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A Study of Employee Absenteeism in Banking Industry

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Abstract:

Absenteeism is one of the most serious problems of a company. In today's world every organization is facing this problem. Manufacturing sector as well as service sector is also involved in the problem of growing absenteeism. It is one of the major human problems of Indian industries. Absenteeism means the failure of a worker to report for work when he is scheduled to work which affects adversely both the employees and employers and give rise to many industrial, labour and social problems.

The study is based on employees of public and private sector banks. The major objective of the study is to understand the causes for the absenteeism in the banking industry among the employees. In this research paper, researcher has used both primary and secondary method of data collection. From the study, it is found that the poor salary, lack of freedom, welfare facilities, work load, unfavorable supervisor behavior, poor work environment, celebration of festivals, long working hours, unfair leave Policies, lack of transportation facilities etc. are the major causes for employee absenteeism. The researcher has used convenient sampling method. Finally the researcher has attempted to give some suggestions to reduce the absenteeism in the respective organization.

KEYWORDS: *Absenteeism, Employee, Employee Welfare.*

Introduction:

Absenteeism means the failure of a worker to report for work when he is scheduled to work. Absenteeism is one of the factors affecting optimum utilization of human resources. It is an industrial difficulty which affects the productivity, profits, investments and absentee workers themselves.¹ As such, growing rate of employee absence in the work environment adds very much to the cost of industry and also hampers industrial growth. The absence of a few workmen is an obligation on others, affects work scheduling and adds to costs that push the price of absenteeism far beyond one day's salary. Employees are the first assets of an organisation but because of absenteeism the economic and social losses occurs which cannot be determined accurately.²

Every country of the world is facing the problem of absenteeism. In India, its size is far greater than in the other countries. Absenteeism creates problem when lack of presence of an employee for a planned work. It is a constant problem in industry. In industrial level, absenteeism affects the moral and discipline of the whole group of workers. It also affects the production schedule and leads to dislocation at various levels. It also wastes the time, energy and money is large³ now it has been noticed that, when a worker absents himself once, may be

due to some genuine reasons, he develops an attraction to be absent more frequently. The absentee suffers the loss of his/her wages, salary, reputations and puts his concern to a loss of its production. It also affects the personal life of employees because losing his wages, affects the economic status of his family; and if he spoils in continual absenteeism, he endangers the standard of living of his own and his family members.⁴ Thus, absenteeism is a serious problem which affects industry and the individuals. Absenteeism is becoming a serious problem in labor oriented industries especially in those large industries where laborers are working in mass. So this is the responsibility of supervisors and managers that they have to find the ways to overcome absenteeism.⁵

Banking Industry is the service industry which provides the greater satisfaction of its customer. If the customer is not satisfied the growth of the banking industry is not possible. Other industries like manufacturing is based on machinery, land, raw materials but banking industry is based on its employee. Employees are the important assets of banking industry.⁶ All works of banks are done by the employees. If the employees are absent on workplace all the regular work are not properly done. Employee absenteeism is serious workplace problem and also an expensive occurrence for both employers and employees. A regular attendance of employee at work can help to achieve the organizational objects and targets.⁷

Causes of Absenteeism:

The causes of absenteeism can be divided into two parts; personal causes and organisation causes. The personal cause includes sickness and family problems on which the organization has very little control.⁸ Organizational causes include poor working conditions, excessive workload, lack of provision for general welfare, increased psychological distance between management and workers, specifically friction with supervisors' boredom on the job.⁹

Objectives of the study:

- To study the causes of employee absenteeism in the public and private sector banks.
- To identify the level of employee absenteeism in the banking sector
- To give the suggestion for reducing employee absenteeism in the concerned area.

Review of Literature

Hone (1968) concluded that “absenteeism is related to new values and norms which are developing among the work force as a result of technological developments. They concluded that employee wants to enjoy along with monetary benefits he gets for his services.¹⁰

Rosenblatt and Shriom (2004) studied to predict absenteeism by personal background factors. They found Prior absenteeism, education; age and supervisory position are significant predictors of absenteeism frequency, accounting for about 50 percent of the variance in absence frequency.¹¹

Keller (2008) found that there is a positive co-relation between absenteeism and tenure. This study is concerned that tenured employees time off is not recorded or managed very closely, or given informal time off where as newer employees are managed more closely.¹²

Chandra mouli (2012) found that the low wages, work load, celebration of festivals, unaware of authorized leave etc. are the causes for remaining absent for the work and also suggested that the company has to provided

counseling service to employees to go with an authorized leave also aware them about the disadvantage of absenteeism.¹³

Barmase Rajshree (2013) discusses the causes of employee absenteeism. He suggested that the employee absenteeism can reduce if the proper facilities will be provided like Welfare Facilities, Salary, Leave Policies, Supervisors' behavior, and improve present working conditions etc.¹⁴

