

# **FINAL REPORT ON ABSENTEEISM IN BARBADOS**

**Prepared for:**

**BARBADOS NATIONAL PRODUCTIVITY COUNCIL**

**and**

**NATIONAL INITIATIVE FOR SERVICE EXCELLENCE**

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**March 6, 2008**

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## **EXECUTIVE SUMMARY**

This project was undertaken by a research team from the Department of Management Studies (DOMS), the University of the West Indies, Cave Hill Campus, under the auspices of the National Initiative on Service Excellence (NISE) and the National Productivity Council (NPC). The context of the research was a belief that improvements in the workplace can be developed to enhance employees' work experience, and that such improvements and enhancements can result in lower levels of absenteeism. In other words, if employees are happy with their work place, they are less likely to be absent.

Our report details an exciting research study that looked at levels of absenteeism and its potential costs in several sectors (finance, manufacturing, utilities/services, retail, hospitality, media, and construction) in Barbados. More importantly, this study also looked at potential causes of absenteeism, and findings suggest important relationships that can be used to decrease absenteeism and increase productivity. The report covers the design, implementation and results of the study that provides benchmark data on levels, costs and causes of absenteeism.

The research included twenty four (24) companies, who provided absenteeism data for three months, and access to their employees, who completed comprehensive surveys. A total of seven hundred and seventy three employees (773) completed useable surveys, answered approximately three hundred and fifty (350) items, and provided data on job characteristics and other data believed to be related to absenteeism. Two data bases were created – one for absenteeism data, showing levels and costs of absenteeism by company and sector, and one for survey data, showing employee opinions regarding various aspects of their jobs and organisations. Analysing these data bases together provided information on the levels and underlying causes of absenteeism in Barbados. The large survey response numbers mean that the results related to predictors of absenteeism can be generalised to the entire Barbados working population, with only a 3.5% margin of error. The data on levels of absenteeism have to be treated with more caution, as absenteeism rates may vary substantially from company to company.

In the companies included in the study, absenteeism levels ranged from 2% to 5.1%, and averaged 3.6%. This rose to an average of 4.2% if the lowest-reporting sector was taken out. For various reasons, we believe this is a conservative figure. First, the exemplar nature of the companies participating in the study suggests that they would likely have relatively low absenteeism rates compared to the broader employer population. These lower rates would arise from their predisposition to be concerned about the impact of absenteeism, and thus they may have had better than average policies/workplace environments already in place. Further, participating employees may have been absent less than usual during the period of the study, because they were aware of the focus of the study, and did not want to be absent while absenteeism was being studied. Finally, the data may have been slightly skewed by the timing of the data collection (July-September), which included school holidays. These factors combine to cause us to expect that the real absenteeism levels for all of Barbados are likely higher.

The absenteeism levels identified in this study are not as high as some earlier reports; however, they represent a significant cost to the companies, and to the Barbados economy. For the twenty four companies in the study, the actual direct wage cost due to absenteeism, for the three months, was \$945,210.89, or about \$4 million annually. The real costs are likely to be substantially higher, because of productivity and goodwill losses in addition to the direct wage costs. These companies represent approximately 3% of the employed population; thus the cost of absenteeism to Barbados is clearly substantial.

We found the most important predictors of *uncertified absenteeism* were:

- perceptions of lack of procedural justice, low levels of commitment, low levels of job satisfaction (organisational issues), and
- bad weather, and personal errands (structural issues).

We found the most important predictors of *certified absenteeism* were:

- physical health, and
- work-family/family-work conflicts.

Identifying the causes of absenteeism allows managers and employees, and the research partnership to consider interventions to address the causes. Employers can use this information to focus efforts on those aspects of the workplace that are clearly related to absenteeism. Combining this with a clear understanding of the levels and costs of absenteeism allows managers, employers, and the research partnership to assess the cost/benefit trade offs of various interventions.

On the predictors of absenteeism, the survey data suggest that employees consider their organisations to be moderately just or fair (4.0 to 4.4 out of 7), and employees are moderately satisfied (3.44 out of 5), and moderately committed (4.04 out of 7). This suggests that current management practices in these companies are relatively good. These scores may be reflected in the relatively low levels of absenteeism in the companies included in this study. Nevertheless, these scores indicate that there is substantial room for improvement, and companies can address absenteeism through interventions to move these scores in a positive direction; that is, if employees see their organisations as high on justice, if they are very satisfied, and very committed, the results indicate that absenteeism rates will fall.

Further, while most employees report moderate levels of satisfaction, a percentage of respondents have low scores; i.e, some employees believe their organization is unjust, and they are dissatisfied and uncommitted. These are the employees who are more likely to be absent. If employers were to focus on identifying the basis for these opinions and to explore changes to the work environment, the study suggests that these changes could result in lower levels of absenteeism.

As well as addressing organisational issues, the data also indicate that bad weather and personal errands affect uncertified absenteeism levels, and that health and work/family and family/work conflicts affect certified levels. These issues also have to be considered to fully address absenteeism. There may be transportation options available for bad weather, and the specific nature of the personal errands may suggest solutions. Some

physical health issues can be addressed through education and better nutrition and wellness practices, and the precise work/family, family/work conflicts can be identified and factored in to human resource policies and procedures.

It is also worth noting that some of the factors considered as potential predictors of absenteeism in the employee survey, did not show up as such (i.e., they did not directly and significantly relate to absenteeism levels), yet they still give us very useful information. For instance, factors such as “relationships” were rated as a source of stress, and while not a cause of absenteeism, this information could be used to design *interventions* for lowering absenteeism. The scores on this and other factors suggest that training and development incorporating improved communication, conflict resolution, and interpersonal team relationship building should be particularly effective at improving the workplace climate and facilitating employee motivation to come to work.

Overall, the results suggest that absenteeism levels, for this group of companies, are not as high as some previous reports. These estimates, as noted, are likely to be conservative, and actual levels for the entire labour force may be higher than those reported here. Even using the conservative numbers, it is clear that the costs associated with absenteeism are high, and that lowering the levels of absenteeism would benefit all stakeholders. The current results provide evidence of the most important predictors of absenteeism, and suggest the issues that need to be addressed to lower absenteeism levels. The full report explores ways in which these issues might be addressed.

## **BACKGROUND OF THE RESEARCH PROJECT**

This research was undertaken in the context of the general belief that improvements in the workplace can be developed to enhance employees' work experience, and that such improvements and enhancements can result in lower levels of absenteeism. In other words, if employees are happy with their work place they are less likely to be absent. A team of three researchers from DOMS worked closely with NISE and NPC to develop the research parameters that would accomplish these goals. The research for this project has been ongoing for approximately six months, and this report summarises the research project and the findings to date.

The project is a collaboration between DOMS and NISE/NPC. It is based on the concern that has been raised recently by stakeholders in the public, private and trade union sectors regarding absenteeism<sup>\*</sup>, and its deleterious effect on organizational and national productivity. For example, at a recent meeting, Chief Programme Manager Anthony Sobers of the NPC, in speaking about a 2005 IDB-funded study on absenteeism and turnover, noted that “employers needed to determine the root causes of the problems and address them because these factors adversely affected productivity levels, company spending and profitability...” and he added that “It [the IDB/NPC report’s average figure of 9.5% absenteeism in hospitality] is a worrying figure because we are dealing with a service industry that depends on people [be present to deliver the service].”<sup>†‡</sup>

NISE/NPC’s mandates include improving productivity and the environment within which service excellence is to be achieved in Barbados. Given their joint mandates NISE and NPC want to develop initiatives and policies that address the causes of absenteeism and

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\* Absenteeism occurs when an employee of a company does not come to work due to scheduled time off, certified illness, uncertified illness, injury, or any other reason.

† The DAILY NATION, Tuesday, December 11, 2007, p.4

‡ Barbadian officials are not the only ones who feel that employee absenteeism has a major negative impact on productivity and the economy of nations. For example: “Studies from government sources such as the U.S. Bureau of the Census and U.S. Bureau of Labor Statistics put the direct losses at more than \$40 billion a year; the Social Security Administration determined that, in one year, workers missed more than half a billion days. Various private studies and polls studying particular elements of absenteeism sometimes put the figure much higher.”

to establish a benchmark against which individual companies can assess their own performance, and against which overall progress on absenteeism can be evaluated.

### **Objectives of the Study**

Based on extensive surveys administered and collected from a very large sample of employees, and on data supplied by many of the employers participating in the project, the study will (1) measure actual absenteeism levels for the participating Barbadian companies over the 3 month period included in the study, (2) yield insight into workplace satisfaction and other work and non-work factors associated with absenteeism in Barbados, and (3) advance what is known about the causes of absenteeism in Barbados. In the following, we identify the specific objectives of the study and indicate where these are discussed in the report.

