



Uttara University

Internship Report

On

**PRESENTEEISM in 5 STAR DIGI.TEGH INDUSTRIES
LIMITED**

Submitted to

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Submission Date: 19th October,2021

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INDUSTRIES LIMITED**



Letter of Transmittal

20th April, 2021

Kazi Tareq Ullah
Associate Professor & Chairman
Department of Business Administration
Uttara University
Subject: Submission of Internship Report

Dear Sir,

I have the great pleasure to submit the internship report titled “Presenteeism in 5STAR DIGI.TEGH INDUSTRIES LIMITED”. I have conducted my internship program in HRM Division of 5 Star Digi. Tech Industries Limited, Tangi, Gazipur, with your kind supervision. I have worked in Human Resource Department. Being as a student of Business Administration (MBA) major in Human Resource Management, it is a privileged to attend in the internship course and preparing a report under your supervision and guidance. I will be highly appreciated if you kindly accept the report. Your positive action regarding this matter would be very much helpful for my academic career. If you need any further clarification or information to interpret this analysis, I will be glad to answer your queries.

Sincerely Yours,

Arifa Akter

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Student's Declaration

I hereby declare that the report of internship entitled “Presenteeism in 5STAR DIGI.TEGH INDUSTRIES LIMITED” was prepared by me after completing of 3 months of internship in 5STAR DIGI.TEGH INDUSTRIES LIMITED, Tangi, Gazipur. I was tried my best to collect necessary information that made the report specific and original. I also declare that the report is prepared for academic purpose which is a part of MBA of Uttara University.

Arifa Akter

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Supervisor Declaration

This is to clarify that Arifa Akter is a student of MBA (Major in HRM) program. Her ID- ID-2203061002, Batch-53rd , Sec-A and she has successfully completed his “ Internship Program” entitled “**Presenteeism in 5STAR DIGI.TEGH INDUSTRIES LIMITED**” a report on 5Star Digi.Tech Industries Limited under my supervision as the partial fulfillment for the award of MBA. She has done her job according to my supervision and guidance. She has tried her best to do this successfully. I think this program will help him in the future to build up her career. I wish her success and prosperity.

.....

Kazi Tareq Ullah
Associate Professor & Chairman
Department of Business Administration
Uttara University

Acknowledgement

In the process of preparation of my practicum report, I am very thankful to the Almighty Allah who made me able to complete my practicum report. In this connection I would further like to pay my gratitude and respect to certain personalities for their immense help and enormous co-operation herein. First of all, I would like to pay my gratitude to our respected Kazi Tareq Ullah, Associate Professor & Chairman, Department of Business Administration, Uttara University, who gave me the opportunity to do the report on “**Presenteeism in 5STAR DIGI.TEGH INDUSTRIES LIMITED**” and for guiding me entirely, making me able to be precise about the report work and be presentable the required knowledge I have gained throughout this practicum period. After that I would like to pay my gratitude to Shahriar Ahmed who allowed me to conduct my practical work under his company, and to guide me through my internship period and made me able to understand different aspects of worker and prepare this report successfully.

Executive Summary

As organisations continue to try to achieve more with less, develop leaner systems and greater efficiency, the toll it takes on employees' mental and physical health has climbed the agenda. Increased presenteeism – employees who attend work whilst ill – is one possible outcome of the pressure on organisations to remain competitive and boost productivity. The studies, carried out principally in **5 STAR DIGI.TEGH INDUSTRIES LIMITED**, have attempted to put a value on the cost of presenteeism which, on top of healthcare, also includes a drop in productivity at organisational level and the risk of future health problems for the individual. While there are still some methodological and measurement challenges, the evidence suggests that this is an aspect of organisational life that is worth taking seriously.

It seems particularly important to understand the relationship between absenteeism and presenteeism, as organisations drive down the former at the risk of increasing the latter. Organisations may also have concerns that driving down the latter will increase the former. The evidence suggests that presenteeism is both more prevalent than absenteeism, and, unlike sickness absence, is also significantly related to performance. In the long term, presenteeism may also be more damaging for employees' health, morale and productivity. The promotion of a healthy workplace should therefore drive down absenteeism and presenteeism, rather than one at the cost of the other.

This report is based on an overview of research and current thinking in the field.

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Chapter 1

Introduction

Presenteeism refers to the lost productivity that occurs when employees are not fully functioning in the workplace because of an illness, injury, or other condition. Even though the employee may be physically at work, they may not be able to fully perform their duties and are more likely to make mistakes on the job. Although not tracked like absenteeism, the costs of presenteeism have been estimated to be larger in real terms as employees suffering from longer-term conditions see persistent drops in productivity. It is important to note that employees contributing to presenteeism are, by definition, trying to give their best efforts but are physically or mentally unable to do so.

Presenteeism is thought to be common in most workplaces, even though it is a topic that is not often discussed. Employees frequently show up to work even though they may be feeling ill, experiencing physical or emotional pain, or are going through some stressful situation that is affecting their ability to focus. In these situations, employees are attempting to work despite their particular problem and the result is a less productive work day than that employee can typically deliver. As the employee is present and working, it is difficult for managers to see the productivity gap as clearly as when an employee is absent from work.

1.1 Background of the study

With the rising costs of health care, employers are rethinking best practice strategies to keep employees healthy. Because employee health is a factor in company profitability, poor employee health must be compensated for through workplace health plans. When including employee health as a factor in overall company profitability, direct health care costs are analyzed and reported as medical health claims and absenteeism. Direct costs generally exist as traceable data and yield clear, easily measured expenses when investigated independently. Indirect costs are the hidden costs of health conditions and involve the behaviors that influence the overall effectiveness of the organization but are not measured in money paid to medical service providers. When employers examine the indirect costs of employee health, the multifaceted concept of presenteeism is commonly considered. Presenteeism is most often correlated with health and is defined as an individual's loss of work productivity due to health conditions and their symptoms and disease. Some researchers have reported presenteeism with non-health factors related to work environments. Therefore, a more suitable definition of presenteeism may be a person who is physically present at work but performs at a reduced capacity with "decreased productivity and below-normal work quality" for a variety of reasons.

Data to determine the impact of illness on employee productivity can be collected using self-report instruments, archival sources, or a combination of both. Although archived data are

preferred because they have higher validity, they are seldom used because there is too much missing data. Therefore, self-report instruments have primarily been used to measure health-related productivity loss.

Presenteeism self-report instruments are designed to provide insight into how work performance is influenced by a person's health. There are many self-report instruments that measure health-related productivity loss, but limitations of these instruments present challenges for researchers. Health-related productivity loss is susceptible to critique because of concerns with current methods of presenteeism measurement, such as inadequate validation against objective measures, short recall periods being extrapolated to yearly values, and health impairment constructs being self-reported. However, when measuring presenteeism, self-reported data is the usual method used, and it is assumed that participants are answering the items as honestly as possible.

1.2 Objectives of the Study

While presenteeism can be difficult to measure, surveys of workers have shown why it is so common in workplaces. Workplace culture plays a large role as many employees fear losing their job or missing out on opportunities for career advancement if they take time off when they could still be working. Beyond having their dedication questioned, many employees find that work cannot be easily transferred or covered off in a workplace without some consequences in terms of quality and time to completion, in addition to negative impacts on coworker relationships.

The objectives of the study are to:

Primary Objective:

The primary objective of the study is to find out the presenteeism in 5Star mobile company.

Secondary Objective

- To identify the effects of presenteeism in 5Star mobile company.
- To find out the reason of why presenteeism occur.
- To find out how presenteeism affect productivity.

Chapter 2

Company Profile

Introduction of 5 STAR DIGI.TEGH INDUSTRIES LIMITED

5 Star Digi.Tech Industries Limited, commonly referred to 5 Star, is a private limited company of Bangladesh. It is a sister concern of Alamin & Brothers. 5 Star is one of the largest mobile phone manufacturing companies in Bangladesh. Its headquarters is situated at Dhaka, Bangladesh.

