

**JINMA UNIVERSITY**  
**FACULTY OF BUSINESS**  
**DEPARTMENT OF MANAGEMENT**

A RESEARCH PAPER ON INVESTIGATION  
OF THE NATURE, EXTENT AND CAUSES  
OF ABSENTEEISM AND ITS POTENTIAL  
IMPACT ON PRODUCTION LEVEL WITH  
PARTICULAR REFERENCE TO NAZARETH  
GARMENT SHARE COMPANY

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**A RESEARCH PAPER ON INVESTIGATION OF  
THE NATURE, EXTENT AND CAUSES OF  
ABSENTEEISM & ITS POTENTIAL IMPACT ON  
PRODUCTION LEVEL WITH PARTICULAR  
REFERENCE TO NAZARETH GARMENT SHARE  
COMPANY**

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## **ABSTRACT**

*This paper on the title on investigation of the nature, extent and causes of absenteeism and its potential impact on production level with particular reference to Nazareth Garment Share Company.*

*The study is aimed at identifying the root causes that hindered an employee to attend to work place that is directly affect the production level and to make recommendations on the issue.*

*Nazareth Garment Share Company is a public enterprise, which is practicing production line manufacturing technique to achieve its objective. It is a known fact that an individual employee's work participation has a significant role for implementing the production technique successfully.*

*In this study the method used in gathering data is self-administered questionnaire & unstructured interview. The final results of the study will be used for making recommendations to combat absenteeism.*

*The expected result of the study is that there is a relationship between absenteeism and level of production and rate of absenteeism is reflected on production level; that is with increasing the absence rate of an employee there should be a decreasing production level.*

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## *GALATA*

*Duraandursee galatnikoo waagaysoof haata'u. Itti'aamsuudhan  
abbakootif, harmmiskootif, akkasuumas hirii'aawan kootif haata'u.*



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## OPERATIONAL DEFINITIONS

**Absenteeism:** a failure of employee to report for work when they are scheduled to work. Employees who are away from work on recognized holidays, vacations, and approval leaves of absence, or leaves of absence allowed for under the collective agreement provisions would not be included.

**Absenteeism rate:** the percentage of time lost through absence.

**Actual output:** A quantitative measure of what is produced in a given time period.

**Capacity utilization:** The ratio of effective capacity to the design capacity.

**Culpable (voluntary) absenteeism:** refers to employees who are absent with out authorization for reasons, which are with in control.

**Design capacity:** The planned (engineered) rate of out put of goods or services under normal or full-scale, operation conditions or the maximum out put that can be achieved under ideal conditions.

**Effective ( system) capacity:** The maximum out put, which can be achieved in the given operational practicality only because of absenteeism considering other factors normal.

**Innocent (involuntary) absenteeism:** refers to employees who are absent for reasons beyond their control; like sickness and injury.

**Production line:** A manufacturing system when processes are employed in a line fashion along with assembly.

**System Efficiency:** The ratio of actual out put to the design capacity

**Work force analysis:** The determination, which considers the absence of an employee from their work place.

**Workload analysis:** The determination of personnel necessary to execute that the amount of work during some specified period.

**Labour-intesive:** denoting an industry or firm in which the remuneration paid to employees represents a higher proportion of the costs of production that the cost of raw materials or capitals.

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# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the study

Work is a fundamental human activity in which most people in a society participate directly or indirectly to sustain life. If so, attending to workplace in organizations as Nazareth Garment S.C which implement production line manufacturing technique is very important to achieve organizational goal.

Organizations often confront a serious problem of keeping the labor forces working. This problem manifests itself in a way of absenteeism. Many factors influence whether employees attend work on any particular day. Some of these are serious accidents and illness, low moral, poor working condition, personal problem, transportation problems, stress, lack of job satisfaction. Due to this various factors related to an employee beyond their control and with in their control absenteeism would become in existence. As a result the production level of the company would be affected.

The most important concept in work force analysis of an organization is the concept of absenteeism. Because it plays a significant role in assigning work and work activities based on the number of employees. Since employee cannot be unplanned for work, unforeseen absence creates a general disarray and lower production.

Management of attendance is an important aspect of supervision in the workplace whether an employee is absent or not. The purpose of attendance management is to develop willingness on the part of allemployees to attend work regularly and to assist them in motivating their coworkers to attend work regularly.



## 1.2 Statement of the problem.

The need to explore the nature, extent and causes of absenteeism and its influence on the organizational production of Nazareth Garment should not be over looked. This is because absenteeism is the most costly and disruptive employee problems faced daily by this business operation.

The extent of each employee's work participation has a signification role in factories where production line work is clearly seen. The production method of Nazareth Garment S.C. is characterized by production line manufacturing method. In such type of production method the absence of an individual employee affects the production level. Thus the attendance of an employee must be needed in such areas.

An employee not attending to work place is caused by many problems like serious accidents & illness, low moral, poor working condition, boredom on the job, lack of job satisfaction, inadequate leadership & poor supervision, personal problems, poor physical fitness, transportation problem, stress, workload and employee discontent with a collective bargaining process and its results.

In Nazareth Garment S.C the main focus of assessment of the problem in depth is a base line to determine resource allocation, production capacity, policy formulation and decision-making. Therefore, the issue in this area needs an assessment.

## 1.3 Objective of the study

The General objective of the study is to investigate the nature, extent and causes underlying unacceptably high levels of employee absenteeism in Nazareth Garment Share Company which directly affects the level of production. So far no research has been conducted in the area about workers in general and the relationship between absenteeism & the level of production in particular.