Specifically, the study will:

1. Provide an information base on levels of absenteeism in Barbados, by company, by sector and nationally (see section on *Analysis of Absenteeism and Costs* and Table 1).
2. Provide an analysis of absenteeism by demographic characteristics of participants; for example, gender, age, tenure, employment status (see sections on *Employees Participating in the Survey* and *Correlation Results Between Variables and Uncertified and Certified Absence* and Table 3).
3. Provide an estimate of the cost of absenteeism in Barbados (see section on *Analysis of Absenteeism and Costs* and Table 1).
4. Provide an analysis of absenteeism by organizational characteristics of participating companies; for example, company size and industry (see section on *Analysis of Absenteeism and Costs* and Table 1).
5. Provide an information base on levels of job satisfaction, organizational commitment, stress, and institutional and structural factors potentially related to absenteeism (see Table 2 and discussion).
6. Ascertain the reasons for employee absenteeism in Barbados (see section on *Understanding Employee Responses* and Table 2).

7. Identify the predictors of absenteeism - organizational, cultural, structural (see sections on *Understanding Employee Responses* and *Correlation Results Between Variables and Uncertified and Certified Absence*, and Table 3).

The Section on *Summarising the Results* pulls together all of the results discussed in more detail in earlier sections. In the conclusion we briefly summarise the main results for each of the above objectives.

## **DESCRIPTION OF THE RESEARCH PROJECT**

The project began with a meeting for a group of top executives recruited from the public and private sectors with the help of NISE and NPC. The Research Team made a presentation on the nature of the project, and the benefits associated with participation. Following the presentation, there was significant discussion, and the executives made suggestions for facilitating the project logistics and incorporating additional items into the collection of absenteeism data and employee survey responses. Organizations were then asked to sign up for the project, and agree to provide absenteeism data and to assist the researchers with gaining access to approximately 20% of their employees and managers who would provide data on factors believed to contribute to absenteeism. The survey data combined with the absenteeism data would provide the basis for analysis to determine the root causes of absenteeism.

The response from companies was overwhelmingly positive. In fact, it was so positive that the Research Team had to limit the number of companies accepted into the project, in order to be able to complete the work in the scheduled time. What follows is a description of how the project was designed and how the data collection process was managed.

### **Unique Aspects of the Research Design**

The current study was designed to address a limitation of many studies that consider only levels of absenteeism, and use these levels to speculate on the causes of absenteeism. This study focused specifically on potential predictors by measuring a variety of

personal, job and organisational characteristics, and relating these to measured levels of absenteeism. This allowed the research team to link individual levels of absenteeism to various characteristics, believed to be related to absenteeism, to determine which were most important. This is a critical and important aspect of the study, because it allows employers to focus efforts on those aspects of the workplace that are clearly related to absenteeism, as opposed to implementing interventions that may not work.

A second unique aspect of the UWI Research Team's approach was the design for the collection and analysis of data that relied on developing two distinct databases for different but related sets of data. The researchers collected hard data from employers on actual levels of absenteeism incurred over a 3 month period (database #1—DB1), and survey data from employees on factors potentially related to absences (database #2—DB2). Actual absenteeism was linked to employee opinions through a complex numbering system that allowed each employee's identity to remain confidential, while enabling the researchers to match the data, employee by employee, across the two databases.

### **Design and Collection of Employers' Data on Absenteeism Levels (DB1)**

In preparation for collecting actual data on absenteeism levels, the researchers designed and provided a relatively simple electronic spreadsheet for employers to use. The researchers also trained designated executives and/or human resources personnel in how to use it. Employers were asked to provide the following for all employees: certified/uncertified absences by date, gender, age, tenure, full-time/part-time status, and other demographic information, so that the Research Team could compare the profile of survey respondents to the entire employee population in these organizations.

At a minimum, organizations were expected to provide absenteeism data for July, August, and September, 2007; however, many agreed to continue providing this data for a further three months or longer, to allow for longitudinal evaluation. For the purposes of this report, the data analyzed is from the 3-month period. As the project was being implemented, employers were reminded that they should provide absenteeism data on all

of their employees, regardless of how many employees were scheduled for the survey (DB2) portion of the study.

### **Design of Employee Survey Instruments on Predictors**

Before the Research Team began to develop an approach to the collection of data from employees on predictors of absenteeism, a literature review was conducted to identify factors that had been shown in prior academic studies to be important contributors to absenteeism (this literature review was previously provided to NISE and NPC). This proved to be a complex and lengthy task, as there was rich material on factors considered to be predictors of absenteeism, and from this, the researchers culled out those that seemed generally accepted and supported in the literature. With relation to Barbados, there were only two published empirical studies of absenteeism, the IDB study for the NPC and the study by Punnett, Greenidge and Ramsey<sup>§</sup>, there was nothing else in the literature designed to pinpoint causes of absenteeism in Barbados, and no other published studies that measured absenteeism in Barbadian companies or government organizations\*\*.

There was also a significant literature on measuring the predictors of absenteeism, using survey questionnaires. The Research Team was able to locate and evaluate various survey instruments that already had demonstrated (1) reliability and validity, (2) previous cross-cultural use, and (3) apparent ability to measure the identified factors of interest. The Research Team adopted the best instruments (with permission where necessary) to measure the factors identified in the literature review as relevant to this study.

The identified predictors of higher attendance/lower absenteeism were:

1. Job satisfaction
2. Commitment/Loyalty/Dedication to the Organization

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<sup>§</sup>Punnett, B.J., D. Greenidge & J. Ramsey “Job attitudes and absenteeism: A study in the English speaking Caribbean” Journal of World Business, April.

\*\* Note that a study was undertaken by Dr. Lawrence Nurse for the NIS, but has not been made public.

3. Organization Justice (this refers to the employee's perception of fairness of policies and practices in the workplace)
4. Personality Characteristics (such as conscientiousness)
5. Employee Health and Wellness
6. Organizational Intolerance of Absence
7. Impact of External Factors on Work (such as family commitments)

The surveys were produced as three separate instruments, comprising a total of approximately three hundred and fifty (350) items. One of these contained the most important constructs and was to be completed by all respondents, on-site at the workplace, with the guidance of the survey administrators. The other two were to be completed by as many respondents as possible, either on-site or at home. If surveys were completed at home, a lock box was provided for completed surveys and this was picked up by a member of the research team. This method was used because of the length of the overall survey. The research team felt that it might be difficult, if not impossible, for companies to allow employees the time required to complete the surveys on-site – for most respondents it took about one hour and fifteen minutes to complete all three surveys, but some respondents took as long as two hours to complete the three surveys. The research team was also concerned that respondents would find it onerous to spend more than an hour completing surveys. Providing the opportunity to complete some of the surveys after the formal session gave the process flexibility that the research team believed would encourage completion of the surveys. Appendix A provides a detailed description of the predictors, and an explanation of why specific survey instruments were accepted as appropriate for measuring the potential causes of absenteeism in Barbados.

### **Collection and Entry of Employee Survey Data**

Following the initial presentation, two additional informational sessions were arranged for the company representatives who would be responsible for providing the absenteeism data and assisting with the survey collection. Simultaneously, the researchers compiled and field-tested the employee survey questionnaires so the surveys could be administered during the period August to October. At the end of the informational sessions, the

Research Team responded to questions, then the Research Team and their survey administration team met individually with each company representative to set out a schedule for survey completion.

The survey administrators were M.Sc. Programme students who had completed at least one full year of their Masters level study. The students were recruited and trained by the researchers prior to the initial meetings with executives. The Research Team developed an incentive-based system for compensating the survey administrators that was expected to motivate the administrators and, especially, reward those who completed their scheduled work on time while meeting standards for quality. The survey administrators were monitored at all times during the actual survey data collection process by members of the Research Team, and quality levels for completed work were clearly defined and continuously measured.

When surveys were administered, the survey administrators began the sessions by providing all participants with a briefing regarding the purpose of the survey. All participants were assured of the total confidentiality of the responses and data, and were further assured that any reports of the findings would be in summary form only, so that individual organizations or employees could not be identified. This was especially important because the research needed to link the individual respondent's survey responses in DB2 with absenteeism data in DB1. Individual respondents were asked to select a number of their own choosing and to use this number on their surveys. Separately, individuals provided the researchers with their number, and were again assured that this information would be kept in the strictest confidence by the Research Team. Respondents were comfortable with this assurance, and agreed to follow this procedure.

Special efforts were made by the Research Team and the survey administrators to ensure that no employee was left out. The employee survey groups were deliberately kept very small, ranging from a minimum of 1 employee to a maximum of six or seven at a time. Survey administrators became adept at immediately recognizing which employees might

need assistance, and at diplomatically proposing alternative ways of completing the survey.<sup>††</sup>

It should be noted that it quickly became apparent that the employees were pleased to have been selected to participate, and willing to complete the entire set of 3 surveys on site. Employers were willing to allow employees the time to complete the surveys as well. A relatively small percentage of surveys were completed using the lockbox process that had been set up.

The data were compiled into an electronic data base designed by a member of the Research Team, and as an additional precaution, data were entered by pairs of students to facilitate 100% accuracy. In many ways, the survey administration and data entry efforts were as strenuous as the research and development that went into the study design. Researchers and survey administrators worked right through September into October on the coordination of data collection and data entry.