Walton manufactures very high quality and durable mobile phones at its state-of-the-art plant at Tangi of Gazipur district, some 10 km (6 miles) north of the capital Dhaka. It started its commercial production and marketing since 2008 with the slogan ‘*5 Star mobile phone at Every people.*’ 5 Star consistently applies leading global technologies in manufacturing of its products.

Alamin & Brothers established in 2008, started mobile phone business under 5STAR brand in 2008 providing “Experience the world” through continuous innovation and product diversification. The brand has been enjoying the position in mobile phone industry with another two supporting brand “DOOGEE”, “AGETEL” & VEGA.

5 Star products have already won the hearts of the millions of people in Bangladesh for their outstanding designs, uncompromising quality and affordable prices. It has now become a trusted brand name in Bangladesh.

Walton has also planned to manufacture refrigerators, freezers, air-conditioners generators, washing machines, iron automobiles where a large number of local people are likely to get employment opportunities.

2.1 Organization Vision

To become the effective largest mobile company in Bangladesh and aspiring to be a bold leader among the top 5 brands in Bangladesh.

2.2 Organization Mission

Responding to the ever changing consumer and market demands though responsible innovative brilliance and recognized quality standards.

2.3 Organization Values

- Users are prior one

- Competent innovative brilliance
- Dynamic quality and compliance standards
- Demand facing predictive market presence
- Our people, our family

2.4 Organization Logo



Chapter 3

METHODOLOGY OF THE STUDY

There are mainly two types of researches. These include qualitative research and quantitative research. Qualitative research is the one that defines research objectives and findings in elaborative forms and in details. On the opposite, quantitative research is that one which defines objectives and results of the study through empirical assessments using numerical measurement and analysis approaches. Both types of researches are very much useful and important in defining problems and possible solutions. However, this study is basically a qualitative research type. But several mathematical and analytical figures such as descriptive statistics are used for the purpose of making this theoretical study a successful one.

Type of Data:

Data can be classified into two broad categories. They include mainly,

- Primary Data
- Secondary Data

3.1 Primary Data

Primary data are data that are collected for the first time and they are not availability to external users. Primary data in an organization are collection and presented for use by the internal authority. Here, primary data are collected from the internal sources of the company. These are not easily available outside the firm. These primary data are collected from internal financial record, organization culture, observation of office meeting of employees and conducting interviews regarding several phenomenons through as well as contracting personnel and customers.

The primary data that are used in this report are collected from the following sources,

1. Survey 2. Observation 3. Interview

3.1.1 Survey

Another important source of primary data in this report is sample survey. A sample survey is simply a survey that is conducted over the expected correspondence to get a proper idea about a thing or an object. The conducted survey for this report consists of the following elements:

Population Size: Population represents the total number of elements under a survey. The population size of this report stands for almost 50 among the total population.

Sample Size: Sample represents a representative portion of the total population. This study is based on the 50 sample that have been taken from the whole population. Among the total sample, 10 are staffs, 15 are technicians and 25 are workers.

Sampling Method: To make the study precise and accurate random sampling is applied. In random sampling, samples are selected randomly and each element of the population has an equal chance to be selected. In most of the cases, a random sampling procedure serves the best purpose of a study.

Time & Place of Survey: The interview has been conducted for two-three days during office hour over the employees. The background of the survey is the 5 Star Digi.Tech Industries Limited, Tangi, Gazipur.

3.1.2 Observation

As a means of collecting primary, observation plays an important role. It is in fact a system of collecting data about any object or thing by viewing and watching events that are happening in the field. Here, the researchers do not talk with others but drew a conclusion regarding a specific issue through only watching. To develop this report, observation has been taken into consideration.

3.1.3 Interview

Only some managerial officers, staffs and workers have been interviewed to get some sort of primary data regarding management procedures of the company. Here, the interview has been in fact a form of oral interview and communication.

3.2 Secondary Data

Secondary data, on the contrary to primary data, can be defined all those data and information that are already published and available for open use. Secondary data usually refer to edited and already published data in several books, magazines, company's special supplement, several web sites, annual financial reports. Secondary data are easy to obtain and they are less expensive.

Chapter 4

Data Collection & Analysis

4.1 Factors Leading to Presenteeism

Controlling employee presenteeism can constitute a complex and challenging task for both the workplace and administrators. Managers may have difficulty understanding and or accepting employee presenteeism within their organization, due to a myopic perspective of the situation. However, identifying the underlying causes, quantifying the problem and identifying possible solutions to employee presenteeism can prove to be valuable information for managers who wish to make a difference. Numerous researchers have tried to identify the various contributing factors to employee presenteeism in the workplace.

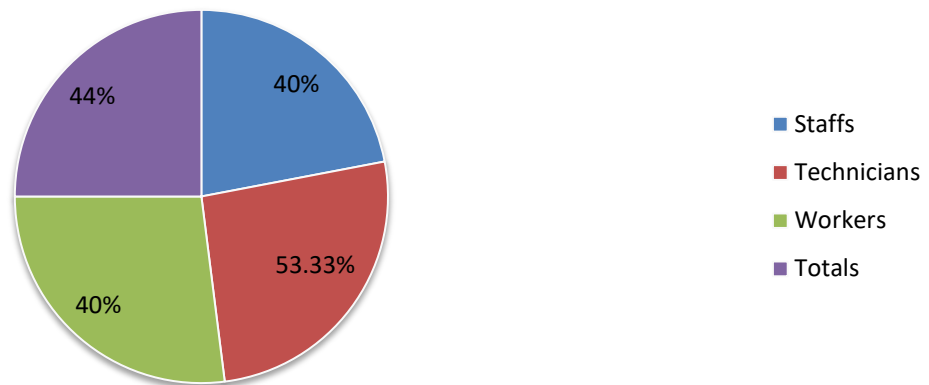
4.1.2 Factors showing the reasons of employee Presenteeism at 5Star mobile company

Sl No.	Factors
1	Job dissatisfaction
2	Poor Employee Training
3	Lack of Advancement
4	Lack of Respect
5	Lack of Responsibility
6	Poor Salary
7	Health Problem
8	Misbehave of the Authority

Table 4. 1 Presenteeism of the employee at 5Star mobile company due to job dissatisfaction

Types of Respondents	No of Respondents	No of employees facing lack of respect	Percentage
Staffs	10	4	40%
Technicians	15	8	53.33%
workers	25	10	40%
Total	50	22	44%

Presenteeism due to Job dissatisfaction

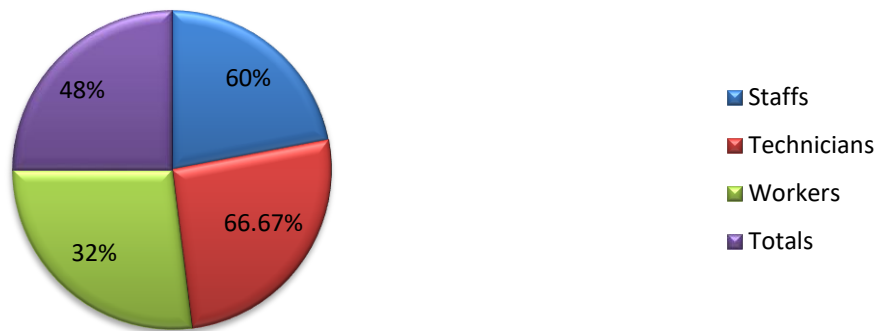


The following table shows the opinion of employee towards the job dissatisfaction of the company on the basis of their post. Job dissatisfaction is an important factor causing presenteeism among employee. However, among employee of different posts, the effect of these factors seems to vary. The overall mean score 22 that means 22 3mployees are facing presenteeism due to job dissatisfaction and percentage is 24% reveals that employee think that the job dissatisfaction in the company is one of the main reasons of presenteeism. In 5Star mobile company, the technicians feel more presenteeism and it's No of employees facing lack of respect is 22 and the percentage is 53.33%.