Gupta Barkha (2013) shows the how absenteeism is a big barrier for retail sector organization and how it's give the inverse effect on organization growth and development.¹⁵

Mohammed Javed kalburgi (2013) found that there are many factors that determine absenteeism, apart from job satisfaction. But most of these other factors were themselves determinants of job satisfaction.¹⁶

Joy Bhattacharjee (2014) concluded that factors like inadequate salary, not standard employer brand, stress in the workplace, search of a new job, inappropriate team environment, and poor working conditions highly affect and contributes in the absenteeism of employee in the organisation.¹⁷

Research design:

The study has been carried out with 90 employees from public and private sector banks. Data has been collected by applying both secondary and primary method of data collection. Secondary data has been collected though books, published journals, newspaper, websites to find out the theoretical information.

Primary data has been collected by using structured questionnaire and conducted personal interview. The questionnaire consists of both:

- Open ended questions
- Closed ended questions

Data Analysis:

Table -1
Gender of Surveyed Banks Employees

Gender	Public Sector Banks		Private sector Bank	
	No. of respondent	Percentage (%)	No. of respondent	Percentage (%)
Male	60	66.7	65	72.2
Female	30	33.3	25	27.8
Total	90	100	90	100

Source: - Prepared on the basis of employees responses of both banks

Out of sample size employees, 60 are males and 30 are females in Public sector banks and 65 are males and 25 are females in private sector banks.

Table -2
Responses of employees regarding Level of absenteeism in surveyed banks

Level of Absenteeism	Public Sector Banks		Private Sector Banks	
	No. of respondent	Percentage (%)	No. of respondent	Percentage (%)
Very High	29	32.2	25	27.8
High	15	16.7	15	16.7
Average	23	25.6	19	21.1
Low	12	13.3	21	23.3
Very Low	11	12.2	10	11.1
Total	90	100	90	100

Source: - Prepared on the basis of employees responses of both banks

Out of sample size of employees, 32.2% employees of Public sector banks and 27.8% employees of private sector banks replied that the level of absenteeism is higher in their bank. While 12.2% employees of Public sector banks and 11.1% employees of private sector banks replied for low level of absenteeism in their bank.

Table -3
Responses of employees regarding reason of absenteeism in surveyed banks

Reason of Absenteeism	Public Sector Banks		Private Sector Banks	
	No. of respondent	Percentage (%)	No. of respondent	Percentage (%)
Low wage payment	20	22.2	11	12.2
Lack of welfare services	15	16.7	15	16.7
Lack of Transport service	19	21.1	9	10
Too much distance from home	12	13.3	18	20
Work load as a reason	13	14.5	25	27.8
Bad superior subordinate relationship	11	12.2	12	13.3
Total	90	100	90	100

Source: - Prepared on the basis of employees responses of both banks

Out of sample size of employees, 22.2% employees of Public sector banks replied the low wage payment is the main reason behind the absenteeism and 27.8% employees of Private sector banks replied that the work load as a reason behind the absenteeism in their bank.

Table -4
Responses of employees regarding Level of satisfaction regarding welfare facilities in surveyed banks

Level of employee satisfaction	Public Sector Banks		Private Sector Banks	
	No. of respondent	Percentage (%)	No. of respondent	Percentage (%)
Highly satisfied	10	11.1	9	10
Satisfied	15	16.7	10	11.1
Neutral	21	23.3	23	25.6
Dissatisfied	20	22.2	32	35.5
Highly dissatisfied	24	26.7	16	17.8
Total	90	100	90	100

Source: - Prepared on the basis of employees responses of both banks

As per selected employees of surveyed banks, it observed that the dissatisfaction level of employees with the facilities provided by the banks is higher in both banks.

Conclusion and Suggestion:

Banking sector is very important sector of economic development of the country. Employee's absenteeism is a big issue for banking organization. In banking industry, the level of absenteeism is very high. Most of the time employees take planned and unplanned leave. There are the various reasons of employee absenteeism in banking industry. So it is necessary to control and minimize the employee absenteeism through appropriate measures which is taken by the bank management. However employees remain absent for their work because of various factors, after all they are also human beings. This study shows that the feelings of boredom towards work is a big challenge faced by the bank and the managements should take appropriate measures like sending employees on holidays, tours etc. for reducing the absenteeism.

The absenteeism in public and private sector banks can be removed by paying attention on the various issues which creates difficulty for employees On the whole, the various measures like supervisors' behavior

should be modified, Employee welfare facilities should be improved, salary should be increased, transportation facility should be provided, leave policies should be revised, Present working conditions should be improved, The management should try to improve the team environment in the organization, maintaining available infrastructure can be helpful in reducing absenteeism in the banking industry. Job rotation practice and strategies of multi-tasking also work in the minimization of the feeling of internal or boredom. This study also suggested that the wages of employees' are also not attractive so management should pay their workmen handsomely. It can motivate them to certain levels.

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