With regard to the administration of the employee surveys in this project, the researchers were met with almost uniform employer enthusiasm and support. We attribute this to several factors, including:

- Support from NISE and NPC
- Recognition of absenteeism as a problem by both employers and employees
- Employees' positive reaction to interest in workplace issues
- The researchers' extensive and open communication with stakeholders
- Assurances regarding confidentiality of all data.

### **Organisations Participating in the Overall Project**

Of the initial list of 30 Barbadian organisations who agreed to participate, a total of twenty four (24) organisations maintained participation in the process of data collection for both databases over the course of the entire project. The 24 participating private

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<sup>††</sup> The administrator training sessions included modules on using various methods to transmit the content and meaning of some (or in some cases, all) question, for example, by reading them out loud to or with the employee.

sector organisations represented the following sectors: Finance, Manufacturing, Utilities/Services, Retail, Hospitality, Media, and Construction.

An unfortunate outcome of the difficulties some organisations had with completing the study, was that the majority of companies that failed to complete the project were public sector Government organisations specifically recruited into the study. Their Government organisations' failure to provide absenteeism data or complete the survey process, meant that the sample contains no public sector employers or employees. The reasons for failure to complete included the following:

- One organisation provided some absenteeism data, but collection of survey data was limited (5 completed surveys)
- One organisation provided absenteeism data for a different time frame from that used for the rest of the sample, and did not participate in the survey aspect of the project
- One organisation had only paper-based absenteeism data available
- One organisation did not provide any absenteeism data.

Clearly, an avenue for future research will involve working with public sector organisations to help them facilitate the collection and tracking of data on absenteeism.

### **Employees Participating in the Survey**

The study included seven hundred and ninety six (796) respondents for DB2, the survey responses. Twenty three (23) responses were deleted from the data set because they were categorized as unusual extreme outliers (for example, one employee who had a long term illness) that could skew the data set, or questionnaires were not deemed usable; thus, analyses were performed using questionnaire responses from seven hundred and seventy three (773) respondents. Of the 773 usable responses, two hundred and ninety five – 295 (38.2%) were males and four hundred and seventy eight - 478 (61.8%) were females. The average age for the respondents was 34 years of age (with a range of 16 to 64), average

tenure within the organization was 8.2 years (Standard Deviation<sup>‡‡</sup> – SD - = 13.5), and the average working hours per week was 39.4 hours (SD = 29.1). The sample was roughly equally divided between non-manual workers (40.6%) and manual workers (38.4%), with 10% in a supervisory position and 8.5% in a managerial position.

An employee survey response limitation comes from the fact that not all companies were able to provide the entire employee data requested. Consequently some desirable analyses could not be performed (for example, comparing profiles of survey respondents to profiles for the entire population of employees at the participating companies). In addition, the absenteeism data provided by the companies was incomplete with regard to some demographics, such as gender, age, tenure, and/or full-time/part-time status; therefore we could not compare the profile of respondents to the entire employee population in these companies, or within their sectors.

Statistics from the Barbados Labour Department provide a proxy. These show that for Barbados as a whole, 51% of the workforce is male and 49% female. If the same holds true in the companies in our sample, then the percentage of female survey respondents is higher than would be expected. It is not clear why this would be so. We can speculate that women may be more interested in participating in an activity such as this, or that women are particularly interested in the topics of absenteeism and the workplace. This would be an interesting avenue to pursue in future research.

### **Sample Size Implications**

Usable responses from 773 employees means that the results of the study can be generalized to the working population of Barbados as a whole. Note that this does not mean that the results for any one sector can be generalized to the sector as a whole. It does, however, mean that the results will describe the Barbados working population with only a 3.5% margin of error. The Research Team knew that striving to reach and collect data from such a large sample would be an arduous task, and determined early in the

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<sup>‡‡</sup> The Standard Deviation – SD – is a measure of the variability around the mean; the higher the standard deviation, the greater the variability)

project that it could not be done without significant assistance from NISE and NPC. With their help, the sample size targets set by the team were reached or exceeded for both the number of participating organizations and the number of employee survey responses.

### **Work Plan and Project Management**

The Research Team prepared an extensive and detailed project schedule using critical path methodology to guide the project and ensure it was completed on time. This schedule, and its updates communicated to NISE and NPC on a milestone basis, helped identify a number of bottlenecks that would have caused delays, and enabled the Research Team to add staff to deal with those bottlenecks. By and large, the team was able to follow the schedule and complete the project as planned. The delays that were unavoidable were due to companies' inability to provide the expected information by the dates required.

In the following section, we report on the results of the research project. We look at results from the administration of the project as well as the results of analysis of the data collected during the project. Emanating from the project are data on levels and costs of absenteeism, reliabilities and other descriptive statistics that relate to the root cause factors (variables) being studied, and correlations between those factors and absences.

## **RESULTS**

The results of the project can be considered from two perspectives - those identified by the Research Team while the data collection and entry process was ongoing, and those identified from analysis after the data was collected and entered. First, we look at the results from process of administering the study – from the fieldwork; then we consider the data itself – absenteeism levels, costs, and causes.

### **Observations from the Fieldwork**

A number of observations in this study arose from interactions between researchers and employers/employees while the project was still being administered in the field. These are summarised as follows:

- Many of the Barbadian companies in our sample did not have existing, systematic methods for collection and analysis and tracking of absenteeism. As we were dealing with “exemplar” companies in this study, we expected them to keep such data normally. It has been noted that ‘the behaviour one measures is the behaviour one gets’, or that employees pay attention to what they are measured against. Given the widespread belief that absenteeism is a serious problem in the workplace, the absence of organized data on its presence and patterns was somewhat surprising.
- Barbados’ organizations were notably interested in participating in the research project, and most were able to provide the required data, even though it often required a significant effort to do so. This positive response was welcomed, as the Research Team had been warned that it would be difficult to identify willing participants, and that organizations were reluctant to share this type of information.
- Employee participants were willing to complete the surveys, and employers were willing to allow the time off from work for completion, in spite of the time required for this activity. This was unexpected, and contrary to the Research Team’s expectations, as previously outlined.
- Employers have attributed substantial significance to the results of the project. Employers have expressed a belief that having access to objective data of this type about their own organization, as well as having summary information on others for comparative purposes, will contribute to improvements in their management practices. Some even mentioned that the data would provide them

with a “common issue” that would involve cooperation between labour and management in finding solutions.

- Employers and employees made a number of useful suggestions regarding the potential causes, and possible cures for absenteeism, based on corporate and personal experiences. For example, it was suggested that employees do not see certified sick leave as ‘costing’ their employers much, because of the role of the NIS, and therefore they are likely to seek certification when they actually need to be absent for non-medical reasons. In another case, an employer suggested that recent, rapid changes in his industry were generating stress for his workers, and were potentially as responsible as anything else for employee absenteeism.

The following sections look specifically at the results of the data analysis from the project. The following sections examine absenteeism levels and costs, the descriptive statistics and reliabilities for the study variables, and the correlations between these variables and certified and uncertified absences.

### **Analysis of Absenteeism Levels and Costs**

Table 1 reports the calculated absenteeism rate and total cost of absenteeism for overall levels of absenteeism and by industry, based on companies sampled in this study. These are *actual* costs, where the salary of the employee who was actually absent is used, and not a proxy figure for some average wage. To calculate the absenteeism rate, the total number of days lost through absence, both certified and uncertified (in three months under study), was divided by the total number of work days available for the three months under study, multiplied by 100 to give a percentage (this is the generally accepted measure of absenteeism).

The total number of work days available was calculated based on the number of employees at the beginning of the period, plus the number of employees at the end of the period, divided by two (this is the generally accepted way of calculating the number of work days available). If the number of employees were small, this calculation might

affect the reported absenteeism level; however, with the relatively large numbers in this study, this is unlikely. In addition, in the current analysis, increases in employment are roughly balanced by decreases, and these represent a relatively small proportion of the total numbers. This approach, therefore, appears to be the best one, given the lack of more precise data. Holidays were deducted from the available work days, but it was not possible with the available data to determine if vacation days should be deducted. This is unlikely to affect overall estimates of absenteeism to any significant degree; however, if there is any effect, it means that the estimates of levels of absenteeism would be conservative – actual levels may be very slightly higher.

**Table 1**  
**Calculated Absenteeism Rate and Total Cost of Absenteeism by Industry for the Period July – September 2007 Based on Companies in the Study**

<b>INDUSTRY</b>	<b>Number of Employees</b>	<b>Total Absence Days</b>	<b>Absenteeism Rate %</b>	<b>Total Absenteeism Cost</b>
Finance	1019	2169	3.8	\$189,303.33
Manufacturing	554	1259	3.9	\$130,560.00
Utilities/Services	168	314	3.3	\$33,309.56
Retail	1538	4159	4.7	\$404,880.00
Hospitality	945	1661	2	\$87,723.00
Media	214	755	4	\$71,725.00
Construction	54	163	5.1	\$27,710.00
<b>Overall</b>	<b>4492</b>	<b>10480</b>	<b>3.6</b>	<b>\$945,210.89</b>

Notes. Calculations in this table are based on the companies sampled for July, August, September, 2007. Cost of absenteeism is reported in Barbados currency.

