CHAPTER 5

FINDINGS AND SUGGESTIONS

5.1 REVIEW OF THE RESEARCH

With the aim of finding the impact of absenteeism on productivity in capital goods companies, specifically in transformer manufacturing companies in Agra region, the following analysis is carried out. The scale was administered on a sample of 600 respondents selected for the study through non probability sampling technique, out of which 450 were of use. The questionnaire consisted 70 questions overall and the items were divided into related subsections as per the need of the study. Likert 5 point scales was used where one indicated strongly agree and 5 indicated strongly disagree. The responses of the questionnaire after analysis provide crystal clear results of impact of absenteeism on productivity. By analysing those reasons this chapter will try to connect the facts to the academic theory mentioned earlier so as to find out some possible actions to overcome the problem of absenteeism to enhance the productivity of transformer companies. These actions may help the management in a way, that they may adopt some different ways to curb absenteeism so as to increase productivity. As a matter of fact, no matter how much you are measuring absenteeism or productivity annually, it is important to understand the main causes of absenteeism and to figure out that which factors of absenteeism are actually having an impact of absenteeism. No matter company have excellent machinery and infrastructure but if workers are unwilling to work, results can’t be achieved.

The results of the study came out to be very obvious. In small & medium transformer companies of Agra, It was found that all the workers were male & were availing leaves more than prescribed. Further the major factors of absenteeism came out to be personal attitude of workers and work environment, liberal leave policy, negligence of supervisors and unconcerned towards customers orders. The major factors explaining absenteeism in transformer companies came out to be the personal attitude and work environment.

The main factors of interpersonal relations identified were healthy relations and mutual cooperation, the major behaviour explaining attitude of worker were found to be work involvement and job commitment. The major factors explaining labour turnover were categorised into two, the one increasing turnover in the company and the other decreasing turnover.

The factors categorised for productivity after factor analysis were the repulsive factors and the factors and the productive factors.
The study was inclined towards finding out if absenteeism, interpersonal relations, behaviour and turnover have any impact on production in small and medium transformer companies in Agra. The results reflected that the all four factors of absenteeism are showing significant impact on productive and repulsive factors of absenteeism.

Factors like personal attitude and work environment are showing positive impact on productive factors. This means that if the personnel is motivated and dedicated towards their work the production will increase. The other factors like liberal leave policy and negligence towards customer orders are showing negative impact on productive factors which means if these factors are present than the productivity may decrease.

The factor like work environment and positive motivation of workers are showing negative impact on repulsive factors which means if these factors are present than the productivity will decrease but on the other hand factors like liberal leave policy and negligence towards customer orders are reflecting positive impact on repulsive factors which means if they will increase or persist, repulsive factors will also flourish.

The moderating factors along with absenteeism reflected strong impact on productive and repulsive factors as well. In nutshell good IPR, behaviour like work involvement and job commitment and the factors like giving priority to job and affection towards work are having positive impact on productive factors. The same factors are also showing significant impact on repulsive factors.

5.2 FINDINGS

Very first part of questionnaire was intended towards collecting basic data of the respondents viz age, experience, leaves availed and the types of leaves often availed. This data helped in identifying that in majority of what age group of workers are involved in manufacturing process. The results reflected that majority of workers were of age group 40-50 followed by age group 30-50. Conclusively very less workers were of age 20-30 and above 50. Further the results related to the current experience was majority were of 1 to 5 years of experience followed by more than 5. In medium and small enterprises very less or no workers were identified those who may have more than 10 years of experience which is a matter of concern.

Another important part of the questionnaire disclosed the fact that majority of workers avail more than prescribed leaves. Those were unplanned leaves. This proves the presence of absenteeism in the organization.

The study revolved around absenteeism and productivity. Elaborating it has tried to find out if in any way absenteeism is putting an impact on productivity. For
this in questionnaire and demographic profiles certain items are included that are proving that, yes, employees are involved in absenteeism. On the other hand certain items that are describing productivity enhancement in the transformer companies are also included. Some factors that contribute in decreasing productivity were also included and were marked as negative ones.