Table 4. 2 Presenteeism of employee due to Poor Employee Training

Types of Respondents	No of Respondents	No of employees facing lack of respect	Percentage
Staffs	10	6	60%
Technicians	15	10	66.67%
workers	25	8	32%
Total	50	24	48%

Presenteeism due to Poor Training

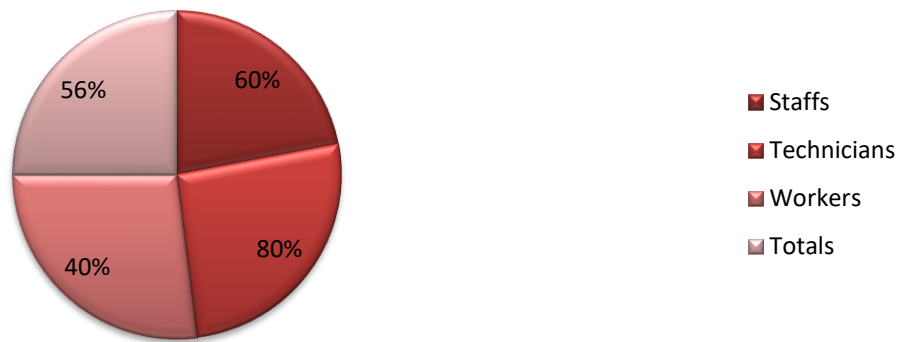


The following table shows poor employee training is one of the prime causes of presenteeism in 5Star mobile company. Employee presenteeism rate increase from staffs to technicians due to same facility but worker due to lack of training facility. Employees find it tough and uncomfortable to face new and challenging work.

Table 4. 3 Presenteeism of the employee due to Lack of Advancement

Types of Respondents	No of Respondents	No of employees facing lack of respect	Percentage
Staffs	10	6	60%
Technicians	15	12	80%
workers	25	10	40%
Total	50	28	56%

Presenteeism due to Lack of Advancement

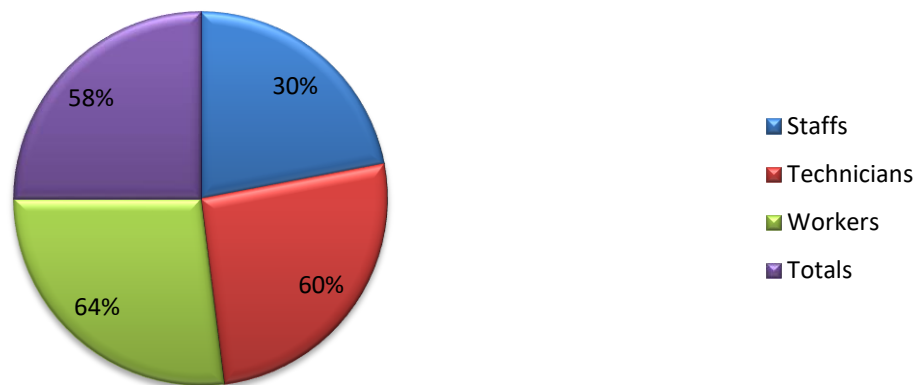


The table 4.3 indicates that employee presenteeism is higher in the technicians level but it reduces significantly in the workers level and stays in upper level in the stuff level. The total mean rate of presenteeism due to lack of advancement is 28. 80% Technicians feel presenteeism due to lack of technical training.

Table 4. 4 Presenteeism of the employee due to Lack of Respect

Types of Respondents	No of Respondents	No of employees facing lack of respect	Percentage
Staffs	10	3	30%
Technicians	15	9	60%
workers	25	16	64%
Total	50	29	58%

Presenteeism due to Lack of Respect

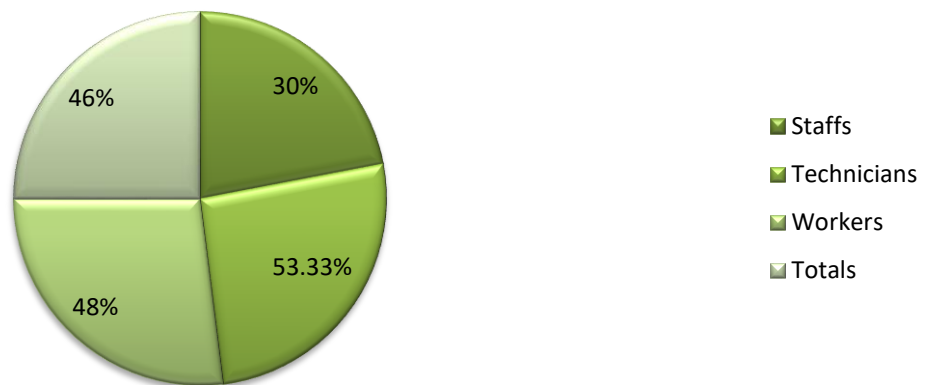


The table shows the employee presenteeism due to lack of respect in the work place. In the private company, it is in higher level. The presenteeism rate for workers for this purpose is 16 where technicians are 9 and 3 for the stuffs. Percentage is 64%, 60% and 30% respectively to workers, technicians and stuffs.

Table 4. 5 Presenteeism of the employee due to Lack of Responsibility

Types of Respondents	No of Respondents	No of employees facing lack of respect	Percentage
Staffs	10	3	30%
Technicians	15	8	53.33%
workers	25	12	48%
Total	50	23	46%

Presenteeism due to Lack of Responsibility

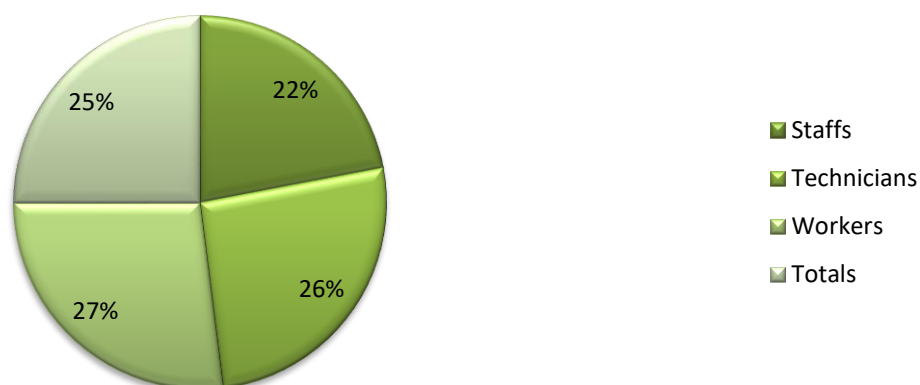


The table represents the employee presenteeism due to lack of responsibility in the work place. In this private company, employee presenteeism is quite significant due to lack of responsibility in the workplace.

Table 4. 6 Presenteeism of the employee due to Poor Salary

Types of Respondents	No of Respondents	No of employees facing lack of respect	Percentage
Staffs	10	4	40%
Technicians	15	9	60%
workers	25	18	72%
Total	50	31	62%

Presenteeism due to Lack of Poor Salary

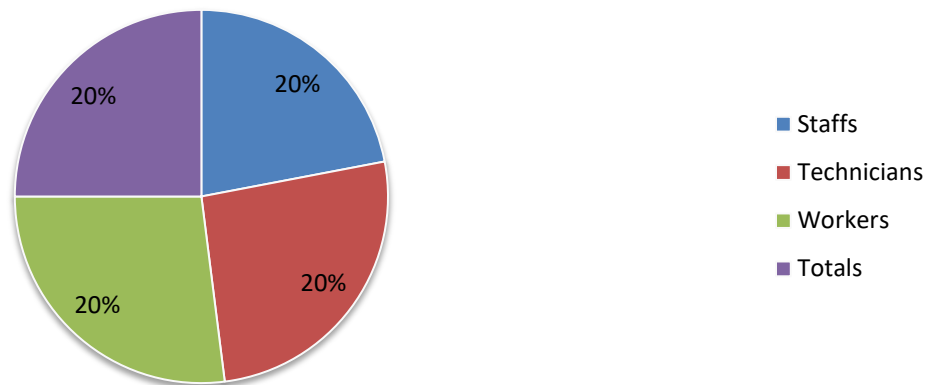


The table represents the employee presenteeism due to poor salary in the work place. In this private company, employee presenteeism is quite significant due to poor salary in the workplace. In 5Star mobile company, 72% workers feel presenteeism due to poor salary.

