

# Employee Absenteesim in Indian Industries

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**Abstract:** *Absenteeism in Indian industries is not a new phenomenon. It is the manifestation of a decision by employees not to present themselves at their place of work, at a time when it is planned by the management that they should be in attendance. Many research reports reveal that there has been a phenomenal increase in absenteeism in some industrial sectors. The absenteeism becomes a problem to organizational management particularly when employees absent from their work environment without giving sufficient notice and by justifying their stand by furnishing fake reasons. The reasons for absenteeism are many. The factors contributing to absenteeism from work includes individual and environmental factors. These consists of sickness, accidents, occupational diseases, poor production planning (flow of work), bad working conditions and inadequate welfare conditions, lack of trained laborers, insecurity in employment, collective bargaining process, rigid control system, lack of supervisory support, lack of interest, lack of cohesive and cordial culture and so on. The individual reasons may vary from organization to organization depending upon the organizational climate, employee's attitude and influence of external organizational factors (market forces, social activities that influence the industrial culture prevailing in geographical zone etc.). High rate of absenteeism is neither desirable to employers nor good for the employees. The levels of absenteeism and reasons for its occurrence are dependent on many variables in an organizational environment. This research highlights the ways to reduce the absenteeism of the employees in the Indian Industry.*

**Keywords:** Employees, Absenteeism, Industry, Workloads, stress, turnover, costs, management systems, incentives, job satisfaction.

## 1. Introduction and Design of the Study

### 1.1 Meaning

Absenteeism is the term generally used to refer to unscheduled employee absences from the workplace. Many causes of absenteeism are legitimate, for example personal illness or family issues, but absenteeism also can often be traced to other factors such as a poor work environment or workers who are not committed to their jobs. If such absences become excessive, they can have a seriously adverse impact on a business's operations and, ultimately, its profitability.

The Labour Department in India defined the absenteeism rate as the total man-shifts lost because of absences as a percentage of the total number of man-shifts scheduled. So for calculation of the rate of the absenteeism we require the number of persons scheduled to work and the number actually present.

### 1.2 Absenteeism

It refers to workers absence from their regular task when he is normally schedule to work. The according to Webster's dictionary —Absenteeism is the practice or habit of being an absentee and an absentee is one who habitually stays away from work." According to Labour Bureau of Shimla: Absenteeism is defined as the total man shifts lost because of absence as percentage of total number of man shifts scheduled to work.

In other words, it signifies the absence of an employee from work when he is scheduled to be at work. Any employee may stay away from work if he has taken leave to which he is entitled or on ground of sickness or some accident or without any previous sanction of leave. Thus absence may be authorised or unauthorised, willful or caused by circumstances beyond one's control.

Maybe even worse than absenteeism, it is obvious that people such as malingerers and those unwilling to play their part in the workplace can also have a decidedly negative impact. Such team members need individual attention from frontline supervisors and management.

Indeed, as prevention is better than cure, where such a problem occurs, it is always important to review recruitment procedures to identify how such individuals came to be employed in the first place.

For any business owner or manager, to cure excessive absenteeism, it is essential to find and then eliminate the causes of discontent among team members. If they find their supervisor or job unpleasant - really unpleasant - they look for legitimate excuses to stay home and find them with things such as upset stomachs or splitting headaches.

Any effective absentee control program has to locate the causes of discontent and modify those causes or eliminate them entirely. In other words, if we deal with the real reasons team members stay home it can become unnecessary for them to stay away. Any investigation into absenteeism needs to look at the real reasons for it. Sometimes team members call in sick when they really do not want to go to work. They would not call you up and say, "I'm not coming in today because my supervisor abuses me." Or, "I'm not coming in today because my chair is uncomfortable." Or, "I'm not coming in today because the bathrooms are so filthy; it makes me sick to walk into them."

There are a few essential questions to consider at the outset if you want to make a measurable improvement to your absenteeism figures.

- Why is your present absenteeism policy ineffective?
- Where and when is excessive absenteeism occurring? In many cases, under-trained supervisors could be a contributing factor.
- What are the real causes for absences?

It is commonly expected that low pay, poor benefits and high workloads will be the major causes. However, in numerous employee surveys absenteeism generally has been identified as a symptom of low job satisfaction, sub-standard working conditions and consistent negative and unfair treatment received by first-line supervisors.

How much formal training have your supervisors received on absenteeism containment and reduction? If your answer is none or very little, may be you have found the solution. As with every other element within your organization, you cannot ask a person to do a job he or she has never been trained to do. Many human resources specialists have found that repetitive, boring jobs coupled with uncaring supervisors and/or physically unpleasant workplaces are likely to lead workers to make up excuses for not coming to work.

If your team members perceive that your company is indifferent to their needs, they are less likely to be motivated, or even to clock on at all. One way to determine the causes of absenteeism is to question your supervisors about excessive absenteeism, including what causes it and how to reduce it. Of course, if your supervisors have made no efforts to get to know the team members in their respective departments, they may not be able to provide reasons. However, just the act of questioning may get the ball rolling and signal to your supervisors that their involvement is important.

Once a manager finds the real reasons for absenteeism there is another important step. Through open communication, you need to change the team member's way of reacting and responding to discontent. Other problems will no doubt arise in the future. If the way of responding has not been reviewed, then the same cycle is likely to start all over again. So, often absenteeism problems can be sheeted back to the supervisor level and to unsatisfactory working conditions. Without improvement in these areas, you can expect your high rate of absenteeism to continue.

### 1.3 Measurement of Absenteeism

For calculating the rate of absenteeism we require the number of people scheduled to work and number of people actually present. Absenteeism can be find out of absence rate method.

For Example:

- a) Average number of employees in work force: 100
- b) Number of available workdays during period: 20
- c) Total number of available workdays (a x b): 2,000
- d) Total number of lost days due to absences during the period: 93
- e) Absenteeism percent (d [divided by] c) x 100: 4.65%

Since absenteeism is a major barometer of employee morale, absenteeism above 5 percent has to be considered as very serious (across most industries 3 percent is considered standard).

### 1.4 Peculiar Features of Absenteeism

On the basis of studies undertaken certain observations may be made:

- The rate of absenteeism is lowest on payday; it increases considerably on the days following the payment of wages and bonus. The level of absenteeism is comparatively high immediately after payday. When worker either feel like having a good time or in some other cases return home to their villages family and after a holiday, has also been found to be higher than that on normal days.
- Absenteeism is generally high workers below 25 years of age and those above 40. –The younger employees are not regular and punctual”. Presumably because of the employment of a large no. of new comers among the younger age groups, while the older people are not able to withstand the strenuous nature of the work.
- The percentage of absenteeism is higher in the night shift than in the day shift. This is so because workers in the night shift experience great discomfort and uneasiness in the course of their work than they do during day time.
- Absenteeism in India is seasonal in character. It is the highest during March-April-May, when land has to be prepared for monsoon, sowing and also in harvest season (Sept-Oct) when the rate goes as high as 40%.

### 1.5 Causes of the Absenteeism

The rate of the absenteeism in Indian industries is very high and cannot be dismissed. A Statistical study of absenteeism of Indian Labour observed that, the basic cause of absenteeism in India is that industrial worker is still part-time peasant. Thus the workers go to find jobs at cities after the harvesting their crops. It means that when the transplanting season. These workers consider to the modern industrialism is insecure. Thus, cause to high rate of the absenteeism in the industrial sector.

According to the Labour Investigation Committee (1946), there were many reasons that caused the absenteeism of the industrial workers. The Commission pointed out many factors which caused the absenteeism in Indian industries. These factors are:

**1. Sickness and Low Vitality:** The committee pointed out that sickness is most important responsible for absenteeism in almost of the in Industrial sector. Epidemics like cholera, small-pox and malaria always break out in severe from in most industrial areas. The low vitality of the Indian workers makes them easy prey to such epidemics and bad housing and unsanitary conditions of living aggravate the trouble. However, the Commission has been noticed that the rate of absenteeism among the female workers is higher than their male counterparts.

**2. Means of Transport:** The Commission also stated that the transport facilities also play very important to contribute the absenteeism of the worker in the industries. It has been pointed out that, the rate of absenteeism is higher in those factories where transport facilities are not easily available as compared to those where such facilities are easily available or provided by the factory itself.

**3. Hours of work:** The long hours of work also affect the workers' efficiency and consequently their sickness rate and absenteeism rate are increased.