The reliability and the validity of the questionnaire were tested by Cronbach’s Alpha. Cronbach's Alpha is a coefficient of consistency and measures how well a set of variables or items measure a single, one-dimensional latent construct. As a rule of thumb, required value of alpha is 0.60 or higher for testing reliability (MacCallum, 1996). The value of Cronbach's Alpha for absenteeism variables is found to be 0.913 (refer table 4.7) which is considered to be in acceptable limits. This suggests that the variables are highly reliable for the study and Chronbac’s Alpha for productivity is found to be .978 (table 4.16) which is quite good and again suggests that productivity variables are found reliable for the study. Moving further to the moderating variables

Major objectives of the study were five in number which are discussed below:

The first objective of the research was to find out the major causes of absenteeism in transformer companies in Agra region. Discussion with the employer and results of the responses via questionnaire explored that factors like health issues of family members, social gatherings, availability of welfare facilities at workplace, extra work for extra income, liberal leave policies, negligence of management towards absence management, employee self motivation etc came out to be the main causes of increasing or decreasing absenteeism at workplace as they are extracted as the main factors of absenteeism at workplace. Factors like recognition and motivation from management as well as positive attitude of workers towards their jobs are reflecting that if these factors will increase, absenteeism will definitely decrease in transformer companies in Agra, which is acceptable also. If management will appreciate even small work of the worker, he will feel delighted and will get motivated for future period of time. Some other factors like weak absence policy, negligent attitude of employer towards workers absence are also some of the major factors of absenteeism in small and medium sized transformer companies of Agra(Refer table no 4.14). This was done by Factor analysis.

Moving on to the second objective of the study that was to study the relationship among absenteeism and moderating factors of the study, the results of correlation matrix reflected that all independent variables are found to be significantly correlated. The absenteeism variables like liberal leave policy, negligence of supervisors and unconcern towards customer orders are negatively related with IPR factors. In table IPR, behaviour and turnover factors show significant correlation with absenteeism which explains that the moderating variables have significant role while explaining relationship between absenteeism and productivity. The person correlation
coefficient method was used to find this relationship (Table no.4.39).

The variables like interpersonal relations, job related behaviour of workers and labour turnover are showing relation with different factors of absenteeism. The literature also reveals that good interpersonal relations can contribute up to great extent in decreasing absenteeism and if the absenteeism is flourishing in these companies, it gradually ruins good interpersonal relations.

In same way when it comes to job involvement or job commitment, these factors definitely help in reducing absenteeism as the workers possessing these attitudes are always indulged and involved in their work. Hence it is proven that absence of this variable, may lead to absenteeism.

The third variable that reflected relation with various factors of absenteeism is labor turnover. The two factors of labour turnover that is factors increasing turnover and factors decreasing turnover are reflecting relations with the absenteeism. The factors that are decreasing turnover are reflecting positive relationship with the factors that are decreasing absenteeism. To be more clear and simple the factors like providing continuous trainings to the workers and employee having an attitude of continuing the job are the one that are decreasing labour turnover and the same factors also reflects positive relation with the factors like self motivation and recognition by management etc.

The factors that are increasing turnover are reflecting positive relations with the factors that are increasing absenteeism. Like having stress during work, dissatisfaction with salary and job insecurity are showing positive relations with liberal policies, negligence of supervisors etc.

Further in third objective the study was conducted to find out the key indicators of productivity in capital goods industry, specifically transformer industry. The findings depicts that productivity in transformer companies is reflected by some certain input factors like timely delivery of transformers, satisfaction of customers regarding performance of the transformers, skilled workers, awareness of workers regarding the process of transformer manufacturing, worker’s involvement towards job, company getting repeated orders etc. The major attributes of productivity in transformer manufacturing companies are reflected by repeated orders they get from their buyers, another very important aspect is timely delivery because failure in that leads to heavy penalties. Transformer manufactures are bound to manufacture specific kind of transformers as demanded and required by the customer. Therefore during the whole process every bit of manufacturing has to be keenly observed and performed. If the company fails to develop or match the required standards, than the unit gets rejected. The factor analysis was conducted to extract the results and as a resultant the above mentioned factors were found to be major factors as they contribute 78% to the
total productivity (refer table 4.23).