### Specific Objectives:

The specific objectives of the study are:

- To identify the extent of absenteeism in the organization.
- To investigate the level of employees job dissatisfaction towards their work.
- To investigate the level of employees motivation to attend & ability to attend.
- To investigate specific problems related to organizational Human Resource policies & practices.
- To examine problem solving mechanism taken by managers by taking positive intervention versus a negative or punitive approach.
- To show the effective production capacity of the organization.
- To make recommendations, if some can be made, <sup>with regard to the ways in which absenteeism</sup> is managed to increase the production level of the organization <sup>in which absenteeism</sup>.

## 1.4 Significance of the study

Socio-economic development of Ethiopia is not only based on agricultural-oriented approach but also industrial-oriented approach. Nowadays industry has a great role for the advancement of the country.

As an Industry, Garment sectors, specifically Nazareth Garment Share Company, which is categorized under Ethiopian textile industry, should take a part for economic development of the country.

In this regard, the Ethiopian Government's current overall policy of industrial development highlights the importance of textile industry in general and Nazareth Garment particularly.

It is well known that manpower is very much highly an essential ingredient in labor-intensive production activities implemented specially where production line manufacturing method is used. Therefore, Nazareth Garment Share Company, by practicing this type of production technique, its production level is likely to be influenced due to absenteeism.

There are various different reasons associated to an employee that hinder reporting to work place. Due to the absence of an employee the production volume would be affected. Therefore, how absenteeism affect the production volume requires an assessment through empirical research.

Accordingly, the importance of the study lies in its contribution towards the study of employee absenteeism and its effect on production volume where production line manufacturing technique is implemented like Nazareth Garment Share Company in the country.



## 1.5 Scope of the study

The Nazareth Garment Share Company is selected because it is one of the largest Garment factories in the country. As a Garment factory, it produces shirts, trousers, shorts, overall etc. As a result it is characterized by labor intensive production activity & the production volume of the company is decreased by factors like ineffective utilization of man power, absence of raw material availability, absence of raw material supply on timely basis, poor technology used, machine breakdown, stoppages and the number of plants (industrial equipment) employed in the production process is limited. However, the study mainly focuses on the decrease of production volume as a result of employee absenteeism & its causes.

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## CHAPTER TWO

### LITERATURE REVIEW

Work is a fundamental human activity in which most people in a society participate directly or indirectly to sustain life. Work is regarded as having spiritual meaning, buttressed by such behavioral norms as punctuality, honesty, diligence, and frugality. One job is a central life interest and provides the dominant clue in interpersonal assessment. A work force with this set of Value is highly adapted to use by business organization in their pursuit of the Values of productivity, efficiency & effectiveness. (Flippo, 1980,p.12)

In work load analysis there would seem to be no problem since the required number of employee equals the available number of employees for producing a given level of production. Such a conclusion is risky if there has been no work force analysis. Is there any assurance that the number of employees needed to be available for work every day in the future period? In general the answer is no. There is at least one major problem that must now be considered; that is, absenteeism.

There are two types of Absenteeism, each of which requires a different type of approach: Innocent absenteeism & culpable absenteeism. Innocent absenteeism is not culpable which means that is blameless. In a labor relation context this means that it cannot be remedied or treated by disciplinary measures. In culpable absenteeism, For instance, an employee who is on sick leave even though he/she is not sick, and it can be proven that the employee was not sick, is guilty of culpable absenteeism. To be culpable it to be blame worthy. In a labor relation context this weans that progressive discipline can be applied. Procedures for disciplinary action apply only to

culpable absenteeism. (Attendance management- Working together report, Internet, p.1)

Unfortunately, it is difficult to successfully differentiate between these two forms of absenteeism because of problems in acquiring accurate information. Indeed, obtaining reliable absenteeism information, however it is broken down, has proven elusive. (Hackett & Guion, 1995, pp.340-381)

One of the most important concepts in work force analysis is the concept of absenteeism specifically in Nazareth Garment S.C where production line manufacturing technique is applicable. The concept of absenteeism plays a role in assigning work & work activities based on the number of employees.

Absenteeism & lateness are two of the most costly & disruptive employee problems faced daily by all business operations. The United States Department of labor's Bureau of labor statistics estimates that absenteeism & lateness costs the United States economy billions of dollars per year. The extent of the problem can be seen in the following:

- 4.3 Million full- time worker have at least once absence a week
- That means 5.1 % of the total work force is absent at least once a week.
- 106.1 million hours a week were missed due to absenteeism. It, therefore, becomes extremely hard for supervisors & managers to run a productive and efficient operation that runs on schedules based not only on time, but also on a specific number of employees. (Moore, Absenteeism, Internet, p.1)

CCH consultants Inc., a source of human resources and unemployment law information in River woods, Ill., conducted a yearlong survey of



unscheduled absences in the work place. The survey conducted among human- resources professionals in various industries found rising absenteeism in the work place is caused mostly from reasons other than personal illness.

On average, absenteeism cost employers about \$ 755 employee in 2001, up from \$ 610 in 2000. The average company sets aside 4.2 percent of its budget to pay for absenteeism. However the employer are responding by implementing programs to provide flexible work hours to discourage absences. The study reveals that personal illness account for about one-third of workers' unscheduled absences. Family issues and stress can be attributed to most of the balance of missed days.