**4. Nightshift:** It has also been pointed out that there is a greater percentage of absenteeism during the nightshifts than in the dayshifts, owing to the greater discomforts of work during the night-time.

**5. Rural exodus:** The committee also pointed out that probably the most predominant cause of absenteeism is the frequent urge of rural exodus. It has been noticed that the workers go back to their villages at the time of harvesting and sowing the crops. It increases the rate of absenteeism in factories.

**6. Accident:** Industrial accident depends upon the nature of work to be performed by the worker and his ability for doing that work. In case of hazardous nature of job, the accidents occur more frequently which lead to higher rate of absenteeism.

**7. Social and religious Function:** it has been noticed that workers become absent from their duty on occasions of social and religious functions. Since the workers like to join their families on such occasions, they go back to their villages for like to join short periods.

**8. Drinking and amusement:** the Labour Investigation committee pointed out that drinking and amusements are also responsible for absenteeism. Since drinking and amusements in the late hours of night make it difficult for the workers to reach in time on their duties. They like to become absent rather than late since they know that badly workers will be substituted for them, if they are late.

**9. After Pay-Day:** the Labour Investigation committee also noted the level of absenteeism is comparatively high immediately after the pay-day because they get their wages, they feel like having a good time or return to their villages to make purchases for the family and to meet them, so the absenteeism is high after they got paid.

**10. Nature of work:** the absenteeism rate is also affected by the nature of work. According to Prof. William pointed out that absenteeism prevails because workers are not accustomed to the factory life and factory discipline. In other words, absenteeism prevails because the nature of work in factories is different from that for which the worker is accustomed. So when they come to work in the factory, they feel strange, this new situation make them uncomfortable, so lead to high rate of absenteeism of the industrial workers.

**11. Other causes:** The above factor which are caused the absenteeism in the Industrial which are pointed out briefly by the Labour Commission. However, there can be tow other factors which caused the absenteeism in industrial sector. These factors are: a) personal Factors and b) workplace factors.

### 1.6 Personal Factor

The personal factor are further divided into sub-factors, they are:

*i. Personal Attitude:* there are different attitude of employees. The Employees with strong workplace ethics will respect their work and appreciate the contribution they make to their companies. Such employees will not engage themselves in taking unscheduled off. On the other hand, employees with very low or no work ethics are indisciplined and have lot of integrity and behavioural issues. Since, they feel no obligation towards the company, absenteeism comes easily to them.

*ii. Age:* The younger employees are often restless. They want to spend time with their friends and have fun, rather than being tied down with work responsibility. This lack of ownership often leads them to take unauthorized time off. With age, people gain experience and maturity, which makes them focused and responsible. Their approach is rather professional and they prefer to stick to their chairs to get the work done. If ever they are found absent, then it could be due to sickness.

*iii. Seniority:* Employees, who have been with the company for a long time are well-adjusted with the working culture and the job, therefore, they find no reason to be absent without permission. On the other hand, new hires are more prone to taking ad hoc breaks to unwind themselves.

*iv. Gender:* Women generally do a balancing act by shuffling their time between home and work. Family, being their foremost priority, they don't think twice before taking a step towards absenteeism.

### 1.7 Workplace Factors

**Stress:** The pressure at work sometimes takes a toll on the employees. This results in increased levels of stress. The employees then resort to excuses that can help them stay away from work.

**Work Routine:** Doing the same job over a period of time can get monotonous. The employees find the job functions boring. They rather choose time off to do something interesting than come to work.

**Job Satisfaction:** If employees do not find their job challenging, dissatisfaction creeps in. That leads to more absenteeism in the workplace.

### 1.8 Strategies to Curb Absenteeism

The various strategies to curb absenteeism are:

- 1) High collaborative culture.
- 2) Be aware of problems that may affect employee attendance or performance
- 3) Develop open communication between managers, supervisors and employees.
- 4) Employees are encouraged to voice their concerns so their perceptions of the work place are clear and can be dealt with.

- 5) Cooperation with union representatives can be very helpful in attendance management and should be encouraged
- 6) Regularly scheduled department meetings are an excellent way not only to hear employee perceptions and concerns but also to communicate organizational goals
- 7) An employee's relationship with their supervisor can greatly influence their feelings about their work, their coworkers and thus their attendance at work
- 8) More openness and transparency on the part of management.
- 9) Encourage risk taking and experimentation among members.
- 10) Make each employee aware that they are a valued member of the "team", that they play an important role in your organization and that their attendance is critical
- 11) Hold regular meetings, keep your staff informed and involved
- 12) Know your employees; without prying show an interest in their personal lives
- 13) Familiarize with community programs which you can recommend to an employee if he/she has a need for assistance (i.e. marital or financial counseling)
- 14) Awareness, commitment and involvement by all levels of staff
- 15) Match the attendance records during a period of "high" workload to a period of "normal" workload
- 16) Bonus for unused sick leave.
- 17) Official warnings.
- 18) Develop a comprehensive and collaborative continuous improvement program throughout the department.
- 19) Counsel individual employees. Discuss with all employees problems of unjustifiable time off.
- 20) Bonus work (e.g. Saturday) should not be available to any worker who has been absent during the week.
- 21) Introduce an incentive scheme to reward those who don't have an absent day. This is measured quarterly and annually.
- 22) Greater attention by supervisors and more accountability of operations management and other management has improved sick leave.
- 23) Front line management will be held accountable for attendance management performance.
- 24) A management structure be engineered to identify and execute objectives relating to absence prevention, disability management and attendance control.
- 25) Effective training and development program.
- 26) Effective career planning and development program.
- 27) Each worksite should develop and maintain an attendance management policy.
- 28) Employers should track attendance and assign costs based on reliable data.
- 29) The attendance management team should be given the ability to develop complex case management strategies and aggressively intervene where appropriate.
- 30) Employees should be encouraged to give as much notice as possible for anticipated absences. Absent employees should be requested to keep contact with their employer.
- 31) The employer should be informed of any changes in the employee's health status.

- 32) Employees should be called if they are not keeping contact with the employer. The purpose is to show concern and desire for the employee to regain a healthy status and return to work.
- 33) In addition to individual counseling make use of family counseling methods.

It is reported that these strategies got effective feedback from the employees and employer's part in order to curb the absenteeism. It is reported that the rate of absenteeism reduced from 34% to 20 % within a period of 6- 10 months. The requirement here is the committed management force with single task to carry forward this strategic function with fidelity and accuracy. Many strategies like community intervention programs and industrial counseling strategies have major impact on the behaviour of absented employees. It is envisaged that a culture of open communication and collaboration can reduce the level of absenteeism through strategic interventions.

### 1.9 Research Problem

Aim of the study is to study about absenteeism comprehensively in five different Indian industries.

### 1.10 Research Objective

The objective of the study is:

- 1) To know the profile of employees.
- 2) To explore the level of absenteeism prevailing in all Company.
- 3) To understand the causes of absenteeism in all Companies.
- 4) To study the employees attitude towards absenteeism in all these companies.

## 2. Review of Literature

Absenteeism is defined as the lack of presence of an employee for a planned work (Johns, 2002, Kristensen, Juhl, Eskildsen, Nielsen, Frederickson, Bisgaard, 2006). Absenteeism is a perennial problem in industry. Various studies have revealed that relatively a few workers are responsible for substantial portion of absenteeism in any plant (Bhatia, 1980). One of the factors affecting optimum utilization of human resources is absenteeism. It is an industrial malady affecting productivity, profits, investments, and the absentee workers themselves. Its consequences are alarming, as a day lost is a resource lost, deprived of being invested. As such, an increasing rate of absence adds considerably to the cost of production of an industry and saps industrial progress. The economic and social loss occurring from absenteeism cannot be determined accurately (Bhatia, 1984).

Absenteeism is, however, too complex and an elusive concept to permit exact remedial measures. There is no magic formula available to work as panacea for absenteeism in various organizations operating under different circumstances and conditions of work. With so many factors affecting absence rates, it would be unrealistic to expect to find one simple answer to the problem of industrial absenteeism (Bhatia, 1984).

For purposes of calculation, an employee is considered scheduled to work, when there is work available and the employee is aware of it, and when the employer is fully aware that the employee will be available. In calculating absenteeism, public holidays, and other days when the factory is closed are excluded. When an employee takes time off on a scheduled working day, he is considered to be absent. Also, when the worker remains away from work, without informing the employer, he is treated as willfully absent (Rao, 1951).