The total hours available by industry, for companies sampled was: Finance – 57,079; Manufacturing – 32,282; Utilities/Services 9,515; Retail – 88,489; Hospitality – 83,050; Media – 18,875; Construction - 3,196; Total 292,486.

Based on the companies sampled, the estimated overall absenteeism level is 3.6% - ranging from 2% in the hospitality industry to 5.1% in construction. If the industry with the lowest level of reported absenteeism – hospitality – is taken out of the analysis, the

overall level rises to 4.2%. Note that the NPC study on absenteeism in the hospitality sector, referred to earlier, showed a wide variation, with 2% at the low end, therefore, we believe the level found in this sector in our study is a function of the particular companies participating – ie, they are likely among the best managed – and the 4.2% level may be more realistic than 3.6%. This level is substantial, compared to reported levels of about 2% in the USA, but it is lower than previous reports in Barbados of a level closer to 5%, or even 7%. Note further that we believe our estimates are likely to be conservative, therefore a higher rate such as 5% or 7% cannot be ruled out on the basis of this study.

These levels are of particular concern because they result in an estimated cost of \$945,211 BDS (this figure is based on the average wage data provided by the participating companies – the number of hours lost multiplied by the average wage), for three months, for this small selection of companies in Barbados. For these companies, this means a direct loss of approximately \$4 million a year (calculated as \$1 million for three months multiplied by 4 to give an annual figure). The real costs are likely to be substantially higher, because of productivity and goodwill losses in addition to the direct costs. Employees in the companies in our sample represent approximately 3% of the employed population (4,450 employees and a labour force of 143,800); if we extrapolate this cost to Barbados as a whole, this suggests that a conservative estimate of the total cost of absenteeism could be hundreds of millions of dollars per year. Clearly, when viewed in these terms, lowering absenteeism should be a priority for employers and employees alike. If absenteeism could be reduced to 3% (still 50% more than that reported in the USA), the cost reduction benefits would fund expenditures that directly address the causes of absenteeism, resulting in a sustainable approach to absenteeism management, which benefits all stakeholders.

### **Employee Survey Responses**

Table 2 summarises the information from the surveys. Internal consistency reliabilities are reported here – these are the degree to which respondents reply in a consistent manner to survey questions (the higher the reliability, the more consistent the measure is likely to be). The measures used in the study to assess variables were generally reliable, as all but

one were over .60, considered by many researchers as an acceptable level. The reliabilities ranged between .43 and .96. Note that “absence culture” had an unacceptably low reliability of .43.

**Table 2**  
**Employee Survey Responses**

<b>Variables</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>Reliability</b>
<b>Job Satisfaction</b> (scores 1-5, 3=midpoint)			
General Job Satisfaction	3.44	.61	.81
Intrinsic Job Satisfaction	3.65	.61	.80
Extrinsic Job Satisfaction	3.04	.82	.87
<b>Organizational Commitment</b> (scores 1-7, 4=midpoint)			
Overall Organizational Commitment	4.04	.93	.83
Affective Commitment	4.07	1.23	.71
Continuance Commitment	4.06	1.33	.74
Normative Commitment	3.98	1.30	.74
<b>Organizational Culture</b> (scores 1-7, 4=midpoint)			
Absence Culture	3.60	.81	.43
Uncertainty Avoidance	4.86	1.15	.70
Institutional Collectivism	4.00	1.16	.60
In-group Collectivism	5.08	1.10	.61
Humane Orientation	4.82	1.02	.73
Future Orientation	4.86	1.00	.67
Achievement Orientation	4.97	1.19	.61
Power Distance	3.95	1.10	.65
<b>Health</b> (scores 1-7; 4=midpoint)			
Psychological Health	2.56	.38	.72
Somatic/Physical Health	2.76	.77	.81
<b>Health</b> (scores 1-7; 4=midpoint)			
Work-family Conflict	3.09	1.66	.92
Family-work Conflict	2.10	1.25	.81

**Table 2 Continued**  
**Understanding Employee Survey Responses**

<b>Variables</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>Reliability</b>
<b>Organizational Justice (scores 1-7; 4=midpoint)</b>			
Distributive Justice	4.25	1.42	.83
Procedural Justice	4.00	1.36	.89
Interactional Justice	4.40	1.44	.96
<b>Individual Characteristics (scores 1-5; 3=midpoint)</b>			
Extraversion	2.91	.63	.79
Agreeableness	3.69	.67	.74
Conscientiousness	3.73	.61	.72
Openness to Experience	3.48	.51	.70
Emotional Stability	3.30	.69	.81
Emotional Intelligence	3.64	.97	.91
<b>Work-related Stressors (scores 1-6; 3.5=midpoint)</b>			
Workload	2.96	7.06	.80
Relationships	4.24	8.67	.86
Recognition	3.12	4.35	.71
Organizational Climate	3.25	4.37	.75
Personal Responsibility	3.06	4.25	.73
Managerial Role	2.38	4.71	.77
Home-Work Balance	2.32	6.89	.85
Daily Hassles	2.85	4.22	.72

**Note.** Sample Population (n) = 773

It is interesting that while many variables are rated as ‘moderate’, and this may indicate a tendency for raters to use the middle of the scale, there are some variables which are rated high or low. This indicates that respondents *do* use the whole scale. It also suggests that it is particularly important to pay attention to variables which are rated either high or low.

The mean scores for study variables reported in Table 2 indicated the following:

- Employees were moderately satisfied with their jobs (3.44 out of 5) and with both intrinsic aspects of their job (such as responsibility, ability utilisation, and

- achievement) and extrinsic aspects (such as compensation, advancement, company policies and procedures, compensation, and co-workers). Interestingly, intrinsic satisfaction was higher than extrinsic satisfaction (3.65 versus 3.04).
- Employees reported moderate levels of commitment to their organization (4.04 out of 7).
  - Employees rated the distributive justice (4.25 out of 7), procedural justice (4.0) and interactional justice (4.4) within organizations as moderate.
  - Employees rated absence culture within the organization as moderately low (3.6 out of 7); that is, absence was not seen as acceptable. Note the low reliability for this scale.
  - Employees rated organizational culture dimensions of in-group collectivism (5.08 out of 7), achievement orientation (4.97), uncertainty avoidance (4.86), future orientation (4.86), and humane orientation (4.82), higher than institutional collectivism (4.0) and power distance (3.95). Power distance and institutional collectivism were significantly lower than the others.
  - Employees generally rated their psychological health (2.56 out of 7) and physical health (2.76) as good (note that a low score is positive as it reflects the number of incidents).
  - Employees rated work-family conflict – that is, work affecting family - (3.09 out of 7) and family-work conflict – that is, family affecting work - (2.1 out of 7) as moderately low and low respectively. It is interesting to note that work affecting family negatively is a significantly more important issue than family affecting work negatively.
  - Employees rated relationships high as a job stressor (4.24 out of 5). This is an important consideration as we consider ways to counter absenteeism.
  - Employees rated the job stressors of workload (2.96 out of 5), recognition (3.12), organizational climate (3.25), personal responsibility (3.06), managerial role (2.38), home-work balance (2.32), and daily difficulties (2.85) as moderate.
  - Employees were moderate on extraversion (2.91 out of 5), somewhat higher on emotional stability (3.3), openness to experience (3.48), and agreeableness (3.69),

and highest on conscientiousness (3.73). On the broader emotional intelligence scale, employees were relatively high (5.64 out of 7).

### **Predictors of Absenteeism**

Significant correlations between study variables and uncertified and certified absences are reported in Table 3. Higher correlations indicate a more important relationship between the predictor and absenteeism. Statistically, correlations are considered significant when the likelihood of being incorrect (error) is less than 5% or 1%. We use the 5% level as the significance reporting level, but we also indicate in the table which predictors are at the 1% level. Appendix B reports on all of the correlations, both significant and non-significant.

The following summarises the findings in terms of uncertified and certified absences.

- **Uncertified Absences** - The results show that – lower levels of job satisfaction (overall and intrinsic and extrinsic), organizational commitment (overall and affective and continuance), institutional collectivism, humane orientation, conscientiousness, and organizational justice (distributive, procedural, and interactional) were all associated with higher uncertified absences. Higher uncertified absence levels were also associated with employees who self-reported that they were likely to be absent due to bad weather and personal errands. In addition, absence and age were related - as the age of an employee increases, absence decreases. Higher levels of family-work conflict and the experience of job stressors of workload, home-work balance and relationships were also associated with higher levels of uncertified absence.
  
- **Certified Absences** - the results indicated that higher levels of somatic (physical) health, work-family conflict, and family-work conflict were associated higher levels of certified absence.