Because a majority of absence is caused by reasons other than illness, employers have begun to develop new methods to handle workers absences. They are introducing flexibility in to the work place with work-life programs, Such as alternative work arrangements telecommuting, compressed workweek etc. These programs are used to address absence caused by issues other than illness. Absence-Control programs, such as disciplinary action, yearly reviews & verification of illness, are some methods used to combat absenteeism. (Managing absenteeism, Internet, p.1)

Like wise, absenteeism also appears to be associated with job dissatisfaction. A review of literature on factors associated with job attendance concluded that job satisfaction was one of the major influences on attendance. (French, 1998 p.189). ✓

The management of attendance is an important aspect of supervision in the work place. The purpose of attendance management is to develop willingness on the part of all our employees to attend work regularly and to

assist them in motivating their coworkers to attend work regularly. This can be done through:

- Addressing the physical & emotional needs of our employees.
- Communicating the attendance goals of the organization so employees can understand & identify with them.
- Dealing with cases of excessive absenteeism effectively & fairly so deterrence can occur.

Successful administration of attendance management program requires managers & supervisors to be aware of, and create work environments. Effective supervisory efforts in attendance management will affect a relatively small percentage of employees but will generate substantial savings, increase productivity & moral. (Introduction to Attendance Management-Working together report, p.3).

Absenteeism rates vary greatly depending on the type of work, the types of employees, the labor market situation, and other factors. Most experts say that, barring unusual circumstances, the absenteeism rate for most companies should be below 4 percent.

(H.R solutions, Internet, p.1).

Most of the absenteeism is shown in different areas at different occupation. As a literature indicates there is probably some irreducible over all minimum of absenteeism and 3% are projected & some one at this figure. In may 1976, the over all average rate was 3.5 %, in mining 5.2%, in manufacturing 4.0%, in retail and wholesale trade 2.8%, for white-collar employees 2.6%, for blue collar 4.4%, and for manager 1.8% (the lowest of any occupation) (Flippo, 1980 p.124)✓

The study will emphasize only on manufacturing area specifically Nazareth Garment Share Co. With blue-collar employees.

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Excessive absenteeism constitutes a considerable cost to the firm even when the absent employee receives no pay work schedules; Overtime may be required to make up work. It is therefore advisable that management should attempt to reduce the rate, and in any event include the known rate in their decision concerning human resource requirement.

To a very real extent the rate of absenteeism is a gauge of employee morale, both in a company as a whole & for specific individuals; therefore, employers & Human Resource professionals in length and/ or frequency and takes whatever steps are necessary to alleviate the problem.

Occasionally, the absence rate of good employee with a formally low absence rate may suddenly spike. In this circumstance; absenteeism is almost always a sign of something awry with the worker. If the employer or supervisor can help with it, a productive employee may be saved.

A suddenly high rate of absenteeism in a department or work area is probably a sign of decline in moral and there's a reason for it. Management looks at issues of communication, advancement opportunities, and job satisfaction in this kind of cases; discipline without attention to the problems may make them worse. (H.R Solution, Internet, pp.1-3).

The role of managers involving absenteeism is crucial. The management style should reflect how managers to communicate effectively & positively reinforce behavior. They need to know that visualizing the absenteeism of employee's gives opportunities for reinforcement & not punishment. Knowledge of behavioral principle result in better understanding of the employee's behavior this, again result in a better absenteeism & ways to intervene. (Slottje, 1998,p.1). ✓

Thus reducing absenteeism is achieved through an analysis of its causes.

Recent surveys indicate the following trends in absenteeism:

- The higher the rate of pay & the greater the length of service of the employee, the fewer the absences.
- As an organization grows, there is a tendency towards higher rate of absenteeism.
- Women are absent more frequently than men
- Single employees are absent more frequently than married employees.
- Younger employees are absent more frequently than older employees but the latter are absent for longer period of time. (Introduction to Attendance Management-Working together report, Internet, p.2).

## CHAPTER THREE METHODOLOGY

The study is about General assessment on the nature, extent & causes of absenteeism and its effect on production level of the organization was carried out in Nazareth Garment Share Company at the town of Nazareth, Eastern Shoa Zone, Oromia regional state, at a distance of 100 km from Addis Ababa.

The research design of the study is causal research type and the study was based on qualitative and quantitative data. Primary data was gathered through self-administered questionnaires. Secondary sources of data such as journals, books, published and unpublished materials, and especially administrative documents of the company and employee record were also used.

In addition, using unstructured interview with key informants' particularity administration and production & technical department heads within the organization were interviewed. Sampled employees were completed the questionnaire. With the help of Human Resource Manager of the company, employees were informed that the purpose of the exercise was assess their feeling and thoughts on various aspects of causes that hinder an employee from report to the work place.

Concerning the questionnaires that had been developed previously, they met the desired objective successfully. In data gathering phase, a precaution action was made by distributing some additional questionnaires to avoid the risk arised from uncollectability.







### 3.1 LIMITATIONS OF THE STUDY

- The unprepared compiled data like actual output, total absence day which helps to calculate the absenteeism rate and effective capacity far updating the research finding to midyear of 1994
- The shift of employees has resulted in non-constant has sections employee size thereby making the data collection by sampling a bit difficult
- The time frame for data analysis, interpretation and report writing is short.
- The research finding is only applicable for the production line with higher labor-intensive manufacturing systems.
- The questionnaire distribution and collection task took place by the facilitation support obtained from the immediate supervisors in the production & Technical department. Employees may not feel to respond their opinions as to the requirement for they may feel probable consequences as the result of their open critics. This can influence their response by shifting it to general and “ favorable” areas.

## CHAPTER FOUR RESULTS

As it was stated in the methodology section of the proposal for this study about 18%, or 100 employees of Nazareth Garment S.C were assessed for their attitudes on absenteeism. Questionnaires were distributed to each of those 100 workers accordingly. Unstructured interviews were addressed to relevant management officials in search for key indicators. Both distribution and result collection tasks were successfully done.