Employee absenteeism, being a serious financial burden for businesses which wish to continue their struggle in tough competitive conditions of today, has become a very important issue to be resolved (Senel&Senel, 2012). Absenteeism, low performance level, severance and distrustful behaviours are that influence the productivity and efficiency of business enterprises (Orucu and Kaplan, 2001). Such behaviours bring high costs to companies and therefore are the issues that must be monitored and dealt with properly.

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

Age is one of the most studied demographic factors for absenteeism. Most studies report a negative relationship between age and absenteeism among employees in general. Older workers will exhibit a lower absence rate because of a higher job commitment and a better person-organization fit that emerges over time (Martocchio, 1989, Kristensen, 1991, Harrison and Martocchio, 1998)

Hackett (1990), found that the negative relationship between tenure and absenteeism. Lambert (2006) stated that tenured employees may feel secure in their job which may lead to a higher level of absenteeism; while she did not measure the impact of tenure it was observed that employees with a high level of tenure were more comfortable in their work environment. Keller (2008) found that there is a positive correlation between absenteeism and tenure. Those with greater tenure reported greater levels of absenteeism. In that study, it is implicated that this may be related to fact 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. Jensen and McIntosh (2007) found that the tenure in the occupation was positively associated with days absent.

Educational attainment may well elevate employee's professionalism, and consequently enhance their level of responsibility and commitment to attendance. Rentsch and steel (1998) found that the higher the education level, the lower absenteeism would be.

Borda and Norman (1997) reported that the number of children and marital status are variables that represent kinship responsibilities and are considered a major contributor to absence. They might lead to higher levels of

absenteeism, because of the increased role demands on employees who are married and have more children (Cohen and Golan, 2007). VandenHeuvel and Wooden (1995) stated that married parents tended to be absent, regardless of their gender.

In industry, absenteeism affects the morale and discipline of the whole group of workers. It affects the production schedule and leads to dislocation at various levels. The waste of time, energy and money is considerable. It has been generally observed that, when a worker absents himself once, may be due to some genuine reasons, he develops a temptation to be absent more frequently, sometimes even on flimsy grounds and becomes ultimately a chronic absentee. The absentee suffers the loss of his wages and puts his concern to a loss of its production. Losing his wages, he affects the economic status of his family; and if he indulges in chronic absenteeism, he endangers the standard of living of his own and his family members. Thus, absenteeism is a serious problem, affecting industry and the individuals indulging in it (Murthy, 1954).

William H. Price & Richard Kiekbusch & John Theis in his study on causes of employees' turnover have talked about the causes and the implementation. Further he highlighted that providing a challenging job, and offering realistic promotion opportunities. Other variables that have less impact are schedule input, insurance and family income. Good communication and job satisfaction.

Beri G.C., Human Resource Tata McGraw New Delhi, in his study on the cause of factor influencing turnover and retention of staff and retention problems for professional have talked about the Working hours, workload and work schedules which are also common concerns to both groups. In addition, career development, promotion and appreciation of contribution were important retention factors, while a supportive professional environment, reduction in workload and working hours and more flexible work patterns were important to consultants.

Cari McLean, Labour Management in Agriculture, in her study knowing the reason why workers leave or edge in improving working condition and have talked about dissatisfaction with work or working condition, select and train new personnel, conducting workers satisfaction survey, find specific problem area to watch and improve

Cosenza, Robert M. in his study on the causes of the cost of employees turnover due solely to unfairness in the workplace and have talked about the effect of unfairness upon an employee's decision to leave their employer and the financial to employer due to voluntary turnover. Further he highlighted Recruiting and retaining the best and the brightest Remove the barriers and biases which create unfair workplace

Moore, in her study on the cause of an informative report regarding employees turnover and retention on the causes of high employee turnover which affect the most, and the companies can decrease employees turnover in order to cut the hidden cost. Further she highlighted the poor management, low pay, boring repetitive work, with no

opportunity for advancement, high turnover of employees is a symptom of a mismanaged company

### 2.1 Research Design

Research Design The researcher has adopted exploratory research design. The study tries to understand the causes and level of absenteeism among employees in the company.

### 2.2 Data Collection

The data is collected from secondary sources like books, journals, magazines, and websites and newspapers

## 3. Employee Absenteeism in Indian Industries

### 3.1 Absenteeism in States

State-wise absenteeism rate amongst the directly employed regular workers during the year 2002 is presented. It is observed that the rate of absenteeism in Sample Sector at all India level during the year 2002 has increased to 9.15 percent as against of 8.64 percent during the year 2001.

During 2002, among States, the highest rate of absenteeism was witnessed in Delhi (13.37 percent) followed by Chandigarh (13.13 percent) and Kerala (12.87 percent).

On the other hand, the lowest rate of absenteeism during the year was observed in Chhattisgarh (4.23 percent) followed by Pondicherry (5.19 percent) and Assam (6.13 percent).

Out of 26 States, 13 States reported higher absenteeism rates than that at all India level during the year 2002. A total of 9 states recorded absenteeism rates of more than 10 percent. As compared to 2001, an increase in the rate of absenteeism was recorded in 10 States during the year 2002.

### 3.2 Absenteeism in Industries

Industry-wise absenteeism rate amongst directly employed regular workers during the year 2002 is presented.

During the year, the highest rate of absenteeism was observed in Mining and quarrying, n.e.c. (12.88 percent) followed by Manufacture of rubber products (12.43 percent) and Manufacture of footwear (11.82 percent).

The lowest rate of absenteeism was reported in industry group 372-Recycling of non-metal waste and scrap (4.79 percent) followed by Agricultural and animal husbandry services, except veterinary activities' (5.33 percent) and Manufacture of grain mill products, starches and starch products and prepared animal feeds' (6.06 percent).

Out of a total of 63 industry groups, 34 industry groups recorded higher absenteeism rate as compared to absenteeism rate at all India level. A total of 18 industry groups recorded absenteeism rates of more than 10 percent. As compared to 2001, an increase in absenteeism rate was recorded in 25 industries groups during the year 2002.

### 3.3 Absenteeism in Sectors by States

State-wise and Sector-wise data regarding absenteeism rates amongst directly employed regular workers during the year 2002 are presented in Table 2.2.1. It is observed that amongst sectors, the highest rate of absenteeism was observed in Public Sector (9.69 percent) followed by Private Sector (9.14 percent) and Joint Sector (9.08 percent).

In Public Sector, the highest and the lowest rates of absenteeism were observed in Kerala (15.16 percent) and Bihar (3.75 percent), respectively. In Joint Sector, the highest rate of absenteeism was observed in Madhya Pradesh (16.80 percent), whereas, the lowest rate of absenteeism was observed in Chhattisgarh (1.90 percent). In Private Sector, the highest absenteeism rate was observed in Delhi (13.37 percent) and the lowest rate was reported in Chhattisgarh (4.25 percent).

### 3.4 Absenteeism in Sectors by Industries

Industry-wise and Sector-wise data on absenteeism rate amongst directly employed regular workers is presented. In Public Sector, the highest and lowest rate of absenteeism were observed in Manufacture of other electrical equipment (23.55 percent) and Manufacture of tobacco products' (3.00 percent), respectively.

In Joint Sector, the highest and lowest rate of absenteeism were recorded in industry groups Manufacture of electricity distribution and control apparatus' (36.37 percent) and Manufacture of footwear' (2.03 percent).

In Private Sector, the highest and lowest rate of absenteeism were reported in Mining and quarrying (12.88 percent) and Recycling of non-metal waste and scrap' (4.79 percent), respectively.

### 3.5 Labour Turnover

Labour Turnover is an important parameter which indicates the overall health of an industry or an establishment in terms of wages, industrial relations, working conditions and other welfare facilities provided to the workers. Labour turnover, which refers to the movement of employees in and out of a business, measures the extent of change in the work force due to accession (total number of workers added to employment) and separation (severance of employment at the instance of workers or employers) during a particular period of time.

High Labour Turnover causes problems for a business. It is costly, lowers productivity and morale and tends to get worse if not dealt with. Labour Turnover does not just create costs, but some level of Labour Turnover is important to bring new ideas, skills and enthusiasm to the labour force. A natural level of Labour Turnover can be a way in which a business can slowly reduce its workforce without having to resort to redundancies. A high level of Labour Turnover could be caused by many factors:

a) Inadequate wage levels leading to employees moving to competitors,

- b) Poor morale and low level of motivation within the workforce,
- c) Recruiting and seeking the wrong employees in the first place, meaning they seek more suitable employment, and
- d) A buoyant local labour market offering more attractive opportunities to employees.

