

CHAPTER 1

INTRODUCTION

Absenteeism is the name given to the condition that exists when employees fail to turn up for work when properly scheduled to work (Flippo 1984, p553). It is a phenomenon which cuts across international boundaries. Recent years have witnessed a marked increase in research in the United States on absenteeism in organisations. One reason for the increase is the interest shown by organisations in improving their efficiency in the face of a more competitive international marketplace (Richard M. Steers and Susan R. Rhodes, 1977, pp. 229). Excessive absenteeism constitutes a considerable cost to the firm even when the absent employee receives no pay. Overtime may be required to make up work and many fringe benefits are still paid regardless of attendance. When sick pay is authorised, the costs mount up even more rapidly. In large manufacturing firms employing several thousand workers, the annual cost of employee absenteeism can easily amount to a six-digit figure (Michael R. Carrell, Frank E. Kuzmits and Norbert F. Elbert 1992, p735).

It has been estimated that each year over forty million workdays are lost in the United States due to employee absenteeism. This is equivalent to about 5.1 days lost per employee (Yolles, Carone, & Krinsky, 1975). Blue-collar absenteeism is higher than white-collar in many industries. Marvis and Lawler (1977, pp. 1-8) estimate that the cost of absenteeism among non-managerial personnel is about US\$66 per day per employee. This estimate includes both direct salary and fringe benefit costs as well as costs associated with temporary replacement and estimated loss of profits. Based on this figure, Steers and Rhodes (1980, pp. 60-65) estimate the annual cost of blue-collar absenteeism alone in the United States at US\$26.4 billion!

The electronics industry is the largest employer of blue-collar workers in Malaysia. It plays an important role in the Malaysian economy. Approximately 144,000 workers (about 12% of the manufacturing workforce) were employed in this industry in 1992 (MIDA). Because it is labour-intensive, a serious absenteeism problem will drastically affect its competitiveness. Yet, little research has been done here on the incidence and the effects of absenteeism in this industry.

One company currently facing a serious absenteeism problem is an established electronics manufacturing concern. With a workforce increasing from 800 to

4,000 between 1990 to 1994, its absenteeism rate has been consistently high, averaging 6% over the 1990 - 1994 period. The Personnel and Administration Department of the company attributes the high absenteeism rate to the lack of job satisfaction and various sociocultural pressures.

1.1 Significance of the Study

This study attempts to identify the real cause(s) of the high rate of absenteeism in the company concerned. If, indeed, job dissatisfaction and sociocultural pressures are the true reasons, the study will identify which facets of job dissatisfaction and what sociocultural pressures contribute to the poor attendance behaviour. It is hoped that the findings of this study will be useful not only to the management of the company concerned, but also to other electronics manufacturing firms of similar size with the same problem.

1.2 Objectives

What is the real reason for the high rate of absenteeism in the aforementioned electronics firm? Is it related to the lack of job satisfaction and/or to various sociocultural pressures? The study attempts to answer these questions. In line with this, the specific questions asked in this exploratory study are :-

- (i) Which facets of job dissatisfaction affect employee motivation to attend ? and
- (ii) What sociocultural pressures affect employee desire to attend ?

1.3 Methodology

Primary data on employee biodata, sociocultural pressures and job dissatisfaction in the firm concerned were collected by means of a questionnaire administered to a sample of its employees either by the researcher or by the section chief at the shopfloor. Data on absenteeism were collected from the company attendance records. The production employees' absenteeism records for the year 1994 were analysed in terms of the number of days the employees failed to report for scheduled work in 1994. The data of personal biodata, sociocultural pressures and job dissatisfaction was analysed by means of the Statistical Package for the Social Sciences (SPSS) programme. Statistical techniques used include mean and frequency analysis, reliability analysis, ANOVA and regression analysis. Secondary data on employee absenteeism in general were obtained through journals, magazines and reference books.

1.4 Scope

The study is confined to current shopfloor employees of the company as the present location of former shopfloor employees is not known. A total of 519 employees from three categories, namely operator, technician and foreman were surveyed in the study.

1.5 Organisation of the Study

This study comprises five chapters. Chapter I serves as an introduction to the study. Chapter II reviews relevant literature on absenteeism. Chapter III details the research methodology. It describes the measuring instruments, sampling design, data collection and statistical tools used in the analysis. Chapter IV reports the results of the analysis. Chapter V concludes the study by summarising the findings and making some recommendations.