**Table 3****Predictors of Absenteeism: Significant Correlations**

<b>Variable</b>	<b>Uncertified</b>	<b>Certified</b>
<b>Job Satisfaction</b>		
General Job Satisfaction	-.09*	
Intrinsic Job Satisfaction	-.09*	
Extrinsic Job Satisfaction	-.07*	
<b>Organisational Commitment</b>		
Overall Organisational Commitment	-.10**	
Affective Commitment	-.09*	
Normative Commitment	-.10**	
<b>Health</b>		
Somatic (Physical)		.10**
<b>Work-Life/Family Conflict</b>		
Work-Family Conflict		.10**
Family-Work Conflict	.08*	.09*
<b>Organisational Justice</b>		
Distributive Justice	-.08*	
Procedural Justice	-.11**	
Interactional Justice	-.09*	
<b>Individual Characteristics</b>		
Conscientiousness	-.07*	
<b>Work related Stressors</b>		
Workload	.07*	
Relationships	.07*	
Home-Work Balance	.07*	
<b>Demographics</b>		
Age	-.08*	
<b>Other Factors</b>		
Bad Weather	-.10**	
Personal Errands	-.09*	

**Note.** Sample Population (n) = 773; Numbers in Bold indicate significant correlations

The relationship is significant at the \*.05 level (95% Confidence); \*\* .01 level (99% Confidence)

Interestingly, we did not find gender differences in absenteeism rates. This is surprising because of the general belief that women are often absent because of family responsibilities, and previous research that supports this. In addition, self reports of previous absences indicated that women reported they had been absent more often than men did. This needs to be investigated further. It is possible that the time frame of the

current study had some impact on this finding. The absenteeism data is for July through September, two months of which are during school holidays – it is possible that parents and especially working mothers make alternative arrangements for children during the holidays, which actually decreases their need to be absent from work to deal with childcare issues. We explored this issue by examining differences between men and women in each month covered by the project, and found no significant differences. At this point, we conclude that gender differences on absenteeism in Barbados are not supported by the data from this project.

### **Sample Limitations**

It is important to note some limitations regarding the sample. The organizations that were included due to a combination of self-selection and active sponsor recruitment, are likely those organizations who already believe absenteeism to be an important issue. As the researcher team noted, some of the executives present at the initial meetings related enthusiastically to the comment: “We may find that if we improve the workplace, people will come to work.” Thus, the following caveats are highlighted:

- ⇒ The participating companies are likely to be paying attention to absenteeism, and to have policies in place designed to minimise absenteeism. *This would imply that the level of absenteeism identified in this study is conservative, and that overall absenteeism in Barbados may be higher than the 3.6% identified here.*
- ⇒ The employees at the companies studied were aware of the project and the aims of the project. This may have affected levels of absenteeism positively during the period of the study; that is, *employees might have been less likely to be absent because they knew absenteeism was being studied, and they wanted to ‘look good’ for the study. This “halo effect” would also add to the potential for the level of absenteeism described herein to be conservative.*

- ⇒ The sample of companies included in the study was not a random sample, and other biases introduced into the study because of the active recruitment of certain organizations and the self-selection efforts of others, may include management style. In other words, *it may be that companies interested in participating in such a project are in fact better managed than their counterparts*, and that they would normally experience lower levels of absenteeism, and higher levels of satisfaction, loyalty and so on. Again, to the extent that this is true, *the results of the study may paint a picture that is more positive than the reality for the average Barbados work place.*
  
- ⇒ The sample of survey respondents was likewise not a random sample, and this may also introduce some bias into the responses. It seems likely that employees who are generally satisfied might be likely to participate, but those who are dissatisfied might also want to participate in order to express their dissatisfaction. *To the extent that this is true, these two may tend to balance each other.*
  
- ⇒ With regard to the timing of the employer data collected on levels of employee absenteeism, it has been suggested as mentioned earlier, that *the data may be skewed by the use of two months out of three when children were not in school.* In general, it is hard to select a time of year when sample data is not skewed by *some* calendar-based event, but that does not obviate the possibility that the data on actual absenteeism levels were skewed by the timing.

Although it is important to consider potential biases in any sample, it is unlikely that the biases suggested here would have a substantial effect on the results. The most likely effect is an average absenteeism rate reported here which is conservative and lower than the actual level.

## **SUMMARY OF RESULTS**

The results suggest that, on average, absenteeism levels are lower than some had thought. These estimates, as noted, are likely to be conservative, and actual levels for the entire labour force may be higher than those reported here. Even using the conservative numbers, it is clear that the costs associated with absenteeism are high, and that lowering the levels of absenteeism would benefit all stakeholders. The highest levels of absenteeism were reported in construction (5.1%) and retail (4.7%), and the lowest levels in the hospitality sector (2%).

On the surface, it might be that the nature of the hospitality sector is such that absences may be particularly harmful, with many employees working in teams; therefore both management and employees in this sector may have made efforts to ensure a relatively low level of absenteeism. However, the IDB study for the NPC indicated a wide range of absenteeism levels in the hospitality sector, with 2% as the lower end, and it is likely the participants in the current study are representative of hospitality companies that have addressed issues of absenteeism, customer service, and so on. In contrast, absenteeism levels are highest in construction (5.1%) and retail (4.7%), suggesting that management and employees in these companies do not have the same concerns and emphasis on absenteeism.

The fact that there is substantial variation in absenteeism levels – from 2% to 5.1% suggests that it is possible to decrease absenteeism levels, with good management. It may be that companies with higher levels of absenteeism can learn from those with lower levels.

The results of the survey portion of the research point to relationships that provide the basis for addressing the issue of addressing the absenteeism problem. The following summarises the findings;

The following predictors were significantly related to uncertified absences:

**Satisfaction:** General Job Satisfaction (.09), Intrinsic Job Satisfaction (.09), Extrinsic Job Satisfaction (.08)

**Commitment:** Overall Organisational Commitment (.10), Affective Commitment (.09), Normative Commitment (.10)

**Organisational Culture:** Institutional Collectivism (.08), Humane Orientation (.07)

**Family:** Family-Work Conflict (.08)

**Justice/Fairness:** Distributive Justice (.08), Procedural Justice (.11), Interactional Justice (.09)

**Personal Characteristics:** Conscientiousness (.07)

**Stressors:** Workload (.07), Relationships (.07), Home-Work Balance (.07)

**Others:** Age (.08), Weather (.10), Personal Errands (.09)

The following were significantly related to certified absences:

**Health:** Physical Health (.10)

**Family:** Work-Family Conflict (.10), Family-Work Conflict (.09)

The following discussion summarises the major findings and implications.

- The levels of employee satisfaction and commitment were moderate. Similarly ratings relating to justice were moderate. Clearly, it is positive that most employees do not express dissatisfaction or a lack of commitment, or indicate injustice, but there appears to be room to improve these scores, by identifying and improving aspects of the workplace environment which would in turn improve levels of satisfaction and loyalty, and lead to a greater perception of justice. Job satisfaction, commitment and justice were all significantly related to uncertified absences; therefore, investments in the workplace which improve satisfaction, commitment, and a perception of justice are likely to have benefits which outweigh the costs of such improvements.
  
- Employees rated in-group collectivism as high (5.08 out of 7) and institutional collectivism as lower (4.0); however only institutional collectivism was significantly related to uncertified absences. In-group collectivism is the degree to which individuals express pride, loyalty, and interdependence in their group, while institutional collectivism is the degree to which institutional practices at the organizational level encourage and reward collective action. It is not clear how to interpret this finding, but it is probably appropriate to suggest that encouraging and rewarding collective action is a positive approach in this environment. In addition, employees rated relationships as a high job stressor,

and this further supports the need for interventions such as team building, open communication, and conflict resolution as helpful in the Barbados environment.

- Employees rated humane orientation as relatively high (4.82) but it was also significantly related to uncertified absences. This suggests that even though organizations already exhibit a humane culture, for those individuals who do not experience this, it is a cause for absence. Companies may want to make special efforts to identify humane practices and ensure that all employees have avenues of expression when they feel that the environment is not humane. A humane orientation refers to the extent to which people in the organization are concerned and sensitive toward others, friendly, tolerant of mistakes, and generous. These characteristics should be fostered in organizations to reduce absenteeism.
  
- The other organizational culture variables were not significantly related to absences. From a descriptive perspective, absence culture was lowest (3.6 out of 7), power distance was moderate (3.95), and future orientation (4.86), uncertainty avoidance (4.86), and achievement orientation (4.97) were higher. These organizational culture characteristics, along with the personality characteristics can be useful in designing interventions designed to address issues of absenteeism. Interventions need to 'fit' the culture if they are to be effective
  
- Bad weather and the need to attend to personal errands were both related to uncertified absences. It is not clear how the weather issue can be addressed, as it needs to be clarified exactly why the weather affects the ability to attend. Is it that employees are concerned about the effect of the weather on their health? On their appearance? On their clothes? Or is it that they have to walk a distance to reach transportation and this is more difficult and dangerous in bad weather? It is possible that special transportation arrangements on days when the weather is bad might be one approach. In terms of personal errands, it seems inevitable that

employees will have personal errands that have to be dealt with and that it may be necessary to do these during the normal work day. Perhaps organizations could build these into the time that employees are allowed to be absent, so that the employee takes only the time necessary for the errand. In addition, if specific errands can be identified (for example, PTA meetings) perhaps arrangements can be made to hold these outside of the normal work day.