Statistics relating to Labour Turnover, showing the rates of accession and separation in respect of the directly employed regular workers, average number of employment of workers and the percentage of factories reporting labour turnover during the year 2002, have been presented in Tables 3.1.1, 3.1.2, 3.2.1 and 3.2.2. State-wise, Industry-wise and Sector-wise analysis of Labour Turnover is given below:

### 3.6 Labour Turnover in States

The highest rate of Labour Turnover tends to be among those workers who have recently joined in an establishment. Longer-serving employees are more likely to stay, mainly because they become used to the work and the business and have an established relationship with those around them.

State-wise Labour Turnover among directly employed regular workers during the year 2002 is presented in Table 3.1.1. At all India level, 60.08 percent of the factories reported Labour Turnover in their establishments. At all India level, the rate of accession during the year 2002 was recorded as 19.20 percent as against 19.27 percent during the previous year.

Whereas, the overall separation rate was reported as 18.24 percent as against 19.18 percent in 2001. This indicates a net accession or increase of around 0.96 percent in the employment of directly employed regular workers in Sample sector during the year 2002. It is, however, observed that the increase in employment of directly employed regular workers was mainly due to increase in such employment in Private Sector (1.07 percent). Both Public Sector and Joint Sectors witnessed a net decrease in employment of such workers by 1.95 percent and 2.79 percent, respectively.

Among States the highest rate of accession was observed in Punjab (54.08 percent) followed by Haryana (35.22 percent) and Uttar Pradesh (27.32 percent), respectively. On the other hand, the highest rate of separation was also observed in Punjab (49.03 percent) followed by Haryana (32.09 percent) and Jammu & Kashmir (27.06 percent). The lowest rate of accession was recorded in West Bengal (4.61 percent) followed by Kerala (6.10 percent) and Assam (6.13 percent), whereas the lowest rate of separation was observed in Assam (5.28 percent) followed by West Bengal (5.33 percent) and Kerala (8.35 percent).

There were 11 States where accession rate was observed to be more than 20 percent and 9 States where separation rate was recorded to be more than 20 percent.

## 4. IT Industry

### 4.1 Wipro Technology Limited (IT Industry)

Wipro Technologies Limited is a multinational information technology services corporation Headquartered in

Bangalore, India. Wipro is the third-largest IT services company in India and Employs more than 98,391 people worldwide as of 2009. It has interests varying from information technology, consumer care, lighting, engineering and healthcare businesses. Azim Premji is the Chairman of the board.

Wipro (largely an acronym of "Western India Products") started as a vegetable oil trading company in 1947 from an old mill at Amalner, Maharashtra, India founded by Azim Premji's father. When his father died in 1966 Azim, a graduate in Electrical Engineering from Stanford University, took on the leadership Timeline

1945 - Incorporation as Western India Vegetable Products Limited

1947 - Establishment of an oil mill at Amalner, Maharashtra, India

1960 - Manufacture of laundry soap 787 at Amalner

1970 - Manufacture of Bakery Shortening Vanaspati at Amalner

1975 - Diversification into engineering and manufacture of hydraulic cylinders as WINTROL

(now called Wipro Fluid Power) division in Bangalore.

1977 - Name of the Company changed to Wipro Products Limited

1980 - Diversification into Information Technology

1990 - Incorporation of Wipro-GE medical systems

1992 - Going global with global IT services division

1993 - Business innovation award for offshore development

1995 - Wipro gets ISO 9001 quality certification

1997 - Wipro gets SEI CMM level 3 certification, enterprise wide processes Start of the Six Sigma initiative, defects prevention practices initiated at project level.

1998 - Wipro first software services company in the world to get SEI CMM level 5

1999 - Wipro's market capitalization is the highest in India

2000 - Start of the Six Sigma initiative, defects prevention practices initiated at project level.

Wipro listed on New York Stock Exchange.

2001 - First Indian company to achieve the "TL9000 certification" for industry specific quality standards

Wipro acquires American Management Systems' global energy practice.

Becomes world's first PCMM Level 5 Company.

Premji established AzimPremji Foundation, a not-for-profit organization for elementary education.

Wipro becomes only Indian company featured in Business Week's 100 best-performing technology companies.

2002 -Wipro acquires Spectra mind.

Ranked the 7th software services company in the world by Business Week (InfoTech 100, November 2002).

2003 -Wipro acquires Nerve wire.

Wipro Technologies Wins Prestigious IEEE Award for Software Process Excellence.

Wipro Technologies awarded prestigious ITSMA award for services marketing excellence .

Wipro wins the 2003 Asian Most Admired Knowledge Enterprise Award.

2004 -Crossed the \$1 Billion mark in annualized revenues.

Wipro launches India's first RFID enabled apparel store.

Wipro Technologies named Asian Most Admired Knowledge Enterprise second year in a row. IDC rates Wipro as the leader among worldwide offshore service providers  
2005 - Wipro acquires mPower to enter payments space and also acquires European System on Chip (SoC) design firm New Logic  
2006 - Wipro acquires Enabler to enter Niche Retail market  
2007 - Wipro acquires US's Info crossing for 600mn  
2008 - Wipro acquires Gallagher Financial Systems to enter mortgage loan origination space.  
2009 -Wipro stops Connectivity IP and closes New Logic Sophia-Antipolis R&D center Wipro Technologies deals in following businesses

#### 4.1.1 SWOT Analysis of Wipro Technology Ltd.

##### a) Strengths

- Skilled manpower
- Diversified skill base across service lines
- Delivery capabilities & client satisfaction
- Multi domestic market philosophy
- Commitment to go the extra mile
- Research and Development
- Technological partnership with other software companies
- Low cost advantage
- Ability to continually reduce the cost of services

##### b) Weakness

- Not a proactive company
- Domestic market was huge but was underdeveloped
- Small player in global market
- Limited domain
- Wipro provided very limited number of services. Also Standard international quality practices like Six Sigma and CMMI are not in place
- Clients not trusting the capabilities of Indian Software Cos.

##### c) Opportunities

- Huge global market
- The Company has entered into the global market so now it's the biggest opportunity available to the company.
- Huge Potential in Domestic Market
- Y2K Crisis

##### d) Threats

- Competition by Indian companies in domestic market
- Presence of big companies in global market
- Exchange rate
- This can be a threat to the company as the company is making profits due to the high exchange rate and if this rate comes down in future it can lead to a major problem for the company

#### 4.1.2 Causes of Employee Turnover in Wipro Tech Ltd

- 1) The economy - in exit interviews one of the most common reasons given for leaving is the availability of higher paying jobs. Some minimum wage workers report leaving one job for another that pays only 50 cents an hour more. Obviously, in a better economy the availability of alternative jobs plays a role in turnover, but this tends to be overstated in exit interviews.

- 2) The performance of the organization - an organization perceived to be in economic difficulty will also raise the specter of impending layoffs. Workers believe that it is rational to seek other employment.
- 3) The organizational culture - much has been written about organizational culture. It is sufficient to note here that the reward system, the strength of leadership, the ability of the organizations to elicit a sense of commitment on the part of workers, and its development of a sense of shared goals, among other factors, will influence such indices of job satisfaction as turnover intentions and turnover rate.
- 4) The characteristics of the job - some jobs are intrinsically more attractive than others. A job's attractiveness will be affected by many characteristics, including its repetitiveness, challenge, danger, perceived importance, and capacity to elicit a sense of accomplishment. A job's status is also important, as are many other factors.
- 5) Unrealistic expectations - Another factor is the unrealistic expectations and general lack of knowledge that many job applicants has about the job at the time that they receive an offer. When these unrealistic expectations are not realized, the worker becomes disillusioned and decides to quit.
- 6) Demographics - empirical studies have demonstrated that turnover is associated in particular situations with demographic and biographical characteristics of workers. But to use lifestyle factors (e.g. smoking) or past employment history (e.g. many job changes) as an explicit basis for screening applicants, it is important for legality and fairness to job applicants to verify such biodata empirically.

#### 4.2 Infosys Limited (IT Industry)

Infosys a Bangalore based company started in 1981 has around 5,500 employees. The highest rated script on the Indian bourses - Infosys is the most admired company on the BSE. It is the face of the Indian software industry. The company was the first in India to register on the American stock exchange - NASDAQ with an issue of two million American Depository Shares (ADR) that raised \$70 million.