The fourth objective was to find out the impact of all moderating factors on productive and repulsive factors of productivity. The regression analysis was conducted to achieve the objective. The results depicted that all the three moderating factors viz, Interpersonal Relationships, Behaviour and Labour Turnover are having significant impact on productive factors of productivity. Mutual cooperation and healthy relations are showing positive relations and impact on productive factors of productivity. As simple as play it is. If all employees are having mutual understanding and cooperation, it will decrease worker absence and will definitely increase production. In the same way if employees are having positive attitude towards job it is decreasing absenteeism and increasing production and vice versa. The another moderating variable of the study was labour turnover. It is also reflecting clear cut relations with productive factors and repulsive factors of production. The factors increasing labour turnover are reflecting negative impact on factors increasing production and the factors decreasing turnover are reflecting positive impact on productive factors of production(Refer table no. 4.49 & 4.53). Further the same all moderating variables are showing significant impact on productivity except behaviour 2 as it does not show any significant relationship with repulsive factors of productivity (refer table no. 53)

The Fifth and the foremost objective of the research were to find out if absenteeism of workers affects the productivity of transformers. To find out the impact of absenteeism of workers on productivity, the regression analysis was done for both factors of productivity i.e. productive factors and repulsive factors. All 4 identified factors of absenteeism reflected impact on productive factors of absenteeism. The value of R square came out to be .876(refer table 4.40) which means that all factors of absenteeism are able to explain 87.6% of the variation in productive factors. Whereas when the impact of absenteeism factors are checked on repulsive factors of productivity, it showed all the identified factors of absenteeism are reflecting impact on repulsive factors of productivity as the significance value is coming out to be .000(refer table 4.45).

Total 5 null hypothesis were set for the study which were supposed to be proven once the research has been discussed. The results of all hypotheses are as follows:

1. $H_0$: Personal attitude and work environment do not have any significant relationship with absenteeism.

The results depict that the null hypothesis is rejected as it is proven by factor analysis that personal attitude and work environmental factors are contributing 48.355 of total absenteeism (Table 4.14) as well as these factors
are showing significant relations with other two factors of absenteeism as p<.05, thus rejecting the null hypothesis (Table 4.39).

2. Ho: Moderating factor interpersonal relationship does not have any impact on productivity

The null hypothesis is rejected as the statistical data reflects that interpersonal relationship is significantly affecting both repulsive and productive factors of productivity as p value had come out to be less than .05 (Table 4.48 and 4.49).

3. Ho: Moderating factor Behaviour does not have any impact on productivity.

The null hypothesis is rejected as the statistical data reflects that both the factors of behaviour are significantly affecting productive factors of productivity as p value had come out to be less than .05 (Table 4.48 and 4.49).

4. Ho: Employee turnover has no significant impact on productivity

The null hypothesis is rejected as the statistical data reflects that both the factors of labour turnover are significantly affecting productive and repulsive factors of productivity as p value had come out to be less than .05 (Table 4.48 and 4.49).

5. Ho: Absenteeism has no impact on organizational productivity

The null hypothesis is rejected as the statistical data clearly reflects that all four factors of absenteeism are having significant impact on the productive factors of productivity (Table 4.41, 4.42). As far as repulsive factors are concerned, except factor 3 of absenteeism all other factors are significantly affecting repulsive factors of productivity (Table 4.44& 4.45).

Absenteeism factors like healthy work environment and personal motivation of workers are reflecting positive impact towards productive factors of productivity and negative impact on repulsive factors of production.

Moving further, factors of absenteeism like weak leave policy, negligent attitude of entrepreneur are showing negative impact on productive factors and positive impact on repulsive factors.

This clearly reflects that factors that increase absenteeism, the y decrease production and the factors those decrease absenteeism are playing a major role when it comes to relation with those factors that are increasing production in transformer companies of Agra region.
5.3 SUGGESTIONS

The small and medium transformer companies in India are actually confronted by low export orders, less domestic deliveries and poor quality of transformers as compared to delivery of transformers. There are many reasons behind the problems mentioned but one of the reasons found out by this study is worker absenteeism. Hence it becomes very important for the management of the small and medium sized players of the industry to combat the problem in such a way that the productivity may enhance in both terms that is qualitatively and quantitatively as well. Every time when a worker is on leave or is coming late, going early, extending lunch breaks, working slowly the whole process of manufacturing gets affected because transformer manufacturing involves certain important steps which are sequel and if anyone is interrupted the whole process may get delayed. Therefore every entrepreneur should adopt some strategies that may reduce absenteeism and which finally may result in satisfactory productivity in alignment with the last objective of the study the management should adopt some practices in the company which may reduce absenteeism and may enhance production.