The distribution of age, sex and marital status is found to be as follows. Employees between the age ranges of 25-30 years dominate the sample with 55% belonging in this range. The age ranges of 18-24 years and 31-35 years attribute to 21% each of the total population, while workers with age of more than 35 years attributing only 3%. This shows that Nazareth Garment S.C has got a predominantly young age workforce.

Concerning sex distribution of the employees, males make up only 9% while females take the lion's share (91%). From this it is possible to conclude that 1 in 10 are male employees in the company.

Regarding marital status 78% employees are married and the rest, 21% are single. From this married employees constitute more than three folds than single employees of the organization.

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**Table 1 Demographic variable that shows the age, sex and marital status**

	AGE				SEX		MARITAL STATUS	
	18-24	25-30	31-35	> 35	Male	Female	Single	Married
Percentage	21%	55%	21%	3%	9%	91%	22%	78%

Information about the job employees perform was gathered mainly from three dimensions:

Employment condition - In this employees were asked whether they are contract or permanent workers.

Employment Section- Under production & technical department of Nazareth Garment S.C there are three Sections: Cutting, Sewing and Finishing.

Service year- by this employees work experience was questioned.

Accordingly 78% employees have reported permanent employment term while the rest 22% goes to temporary (contract) workers. Permanent employees percentage exceeds that of temporary workers more than three times.

The sewing section of Nazareth Garment S.C deploys 90% of the employees. The sewing and cutting sections share the rest 10%.

Concerning work experience, 60% of the employees have reported to having the service year range of 5-10 years. 23% reported that they have a less than 5 years experience in Nazareth Garment S.C 17% employees reported a service year of above 10 years. From this, Nazareth Garment S.C has got 77% of employees more than five years service time.



The job data which includes employment condition, employment section and service time is summarized in the following table.

**Table 2 Job data**

	Employment Condition		Employment section			Service Year		
	Contract	Permanent	Cutting	Sewing	Finishing	Below 5	5-10	Above 10
Percentage	22%	78%	6%	90%	4%	23%	60%	17%

**CAUSES OF ABSENTEEISM IN NAZARETH GARMENT S.C AS REPORTED BY EMPLOYEES.**

The main objective of this study is the assessment of the nature, extent and causes of absenteeism, which influence the production level. A detailed investigation was undertaken to uncover the prevalence and causes of absenteeism in Nazareth Garment S.C. The questionnaire based assessment task was done taking two potential cause areas. The first was presence and application of company policies and practices. In this phase, availability, clarity, fairness etc of company policies towards absenteeism was questioned. The second stand point was employees themselves. In this regard, employee attitudes, feelings and experiences concerning absenteeism were considered. From these two angles questionnaires were distributed and the result appears as follows.

From the company side, 100% respondents confirmed that there is no transportation facility for employees. 91% for employees say that no motivational efforts were being practiced from the management of Nazareth Garment S.C. 31% respondents report the absence of good leadership 50% respondents report that the job environment of Nazareth Garment S.C is not conducive and 52% respondents have called organizational absenteeism policies unfair and inconsistent.

Regarding Human Resource policies in general and absenteeism in particular, 4% respondents reported that the policies lack clarity.

Personal beliefs, feelings and attitudes of employees towards their work in general and absenteeism in particular were investigated in this study. There are employee conditions, which may cause absenteeism, and the rationale of the investigation falls here. 50% of the sampled employees say, individual lateness tendencies attribute for their absence from their workplace. The company has an attendance policy by setting time (7:30am in the morning, 1:00pm in the afternoon). 71% employees report that the feeling of boredom in their work place, 73% respondents report work overload, and these two also cause absenteeism.

A general job dissatisfaction attitude is reported from 62% of respondents. Personally, 74% of respondents say their financial ability leads them to absence from work while 7% say childcare problems as drive for their absenteeism.

The summary of absence causes as reported from respondents of Nazareth Garment S.C can be viewed from the following tables.

**Table 3 variables of causes of absenteeism and percentage of employees who agree on**

Company issues as causes of Absenteeism	Percentage of Employees who agree
<b>Company issues:</b>	
<ul style="list-style-type: none"> <li>● Unfair and inconsistent policies</li> <li>● Policies which lack clarity</li> <li>● Absence of motivation</li> <li>● Absence of good leadership</li> <li>● Absence of transportation facility</li> <li>● Job environment, not conducive</li> </ul>	<p>52 %</p> <p>4%</p> <p>91%</p> <p>31%</p> <p>100%</p> <p>50%</p>
<b>Personal attitudes:</b>	
<ul style="list-style-type: none"> <li>● Individual lateness</li> <li>● The feeling of boredom</li> <li>● Higher work load</li> <li>● Bad Co-worker relationship</li> <li>● Job dissatisfaction</li> <li>● Personal Problems:                             <ul style="list-style-type: none"> <li>○ Financial</li> <li>○ Child care</li> <li>○ Others</li> </ul> </li> </ul>	<p>50%</p> <p>71%</p> <p>73%</p> <p>1%</p> <p>62%</p> <p>74%</p> <p>7%</p> <p>19%</p>



Absence from work by employees attributes to the decline in production level because work is planned based on resource capacity, which includes personnel power. The effective capacity of Nazareth Garment S.C keeping other factors like machine breakdown, stoppage, holidays, shortage of raw materials etc. constant and taking in to consideration workers absence is found to be 436,667 and 594,934 for the years 1992 and 1993 E.C respectively. This capacity is calculated in terms of performance is shirt equivalent. (Refer from appendix part).

The actual output produced during 1992 & 1993 were 397,900 and 549,380 respectively. The difference between actual output & effective capacity for the year 1992 and 1993 were 38,777 and 45,554 respectively.