As a part of Infosys globalization efforts the company has set up a global development centre in Toronto. It also established two proximity centers at Fremont, California and Boston, Massachusetts. Infosys continues to expand in Europe. In India the development centre are to be opened at Mohali, Mangalore, Mysore, Hyderabad, Pune, Chennai and Bhubaneswar. The companies top clients include Nordstrom, Nortel and Goldman Sachs. Capital One Services Inc., one of the largest issuers of credit cards, is a new addition to the company's clientele. The company has pioneered the Employee stock option plan (ESOP) in India. The company has grown spectacularly with soaring profit margins that stood at Rs.285 crore, up from 132 crore in 1998-99(courtesy Computers Today). Amongst its major products are the banking software popularly known as Finnacle, Banc2000 and Bank Away.

The company was also judged as the 5th best managed company in Asia. The company's Chairman Mr.N.R.Narayan Murthy was selected as one of the 50 most powerful people in Asia for the year 2000 in a poll

conducted by Asia week. The company provides 3 month training to the new recruits in Bangalore. There is also a service agreement for a year. The pay package is around Rs.17, 000(approx.) for the year 2000 recruits

#### **4.2.1 SWOT Analysis of Infosys Ltd.**

##### **a)Strength:-**

The company has bases in 44 global development centers most of which are located in India, although the company has offices in many developed and developing nations. This means INFOSYS becoming a global brand but also it has the capacity to support operations of multinationals clients. INFOSYS has a strong financial position. It has the capital to expand and also the basis to leverage potential.

##### **b)Weaknesses:**

INFOSYS on struggles in the US market and has the particular problem in securing United State Federal Govt. contract in North America since these contracts are highly profitable and tend to learn for a long period of time. INFOSYS is missing out on lucrative business added to this is the fact that its competitors do well in the term of securing the same federal business. Despite being a huge IT companies INFOSYS is much smaller than its global competitors. As a discussed above, Infosys generate \$4billion in 2008 which is comparatively very low to the other IT companies.

##### **c)Opportunity:**

There is a new and emerging market in China as the country undergoes a huge industrial revolution.

The strategic alliance between INFOSYS & SCHLUMBERGER gives the IT company access to lucrative business in the oil and gas industries

At the time of the recession in the global economy it may appear that some companies will reduce take up of services that INFOSYS offers. However in tough times, client tend to focus upon cost reduction and outsourcing, so hard times could be profitable for INFOSYS.

##### **d)Threats**

- Consumer may switch to other offshore service companies in other countries such as China or Korea.
- Other global have to compete for skilled labor and this may have the effect of driving up wage levels, and making it more difficult to recruit & retain a staff.
- India is not only the country that is going the rapid industrial expansion. Competitors may come from the other countries like such as China or Korea where there are a large pools low cost labor, and developing educational infrastructures such as Universities and technology colleges.

#### **4.2.2 Causes of Employee Turnover in Infosys**

Most environmental contributors to turnover can be directly traced to management practices. Turnover tends to be higher in environments where employees feel they are taken advantage of, where they feel undervalued or ignored, and where they feel helpless or unimportant. Clearly, if managers are impersonal, arbitrary, and demanding, there is greater risk of alienation and turnover.

Management policies can also affect the environment in basic ways such as whether employee benefits and incentives appear generous or stingy, or whether the company is responsive to employees' needs and wants. Management's handling of major corporate events such as mergers or layoffs is also an important influence on the work environment afterwards. Some turnover is demographically specific, particularly for women who are balancing significant work and family duties at the same time. Such women (or men) may choose to leave a company instead of sacrificing their other interests and responsibilities in order to make the job work out. Some women elect to quit their jobs at childbirth, rather than simply taking a maternity leave.

Women's perceptions of their career paths might also be tinted by their awareness of the glass ceiling, which may lower their level of commitment to any particular firm, since they believe they're not in contention for top-level jobs. These factors translate into higher turnover rates for women in many companies. Retirement of experienced employees can cause high rates of turnover and extreme loss in productivity

#### **4.2.3 Effect of Employees Turnover**

High turnover can be a serious obstacle to productivity, quality, and profitability at firms of all sizes. For the smallest of companies, a high turnover rate can mean that simply having enough staff to fulfill daily functions is a challenge, even beyond the issue of how well the work is done when staff is available. Turnover is no less a problem for major companies, which often spend millions of dollars a year on turnover-related costs. For service-oriented professions, such as management consulting or account management, high employee turnover can also lead to customer dissatisfaction and turnover, as clients feel little attachment to a revolving contact.

Customers are also likely to experience dips in the quality of service each time their representative changes. In general, reducing employee turnover saves money. Money saved from not having to find and train replacement workers can be used elsewhere, including the bottom line of the company's profit statement

Some research studies have found that turnover from transient workers has lasting effects on loyal employees who stay with a company. One study tested productivity among workers who were exposed to a management-planted person who quit in the middle of a task, citing dissatisfaction with the job and the company. A second group of employees worked with another planted person who had to leave the task because of illness. The group exposed to the employee who quit had lower productivity levels than the group exposed to the ill employee. The employees apparently took the complainer's statements to heart while the ill employee had nothing bad to say about the company.

Employee turnover is defined as employees who voluntarily leave their jobs and must then be replaced. Turnover is shown as an annual percentage, so if 25 people leave a company with 100 people, that is 25 percent turnover a year. Employees often leave companies for higher pay elsewhere,

but many other factors contribute as well, and the negative effects of employee turnover should motivate managers to increase retention.

#### 1) Hiring Process

A study published in "Entrepreneur" magazine in 2001 looked at the effects of hotel employee turnover and discovered the high price of recruiting, interviewing and hiring new workers, in addition to lost productivity (see Resources).

#### 2) Actual Cost

The U.S. Department of Labor estimates that it costs about 33 percent of a new employee's salary to replace the worker who left. This means major companies can spend millions of dollars a year on turnover costs.

#### 3) Lack of Staff

High turnover rates can create a lack of staff to complete essential daily functions of a company. This can result in overworked, frustrated employees and dissatisfied customers.

#### 4) Loss of Productivity

New employees take some time to get up to speed, particularly in complex jobs.

#### 5) Customer Dissatisfaction

For service-oriented careers such as account management and customer service, high turnover can lead to customer dissatisfaction. Newer representatives lack expertise and knowledge, and customers have.

### 4.2.4 Costs due to a Person Leaving

#### 1. Recruitment Costs

- 1) The cost of advertisements (from a \$200.00 classified to a \$5,000.00 or more display advertisement); agency costs at 20 - 30% of annual compensation; employee referral costs of \$500.00 - \$2,000.00 or more; internet posting costs of \$300.00 - \$500.00 per listing.
- 2) The cost of the internal recruiter's time to understand the position requirements, develop and implement a sourcing strategy, review candidates backgrounds, prepare for interviews, conduct interviews, prepare candidate assessments, conduct reference checks, make the employment offer and notify unsuccessful candidates. This can range from a minimum of 30 hours to over 100 hours per position.
- 3) Calculate the cost of a recruiter's assistant who will spend 20 or more hours in basic level review of resumes, developing candidate interview schedules and making any travel arrangements for out of town candidates.
- 4) The cost of the hiring department (immediate supervisor, next level manager, peers and other people on the selection list) time to review and explain position requirements, review candidates background, conduct interviews, discuss their assessments and select a finalist. Also include their time to do their own sourcing of candidates from networks, contacts and other referrals. This can take upwards of 100 hours of total time.
- 5) Calculate the administrative cost of handling, processing and responding to the average number of resumes considered for each opening at \$1.50 per resume.
- 6) Calculate the number of hours spend by the internal recruiter interviewing internal candidates along with the cost of those internal candidates to be away from their jobs while interviewing.

- 7) Calculate the cost of drug screens, educational and criminal background checks and other reference checks, especially if these tasks are outsourced. Don't forget to calculate the number of times these are done per open position as some companies conduct this process for the final 2 or 3 candidates.
- 8) Calculate the cost of the various candidate pre-employment tests to help assess candidates' skills, abilities, aptitude, attitude, values and behaviors.

#### 2. Training Costs

- 1) Calculate the cost of orientation in terms of the new person's salary and the cost of the person who conducts the orientation. Also include the cost of orientation materials.
- 2) Calculate the cost of departmental training as the actual development and delivery cost plus the cost of the salary of the new employee. Note that the cost will be significantly higher for some positions such as sales representatives and call center agents who require 4 - 6 weeks or more of classroom training.
- 3) Calculate the cost of the person who conduct the training.
- 4) Calculate the cost of various training materials needed including company or product manuals, computer or other technology equipment used in the delivery of training.
- 5) Calculate the cost of supervisory time spent in assigning, explaining and reviewing work assignments and output. This represents lost productivity of the supervisor. Consider the amount of time spent at 7 hours per week for at least 8 weeks.

