4

Sources: field investigation, 2017 October.

Where,

A= the name of firms.

B= the total number of employees.

C= the number of Employee's salary less than 10000 taka.

D= the number of days absenteeism of employee's salary less than taka 10000 taka.

E= the number of Employee's salary between 10000 and 20000 taka.

F= the number of days absenteeism of employee's salary between 10000 and 20000 taka.

G= the number of Employee's salary between 20000 and 40000 taka.

H= the number of days absenteeism of employee's salary between 20000 and 40000 taka.

I= the number of employee's salary over 40000 taka.

J= the number of days absenteeism of employee's salary over 40000 taka.

Table 3: Classifying the fact based employee's absenteeism.

A	B	C	D	E	F	G	H	I	J
Kamrul food and bevarage	13	10	0	3	0	9	0	4	0
Fried Peppers	11	9	0	2	0	7	1	4	0
Ambrosia Food Firm	14	10	0	4	1	11	0	3	0
Manik Food Firms	9	8	0	1	0	7	1	2	0
Pacific food firm	39	32	0	7	2	34	1	5	0
Sparkle accessories Firm	37	34	1	3	0	35	1	2	0
Ayesha steel Mill	43	34	1	9	2	20	1	23	0
Evergreen Packaging firm	28	24	0	4	1	13	1	15	1
Pack one accessories	31	28	0	3	0	15	1	16	1
National packaging	72	64	2	8	1	39	4	33	2
Titas Machinery Center	91	80	2	11	1	54	3	37	1
Ismail Steel Mill	68	59	3	9	1	40	3	28	1
King flower Firm	83	58	1	15	3	57	4	26	3

Source: Field investigation, 2017 October.

Where,

A= the number of firms

B=the number of employees

C=the number of male employees

D=the number of days absenteeism of male employees

E=the number of female employees

F=the number of days absenteeism of female employees

G=the number of married employees

H=the number of days absenteeism of married employees

I=the number of unmarried employees

J=the number of days absenteeism of unmarried employees

Table 4: Classifying the causal based employee's absenteeism.

A	B	C	D	E
Kamrul food and beverage	13	0	0	0
Fried Peppers	11	0	0	1
Ambrosia Food Firm	14	1	0	0
Manik Food Firms	9	0	1	0
Pacific food firm	39	2	1	0
Sparkle accessories Firm	37	2	0	0
Ayesha steel Mill	43	3	1	0
Evergreen Packaging firm	28	2	0	1
Pack one accessories	31	0	1	1
National packaging	72	6	1	2
Titas Machinery Center	91	7	0	0
Ismail Steel Mill	68	6	0	2
King flower Firm	83	10	1	0

Source: field investigation, 2017 October.

Where

A=the name of firms

B=the number of employees

C=the number of days of sickness absenteeism

D=the number of days of accidental absenteeism

E=the number of days of others (marriage ceremony, family program etc.) absenteeism

Table 5: Classifying the time based affected in firm's growth.

Period	Frequency in %
daily	5.8
Weekly	3.7
Monthly	7.9
Half-yearly	6.8
yearly	11.7

Source: field investigation, 2017 October

Table 6: Classifying the firm's size based affected in firm's growth.

Firms size	Frequency in %
small	3.9
Medium	4.7
Large	9.8

Source: field investigation, 2017 October