There were 480 employees in the production and technical department of the organization in 1992 E.C. This number show an increase to 502 in the year 1993. Total absent days for the given two years are 9,648 and 10,656 respectively. General absenteeism rate of 8.8% for the first year and 7.6% for the year 1993 E.C were calculated (see from appendix part). These percentages are substantial amounts for the workdays of 250 and 251 years.

*Table 4 shows the production level in shirts equivalent.*

Year	Planned output(a)	Actual output(b)	Design capacity(c)	Effective capacity(d)	*Difference (e)=d-b
1992	615,000	397,900	815,000	436,677	38,777
1993	690,000	549,380	815,000	594,934	54,554

\*The difference shows the decreasing in production level as a result of absenteeism.

*Table 5 shows the absenteeism rate, which is calculated from of employees, total work days & total absence day.*

Year	N <sup>o</sup> of employees in Production & Technical department	Total absence day	Total work day	Absenteeism rate
1992	480	10656	250	8.8%
1993	502	9648	251	8.6 %

The design capacity of the organization is 815,000 out put in shirts equivalent, from this, the system utilization rate, which is the ratio of actual out put to design capacity will be 48.8% for the year 1992.  $\frac{(397,900 \times 100)}{815,000}$

The percentage of system utilization rate is 67.4% for the year 1993  $\frac{(549,380 \times 100)}{815,000}$ .

The capacity utilization rate reveals better conditions. The rate being the ratio of effective capacity to design capacity shows the rate of 53.6% for the year 1992 and 73% for the year 1993.

The system efficiency ration, actual out put divided by the effective capacity, is 91.1% for 1992 and 92.3% for the year 1993.

*Table 6 Rates for system utilization, capacity utilization and system Efficiency for the year 1992 and 1993.*

S. No	Rates	Percentages	
		1992	1993
1	System Utilization	48.8%	67.4%
2	Capacity Utilization	53.6%	73%
3	System efficiency	91.1%	92.3%



## CHAPTER FIVE

### DISCUSSIONS

Absenteeism both culpable and innocent will negatively influence the performance level of an organization. The influence will be of critical nature if it is in organization, which follows the production line system of manufacturing. The job in these organizations of such nature that what is accomplished and provided by a unit will affect the performance of the next unit. In Nazareth Garment S.C these facts hold true with in its three operations division, namely cutting, sewing and finishing. Each division relies on its preceding unit to accomplish job and absence of an individual can risk operations delay or even stoppage.

The personal information gathered on sex, age and marital status of employees tends to be of favorite nature to the organization. Most employees belong to the productive and energetic age group. Most of them are reported to be female personnel who are married. According to researches conducted on these issues: married employees attend jobs more frequently than unmarried. There is also a research fact that tells females tend to be absent more often than males. In Nazareth Garment S.C case, these two extremes are in-bridged because most females are also married. Therefore, it is possible to conclude that at least from personnel background point of view Nazareth Garment S.C has advantage on its human with its employee's favorable conditions.

Given the necessary motivation and leadership, these employees are expected to be productive in Nazareth Garment S.C keeping other things (like employee credentials and skills) normal, it can be said that the organization has a good competitive advantage due to its manpower. This infact is valuable asset since the efforts; knowledge, abilities and skills



employees bring in are critical to organizational success. In this regard, Nazareth Garment S.C is not at adverse conditions to its productivity.

Results obtained under job data like employment condition and service year in the organization give the same message. Most employees (78%) in the organization are permanent giving the organization the chance of reliable labor availability and the opportunity training and development from inside for both the employees and the organizations good. Related to this, there are 77 out of 100 employees in Nazareth Garment S.C with work experience of 5 years or more. Experienced manpower gives an organization the chance of efficient resource utilization, speedy service and less training cost. In this regard too, Nazareth Garment S.C is blessed with experienced manpower, which can help in boosting production.

Out of the operation lines of Nazareth Garment S.C the sewing division takes the lion's share (90%) This unit is the most labor-intensive part than those preceding or following it with only 10% share.

With the above conditions, which are mainly opportunities, The Nazareth Garment S.C case was investigated in line with absenteeism (dependent variable) and company conditions (independent variables) with employees' experience.

Company policies and practices regarding absenteeism and other administrative policies, which may influence these, are investigated. All employees have confirmed the absence of transportation facility for line workers whose earnings are around 200. This contributed to the absence of employees from job because workers find it hard to cover transport costs on their own and even the service may not be available due to different conditions on daily basis. Most employees also report the absence of adequate motivation on job; motivation plays a key role in productivity

because it induces individuals to act towards organizational objectives, which includes less absence rate. A good work environment, good leadership, fair and consistent policies are the factors, which are poor according to the responses from a good portion of employees.

As productivity is the function of the above factors along with many others, the negative attitudes disclosed from most employees will risk the organizations productivity. This is because workers tend to be reluctant in achieving objectives set by organization if their perceived value of different factors (including the above) is less than what they expect. Policies, the job environment, motivation, leadership etc. offered or practiced by organizations should carefully embrace the needs of their employees. If employees perceive policies unfair and inconsistent, their working environment poor and the motivation and leadership company practices inadequate, the objective organizations seek to realize will be jeopardized.

In light of these factors, Nazareth Garment S.C is not in a good condition and a response that will narrow this gap is needed. The danger should carefully be analyzed and acted upon. So that the company can effectively harvest in favorable conditions.

Employees' individual tendencies that contribute to absenteeism were reported to be job dissatisfaction, the feeling of boredom and personal problems like lack of finance, childcare etc. This can be the extension of company policies like pay, motivation, job design etc.