#### 3. Lost Productivity Costs

As the new employee is learning the new job, the company policies and practices, etc. they are not fully productive. Use the following guidelines to calculate the cost of this lost productivity:

- 1) Upon completion of whatever training is provided, the employee is contributing at a 25% productivity level for the first 2 - 4 weeks. The cost therefore is 75% of the new employees' full salary during that time period.
- 2) During weeks 5 - 12, the employee is contributing at a 50% productivity level. The cost is therefore 50% of full salary during that time period.
- 3) During weeks 13 - 20, the employee is contributing at a 75% productivity level. The cost is therefore 25% of full salary during that time period.
- 4) Calculate the cost of coworkers and supervisory lost productivity due to their time spent on bringing the new employee "up to speed."
- 5) Calculate the cost of mistakes the new employee makes during this elongated indoctrination period.
- 6) Calculate the cost of lost department productivity caused by a departing member of management who is no longer available to guide and direct the remaining staff.
- 7) Calculate the impact cost on the completion or delivery of a critical project where the departing employee is a key participant.
- 8) Calculate the cost of reduced productivity of a manager or director who loses a key staff member, such as an assistant, who handled a great deal of routine, administrative tasks that the manager will now have to handle.

#### 4. New Hire Costs

- 1) Calculate the cost of bring the new person on board including the cost to put the person on the payroll, establish computer and security passwords and identification cards, business cards, internal and external publicity announcements, telephone hookups, cost of establishing email accounts, costs of establishing credit card accounts, or leasing other equipment such as cell phones, automobiles, pagers.
- 2) Calculate the cost of a manager's time spent developing trust and building confidence in the new employee's work.

#### 5. Lost Sales Costs

- 1) For sales staff, divide the budgeted revenue per sales territory into weekly amounts and multiply that amount for each week the territory is vacant, including training time. Also use the lost productivity calculations above to calculate the lost sales until the sales representative is fully productive. Can also be used for telemarketing and inside sales representatives.
- 2) For non-sales staff, calculate the revenue per employee by dividing total company revenue by the average number of employees in a given year. Whether an employee contributes directly or indirectly to the generation of revenue, their purpose is to provide some defined set of responsibilities that are necessary to the generation of revenue. Calculate the lost revenue by multiplying the number of weeks the position is vacant by the average weekly revenue per employee.

#### Comparative Study of Both the Companies

Through the comparative study of both the companies I have found that companies have facing the problem of employees turnover because of the pay is too low, lack of benefits ,tasks are too repetitive circumstances listed above such as family, school, or moving, poor management ,lack of advancement, burnout, less recognition, less or no appreciation for work done, less growth opportunities, Poor training, Poor supervision, Less work and life balance practices which are almost the same in both companies.

#### 4.3 Luxury Goods Industry

##### 4.3.1 Titan Company Ltd

**Titan Company Ltd.** (formerly **Titan Industries Ltd.** and **Titan Watches Ltd.**) Indian designer and manufacturer of watches, jewellery, precision engineering components and other accessories including sunglasses, wallets, bags, belts, fragrances and helmets. It is a joint venture between the Tata Group, and the Tamil Nadu Industrial Development Corporation. Titan is the world's fifth largest wrist watch manufacturer and exports watches to nearly 32 countries around the world. Some of the well known brands of Titan include Fast rack, Sonata, Raga, Edge, Octane, Xylus, Nebula, Zoop, Titan Eye+, Tanishq , Gold plus, Zoya and Skinn.

##### 4.3.2 History

Titan was established in the year 1984, becoming the third Indian watch manufacturer after HMT and Allwyn. Titan formed a joint venture with Timex Group, which lasted until

1998, to set up a distribution network across India. Titan is the 5th largest Watch Manufacturer Company in World.

##### 4.3.3 Causes of Absenteeism

- 1) **Maladjustment with the working conditions:** If the working conditions of the company are poor, the workers cannot adjust themselves with the company's working conditions. Then they prefer to stay away from the company.
- 2) **Social and religious ceremonies:** Social and religious functions divert the worker's attention from the work.
- 3) **Unhealthy working conditions:** The poor and intolerable working conditions in the factories irritate the workers. Excess heat, noise, either too much or too low lighting, poor ventilation, dust, smoke etc., cause poor health of the workers. These factors cause the workers to be absent.
- 4) **Poor welfare facilities:** The poor welfare facilities include poor sanitation, washing, bathing, first – aid appliances, ambulance, rest rooms. Drinking, water, canteen, shelter etc. The dissatisfied workers with these facilities prefer to be away from the work place.

##### 4.3.4 Measures Of Minimize Absenteeism

Absenteeism affects the organization from multiple angles. It would be difficult to completely avoid absenteeism but management can minimize the absenteeism level with the following measures;

- Providing welfare measures and fringe benefits, balancing the need for the employee and the ability of the organization.
- Providing high wages and allowances based on the organizational financial position
- Improving the communication network, particularly, the upward communication.
- Providing safety and health measures.
- Granting leave and financial assistance liberally in case of sickness of employee and his family members.

##### 4.3.5 Suggestions

- 1) The management must intervene in the day to day activities of the employees. They should provide full fledged support, guidance and encouragement.
- 2) Convey the leave facilities to all the employees at the time of joining the company
- 3) . 3. Conduct regular training sessions for employees to understand the problems faced by the employees in the work.
- 4) Conduct regular medical examinations for employees so that it improves work environment and reduce absentism.
- 5) Regular performance appraisal will keep incheck the absentism of employees.

##### 4.3.6 Conclusion

Titan is world's fifth largest manufacturing plant for watches. It is being one of the reputed manufacture company in India is also a victim of absenteeism. There are several reasons for employees absenteeism in this particular organisation such as Domestic problems, Lack of co-ordination among the colleagues, and others. However, the absenteeism can be controlled and minimized by implementing good working condition, etc. Hence, it can be concluded that people are the assets in any organization and

absenteeism is the practice or habit of being absent therefore the organization has to overcome such habitual stays.

#### 4.4 Pharmaceuticals Industry

##### 4.4.1 Agron Remedies

Agron Remedies is a well established ISO 9001:2000 Certified Company of Pharmaceutical Formulation since 1985, having a state of the art manufacturing plant.

At present they are manufacturing uncoated Tablets, Sugar and Film coated Tablets, Capsules, Betalactum Capsules, Dry Syrup and Liquid orals.

Their product range comprises Antibiotics, Analgesics, Tonics, Antidiarrhoeals, Antihypertensives, Tranquilizers, Antituberculosis Drugs, Steroids, Antiallergics, Hematinics, Antimalarials, Antiulcers, Anticough and Antiasthmatics, Antacids and several other drugs.

The plant is situated at KASHIPUR which is an industrial town of Uttaranchal. Several very popular manufacturing companies like Surya Roshani Ltd., India Glycol Ltd., SRF Ltd., and PashupatiAcrylon Ltd. And many other are based at Kashipur. Our plant is situated in lush green and very healthy environment of Uttaranchal, away from any kind of pollution.

AGRON belong to a very highly reputed group of KASHIPUR who always believe in high ideals and ethics. Our main emphasis is on quality and our motto is "Quality is our business" for which we never compromise.

We always believe in long term relationship and we are sure that once our business contacts are established with you the same will continue for a very long time Our unit is exempted from Central Excise Duty and applicable C.S.T is 1% instead of 4%.

##### 4.4.2 Research and Development

Agron Remedies Private Limited has reinforced its focus on R&D and has substantially scaled up on its investments to build its capabilities in all the areas of generic research as a short to medium term strategy. Generic drug development encompasses both small and large molecules.

Agron Remedies Private Limited strongly believes that there are attractive opportunities in the highly competitive global generic space, not only in vanilla generics but also in value added and difficult to develop complex generics. The business focus is backed with the building up of captive manufacturing operations and of complying with the regulatory standards of the advanced markets. Focus on the generics business strategy will provide the company with a sustainable model to move up the value chain.

Agron Remedies Private Limited generic drug development meets the speed and quality attributes, as all the elements of research have been conducted within the campus. Backward integration through in-house API development and front-end efficient marketing/distribution of products would provide the desired impetus to the generics program from lab scale development to commercialization.