- Family-work conflict was related to both uncertified and certified absences. This is not surprising, as we have assumed that family issues would lead to absences. At the same time, employees did not rate this aspect as an important issue. This suggests that employees simply see the family as something that has to be attended to – so not important from the employee’s perspective, but affecting absences. Family-work conflict is also related to both certified and uncertified absences, and home-work balance was also significantly related to uncertified absences. Workload and relationships are also stressors that are related to uncertified absences, and all of these factors are probably intertwined. This raises important questions about how organizations can alleviate this situation. Possibly, care centres where employees can bring relatives would be a solution; alternatively, neighbourhood centres that provide care. A cost/benefit analysis of these options would be needed to justify implementation, but it seems to be an important consideration.
  
- The factors related to certified absences are physical health and conflicts between work and family. It is not surprising that physical health issues result in certified absences, but it is less clear why conflicts between work and family would also have this result; one might expect a greater relationship to uncertified absences. Family impacting negatively on work does relate to both uncertified and certified absences, but work impacting on family only relates to certified absences. It may be that work issues cause stress which show up as certified absences; however, stress levels overall are not high, so this relationship is not clear. It may also be that workers who have to be absent for

family reasons seek certification because they believe the NIS will cover most of the cost, so they do not see their absence as costing the company itself very much.

- In terms of individual differences, the only variable that has a significant relationship is conscientiousness. Not surprisingly, more conscientious employees are less likely to be absent. The other personality factors had no effect on absences. Employees were largely moderate on the personality factors, ranging from extraversion (2.91 out of 5) to conscientiousness (3.73). Employees scored higher on the emotional intelligence variable (5.64 out of 7). This relatively high score on emotional intelligence suggests that employees should react well to interventions such as team building, conflict resolution and the like.
- Age had a significant effect on absences, with older workers less likely to be absent. There are several possible reasons for this. Older workers may have different values and attitudes that account for their lower absenteeism. Equally, older workers may not have the same family commitments that younger workers have. In addition, older workers are likely to be those who have been with the organization for some time, indicating satisfaction and loyalty, and this may contribute to their lower levels of absenteeism.
- Interestingly, there was a significant correlation between respondents reporting that they would be absent due to weather and actual absences. The data did not support a relationship between day care, transportation to work, funerals, birthdays, and absences. Weather related absences therefore seem to be an area of concern that should be addressed.

There are clearly areas identified by this research that warrant changes in management practices. The results of this study are remarkably similar to studies elsewhere, and earlier studies in the Caribbean. These results suggest that overall, there is room for

improvement in management practices. If these improvements focus on job satisfaction, commitment, justice, as well as work/family conflicts, and weather-related absences, significant improvements in absenteeism rates may be achieved. This study provides the empirical information on which to build a programme of management improvements.

Efforts to improve the workplace, and decrease absenteeism will likely be most successful if these efforts are undertaken jointly between employers and employees, including union participation in such discussions. It is critical that employees participate in clarifying the problems and arriving at viable solutions. This joint participation of management and employees means that all parties will endorse the required efforts, and work consistently towards achieving the desired results.

The results of the current study provide many important insights. We believe the most critical are:

1. Appreciation of the still existing need to gather additional hard data about levels of absenteeism in Barbados, since a significant number of concerned public and private organizations were unable to participate in the study due to difficulties in collecting absenteeism data.
2. Recognition that the costs of absenteeism are high, and that there are reasons for absenteeism which can be addressed by employers and employees together.
3. Recognition that better management can lead to an improved workplace which in turn can result in lower levels of absenteeism.
4. Appreciation of work and non-work factors which influence absenteeism and a focus on addressing these specifically through interventions.

## **RECOMMENDATIONS**

With regard to the above insights culled from the data, the Research Team makes the following recommendations:

1. Where the process does not already exist, private and public organizations should collect, track, analyze, and publish absenteeism levels, in order to communicate to employees that absenteeism is a cost and a concern. NISE and NPC can help these organizations greatly in this regard. We note that the research literature has many examples of changes in human behaviour brought about by the simple step of measuring behaviour, and there is no reason to believe it would be otherwise in Barbados. In fact, the anecdotal evidence collected by the team suggests that the absenteeism levels may have been somewhat lower than expected in this survey, because employees knew their absenteeism was being measured. A by-product of measurement and tracking is the ability to ascertain the degree of a problem. It is difficult to claim that absenteeism is a problem if organizations do not know what level of absenteeism exists. Once the hard data is available, it is easier to call stakeholders to action.
  
2. Addressing the causes of absenteeism and developing solutions will be most successful if employees at all levels of the organisations are involved in discussions. Focus groups are a good way to involve employees. In addition, open communication regarding absenteeism, as well as setting goals to improve absenteeism rates can be effective.
  
3. A benchmark study on Human Resource policies concerning best practice policies to combat absenteeism should be undertaken, and the results communicated to all organizations in Barbados interested in developing effective and less costly ways of managing absence. There are many such policies in use—some in the companies in our study—that take the stigma away from some predetermined “acceptable” level of absence (e.g., some number of personal days per year), and lessens the need for employees to become creative in developing excuses for absence. Of course, such policies also take notice and move aggressively to deal with excessive use of absence. Implementation of more progressive policies concerning absence would be an opportunity for all

stakeholders, including unions, to come together around an issue that affects all employees.

4. The survey results suggest that the workplace climate would be improved, and absenteeism lowered, if actions were taken to address employee perceptions of workplace justice. A healthy debate concerning the implementation of a neutral process, managed by credible representatives, could be taken up at the Country level, as well as the company level, and provide a way to facilitate improved relationships where situational specific solutions can be found. In addition, training in the areas of team building, conflict resolution, and effective communication can all be used with positive impact.
5. Supervisory Training is another way that the workplace climate could be improved. Survey and anecdotal evidence suggested that the relationship issues at work that created the most stress for employees were the ones associated with supervision. Enhanced skills for supervisors in leading, delegating, motivating and positively reinforcing employees will raise satisfaction and lower absenteeism. In addition, because employees were focused on the importance of positive group relationships, it seems likely that they would benefit from increased satisfaction through training in negotiation and conflict management aimed at increasing interpersonal agreement and harmony.
6. The research results also points to the importance of Health and Wellness training and counselling as a way to equip employees with the ability to be absent less often. One of the companies in our sample is providing nutritional training and counselling for its employees, and it would be instructive to follow their progress and publicize their results. Of course, information on other exemplar health and wellness policies and programmes is available in the research as well.

In addition, the research team believes this project points the way to a variety of other studies to investigate a variety of other organisational issues, that will point the way to improved management in Barbados, and in the Caribbean more generally. We hope that others will adopt the methods we have used in this study to address other issues. We hope that companies will find this information relevant to their day to day management challenges, and that they will continue to share their information with the research team, so that all the companies of the region can benefit from increased knowledge, via research.

## **CONCLUSION**

The research project was an excellent initiative on the part of NISE and NPC, and gives the “first glimpse” of what can be learned about causes of absenteeism. As one of the study’s sponsors said, “When this study is expanded, we will see that employers will learn much more than just about absenteeism!” It does bear pointing out that while this study covered absenteeism only, its results must be closely correlated with reasons employees have for being late, leaving early, and for leaving altogether to take new jobs.

The results of the study were able to speak to the objectives as outlined initially in this report. To summarise the major findings relative to the objectives:

- *Ascertain the reasons for employee absenteeism and identify the root causes of absenteeism* – the most important causes of uncertified absenteeism are perceptions of procedural justice, commitment, job satisfaction, weather, and personal errands. The most important causes of certified absenteeism are physical health and work-family/family-work conflicts.
- *Provide an information base on levels of absenteeism* – levels of absenteeism in the companies studied were 3.6% overall, ranging from 2% to 5.1%, and this is likely to be a conservative estimate.
- *Provide an analysis of absenteeism by company characteristics* – levels of absenteeism were lowest in the hospitality sector, and highest in the

construction sector. We believe that the results in the hospitality sector are likely a function of the particular companies involved in the study.

- *Provide an analysis of absenteeism by employee demographics* – older employees were less likely to be absent than younger employees, but there was no significant gender difference.
- *Provide an estimate of the cost of absenteeism* – the estimated cost of absenteeism for the companies involved in the study is B\$4 million per year, and the extrapolated estimate for Barbados is as much as hundreds of millions.
- *Provide an information base on the levels of job characteristics* – employees are moderate on most of the job characteristics measured, suggesting that employers are doing a reasonable job of creating a good environment, but that there is substantial room for improvement.