Table 4. 7 Presenteeism of the employee due to Sickiness

Types of Respondents	No of Respondents	No of employees facing lack of respect	Percentage
Staffs	10	2	20%
Technicians	15	3	20%
workers	25	5	20%
Total	50	10	20%

Presenteeism due to Sickness



The following table reveals that sickness is a notable reason for the employee presenteeism. The want of higher salary, better working condition makes the employee presenteeism. The No of employees facing lack of respect from stuffs to workers for this purpose does not very much. it is 2 for staffs and 3 for the technicians.

It is calculated that presenteeism costs almost 2.5 lac per year in 5Star mobile company, while absenteeism 6 lack. The study shows that presenteeism is hugely costly to employers, but all too often ignored. Managing it well not only saves money in both the short and longer term, but also contributes to the development of an engaged and productive workforce.

4.2 ACTION

Organisations should ensure that all their employees are treated fairly and that managers understand how to administer corporate policies in an equitable manner. Organisations need to be aware of any cultural trends towards absenteeism or presenteeism and be prepared to address them. Organisations can minimise the potential damage of job loss to employees by being open and honest about their own financial position and by providing employees with transferable skills to improve their prospects in the job market. In addition, when redundancies have to take place, organisations can provide outplacement support to assist employees in finding alternative employment. Putting these in place will not only minimise the risks of ill health but will also help boost employee engagement.

Employers should ensure that managers and employees understand the relationship between absenteeism and presenteeism. Managers should be encouraged to adopt a more flexible approach to sickness absence in order to avoid causing further presenteeism.

4.3 Findings

This study found that people working in 5Star mobile company reported working while sick on a frequent basis. Perceptions of high job demands increased the risk of self-reported presenteeism, whereas control over aspects of work and support from managers and colleagues tended to discourage it. Work engagement was also found to be a risk factor for presenteeism, in that respondents who were more absorbed in their work and more dedicated to it were less likely to face presenteeism.

Excessive job demands, characterized by high workload, fast working pace and long working hours, increased the risk of presenteeism. However, job control and support reduced rather than increased the likelihood of working. Although control can help people work within the limitations of their illness, these findings suggest that it may also enable them to take sick leave if required. As facets of control such as skill discretion, schedule flexibility and decision authority can influence workplace sickness behaviors in different ways.

Perceptions of support from 5Star mobile company can also reduced the risk of presenteeism. Managers have legitimate authority over workload and can provide reassurance that tasks would be reallocated during periods of absence—therefore giving staff official ‘permission’ to go off sick. The manager and managing system is also responsible for the employers facing presenteeism. The authorities are failed to make the employee active during working time. The rough behavior of the authorities, misunderstanding with the colleagues, poor training is also responsible for employee’s presenteeism.

This study found that work engagement, as well as features of the working environment, increased the risk of employee’s presenteeism of 5Star mobile company. Job dissatisfaction, lack of responsibility of the employee of the 5Star mobile company, lack of respect from the authority of the mobile company, poor salary of the workers and technicians are the main causes of employee’s presenteeism. The salary of the workers and technicians level is very low. As a result, they fail to keep attention during working period. The authority of 5Star mobile company fails to distribute the work among the workers. The workers, technicians and stuffs are not proper responsible about their job and duties. The company does not provide proper increment, health insurance, festivals bonus which make the employees facing presenteeism.

4.4 Limitations

Depending on the feedback from employees of 5Star mobile company this report has been prepared. Though the report would be helpful to 5 Star Digi.Tech Industries Limited, some employees were reluctant to provide feedback. Some concerned might think that the information associated with them was confidential enough to disclose to the external world. Another problem was time constraint. In case of research, the sample size was quite small as it was not possible to analyse a large sample due to time constraint. The duration of my work was only three months. But this period of time is not enough for a complete and clear study. It is because of the limitation of information some assumptions were made. So there may be some personal mistakes in the report. Although there were many limitations I tried to give my best effort to furnish the report.

Other limitations relate to the sampling strategy and the generalizability of the findings. Although the sample was substantial and generally representative of the wider population of 5Star mobile employees, the findings may not capture the views and experiences of the wider population.

Chapter 5

Conclusion and Recommendations

5.1 Conclusions

From the employees perspective it can be concluded that employee facing presenteeism is not a natural phenomenon. There are reasons which lead to increase in attrition. It is observed that both the external and internal factors are responsible for presenteeism. Among the external factors opportunity for promotion, vacation and work space life are the important. And among the internal factors compensation, work timing, working conditions, relations with supervisor/managers, opportunity to use skills, work load are important respectively.

From the perspective of authority, it can be concluded that the factors that lead to increase in employee facing presenteeism are majorly internal to the 5Star mobile company. Although the external factors also influence, but as the management of the company does not have any control over the external factors it can focus on modifying the internal factors to remove the presenteeism.

5.2 Recommendations

Once it has identified presenteeism as a problem in business, it's important to find ways to combat it:

Head of department or manager, they're bound to have a busy schedule and it's possible that they might lose sight of their teams' workload. In this case, they may not spot any shifts in motivation or wellbeing. That being said, it's still important to look out for the early stages of presenteeism.

They can do this through regular 1-1 sessions with your employees to discuss how they're getting on, both professionally and personally. If they're feeling overstretched, this is the chance to help them manage their workload to reduce stress. Even informal chats with the team can help to flag any potential warning signs.

Sometimes, employees find it difficult to speak to their line manager if they're experiencing a problem. Adopting a more approachable manner will make it easier for the staff to bring up workload issues, or ask to be sent home if they're sick.

The authority can also use employee satisfaction surveys or quarterly performance reviews to open communication lines and discuss any underlying issues.

Some employees may think that working later hours than expected is looked on favourably by employers. This sort of mentality is contributing to presenteeism; in the long-run, it could be doing the business more harm than good.

Rather than rewarding staff for the number of hours they've spent at work, build a culture that rewards work delivery and outputs instead. This will reduce presenteeism, as employees will see that working hard doesn't have to mean working more hours than they're paid for.

On the basis of the findings and conclusions of the study, the following recommendations may be appropriate for the organization to reduce presenteeism. These recommendations may also help increase the performance of the workers and also staffs. They are given below-

- ✓ Identifying the reason of presenteeism by taking opinion from different level of employee and efforts to minimize it as an expectable level.
- ✓ Reducing employee job dissatisfaction by determining the factors which are responsible for presenteeism.
- ✓ Increasing employee facilities such as salary range, increment, transportation facility, bonus, and other facilities to keep pace with the changing world.
- ✓ Executives and officers need to involve more in decision making, and contribute more to develop the company policy and principle.
- ✓ Communicate company policy
- ✓ Provide healthcare benefits
- ✓ Managers must set good examples
- ✓ Create a workplace culture of care
- ✓ Review your team's workloads
- ✓ Efficiency training facilities need to maintain to increase the productivity of the employee and to bring the best out of them and make them competitive with the competitive world.
- ✓ Employee should be given the opportunity to move according to the quality and efficiency they pose.
- ✓ The factors such as money items , bonus, vacation and other facilities need to be met to get the maximum employee satisfaction and to reduce presenteeism.

Employees who come to work sick may be present in body but aren't often present in mind. While it might impact the business if a staff member is off sick for a few days, the potential negative implications if they come into work regardless and spread their illness with other employees are more severe. With shrewd planning and communication, it can be balanced the needs of 5Star mobile company with the health and wellbeing of it's staff.