Uniform Leave Policy

In small and medium sized companies it is seen that there is lack of system and protocol. Therefore the workers have their own set of rules which they follow as per their wish. Everyone takes their decision according to their own mindset and personality. This practice creates problems, ambiguity, conflicts and disputes among workers. Some feel cheated by the management and some feel as if they are able to befool management. Therefore rules of the game should be crystal clear and should be pervasive in nature. Same is in the case of leaves in the organizations. Though the employer agrees that there is lot of problems due to workers absenteeism out which the major concern was poor production. In terms of transformer companies it results in delay in production, late delivery, failure in testing phase etc but still they do not have a proper leave policy. It’s very important to have a policy for leaves so that the workers become conscious towards availing leaves and the practice of taking unnecessary leaves can be stopped. Employer should take into consideration factors like transparency and equality while sanctioning the leaves. This will not only help in reducing absenteeism but also will help in improving interpersonal relations in the organization. Many policies including leave credit policies, leave availing policies, linking attendance with promotion etc. should be formed. When the workers will have an idea that their promotions and hikes will depend on their presence and performance, they will any how try to reach the factory and some of the causes like conveyance problem, absence due to attending all social and religious ceremonies will be reduced up to great extent. If employer will keep an eye on day to day operations this will make the workers understand that employer are serious towards floor operations and they will try to be regular.
Employee Assistance Program

When the workers have an idea that they are not being observed as far as attendance is concerned, they start taking leaves very frequently. Therefore the employer must keep an eye on workers absence. If you confront an employee about his or her frequent absenteeism and you find out that it is due to personal problems refer them to EAP. Employees will also feel a kind of pressure if every time when he takes leaves he had to come back and give reasons.

Sickness Reporting

Tell employees that they must phone in as early as possible to advise why they are unable to make it to work and when they expect to return. In case of emergency leave due to illness, the worker must tell what he is suffering from and should also provide medical certificates for the same.

Return To Work Interview

When an employee returns to work then ensure that they have a „return to work interview”. In this management should try to collect information from the workers that why were they absent? This will show that management is having an eye on the workers who are taking leaves. The negligence of supervisor and liberal leave policies plays a great role in enhancing absenteeism.

Welfare Facilities

Another reason for worker absenteeism in transformer u is lack of good work environment and welfare facilities. The management should realise that manufacturing of transformers include difficult steps and requires extremely keen attention via workers while involved in production process. This work can only be done by human resources of the factory. Machines can work only if people are available to use them. To increase presence of workers in the company, Management should try to provide good and healthy work environment like proper air, ventilation etc. They should also try to provide welfare facilities to workers because this makes workers realize that their company understands the emotion of the workers and also understands their needs. Therefore major facilities like canteen, drinking water, transportation and medical facilities should be provided.

Healthy Work Environment

Environment plays an important role in retaining employees. Retention is the strategy to reduce absenteeism. If the worker is getting some essential facilities like canteen, medical, transportation, airy premises etc can definitely attract workers to
stay back and work for longer period of time in organization. The environment should be healthy in both ways that is physically as well as mentally.

**Fair Wages**

The basic hygiene factor that maintains reasonable level of satisfaction among workers is Salary and wages. Generally when workers are able to earn sufficient wages after spending 12 hours in the factory premises, he is inclined towards some extra work. This thing decreases the efficiency of the worker as well the worker also feel that why to put in all or extra efforts, when there is no benefit in return. Therefore the employer must consider all important determinants of wages while designing them.

**Provide Incentives**

An incentive provides an employee with a boost to their motivation and avoids unnecessary absenteeism. Incentives like two hours of bonus pay for every month of perfect attendance can improve a lot. When any worker works differently in tough situations, than he must be provided some kind of benefit to raise his morale.

**Pat The Back**

When it comes to small and medium organizations, it was seen that the workers felt that there is no factor which can segregate between good worker or bad worker. This is also a reason that workers are not motivated enough to get involved in the work. Therefore there should be some recognition by the employer and the employer should also try to motivate and appreciate workers for their good performance. Awarding good performance will actually motivate workers in a positive manner and instead of taking leaves time and again they would rather prefer coming to workplace. The factors like self motivation and recognition and appreciation by management came out to be the most important factors of absenteeism showing impact on productive factors of productivity in transformer companies of Agra region.