The results of the project have identified average levels of absenteeism above three percent in the companies who participated in the study. As noted earlier in the report, the Research Team believes this is a conservative estimate of the overall level in Barbados. Even using the conservative estimate, the dollar losses associated with absenteeism are substantial, and even small changes in management practices which result in a decrease in levels of absenteeism, would have substantial benefits for the companies affected as well as for the country as a whole.

Based on the project results, a number of areas for management attention were identified. The Research Team will be discussing these in more detail with participating companies, and hopes that this will serve as the basis for improving the workplace environment in Barbados. This is a work in progress, and the intent is to monitor the effect of workplace changes with participating companies to identify the most positive and effective changes. As well, the intent is to continue collecting data on absenteeism and the workplace for on-going analysis. Finally, the intent is to broaden the scope of the project to the OECS countries, and perhaps the Caribbean as a whole.

The Department of Management Studies is pleased to have been able to participate in the project. The researchers believe that the results of the project will provide valuable information for NISE and NPC, the participating organizations, labour representatives and policy makers more generally. The project has also provided the Research Team with valuable information on which to pursue further areas of inquiry, and on which to base academic journal papers. This combination of practical and academic outcomes is evidence of the value of collaborations of this type. The Department of Management Studies and the Research Team thanks NISE and NPC for the opportunity to work on this project.

## **APPENDIX A**

### **DESCRIPTION OF THE ABSENTEEISM PREDICTORS AND INSTRUMENTS USED IN THE EMPLOYEE SURVEY**

#### **Predictor One: Job Satisfaction**

##### **Description**

Based on an extensive review of the literature, the strongest evidence from research in North America is a consistent relationship between job satisfaction and attendance at work. The more satisfied employees are with the workplace, the more likely they are to attend. Satisfaction and attendance are positively correlated, and it follows that dissatisfaction and absenteeism are also positively correlated. In other words, the more dissatisfied employees are with the workplace, the more likely they are to be absent.

While other factors play a role in absenteeism, job satisfaction plays the most important role in the North American context.<sup>§§</sup> For this reason, we included job satisfaction as a factor to be measured in this study.

Job satisfaction is a broad concept, and while a global satisfaction variable has been shown to predict absenteeism, it is not very helpful in making changes in the workplace to improve satisfaction levels. Consequently, a variety of facets of job satisfaction have been identified, and survey instruments have been designed to measure these facets. Broadly, intrinsic job satisfaction (satisfaction with the job itself) has been differentiated from extrinsic job satisfaction (satisfaction with factors external to the job).<sup>\*\*\*</sup> Research has looked at all of these facets of job satisfaction extensively in North America, and found them, to varying degrees, to be related to absenteeism. It seems that if employees are satisfied with the job itself (intrinsic) and with the workplace environment (extrinsic) they will want to attend, and avoid absences. Some of the previous literature suggests that intrinsic factors are particularly important to absences.

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<sup>§§</sup> For a detailed discussion, see Harrison, D.A. & J.J. Martocchio "Time for Absenteeism: A 20-year Review of Origins, Offshoots and Outcomes" *Journal of Management*, 24(3) 1998, 305-350.

<sup>\*\*\*</sup> See Minnesota Job Satisfaction Questionnaire

### **The Instrument**

**Job Satisfaction.** The short form of the Minnesota Satisfaction questionnaire (MSQ) by Weiss, Dawis, England, & Lofquist (1967) was used to measure job satisfaction. The MSQ is a 20 item scale for assessing Overall Job Satisfaction (20-items), Extrinsic Job Satisfaction (6-items), and Intrinsic Job Satisfaction (12-items). Participants respond to each item on a 5-point Likert type scale ranging from 1 = *Very dissatisfied* to 5 = *Very Satisfied*. Cook, Hepworth, Wall, and Warr (1981) reported internal reliabilities for the MSQ short form subscales and the overall scale for a number of samples: Intrinsic Job Satisfaction ranging from .84 to .91; Extrinsic Job Satisfaction ranging from .77 to .82; Overall Job Satisfaction ranging from .87 to .92. High scores for each subscale represent high levels of satisfaction.

### **Predictor Two: Dedication and Loyalty to the Organization**

#### **Description**

Dedication to the company, or organizational loyalty and commitment, has been shown to relate both to job satisfaction and to absenteeism. Results of studies in North America have found that the more loyal and committed employees are, the more satisfied they are, and the more likely they are to attend work - loyalty and commitment are positively correlated with satisfaction and attendance.

### **The Instrument**

Organizational Commitment was measured by a 18-item scale developed by Meyer, Allen, and Smith (1993). The scale measures three facets of organizational commitment - normative commitment (6 items), continuance commitment (6 items), and affective commitment (6 items). Participants responded to each item using a 7-point Likert-type response scale ranging from 1 = *strongly disagree* to 7 = *strongly agree*. Meyer et al. (1993) reported Cronbach's  $\alpha$  reliabilities for normative, continuance, and affective commitment of .77, .83, and .85 respectively. High scores for each subscale represent high levels of commitment.

### **Predictor Three: Organizational Justice**

#### **Description**

Justice is how fair employees perceive organizational practices and procedures to be - formal policies, information use, the appeals process, job decisions, allocation of work, rewards and so on are all part of justice. Generally, if employees see the workplace as fair, and believe that they are treated equitably at work, we expect that they will be more likely to come to work, whereas, if the workplace is seen as unjust, they are more likely to be absent.

#### **Instrument**

Perceptions of Organizational Justice was measured by Moorman (1991) and Niehoff and Moorman (1993) scales of procedural justice, distributive justice, and interactional justice. The procedural justice scale measures (6-items) job decisions including mechanisms that insure the gathering of accurate and unbiased information, employees' voice and the appeals process. Distributive justice measures (5-items) the fairness of different work outcomes including job responsibilities, workload, compensation, and work schedule. Interactional justice measures (9-items) the degree to which employees feel their needs are considered and adequate explanations are made for job decisions.. Participants responded to each item on a 7-point Likert type scale ranging from 1 = *strongly disagree* to 7 = *strongly agree*. Moorman (1991) and Niehoff and Moorman (1993) report Cronbach's  $\alpha$  above .90 for scales. High scores for each subscale represent high levels of perceived justice.

### **Factor Four: Individual Personal Characteristics**

#### **Description**

A wide variety of personal characteristics might be expected to influence work decisions. The so-called 'Big Five' personality dimensions of *conscientiousness*, *extraversion*, *emotional stability*, *agreeableness* and *openness to experience* have recently become the standard approach to measuring personal characteristics in organizational research. Typically, we expect that people who are conscientious, extroverted, emotionally stable,

agreeable, and open to experiences are less likely to be absent from work, because the workplace provides opportunities to express these preferences.

Another aspect of an individual's personal characteristics that seems important in the workplace is what is termed 'emotional intelligence'. This refers to a person's ability to understand, use, and deal with their own emotions, as well as those of others around them. We expect that individuals with a high level of emotional intelligence are less likely to be absent than those with lower levels.

### **Instruments**

**Personality.** The Big Five personality dimensions of Conscientiousness, Extraversion, Emotional Stability, Agreeableness and Openness to Experience were each measured by 10-item versions of each scale of Goldberg's (1999) Big Five factor markers in the International Item Pool. The scale was developed from the Big Five phenotypic model of personality attributes (Saucier & Goldberg, 1996). Each item was rated on a 5-point Likert scale ranging from 1 = *very inaccurate* to 5 = *very accurate*. The construct validity of this scale has been demonstrated in terms of its relationship with the corresponding scales in other five factor measures, such as the NEO (Costa & McCrae, 1992). High scores on each dimension indicate that the person is high on that personality dimension.

**Emotional Intelligence.** The Wong and Law Emotional Intelligence Scale (WLEIS) developed by Wong and Law (2002) was used to measure Emotional Intelligence (EI). This measure is consistent with Mayer and Salovey's (1997) definition of EI. Previous studies support the scale's factor structure, internal consistency, convergent, and discriminate validity (Law et al., 2004; Wong & Law, 2002). Moreover, this measure has been shown to measure a construct distinct from the Big Five personality dimensions, and has shown convergent validity with other related EI measures (Law et al., 2004; Wong & Law, 2002). The scale consists of four dimensions with four items in each dimension. The SEA dimension (Self-Emotion Appraisal) relates to individuals' ability to understand and express their emotions. The OEA dimension (Others' Emotion Appraisal) relates to individuals' ability to perceive and understand the emotions of others. The ROE dimension (Regulation of Emotion) relates to individuals' ability to regulate their own

emotions. The UOE dimension (Use of Emotion) relates to individuals' ability to make use of their own emotions by channeling them toward constructive activities to facilitate performance. Participants responded to each item using a 7-point Likert type scale ranging from 1 = *strongly disagree* to 7 = *strongly agree*). Law and Wong (2002) reported Cronbach's  $\alpha$  for each scale as follows: SEA (.78), OEA (.76), ROE (.84), and UOE (.89). High scores on each subscale represent high levels of emotional intelligence.