If an employee feels as though their employer demonstrates a lack of concern for their health and wellbeing, then coming to work will feel more like a chore, thus reducing their level of job satisfaction. It's important as an employer to take proactive steps to intervene and help tackle the issue before it escalates.

Presenteeism can lead to a disengagement of staff from work, which can then lead to them performing below par, thus not attaining the usual standards that their employers have come to expect of them.

It can be taken several approaches to remove presenteeism at work. The first of which is an absence management policy. This document should set out your organisation's approach and procedures for:

- Reporting and recording absences
- Providing evidence of illness (when required)
- Returning to work after absence due to ill health e.g. return to work interview and phased return to work plan)
- Sick pay entitlement
- Scheduling medical appointments
- Prolonged absences due to ill health

How you implement the policy is also important. For example, use the return-to-work interview to ensure employee is fit and ready to start work again.

This is a good opportunity to discuss if it'll have to arrange any ongoing support to ease the employee back into the working environment.

Other ways for preventing presenteeism at work include:

Presenteeism policy: If it is recognised it as a problem within the organisation, then it can be introduced a workplace presenteeism policy. The document should outline its stance on employees coming into work sick. This should help staff members understand under what conditions they should stay at home. For example, if their illness becomes a risk to the health and wellbeing of themselves, and their colleagues.

Encourage healthy living: Taking note of employee health and wellbeing may also involve introducing a healthier lifestyle in the workplace. This can range from encouraging employees to take the stairs instead of lifts, to more progressive activities, such as lunchtime or post-work fitness classes. As well as helping to boost staff morale and motivation, it'll also encourage employees to take their health more seriously, which in turn can help decrease the level of sickness they experience.

Workplace environment: Ensuring that workplace common areas and facilities are kept clean is equally important. This may sound obvious, but if the office is not properly maintained, germs can spread quickly. Try educating your employees using posters and flyers, which will serve as reminders as to why personal and office hygiene is vital.

Lead by example: As an employer, it's important to practice what it preach. If it don't want the staff to come into work while their ill, then it shouldn't either. Although it's better to give yourself time to recover properly, consider keeping in touch via phone or email if there're urgent issues that need to be addressed immediately. If staff see it doing this, they're likely to do the same.

Disciplinary action: For businesses where the protection of the public is critical (restaurants, hospitals, etc), it can be considered implementing disciplinary action for those that don't adhere to the company policy.

Sickness presenteeism can be a real cause for concern for employers, impacting how an organisation is run and its financial wellbeing. Therefore, it is important to implement a strategy that encourages a healthy workplace culture.

As a result, it will be seen the benefits of a more productive and efficient working environment, in addition to employees who are happy and more engaged in their roles.

Chapter 6

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Chapter 7

Appendix

Presenteeism and productivity

It is tried to examine some of the implications in 5Star mobile company of high presenteeism. First potential benefits and risks are considered, then how to calculate the cost. As one of the biggest contributors to presenteeism, the case of depression and other mental health issues are investigated, followed by an overview of studies showing the impact of a variety of conditions on productivity. Finally, potential mediators are identified from the research.

7.1 Benefits and risks

Presenteeism can be both a benefit and a risk and it has already considered positive and negative presenteeism. On the plus side one would assume presentees will at least contribute something, whilst absentees contribute nothing. Furthermore, being in work is generally considered better for wellbeing. For example, highlights several studies showing that people might prefer to be with their colleagues than suffer solitude and boredom at home, particularly if they are feeling depressed. On the other hand, as presentees struggle on at a decreasing pace, until sometimes finally submitting to an aggravated illness, those that take a complete rest might return to work quickly at full strength and in the meantime also remove any potential risk to colleagues from infection.

Presentees can be over 30 per cent less productive than when they are well and have the potential in some cases to present a hazard in the workplace or store up trouble for the future. An extreme example reported in January 2014 suggests that a Red Arrows pilot who was killed when his ejector seat triggered accidentally on the ground, may have been suffering from the effects of taking 'Night Nurse', an over-the-counter cold remedy, the night before.

A DU survey reported that 56 per cent of employers felt 'presenteeism' was a problem in their organisation; employee burnout and lost productivity were 7.5 times greater with 'presenteeism' than absenteeism. In the 5Star mobile company a clear focus for employers is the cost of providing healthcare. A recent white paper argues that because leaders are not writing cheques for presenteeism it has not been sufficiently high on the agenda. Some of these calculations can lead to extreme conclusions:

'While estimates vary, some suggest that presenteeism accounts for three-quarters and absenteeism the other one-quarter of the cost of lost employee productivity. If this estimate proves to be accurate, employees physically at work but performing less than optimally would drive three times as much productivity loss as those who don't even show up!'

An important study by the research team of DU et al (2010), mentioned previously suggests that performance and wellbeing are more closely related to the organisational reaction to presenteeism and absenteeism, rather than the act itself. In other words, people will inevitably

get sick and it is up to managers to negotiate the risks and benefits to ensure optimum outcomes for the individual, team and organisational productivity.

7.2 Calculating the costs of Presenteeism

The impact on productivity clearly depends on both the nature of the affliction and the nature of the job and the calculation is not straightforward. The head of DU investigation team Professors Jahangir Ahmed (2010), however, argue that while efforts to quantify the incidence and costs of presenteeism are still risky, evaluations to date justify continued interest.

The cost of presenteeism is often considered to include reduced work output, errors on the job and failure to meet quality standards. From a systematic review of the literature in 2010, concluded that although many researchers had attempted to place a dollar value on presenteeism, at that time there was no agreement on the appropriate method for that calculation.

Several of the presenteeism measurement instruments claim to yield results.. The general method used is to convert the percentage reduction in productivity into a number of hours per week that an average individual is unproductive. For example, if an employee's presenteeism is 20 percent, they are considered to be unproductive 8 hours out of the 40-hour work week; that number is multiplied by the average hourly wage and benefits cost for an employee, which is then multiplied by the number of employees with a given health condition. However, it is still unclear if those calculations are meaningful and whether or not an employee experiencing presenteeism is truly zero per cent effective during those hours. An expert panel convened by the DU recommended that presenteeism measures cover:

- Time not on task
- Quality of work (eg mistakes, peak performance, injury rates)
- Quantity of work and personal factors (eg social, mental, physical, emotional).

It is compared sickness levels with actual performance scores and found that employees with higher levels of sickness presence had significantly lower performance scores compared with those with lower levels of sickness presence. Sickness was not significantly related to this performance measure.

The Centre for Mental Health recommends that 'performance measures should be in place which are sophisticated enough to pick up any significant change in individual performance and these measures should be monitored alongside sickness absence'.

7.3 Macroeconomics

In 2010, DU investigation team econtech to identify the macroeconomic impact of presenteeism on the workforce and the wider economy. The study estimated the productivity loss from 12 common medical conditions by applying data on the prevalence of each condition in the working population to international estimates of the on-the-job productivity losses from each condition. Comparing two scenarios (firstly where presenteeism is prevalent and secondly where there is no presenteeism) the headline findings reported were:

- The overall cost of presenteeism to the economy in 2009/10 was estimated at \$34.1 billion (nearly four times the cost of absenteeism).
- Presenteeism equated to a 2.7 per cent decrease in 2010 GDP.
- On average, 6.5 working days of productivity are lost per employee annually as a result of presenteeism.

The study also examined the projected effects of presenteeism in 2050 taking into account age-specific prevalence rates of illness and demographic change. In 2050, the total cost of presenteeism is estimated to rise to \$35.8 billion with a decrease in GDP of 2.8 per cent.

With the changing demographic and an older workforce the most common types of conditions affecting workers by 2050, are projected to be:

- arthritis
- heart disease
- hypertension
- back, neck or spinal problems.