Agron Remedies Private Limited has committed a substantial amount of its resources to the development of Novel Drug Delivery Systems and this shall be the key element in providing momentum to consolidate its objective of value addition.

Agron Remedies Private Limited has an aspiration to make pioneer within the area of drug discovery, sometime in the recent future, and is looking into various models and therapeutic segments to carve out a meaningful space in the arena of medical needs that are not fulfilled. Agron Remedies has in-licensed a number of novel products for the domestic market, form overseas collaborators, and continue to do so to provide the most advanced therapy avenues to the Indian patients.

Agron Remedies Private Limited is progressing with leaps and bounds in the Nutraceutical segment of healthcare and wellness. Nutraceutical R&D efforts are mainly directed towards providing low fat and low calorie nutritional products for the better management of health. Commendable success has been achieved in this area of research and development. Agron Remedies is building its future upon appropriate and timely protection of its R&D efforts. A number of patent applications are emerging from the in-house innovations which have gone on to be filed.

Agron Remedies Private Limited has state of the art manufacturing facility located Kashipur (Moradabad) to carry out most advance research. Agron Remedies - R&D has inherent strength in analytical chemistry and specialization in creating high quality formulations as per the required specifications.

##### Departments

- 1) Distribution Department
- 2) Finance Department
- 3) H.R Department
- 4) Sales and Administration department along with Marketing & Sales

##### 4.4.3 Recruitment and Incentive Policy

Recruitment in the company is done by department heads of respective department and final recruitment done by Honourable director MohitAggarwal. In sales, incentive based on performance- with overall achievement of target, volume wise and unit wise.

##### 4.4.4 Cause of Absenteeism Maladjustment with Factory

In factory the worker finds caught within factory walls, he is bewildered by heavy traffic, by strangers speaking different and subjected to strict discipline and is ordered by complete strangers to do things which he cannot understand. As a result he is under constant strain, which cause him serious distress and impairs his efficiency. All these factors tend to persuade him to maintain his contacts with village.

##### Social and Religious Ceremonies

Social and religious ceremonies divert workers from workers to social activities. In large number of cases incidence of absenteeism due to religious ceremonies is more than due to any other reason.

### **Housing Conditions**

Workers also experience housing difficulties. Around 95% of housing occupied by industrial workers in India is unsatisfactory for healthful habitations. This leads to loss the interest in work.

### **Industrial Fatigue**

Low wages compel a worker to seek some part time job to earn some side income. This often result inconstant fatigue, which compels to remain absent for next day.

### **Unhealthy Working Condition**

Irritating and intolerable working conditions exist in a factory. Heat, moisture, noise, vibration, bad lighting, dust fumes and overcrowding all these affect the workers health causing him to remain absent from work a long time.

### **Absence Of Adequate Welfare Activities**

High rate absenteeism is also due to lack of adequate welfare facilities Welfare activities include clean drinking water, canteen, room shelter, rest rooms, washing and bathing facilities, first aid appliances etc.

### **Alcoholism**

Some of the habitual drunkards spend whole of the ir salary during first week of each month for drinking purpose. Therefore 2 or 3 weeks after getting their salary absent themselves from their work.

### **Indebtedness**

All those workers who undergo financial hardships usually borrow money lenders at interest rate which are very high, which often cumulates to more than 11 – 12 times their actual salaries. To avoid the moneylenders they usually absent themselves from work because they are unable to return the money in stipulated time.

### **Improper & Unrealistic Personnel Policies**

Due to favouritism and nepotism which are in the industry the workers generally become frustrated. This also results in low efficiency, low productivity, unfavourable relationship between employee and supervisor, which in turn leads to long period of absenteeism.

### **Inadequate Leave Facilities**

Negligence on part of the employee to provide leave facility compel the worker to fall back on ESI leave. They are entitled to 50 days leave on half on pay. Instead of going without pay the worker avail them of ESI facility.

#### **4.4.5 Analysis of Causes**

##### **1) Family Oriented & Responsibilities**

It was observed that about 40% case absenteeism is family oriented and more responsibilities of workers. It increases in harvesting season.

##### **2) Social Ceremonies**

In 20 % cases it was found that social and religious functions divert worker from work.

##### **3) Housing Facility**

In about 30% cases, the workers remain absent because there is no housing facilities and the workers stay alone and great distance from factory.

##### **4) Sickness And Accident**

In 20% case the workers remain absent due to ill health and disease and in 15% cases workers remain absent due to accident.

##### **5) Transportation**

Most of the workers have to travel long distance to reach the work place . Most of the workers are not satisfied with transport facilities.

##### **6) Welfare Facilities**

In 13% cases, the workers are not satisfied with welfare facilities.

##### **7) Working Conditions**

In 21% cases, the workers feel that there is not good working condition, because they work in standing position which causes to remain absence for relaxation.

##### **8) Management System**

Near about 34% people are dissatisfied with management system because they feel that their work is not being recognised and promotions are biased.

#### **4.4.6 Findings**

- 1) Almost 56% of the workers at AGRON REMEDIES Pvt. Ltd. are working for more than 10 years whereas 36% are working for more than 5 yrs.
- 2) Almost 96% of the workers do not remain absent.
- 3) According to 96% workers, personal problem is the reason for being absent. 4% think that stress can also be the reason.
- 4) Almost 76% workers rate the present absenteeism policy as good whereas 22% rate it as excellent.
- 5) Almost 94% of the workers at AGRON REMEDIES Pvt. Ltd. are clear regarding their work responsibilities.
- 6) 82% of the workers are fully satisfied with their work whereas 16% workers think their work as good.
- 7) 76 % workers have good relations with the superiors whereas 22% have excellent relations with the superiors.
- 8) 42% workers think that their superior's behaviour towards their problems is excellent & 56% workers consider it as good.

#### **4.4.7 Suggestions and Recommendations**

Absenteeism is a serious problem for management because it involves heavy additional expenses. The management should take the following measures to reduce the rate of absenteeism:-

- 1) **Provide Incentives-** An incentive provides an employee with a boost to their motivation and avoid unnecessary absenteeism. Incentives like two hours of bonus pay for every month of perfect attendance can improve a lot.
- 2) **Employee Assistance Program-** 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.
- 3) **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.
- 4) **Return to Work Interview-** When an employee returns to work then ensure that they have a „return to work interview“.
- 5) **Bradford factor** can also be used to identify and cure excessive absenteeism.

In the end to conclude this report I would like to specify that the project allotted to me on ABSENTEEISM was of immense help to me in understanding the working environment of an organization, thereby providing a firsthand practical experience.

In this project while identifying the reasons of absenteeism of the workers of AGRON REMEDIES Pvt. Ltd., Kashipur (Moradabad) I got an opportunity to interact with workers to observe their behaviour and attitude.

In the end I would once again like to thank the people of AGRON REMEDIES Pvt. Ltd. who helped me in accomplishing this project and boosting my morale by appreciating and recognizing my efforts.

#### 4.4.8 Limitation of the Study

There are some limitations for research which are as follows:-

- a) As it was not possible to visit each department the true picture of working condition could not be judged.
- b) The workers were busy with their work therefore they could not give enough time for the interview.
- c) The personal biases of the respondents might have entered into their response.
- d) Some of the respondents give no answer to the questions which may affect the analysis.
- e) Respondents were reluctant to disclose complete and correct information because of a small period of time only small sample had to be considered which doesn't actually reflect and accurate and intact picture.

### 4.5 Textile Industry

#### 4.5.1 Bombay Dyeing

**Bombay Dyeing** (full name: **The Bombay Dyeing & Mfg. Co. Ltd.**, established 1879) is the flagship company of the Wadia Group, engaged mainly into the business of Textiles. Bombay Dyeing is one of India's largest producers of textiles.

Its current chairman is Nusli Wadia. In March 2011, Jahangir 'Jeh' Wadia (36), the younger son of Nusli, has been named the managing director of Wadia Group's flagship, Bombay Dyeing & Manufacturing Company, while the elder son, Ness (38) has resigned from the post of joint MD of the company. Ratan Tata, the ex-chairman of Tata group was on the board of directors till 2013. He resigned and Cyrus Mystery took over.

Bombay Dyeing was often in the news, apart from other things, for various controversies surrounding its tussle with the late Dhirubhai Ambani of Reliance Industries Limited and with Calcutta based jute baron late Arun Bajoria. The company was ranked 68 in the Business India Super 100 list in 1997 and was ranked 300 in the ET 500 list in 2010.