### **Predictor Five: Physical condition/Health**

#### **Description**

Employees' health also influences their ability to be at work. Individuals who suffer from recurring, and chronic, diseases, such as asthma, will be absent from work because of these health issues. More serious diseases, such as cancer or AIDS will result to progressively longer and more frequent absences. Not surprisingly, those employees with persistent or recurring health problems are more likely to be absent than those who describe their health as "good".

*Stress* is also an important component of health, and employees who experience stress overload at work are more likely to suffer from stress-related illnesses, and be absent from work.

#### **Instruments**

**Work-related Stress.** Williams and Cooper (1998) Pressure Management Indicator was used to assess work-related stress levels. The instrument measures subjective stressors originating from work such as workload, social relationships, lack of recognition, organizational climate, personal responsibility, managerial role, home-work balance, and daily hassles. The instrument also assesses organizational variables such as job satisfaction, organizational commitment, organizational satisfaction, and organizational security. Moreover, other outcome scales assess physical (physical symptoms and exhaustion) and mental (anxiety, depression, resilience and worry) wellbeing. The reported internal consistencies for the scales range from .64 (daily hassles) to .89 (job

satisfaction). High scores on each subscale indicate that there is a high level of stress associated with that factor

**Work-Family Conflict and Family-Work Conflict (1996).** Work-family conflict refers to the degree to which work issues affect family life negatively, and family-work conflict refers to the degree to which family issues affect work performance negatively. Netemeyer, Boles, & McMurrin (1996) Work-family Conflict (WFC) and Family-work Conflict (FWC) scales were used to assess WFC and FWC. Both WFC and FWC were measured by five items. Participants responded to each item using a 7-point Likert-type response scale ranging from 1 = *strongly disagree* to 7 = *strongly agree*. Netemeyer et al (1996) reported Cronbach's  $\alpha$  reliabilities for WFC and FWC of .88 and .89 respectively. High scores on indicate a high level of conflict.

**Psychological Health.** The General Health Questionnaire (GHQ) was used to assess psychological Health (Banks, Clegg, Jackson, Kemp, Stafford, & Wall, 1980). It comprises 12 items measuring the individual's perceived healthy functioning and abnormal functioning. Participants completed a four-point scale ranging from 1 = *Never* to 4 = *Often*. Banks et al. (1980) reported a Cronbach's  $\alpha$  of .90. Higher GHQ scores indicate lower levels of perceived psychological health; that is, greater psychological health problems.

**Physical Health.** Schat, Kelloway, and Desmarais (2005) 14-item Physical Health Questionnaire (PHQ) was used to assess physical health. The PHQ taps four dimensions of health: sleep disturbance, headaches, gastro-intestinal problems, and respiratory infections. Participants rated items 1-11 on a 7 point scale ranging from 1 = *not at all* to 7 = *all of the time*, items 12 and 13 on a 7 point scale ranging from 1 = *0 times* to 7 = *7+ times*, and item 14 on a 7 point scale ranging from 1 = *1 Day* to 7 = *7+ Days*. Higher scores indicate lower levels of health; that is, greater health problems.

## **Predictor Six: Organizational Culture and Culture of Acceptance**

### **Description**

The organization culture is the general 'feel', the values and the behaviours that are usual and fostered by an organisation. It is likely that the culture of an organisation influences employees' decisions regarding coming to work or being absent. Research has also suggested that some organizations have a culture of acceptance of absenteeism, while in others absenteeism is seen as negative. Where absenteeism is tolerated, employees are more likely to be absent for relatively trivial reasons. Where there is a culture of acceptance, absenteeism rates are higher than they are in organizations where absenteeism is seen as a negative behavior.

### **Instruments**

**Organizational Culture.** The GLOBE questionnaire developed by House, Hanges, Javidan, Dorfman, & Gupa (2004) was used to assess organizational culture. Dimensions of organizational culture assessed were uncertainty avoidance, organizational institutional collectivism, organizational in-group collectivism, humane orientation, future orientation, achievement orientation, and power distance. Each dimension was assessed by four items. Participants responded to each item using a 7-point Likert-type response scale ranging from 1 = *strongly disagree* to 7 = *strongly agree*. House et al. (2004) reported Cronbach's  $\alpha$  reliabilities ranging from .67 (institutional collectivism) to .88 (uncertainty avoidance) with an average of .77. High scores on each dimension indicate that the organizational culture is high on that dimension.

**Absence Culture.** Absence culture was measured using Deery, Erwin, Iverson and Ambrose (1995) and Iverson, Buttigieg, and Maguire (2003) scales and comprised three items. The items were framed in terms of other employees, rather than the individual respondent, so as to capture the absence culture within organizations. Participants responded to each item using a 7-point Likert-type response scale ranging from 1 = *strongly disagree* to 7 = *strongly agree*. Iverson, Buttigieg, and Maguire (2003) reported an inter-rater reliability of .76. A high score indicates that absence is deemed to be acceptable.

## **Predictor Seven: The Non-Work Situation –**

### **Description**

Employees' work behaviour is in response to requirements outside of the workplace as well as those experienced at work. It is expected that employees with more home responsibilities, and those who experience stress related to home conditions and responsibilities, will be more likely to be absent from work. Family health issues will influence attendance. Most research suggests that women experience higher levels of absenteeism than men. The usual explanation, and the general belief, is that women generally are more likely than men to be expected to take care of family members or home issues, and are therefore more likely to be absent for these reasons.

### **Instrument**

**The Non-Work Situation.** In addition to the standardised survey instruments identified previously, the research team identified a variety of demographic variables of interest, and a section of the questionnaire asked for responses to these. These questions included items such as marital status, numbers and ages of children, access to child care, distance travelled to work, as well as a self-report on absences from work. Many of the questions included in this section were based on feedback from NPC and NISE, as well as feedback from participants at the information meetings held prior to beginning the study.

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## APPENDIX B

**The following table reports on all of the correlations between predictor variables and certified and uncertified absence.**

**Predictors of Absenteeism: Correlations of Study Variables and Certified/Uncertified Absence**

Variables	Uncertified Absence	Certified Absence	Variables	Uncertified Absence	Certified Absence
<b>Job Satisfaction</b>			<b>Work-related Stressors</b>		
General Job Satisfaction	<b>-.09*</b>	-.015	Workload	<b>.07*</b>	.03
Intrinsic Job Satisfaction	<b>-.09*</b>	-.02	Relationships	<b>.07*</b>	.03
Extrinsic Job Satisfaction	<b>-.07*</b>	-.01	Recognition	.05	-.02
<b>Organizational Commitment</b>			Organizational Climate	.05	-.00
Overall Organizational Commitment	<b>-.10**</b>	-.04	Personal Responsibility	.05	.00
Affective Commitment	<b>-.09*</b>	-.03	Managerial Role	.05	-.04
Continuance Commitment	-.02	-.02	Home-Work Balance	<b>.07*</b>	.02
Normative Commitment	<b>-.10**</b>	-.03	Daily Hassles	.06	.01
<b>Organizational Culture</b>			<b>Demographics</b>		
Absence Culture	.04	-.03	Gender	.00	-.00
Uncertainty Avoidance	-.06	-.01	Age	<b>-.08*</b>	-.00
Institutional Collectivism	<b>-.08*</b>	-.01	Industry	-.04	.00
In-group Collectivism	-.04	-.00	Company Size	.00	-.03
Humane Orientation	<b>-.07*</b>	-.01	Occupational Level	.04	-.03
Future Orientation	-.04	.02	Type of Employment	-.02	-.02
Achievement Orientation	-.01	.01	Tenure	-.03	-.01
Power Distance	-.01	.03	Hours work per week	-.03	-.01
<b>Health</b>			Shift Work	.00	-.05
Psychological Health	.01	.02	<b>Socio-Cultural Factors</b>		
Somatic/Physical Health	.03	<b>.10**</b>	Adequate Day Care	.04	-.02
<b>Work-life/Family Conflict</b>			Transportation to work	-.01	-.02
Work-family Conflict	.04	<b>.10**</b>	Time (travel to work)	.02	-.01
Family-work Conflict	<b>.08*</b>	<b>.09*</b>	Absent to attend funeral	.04	.02
<b>Organizational Justice</b>			Absent due to birthday	-.03	.00
Distributive Justice	<b>-.08*</b>	.008	Absence due to bad weather	<b>-.101**</b>	-.05
Procedural Justice	<b>-.11**</b>	-.02	Absent due to family sickness	-.07	-.02
Interactional Justice	<b>-.09*</b>	-.04	Absent due to personal errands	<b>-.09*</b>	-.06
<b>Individual Differences Variables</b>					
Extraversion	.00	.00			
Agreeableness	-.03	.03			
Conscientiousness	<b>-.07*</b>	.04			
Openness to Experience	.01	.03			
Emotional Stability	-.06	.00			
Emotional Intelligence	-.06	.03			

**Note.** Sample Population (n) = 773; Numbers in Bold indicate significant correlations  
The relationship is significant at the \*.05 level (95% Confidence); \*\* .01 level (99% Confidence)