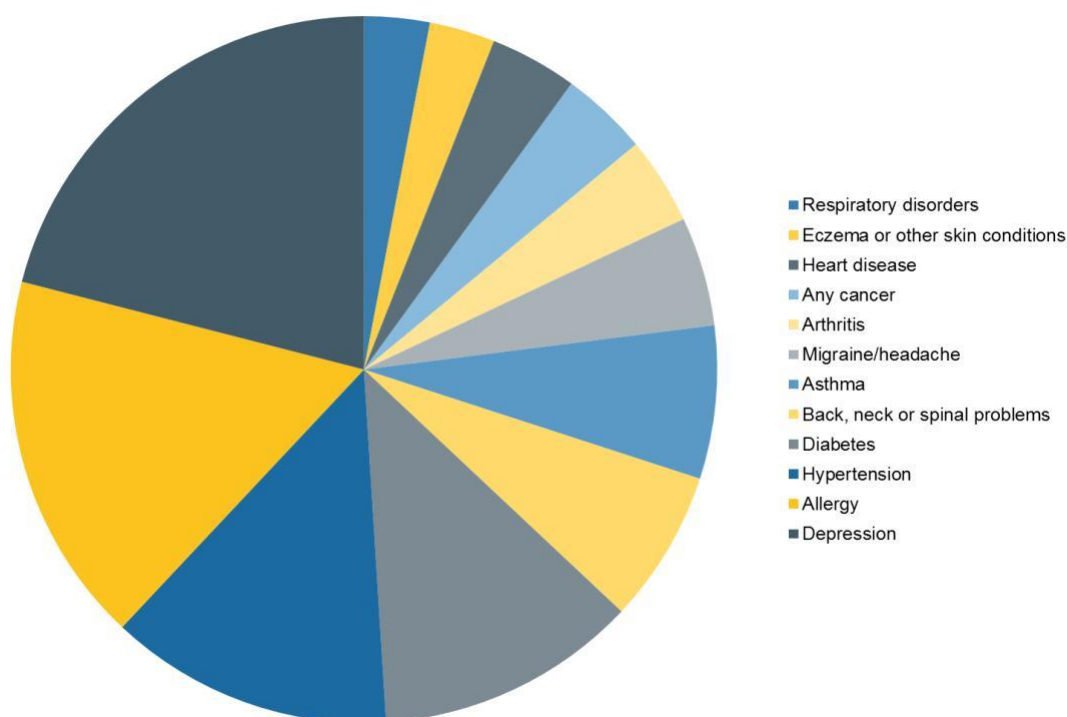


Figure 7. 1 Contribution of Medical Conditions to Overall Productivity Loss Caused by Presenteeism

Figure 4.1 shows the percentage contribution at the time of the report that each medical condition makes to the overall productivity loss caused by presenteeism. They found that currently the

biggest contributors are depression (21 per cent), allergies (17 per cent), hypertension (13 per cent) and diabetes (12 per cent).

An average productivity loss of 2.6 per cent per worker corresponds to a loss of 6.75 working days per worker per year for an average worker, which equates to \$1,615 per employee per year for the top 10 health conditions in 2009–2010.

The DU study goes on to highlight the impact of productivity loss throughout the economy:

‘Presenteeism causes direct labour productivity losses to employers. These direct impacts then filter through the economy, causing changes to capital investment and other impacts to upstream and downstream industries. These other impacts are the indirect impacts of presenteeism.’

While the DU study has not been analysed here from an economist’s perspective, the important message for this current review is that presenteeism is being taken seriously at the national level as having wide-ranging implications for organisations and the economy as a whole. Figure 4.2 shows the DU’s calculations on the impact on various industries’ production that is attributable to labour productivity losses stemming from presenteeism. The electricity, gas and water industry shows the largest impact of 5.3 percent decrease in production when compared to the ‘No Presenteeism’ Scenario.

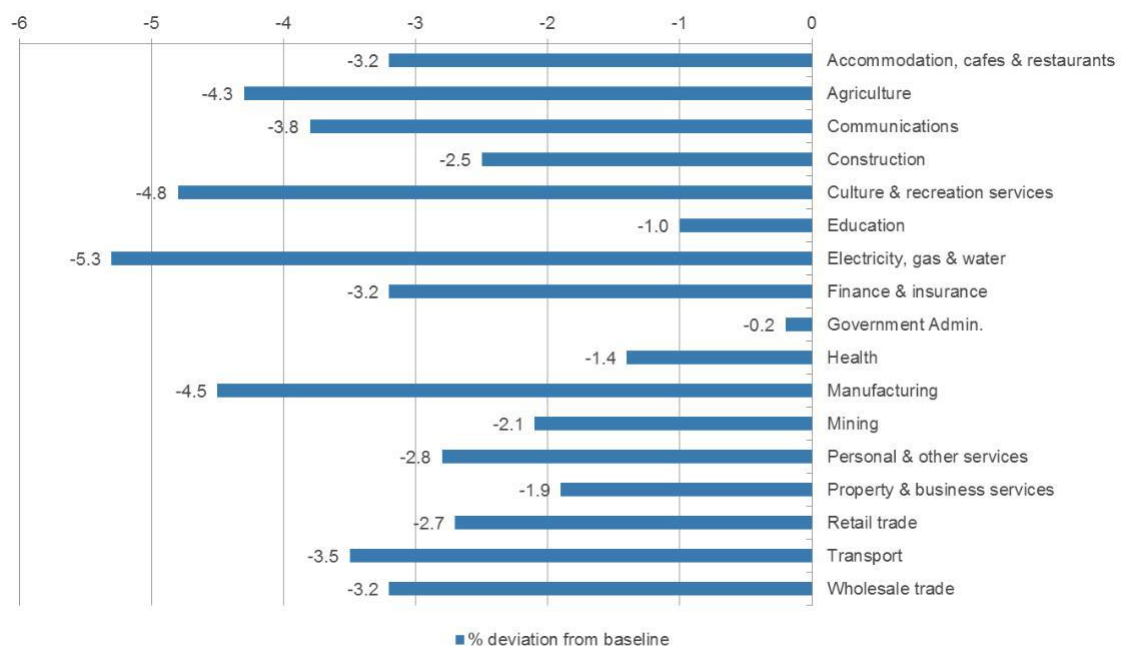


Figure 7. 2 Impact of Presenteeism on Industry Production

Some interest, of course, is generated by suppliers of wellness programmes with the aim of generating business, so caution should be exercised with regard to cost estimates. Several projects, currently under way, are the result of a partnership of insurance companies, educational institutions and others with a vested interest in quantifying the human and ROI value of wellness program.

The 5Star mobile Company pulls the following data:

- On-the-job losses from presenteeism are 60 per cent of the total cost of worker illnesses, which exceeds what companies are spending on medical, disability and absenteeism.
- For 10 conditions studied, presenteeism drove from 18–61 per cent of total costs (the total costs are split into health care, pharmacy, absence and presenteeism showing that for some conditions the loss of productivity through presenteeism has a disproportionate impact)
- In a survey of 1,000 workers in 5Star mobile company, presenteeism accounted for 1.32 hours per week (66 per cent) of lost time absenteeism accounted for the rest.

7.4 The case of depression and mental health

Of all the illnesses that impact productivity at work, depression probably merits particular attention due to its prevalence, it accounts for half of all disability of people of working age, ie as much as the combined effects of back pain, heart pain, pulmonary problems, diabetes and cancer and is frequently co-morbid with other illnesses) and because it is often hidden and stigmatized. Figure 4.1 above shows depression as the biggest contributor to productivity loss at work in Australia.

Figure 4.3 compares the rise of presenteeism for those with a severe mental health disorder, a moderate mental health disorder and no mental health disorder.