#### 4.5.2 Causes of Absenteeism in

##### Bombay Dyeing

People miss work for a variety of reasons, many of which are legitimate and others less so. Some of the common causes of absenteeism include (but are not limited to):

- **Bullying and harassment** – Employees who are bullied or harassed by coworkers and/or bosses are more likely to call in sick to avoid the situation
- **Burnout, stress and low morale** – Heavy workloads, stressful meetings/presentations and feelings of being unappreciated can cause employees to avoid going into work. Personal stress (outside of work) can lead to absenteeism.
- **Childcare and eldercare** – Employees may be forced to miss work in order to stay home and take care of a child/elder when normal arrangements have fallen through (for example, a sick caregiver or a snow day at school) or if a child/elder is sick.
- **Depression** – According to the National Institute of Mental Health, the leading cause of absenteeism in the United States is depression. Depression can lead to substance abuse if people turn to drugs or alcohol to self-medicate their pain or anxiety.
- **Disengagement** – Employees who are not committed to their jobs, coworkers and/or the company are more likely to miss work simply because they have no motivation to go.
- **Illness** – Injuries, illness and medical appointments are the most commonly reported reasons for missing work (though not always the actual reason). Not surprisingly, each year during the cold and flu season, there is a dramatic spike in absenteeism rates for both full-time and part-time employees.
- **Injuries** – Accidents can occur on the job or outside of work, resulting in absences. In addition to acute injuries, chronic injuries such as back and neck problems are a common cause of absenteeism.
- **Job hunting** – Employees may call in sick to attend a job interview, visit with a headhunter or work on their resumes/CVs.
- **Partial shifts** – Arriving late, leaving early and taking longer breaks than allowed are considered forms of absenteeism and can affect productivity and workplace morale.

### 4.6 Cement Industry

#### 4.6.1 India Cements Limited

**India Cements Limited** is a cement manufacturing company in India. It was established in 1946 and the first plant was set up at Thalaiyuthu in Tamil Nadu in 1949. It has about seven cement manufacturing plants spread over Southern India catering to major markets in South India and Maharashtra. The capacities of its plants are over 9 million tons per annum. India Cements was founded by S. N. N. Sankaralinga Iyer. The media has wrongly attributed Shri T. S. Narayanaswami as a founder/co-founder of India Cements - this document proves otherwise. File:1st Board Meeting - India Cements Ltd. Framed 1st Board Meeting - India Cements Ltd.

**Shankar Cement, Coramandel Cement and Raasi Gold** are the brands used by ICL to market their produce. The company is headed by N. Srinivasan, Vice chairman and managing director. The day-to-day affairs of the company are managed by Executive president Mr. T.S.Raghupathy and other key personnel in each functional area. On Feb 02

2013, MS Dhoni was appointed as the Vice President of the India Cements. Dhoni resigned from Air India and took over as the vice president of the India Cements. Shantanubilse is the partner and pursuing his masters in USA. India Cements Ltd. also owns Indian Premier League's Chennai franchise, Chennai Super Kings. The entire idea here was brand promotion, and of course to give the company a corporate image of its own. India Cements has also tied up with leading apparel brands and team sponsors to help in huge brand promotion at minimal cost. Srinivasan is also involved in BCCI and AICF, the Indian administrative bodies for Cricket and Chess.

India Cements is alleged to have made controversial investments in Jagati Publications and Bharati Cements, both of which are owned by Y. S. Jaganmohan Reddy. Coromandel InfoTech India Ltd is an IT initiative of INDIA CEMENTS. India Cement is the 3rd largest cement company in India

#### 4.6.2 Vision

To create value on a sustained basis for all stakeholders of India cements through lofty standards of transparency, accountability and responsibility, innovation and leadership in cement manufacture.

#### 4.6.3 Mission

India cements will strive to remain a leader in the manufacture of cement and establish itself as a preferred supplier of products and services to its clients and enhance the brand value for all stakeholders. As the organization grows, as a responsible corporate citizen, India cements shall be sensitive to the welfare and development needs of the society around it.

#### 4.6.4 Brands

- Shankar super power
- Coromandel king
- Raasi gold

#### 4.6.5 Findings

- From the table it is inferred that 37% are above 30 years.
- From the table it is inferred that 72% of the employees are male members .
- From the table it is inferred that 43% have above 2 years
- It is inferred that 44% state poor working conditions
- From the table it is inferred that 48% of employees state 1 day.
- It is inferred that 78% of employees say yes.
- It is inferred that 83% of employees state that they can balance.
- It is inferred that 26% state delayed performance.
- It is inferred that 38% of employees are neutral.
- It is inferred that 32% of employees are satisfied.
- It is inferred that 27% state personal problem.
- It is inferred that 52% of say yes.
- It is inferred that 79% say no.
- It is inferred that 53% of employees state sickness.
- It is inferred that 32% state poor.
- It is inferred that 57% of employees say yes.
- It is inferred that 37% of employees are forced to work.
- It is inferred that 57% state no.

- It is inferred that 62% of employees say increase.
- It is inferred that 31% of employees are strongly agree.
- It is inferred that 42% of employees are strongly agree.,
- It is inferred that, 37% state job enrichment.
- It is inferred that 39% state recognition of work.

#### 4.6.6 Suggestions

- The company may take measures to improve the working conditions.
- The company may provide leave for employees whenever needed.
- The company may adopt strategies to increase work satisfaction of the employees.
- The company may take measures to improve workers relationship with superiors.
- The company may adopt strategies to improve understanding between coworkers
- The company provide sick leave whenever necessary.
- The company may adopt strategies to motivate employees.
- The company may adopt strategies for better job rotation and job enrichment.
- The company may adopt strategies to create awareness to workers regarding absenteeism.
- The company may adopt strategies to reduce work pressure.

## 5. Findings, Suggestion and Conclusion

### 5.1 Findings

During the project I found that the company should adopt these strategies to come up the problem of employees' turnover:-

**Benefits-** Offering employees an affordable medical, dental, and vision package in this day and age is a great way to keep employees happy. Healthy employees are happy employees, and being able to provide affordable health care for their spouses and families as well is something every company should offer.

An added bonus could be vacation time, sick leave. On-site child care would be extremely helpful for parents who have to work long or late hours—especially single parents.

**Higher pay-** Giving employees regular raises and paying well over minimum wage would be an incentive for them to stay.

**A set schedule-** In food service and retail, and most service industries as well as health care, employees are forced to work six or more—even up to ten days in a row without a day off. Days off may even be split up, so the employees never really get a chance to rest. Giving them the opportunity to choose which days off they want, or at least giving them two in a row and not working them more than five, would be extremely beneficial in employee retention.

**Job variation.-** Employees get burned out on performing the same job every hour of every day, day in and day out for years, even months. Cross-training should be done, especially in food service and retail, in order to avoid burnout.

A **positive attitude** from superiors.- Managers and supervisors should always have a positive attitude toward their employees and never insult, criticize, or berate them.

**Proper training for management-** Managers should be trained thoroughly and consistently. The policies from location to location should be the same, and every manager and supervisor in the company should be trained the same way and be in agreement and consistent with company policies. Managers should be trained to treat their employees with respect, because without those employees, the business could not operate.

## 5.2 Suggestion

- Emphasis should be given on the rehabilitation of chronic absentees and their follow up by the supervisors
- Once in 3yrs to 5yrs salary has to be increased for all the employees to reduce absenteeism
- Positive Employer and employee relationship have to be improved to reduce absenteeism
- Taking authorized leave from the superiors has to be made compulsory.
- The company has to provide safe and healthy environment and recreation facilities to the employees to reduce boredom of work and to motivate the employees' interest towards their work.

## 5.3 Conclusion

Absenteeism is an unavoidable menace which most of the organizations have to bear with and it has to be managed. One cannot prepare a fool proof successful formula to eradicate this problem once and for all. Absenteeism ranging between five to ten percent is a common phenomenon in most of the industries. In fact employees remain absent for their work because of various factors, after all they are also human beings. The causation of the feelings of monotony towards work is a big challenge and the managements should take appropriate measures like sending employees on holidays, tours etc.

The practice of job rotation and multi tasking strategies also work in the minimization of the feeling of inertia or monotony. Here, in this study the employees' wages are also not attractive. Managements should pay their workmen handsomely. So that it can motivate them to certain levels. Even though, money is not the sole factor to influence the work behavior of employees it can certainly boost their morale towards work to some extent.

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