Employee's individual lateness tendency is another factor that contribute to absenteeism. This also exists due to unavailability of transportation facility. Employees who come late, that means, beyond the time set by the organization as a result of personal and/or organizational policy problem. This is considered as a total absenteeism rather than partial absenteeism. As



literatures indicate that tardiness is partial absentees who is not be considered in calculating the absenteeism rate. Therefore the organizational policy needs a revision.

The actual outputs produced in shirt equivalent by the factory using the effective capacity of 436,677 for 1992 was 397,900 and 594,943 for 1993 was 549,380. And the actual output shows that Nazareth Garment S.C has produced & should have produced in those years. The deviation between what is produced and what have been produced under the given manpower capacity is 38,777 (436,677-397900) for 1992 and 45,554(594,934-549,380) for the year 1993 E.C. This shows an increase level of ineffectiveness from the year 1992 to 1993 E.C

The design capacity of Nazareth Garment S.C. which is the planned (engineered) rate of out put of goods and services under normal, or full-scale operation condition is reported to be 815,000 quantities in shirts. This is important to know the system utilization rate, 48.8% and 67.4% for the year 1992 and 1993 respectively. From this it can be understood that actual capacity in relation to design capacity has been a reasonable increase. On the other hand, it is clear that 51.2% and 32.6% of the design capacity is not utilized mainly due to employee absenteeism.

The capacity utilization rate of 53.6% and 73% for the year 1992 and 1993 respectively. The increase is mainly due to the increase in effective capacity of the organization since the denominator, the design capacity, is common for both cases. From this result, 46.4% and 27% of the design capacity has mainly remained unutilized.

System efficiency of the organization is 91.1% and 92.3% for 1992 and 1993 respectively from this the system is inefficient by 8.8% for the year 1992 and 7.6% for 1993.



The maximum attainment of system efficiency would be 91.2% and 92.6% in years 1992 and 1993 respectively if and only if the organization face any problems arises from machine break down, stoppage, raw material unavailability etc. So the organization should take actions to reduce the rate that contribute in increasing the system efficiency, system utilization and capacity utilization.

As literatures indicate the absenteeism rate for any company especially. Manufacturing areas, should not be greater than 4% from this, we derive that the system efficiency of any company should not be less than 96% only considering absenteeism, because system efficiency has an inverse relationship with absenteeism rate. On the other hand the company's System is inefficient by 8.8% and 7.6% for the year 1992 and 1993 respectively, which is equal to the absenteeism rate for respective years.

Due to causes associated with absenteeism, the production has declined in Nazareth Garment S.C and different approaches used to test company efficiency and effectiveness show generally poor results. For instance, company-planned production was less than what was actually produced for two years and rates on system efficiency, capacity utilization and system utilization show generally poor performance.

## CHAPTER SIX CONCLUSION AND RECOMMENDATION

### Conclusion

Absenteeism rate is found to be of higher rate (8% on average) in Nazareth Garment S.C. Most experts say that, barring unusual circumstance, the absenteeism rate for most companies should be below 4 Percent. In the light of this rule, the experience of absenteeism at Nazareth Garment S.C. doubles the average limit. This puts the company at dangerous position and action against absenteeism is unquestionably important. This requires a close study on the source, which spring absenteeism from both, company and employee angles.

62% employees who report is dissatisfaction in Nazareth Garment S.C can find the reason not to attend their job. Job satisfaction by employees leads them to act and behave according to organization's desire. The absence of job satisfaction can mean low motivation and ability to attend. In this regard, 100% respondents did report the absence of transportation facility, which will reduce both the motivation and ability to attend by employees.

Nazareth Garment S.C had no government subsidy (working capital) when it began operation and the lack of transportation service stems from this. Until now the organization could not meet the demand for the facility and this is adversely influencing the motivation and ability to attend by employees, which will affect the production level.

Poor pay level, unfair policies, inconsistent policy and practices administration are some of the problems reported by employees. To be successful in leading employees towards organizational desired goals, employers should increase the perceived value of systems and policies by employees. Employees would attend and put their effort in the work place



only if they believe that the outcomes (like pay, incentive, motivation) will deserve what they exert.

The production level of the company doesn't seem to be encouraging. The opportunity provided by AGOA (Africa Growth opportunities Act) to export textile products to foreign markets is not being used by the company. If the company did use its capacity and take the chance to export according to the act, the whole country can benefit. But this doesn't appear possible in the case of Nazareth Garment S.C. No planned production schedule was met for the last two years with excess performance capacity left unutilized. This inefficiency is partly the result of the higher absenteeism rate existing in the organization. As reported by employees; some of the actions taken by the management of Nazareth Garment's are aggravating absence rate instead of reducing it. For instance, reporting late to work is prohibited and complete absence is recorded even to worker has performed his duty by coming late. Though no one stands for the "right" of coming late, this rule has its own adverse effects. Workers can be late for reasons of their own and this strict treatment they receive for being late cannot replace the duty that remains not performed. Nazareth Garment S.C is a national property whose performance can influence the walk of the country to wards sustainable development.

### **Recommendation**

Nazareth Garment Factory S.C is a national property whose performance can positively or negatively influence the stride of the country towards sustainable development. Its role puts it in strategic position of the current conditions (like AGOA). The responsibilities it bears now are of important nature since it is one of the few companies which could contribute to save the county from trade deficits.



Bearing these responsibilities in mind, Nazareth Garment S.C should revise carefully its policies in general and the absenteeism issues in particular so that it would be productive company. Generally, Nazareth Garment S.C should do the following; along with its current strengths to successfully discharge the duties and responsibilities it is best owed by government and the public.