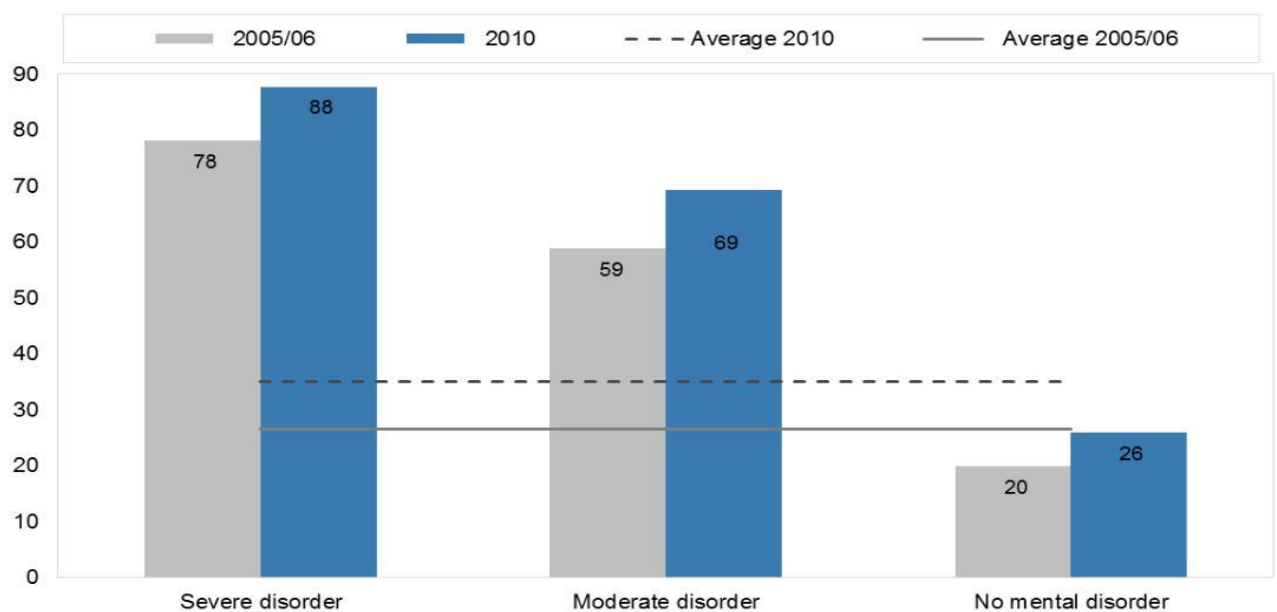


Figure 7. 3 Presenteeism has increased among all groups of the population

And while absenteeism and presenteeism levels vary by country, mental health differentials are consistent (Table 4.1).

The DU (2010) suggests that treatment is a prerequisite to better employment outcomes for people with a mental disorder but found that across the country nearly half of those with a severe mental disorder and over 70 per cent of those with a moderate mental disorder do not receive any treatment for their illness. They also report that worker productivity loss is strongly driven by poor mental health:

‘For workers with common mental disorders, reduced productivity while at work is the biggest issue, potentially with considerable and typically hidden spill over on co-workers. Added to this, presenteeism seems to have increased in all countries for all occupations, and more so for workers with a mental disorder.’

Sickness absence frequency and average duration both increase for those with mental disorders but the greatest disparity between those with no mental disorder and those with a severe disorder is in the incidence of presenteeism. Those with a mental disorder, when asked about productivity over the preceding four weeks, were more than three times as likely as those with no disorder, to accomplish less than they would like to.

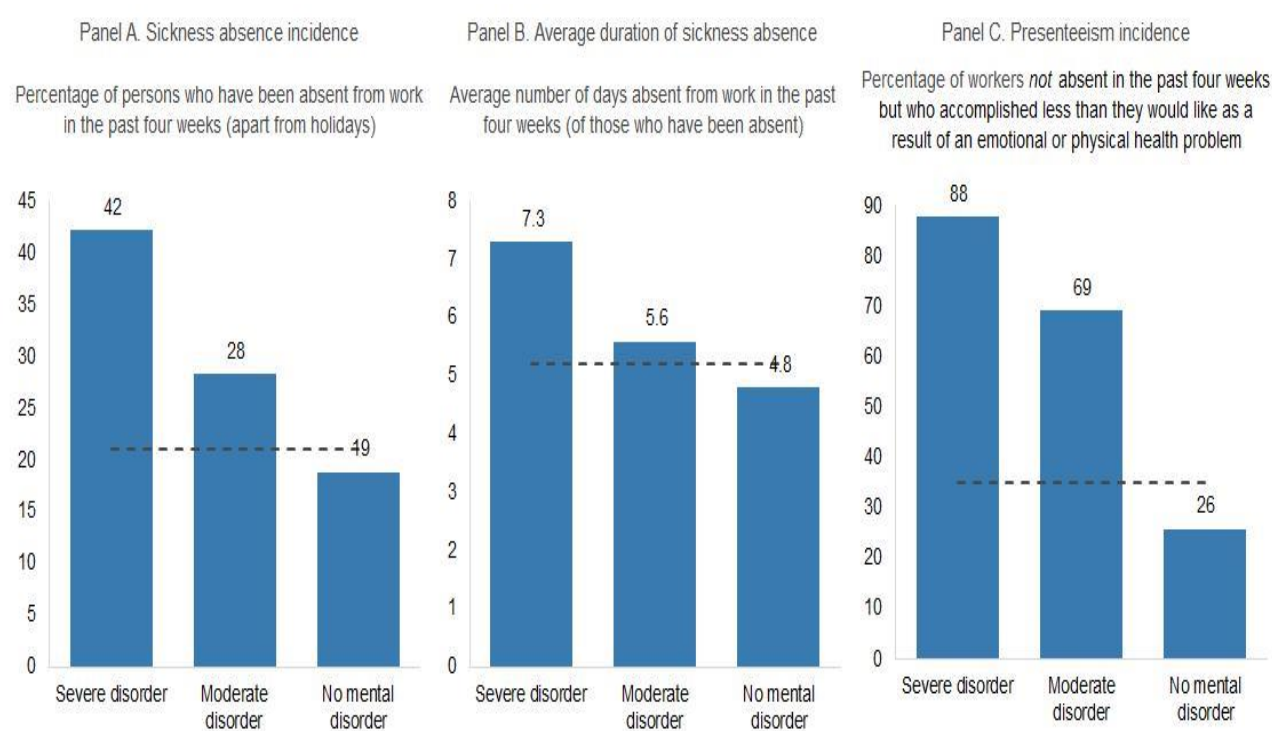


Figure 7. 4 Absenteeism and presenteeism both increase sharply with poorer mental health

Notes: Incidence of absenteeism and presenteeism (in percentage) and average absence duration (in days), by mental health status, average over 21 European OECD countries in 2010

Note: Averages are represented by dashed lines.

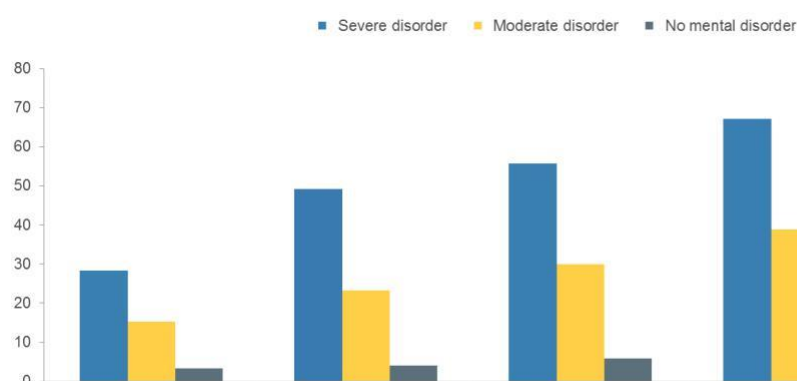


Figure 7. 5 Alternative measures of productivity loss

Notes: Percentage of workers who faced various productivity losses in the past four weeks, as a result of an emotional problem, by severity of mental disorder, average of 21 in the company.

One finding shown in Figure 4.5 above that might warrant further investigation by HR, Occupational Health or line managers is that those with mental disorders report working less carefully, which in some roles may have safety implications.