**Maintenance of Good Ipr**

Support of colleagues and management motivates and strengthen the worker at workplace. There should be proper rest periods during the work. Management should have a two way communication process in the premises and should always welcome suggestions from workers. Cooperation is a two way process, therefore to improve IPR in company every worker and management should work as a team. Group tasks should be entertained. This will increase presence of workers and will help in building positive attitude of workers towards their job.
Clear Cut Production Policies

As the Taylor said, “Something that hinders production should be taken seriously”. The F W Taylor always focused on profits and that can only be generated by production. Therefore keeping this in mind the entrepreneur should give no liberty to any worker at the cost of production.

Training Programs

The steps in transformer manufacturing are very complex. Therefore sometimes it happens that due to unawareness of steps the worker is unable to perform and leaves the organization due to difficulty in working. This increases labour turnover and also impact productivity. Therefore it is suggested to conduct proper training programs for the workers. This will build confidence of coming at workplace and will also improve production.

Providing Feedback

Employer in small scale must understand the fact that workers are the one, putting his plans into action, as all fingers are not of same size, in same way all workers are not alike, therefore true feedback of their work can motivate them up to great extent which can reduce absenteeism, which in turn will increase productivity. The workers working in small and medium companies show grievances that all are ranked at same level. As such there is no good or bad worker. This policy in not made to create divide in fact it is made to recognise the good ones.

Fair Distribution of Work

If some are enjoying vacations and single shifts whereas others are working extra and feeling overburdened, may increase absenteeism and may result in labour turnover. Thus in small and medium sized transformer companies, employer must take care of equal distribution of work. This seems to be a small factor but it is not. When one starts feeling that another is enjoying and another is the only one all the time working than this feeling gives rise to mutual conflicts and further worsen the interpersonal relations. As transformer industry is a process industry and human inclined also, it requires every worker to work sincerely and regularly.

Welcome Suggestions

Still the entrepreneurs of small and medium companies either don’t know or don’t want to accept the concept of inviting suggestions from workers. The facts are that suggestions from workers are not merely entertained to be strictly included in decision making, but taking suggestions from them is also a technique to increase job involvement and job commitment.
Free Flow of Communication

The only mode of sharing ideas, opinions and most importantly information, is communication. Most of the small and medium companies still feel that open communication is wrong. But anything that is involving sharing of ideas can’t be wrong if monitored and observed keenly. Therefore communication should be monitored rather than restricted.

Job Security

It is seen that in organizations where job security is not sure, workers are always indulged in searching other jobs. This decreases their presence in the organization and also decreases their commitment towards job. The employees try to leave such organization where there is no assured of long term tie up with the job. So company should try to retain workers in all way. This will help in decreasing absenteeism and increasing productivity in the organization.

Workers Transformation

The need of workers transformation is highly required to decrease absenteeism, to improve interpersonal relations, to develop positive attitude towards job and job tenure. These factors are contributing the most when it comes to absenteeism in transformer companies. These factors can increase production by managing all above said factors.

Management Transformation

Only workers transformation in small and medium companies does not work. The entrepreneurs must also try to understand the importance of policies, motivation, recognition, customer preferences etc. Than only the problems like absenteeism, poor interpersonal relations and negative job attitude can be changed.

Serious Retention Policy

Employer should seriously think about retention. Generally companies feel is that if not this than something else. This is one of the basic reasons of high absenteeism and labour turnover because the employer is least bothered about retention. Actually the employer must try to retain the old employees. This will not only save other recruiting cost but will also help in improving the quality.

Win Customer Loyalty

Entrepreneurs must try to combat the problems like absenteeism, poor interpersonal relations, negative job related attitude and high labour turnover as all these factors are showing impact on productive factors of productivity. One of them is
customer loyalty. If customer is satisfied with your transformer, quality and timely delivery, he will look nowhere else for the purchase.

**Timely Delivery Policy**

The most important matter of concern for the entrepreneur in transformer companies is timely delivery, as the orders are received by 360 degree industries, government, private, Indian and even abroad. If the transformer is not delivered on time than the company has to pay penalty when it comes to abroad an otherwise the company may not get repeated orders if it is not able to deliver transformer on time. Absenteeism of workers can hinder the timely delivery of transformers.

**Keen Observations**

Meeting the transformer standards completely depends upon the involvement and sincerity of workers. When the details are reached to workers, how seriously they look at them and tries to complete them on time decides, the standard will be met or not. If the standards are not met, the transformer gets rejected. Employer should make keen observations regarding this.