**Develop Facility:**

Nazareth Garment S.C. has no transportation facility. The absence of transport service can adversely influence both the ability and motivation to attend by workers. On the their hand, work procedures in Nazareth Garment S.C. are so interrelated and dependent on one another that the organization cannot offer the cost due to absence. Therefore, transportation facility should be developed to increase employee motivation and ability to attend

**Change its Management style:**

A good portion of respondents point out that leadership is Nazareth Garment S.C is poor, work is heavy and they feel boredom. Management styles that are too authoritarian tend to promote high levels of absenteeism among employees such leaders should be identified and replaced by leaders and supervisors who listen to the workers, set reachable goals, who can communicate and who are also flexible.

**Change its working Conditions:**

A good working condition along with good coworker relationships among employees contributes to increased production and a lower level of absenteeism rate. Facilities have to be clean and equipment and machinery should be updated and made user friendly. Policies and values, which promote employee respect and professionalism, and promote internal conflict resolution procedures, should be adopted to reduce employee stress and eventually absenteeism.

**Provide incentives:**

Employees who frequently attend should be recognized and be rewarded. As any other incentives, this policy will promote work spirit and can also reduce absenteeism.

**Develop good attendance policies:**

Policies related to absenteeism and other personnel policies are told to be unfair and inconsistent by many respondents in Nazareth Garment S.C. clearly, the management should set policies in association with labor union and executives in different section should respect collective agreements. The policy which makes latecomers absents should be done by administering pay and wages on the hours worked per week or per month.

Generally, positive actions like advice and counseling should be favored over the negative actions in the effort to decrease absenteeism.

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## APPNDIX I

### 1) Calculation on effective production capacity:

**1992**

Actual output = 397,900

N<sup>o</sup> of employee = 480

Working day per year = 250

Working day for 480 employees per year

$$250 \times 480 = 120,000(a)$$

Absence day/year for total employees = 10,656(b)

Net worked day = (a) - (b)

$$=120,000 -10,656= 109,344$$

$$397,900 = 109,344$$

$$? = 120,000$$

$$\frac{397,900 \times 120,000}{109,344} = 436,677 \text{ units output}$$

\*Therefore by using 480 employees the organization would have an effective production capacity of 436,677 units output in shirts equivalent.

**1993**

Actual output = 549,380

N<sup>o</sup> employees = 502

Working day per year = 251

Working day for 502 employees

$$251 \times 502 = 126,002(a)$$

Absence day/year for the total employees = 9,648(b)

Net worked day = (a) - (b)

$$126,200 -9,648=116,354$$

$$549,380 = 116,380 = \frac{126,002 \times 549,380}{116,354} = 594,934 \text{ units output}$$

$$? = 126,002$$

$$116,354$$

\*Therefore by using 502 employees the organization would have an effective capacity of 594,934 units output is shirts equivalent

**2) Calculation of absenteeism rate:**

$$\text{Absenteeism rate} = \frac{\text{N}^{\circ} \text{ of days absentees} \times 100}{\text{N}^{\circ} \text{ of days worked}}$$

$$\text{No of days worked} = \text{workday/month} \times \text{No of employees} \\ = 21 \times 100 = \underline{2,100}$$

$$\text{(1992) Absenteeism Rate} = \frac{185 \times 100}{2,100} = \underline{8.8\%}$$

$$\text{(1993) Absenteeism Rate} = \frac{160 \times 100}{2,100} = \underline{7.6\%}$$

**Table 7 The different types of products in shirt equivalent.**

S. N <sup>o</sup>	Unit Products	Shirt equivalent
1	Pant	0.85 shirt
2	Overcoat	1 shirt
3	Overall	1.29 shirt
4	Skirt	0.5 shirt
5	Jacket	1 shirt
6	Coat	1 shirt
7	Sarian coat	2 shirt
8	Short	0.5 shirt
9	Cap	1 shirt

## APPENDIX II

### QUESTIONNAIRE

**Dear study Participant,**

This questionnaire is prepared by prospective graduate of 2002 from Jim<sup>ma</sup> University, Department of management. It is for the purpose of preparing final year research paper on General assessment on causes of absenteeism and its effect on production level of Nazareth Garment Share Company .

The data obtained from you is not subject to inspection by any party except for the student and it will be kept confidentially. Having on awerness of this fact you are invited to provide you genuine and honest response as per requirements of each question. Please put “x” mark in the appropriate space.

*Thank you.*



## 1. Introduction

- 1.1 Age  18-24  25-30  31-35  above 35
- 1.2 Sex  Male  Female
- 1.3 Types of employment  Contract  Permanent
- 1.4 Marital status  Single  married
- 1.5 Section  Cutting  Sewing  Finishing
- 1.6 Service Year  below 5  5-10  above 10
2. Most of the time in which workshift do you absent ?  
 Morning  Afternoon  Unknown
3. Do you see your organization's policy on attendance fair and consistent irrespective of the person concerned ?  Yes  No
4. Does the Organization have a clear policy regarding absenteeism which was communicated to all employees?  Yes  No
5. If it were the policy of your organization to make prior notice when you want to be absent, would you be willing to make prior notice to your boss  Yes  No
6. Is your absence related to lateness .?  Yes  No
7. Will you be absent from your permanent work if you got better work for short period of time.  Yes  No
8. Is your working environment interesting,  Yes  No
9. Do you have too much workload ?  Yes  No
10. Do you feel boredom on the job?  Yes  No