According to DU (2010), mental health affects earnings, educational success, employment and physical health. In advanced countries mental health problems are the main cause of illness of working age people, accounting for over one-third of disability and absenteeism. They can also cause or exacerbate physical illness. One per cent of work-hours are lost due to absenteeism and on top of that the cost of underperformance, based on self-reports, may add another one to two per cent to the direct output costs of mental illness. Layard argues that while effective treatments are available, there is a world-wide under-treatment of mental health problems. He highlights that in 17 out of 19 in company the incidence of work-related mental problems is increasing and that surveys of individuals show that the worst time in their day is when they are in the presence of their line manager. He argues for better job design and a more pro-active way of handling absence.

It was also suggested that while unemployment and particularly long-term unemployment is bad for mental health, not all jobs are good for mental health. It concludes:

‘Jobs which are psychologically demanding but leaving limited decision latitude, a situation commonly referred to as job strain, have a significant negative impact on the worker’s mental health. And job strain has increased over time in most occupations. The quality of employment matters and one of the biggest factors in this regard is good management, ie a manager who supports the worker, gives adequate feedback, recognises the work effort and talks to the employee.’

DU investigation team (2010) highlights the particular problems for people with depression returning to the workplace. They found that participants with depression found it more difficult to adjust back to work than any other group.

7.4.1 Recommendations for supporting presentees with mental health problems

The role of line managers is pivotal in making work adjustments and providing support to returning employees and they should work closely with other stakeholders such as OH practitioners, HR professionals and unions.

- It is called for better training and information for people such as managers who work outside the mental health sphere.

Identify those employees returning to work who are at risk of depression as a key policy and part of the risk assessment framework. In the UK this is already in place with regards to BD legislation on general health and safety at work, and the HSE management standards for work-related stress.

- In view of the widespread under-treatment of mental illness (and equally widespread treatment by non-specialists), employers and OH experts should be closely involved in ensuring that employees access all treatment available in line with clinical guidelines.
- Employers should provide employees returning to work following depression with stress management training to help reduce the risk of depression and anxiety.
- Line managers should be aware that some roles may be less suitable for people with mental disorders in the light of findings that they self-report that they sometimes work less carefully because of their illness. This might involve adjusting duties.
- Managers also need to monitor the level of job strain and have regular and frank discussions with affected employees to ensure they are not suffering unnecessary stress.

7.4.2 Seasonal affective disorder (SAD)

In addition to full blown depression, a survey of over 1,000 office workers in the mobile company has found that 27 work days are lost each year as a result of employees suffering from the ‘winter blues’ or SAD. The survey, finds that 20 per cent of workers admit to calling in sick because of the winter blues and, on average, those that do call in sick, take off four days a year because of the condition. The results highlighted the ways in which the winter months impact office workers, with 60 per cent stating that it makes it harder to get out of bed. This was closely followed by decreased levels of motivation (59 per cent), depression (58 per cent) and greater susceptibility to illness (52 per cent). These symptoms come in light of the finding that almost half (48 per cent) of workers rarely or never see sunlight on the way to work during the winter months.

Key findings were:

- Workers with a two week on, two week off pattern were starting with a sleep debt following a 8.00am. This was exacerbated by early shift starts.
- There was limited education and knowledge about fatigue and its impact at Management, Supervisor and Operator level.

- Data analysis highlighted that fatigue increased over the night shifts, leaving employees at an effectiveness level of around 63 per cent.
- When they arrived back in Perth people were commuting home with a reaction speed equivalent to twice the legal alcohol level and required four days of rest to recover to normal.

Recommendations were made to adjust flight times and shift patterns and to improve training and awareness for all staff.

7.5 Workplace stress

Stress presents another definitional problem and DU investigate team(2010) points out that doctors vary in their diagnoses and recommendations about taking time off work.

A study by DU (2010) investigates ‘job-stress-related presenteeism’ (a form of psychological strain caused by job stress) and specifically the impact of supervisor behaviour and role modelling.

They found that job stress and presenteeism were positively correlated and that negative supervisor behaviours had the strongest associations with employee job-stress-related presenteeism. These were:

- fails to properly monitor and manage group dynamics
- makes decisions that affect employees without seeking their input
- shows disinterest in employees’ ideas and projects
- is easily threatened by competent employees
- remains aloof from employees
- ignores employees’ suggestions
- Tends to be guarded (eg not open) in his/her communication.

The supervisor behaviour with the highest **negative** correlation with employee presenteeism was ‘*helps employees keep work in perspective*’.

7.6 Overview of health factors that impact productivity

Numerous studies have shown productivity loss from presenteeism across a range of illnesses and job roles. While studies attempt to isolate various conditions it is important to remember that many

of these are co-morbid so that, for example, people suffering from general poor health may also have pain and possibly also poor mental health.

- **Pain:** In one case study over four weeks, it was estimated that those in pain lost 3.14 days of work due to presenteeism and 0.84 days due to absenteeism, versus 0.29 and 0.06 days for the healthy comparison group. Musculoskeletal and 'mental and nervous' problems topped the list.
- **Depression:** Workers with depression reported significantly more lost productive time than those without. Mild to moderate symptoms of depression were found to be associated with poor work and repeated spells of certified sick leave. A combination of poor work adjustments, minimal line manager support and lack of early psychological intervention appeared to have a significant negative impact on employees. Those returning to work following an episode of depression found it more difficult to adjust back to work compared with those returning to work with other illnesses and line managers and colleagues had little understanding of depression.
- **Stress:** According to an study by 5Star mobile company (2020) workplace stress is responsible for a loss of 2.14 working days per employee annually as a result of presenteeism, which equated to a cost of \$133 per employee annually.
- **Burnout:** Presenteeism gives rise to feelings of burnout because of insufficient recovery. In turn, burnout leads to an accumulation of workload and decreases the energy to cope, causing a more accentuated presenteeism.
- **Storing up problems for the future:** Presenteeism can exacerbate existing conditions and delay recovery and increase the likelihood of future sick leave. A three-year follow-up of British civil servants who were never sick during the period, showed an increased risk of serious coronary events and poorer health compared to others. Seventeen per cent of unhealthy employees took no absence during the three-year follow-up. Their incidence of serious coronary events was twice as high as that of the unhealthy employees with moderate levels of sickness absenteeism.
- **Migraine:** In 1997 migraine headaches were estimated to be responsible for \$12 billion of lost productivity annually in the United States, with 60 to 70 per cent of this cost the result of impaired performance while at work.
- **10 Chronic Health conditions:** A study of employees at the Dow Chemical Company calculated the annual total costs (including medical, pharmacy, absenteeism and presenteeism) relating to allergies, arthritis, asthma, back/neck disorder, breathing disorder, depression, diabetes, heart or circulatory problems, migraines and stomach or bowel disorders. For each health condition, the presenteeism cost was the major component of cost, exceeding medical care, pharmacy costs and absence costs. The company estimated that lost productivity due to health was equal to 6.8 per cent of the total labour costs of their US workforce in

2002 (Collins et al, 2005). While health problems might be expected to reduce productivity, there are also factors that seem to mitigate the loss.

7.7 Potential mediators of productivity loss

Studies relating to factors mediating productivity loss are shown in Appendix 3 and key points are summarised below.

- **Supervisor support:** It is found that supervisor support acted as a buffer between presenteeism and exhaustion.
- **Being able to make work adjustment:** Employees who were unable to adjust their work around their health condition were more likely than those who could, to report that their performance was adversely affected when working while unwell.
- **Health interventions:** It is suggested that relatively small investments in screening, treatment and education would reap substantial productivity gains.
- **Organisational support for healthy lifestyles:** The Health Enhancement Research Organization found that employees who reported it was difficult to eat healthily at work were 93 per cent more likely to have high presenteeism. Those who reported that their employer had little interest in supporting employee efforts to becoming more physically active were 123 per cent more likely to have high presenteeism. Those who indicated that their employer was not supportive in helping them become emotionally healthy were 320 per cent more likely to have high presenteeism.