11. Do you have good relationship with your supervisor ?  Yes  No
12. Do you have a friendly relation with your coworkers ?  Yes  No
13. Does the absence of your coworker influence on your work ?  
 Yes  No
14. Do you have job satisfaction ?  Yes  No
15. Does your supervisor have a leadership ability ?  Yes  No
16. Which of the following personal problem has adverse impact on your job?  
 Financial  Marital  
 child care  Other
17. Do you fit physically with the work you are assigned ?  
 Yes  No
18. Does the organization gives transportation facility?  Yes  No
19. In most of the time have you faced a public transportation problem to attend to your work place ?  Yes  No
20. Does the organization use any motivation system to reduce absenteeism ?  Yes  No

## መጠይቅ

### ውድ የዚህ ጥናት ተሳታፊ፤

ይህ መጠይቅ የተዘጋጀው በ1994 ዓ.ም. በጅም ዩኒቨርሲቲ ቢዝነስ ፋኩልቲ የ4ኛ ዓመት የማኔጅመንት ተማሪ ነው። መጠይቁ የተዘጋጀው ለመመረቂያ የሚሆን የምርምር ጽሁፍ እንዲያገዝ ታስቦ ሲሆን የጽሁፉ አላማም በናዝሬት ልብስ ስፌት አክሲዮን ማህበር የሠራተኞች ከሥራ መቅረት መንስኤዎችንና በድርጅቱ ምርት መጠን ላይ የሚያሳድረውን ተፅዕኖ ለማጥናት ነው።

ከእርስዎ የሚሰበሰበው መረጃ ጥቅም ላይ የሚውለው በአጥኚው ተማሪ ብቻ ሲሆን የሚሰጡት መረጃ በሚሰጥር የሚጠበቅና ለማንኛውም ሌላ አካል አገልግሎት እንዲውል የማይሰጥ ነው። ስለዚህም ለጥናቱ ስኬታማነት በግልጽና በታማኝነት ለእያንዳንዱ ጥያቄ አግባብ ነው ብለው በሚያምኑት አማራጭ ላይ(X) ምልክት በማኖር የበኩልዎን እንዲያበረክቱ በአክብሮትና በትህትና ተጋብዘዋል።

አመሠግናለሁ።



1/ መግቢያ

1.1. እድሜ  18- 24  25 - 30  31 -35  ከ35 በላይ

1.2. ጾታ  ወንድ  ሴት

1.3. የቅጥር ሁኔታ  ኮንትራት  ቋሚ

1.4. የጋብቻ ሁኔታ  ያገባ/ች  ያላገባ/ች

1.5. የሥራ ክፍል  ቆረጣ  ስፌት  ማጠናቀቂያ

1.6. የአገልግሎት ዘመን  ከ5 ዓመት በታች  ከ5-10  ከ10 በላይ

2. አብዛኛውን ጊዜ በየትኛው ፈረቃ ከስራ ይቀራሉ?

በጠዋት  ከሰዓት በኋላ  በውል አላውቀውም

3. በስራ ቦታ መገኘትን በተመለከተ ድርጅትዎ ያለው መርህ ፍትሃዊ

ወጥኖ በማንኛውም ሰው ላይ የሚተገበር ነው ብለው ያምናሉ?

አዎን  አላምንም

4. ድርጅትዎ ከሥራ መቅረትን በተመለከተ ለሠራተኛው ግልጽ የተደረገ

መርህ አለው?  አዎን  የለውም

5. ከሥራ መቅረት ሲፈልጉ ለኃላፊዎት ማሳወቅ የድርጅትዎ ደንብ ቢሆን

እርስዎ ከመቅረትዎ በፊት ለማሳወቅ ፈቃደኛ ነዎት?

አዎን  አይደለሁም

6. የእርስዎ ከሥራ መቅረት ከማርፈድ ጋር የተዛመደ ነው ?

አዎን  አይደለም

7. ከስራዎ የተሻለ ገቢ የሚያስገኝ የአጭር ጊዜ ሥራ ቢያገኙ ከቋሚ

ሥራዎ ቀርተው ወደ ተሻለው ሥራ ይሄዳሉ?  አዎን  አላሄድም

8. የሥራ አካባቢዎ መስዕብ አለው /ደስ ያስኛል/ ?  አዎን  አያስኛም

9. ከፍተኛ የሥራ ጫና አለብዎት ?  አዎን  የለብኝም

10. የሥራዎ ሁኔታ አሰልጭ ነው ?  አዎን  አይደለም
11. ከአለቃዎ ጋር መልካም ግንኙነት አለዎት?  አዎን  የለኝም
12. ከሥራ ባለደረቦችዎ ጋር ይስማማሉ ?  አዎን  አልስማማም
13. የሥራ ባለደረባዎ ከሥራ መቅረት በእርስዎ ላይ ተፅእኖ ያሳድራል ?  
 አዎን  አያሳድርም
14. በሥራዎ ይረካሉ ?  አዎን  አልረካም
15. አለቃዎ የመምራት ብቃት አላቸው?  አዎን  የላቸውም
16. ከግል ችግሮቻችሁ ውስጥ ሥራዎ ላይ በይበልጥ ተፅእኖ የሚያሳድረው የትኛው ነው?  የገንዘብ  የጋብቻ ሁኔታ  
 የልጅ እንክብካቤ  ሌላ
17. ለተመደቡበት ሥራ የአካል ብቃት አለዎት?  አዎን  የለኝም
18. ድርጅትዎ የትራንስፖርት አገልግሎት ይሰጥዎታል?  
 አዎን  አይሰጥም
19. አብዛኛውን ጊዜ ወደ ሥራ ቦታዎ ለመሄድ የህዝብ ትራንስፖርት ችግር ይገጥመዎታል ?  አዎን  አይገጥመኝም
20. ድርጅትዎ ከሥራ መቅረትን ለመቀነስ የሚጠቀምባቸው የማበረታቻ ዘዴዎች አሉት ?  አዎን  የለውም



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