

The cost of Absenteeism and its effects on Productivity.

The effect of absenteeism in the clothing industry in the Delhi area is appalling. I am learning of average figures of between 15 and 18% and this seems to be the norm and is accepted with 'reasons / excuses' e.g. festivals and other celebrations, but it is also peaking at above 30% immediately after pay day.

Is it only in Delhi where there are a multiplicity of ethnic groups? Or do they exist in other parts of the country / world as well?? You must stop making these excuses because they are not acceptable if you wish to compete in the world markets, this aspect has to be tackled head on.

I believe that production lines in our industry will not work efficiently with an absentee factor above 5 – 6% (I still consider this to be too high – I have been told that the absentee level in China is below 2%).

We have just been working in a couple of factories here, installing systems, the co-operation level is high, but its almost impossible to remember who did what job yesterday, since the movement of people is so high, trying to fill spaces caused by absentees and trying to find the best people available within the factory to replace those absent. Of course we also bring in new 'tailors' from outside and put those in the empty places. The replacement operators have to be shown the job, - -who does this?? The supervisor! But what happens if there are 5 replacement people. How does the supervisor cope with that and the other things they have to do? And how is it possible to keep a line balanced with this many new replacements – and what do you think happens to the quality. It's just crazy!

How many times did the supervisor not get back to the new operator in time, and when they do, only to find that many garments have been made wrongly and now have to be repaired? Because of this there is no production from that operation for the previous 4 hours, and the quality inspectors are going mad, the line is unbalanced and many people are waiting for work.

So we realise that this is a major problem, and me, a visitor to your country is one of those clever people who knows all the answers?? – Not so, I am merely pointing out that if you intend to be competitors then **YOU! MUST** find the answers, after all, it's your industry!

I recently did a spreadsheet to establish how much money it is worth to a company to improve its productivity, and under the following conditions the figures look like this

How much more you can make by improving your Efficiency and reducing your Absenteeism!

With a CMT type operation with around 300 operators at 40% efficiency and an absenteeism of 15% the cost per minute is INR 3.14

If absenteeism is reduced to 10% and efficiency increased to 50% the CPM drops to INR 2.37 and effective saving of \$37, 600 per month

If absenteeism was reduced to 5% and the efficiency to 60% the CPM drops to INR 1.97 giving a massive saving of \$72, 800 per month

I am reliably informed that the Sri Lankan cost per minute is equal to INR 1.8 so you will still have to make further improvements to reach their level.

Is it worth some effort? Or do we just accept that we can do nothing about it?

You need systems and people to achieve and maintain these sorts of results, you have to be able to keep the factory fed with work, you should use properly constructed incentives, and you need specialist help to guide you through the processes.

The savings shown at 60% with 5% absenteeism are not the end, with the order sizes I see in the industry here efficiencies of 80% can be obtained! You just have to believe it and you will be able to achieve it, but if you don't believe it you will never will achieve it.

Your new slogan should be:

Believe to Achieve

Now about possible solutions for the absenteeism:

Attendance Bonus

I have never been a believer that Attendance bonuses should be allowed, why should we pay people to come to work? But in the circumstances that prevail here I find myself reconsidering this as a real option, and when we look at the potential saving by encouraging people to come to work then perhaps it's the right way to go.

But how big should you make the 'carrot', too small and you will achieve nothing, you can also have the opinion that 85% of the people always attend anyway so the majority of the money I spend will be wasted, BUT you can't make excuses for not doing anything, and if you can reduce absenteeism by 5% in the examples shown above, the absentee savings at 50% efficient is \$8, 400 per month, if you get to 60% and save 5% it is worth slightly more than \$10, 000 per month, and these figures do not reflect the improved quality you are bound to get because of the consistency of the people on the job, so an attendance bonus may be a real answer.

Group Attendance Bonus:

Have you ever thought about using peer pressure to reduce absenteeism, for example use a group of workers to put pressure on each member of the group to reduce absenteeism by paying the bonus based on the group's attendance?

E.G. in a group of 40 operators

If the group achieve an absentee level of 'A' then everyone in the group gets 'Y' bonus

If the group achieve an absentee level of 'B' then everyone in the group gets 'Z' bonus

If the absentee level is greater than 'B' no one gets anything.

This could lead to other problems since different ethnic groups have different religious festivals, therefore perhaps you could put the same ethnic group together – I don't know, its up to you to choose your way of handling the problem, but handled it MUST be.

Group absentee Competition

Start a competition for all of your groups, pay additional bonuses to the group with the least absentees, publish the results, put up posters telling them why its important to come to work..

Take photos of the 'Most Absent this month' and try to make a spirit of fun, challenge the groups to get the best results and reward them, you think about the approach that suits you.

Get the Personnel Dept involved.

Make different members of the personnel dept responsible for different sections of the factory, pay them a bonus if they reduce the absenteeism, get them involved.

Hire a **Welfare officer** this person to become involved to help to solve the problems experienced by the workers, to give sympathy and understanding and not just criticism. Get more involved with the people you employ, learn to understand their problems and use you initiative to develop ways to improve the situation.

Discipline:

All absentees should not be allowed to enter the factory and start work without being interviewed by a member of the management. A comprehensive attendance register should be maintained, and operators who have excessive absenteeism should be disciplined, warned, and eventually dismissed from the company.

It's all very well to say that they can go down the road and get another job, that's OK let the competitors have the problem, not you!

Can I ask – Who runs away from an angry dog without teeth?

This is the same in this context, unless you intend to do something about those who have continual and excessive absenteeism don't waste your time doing anything about it just stay as you are (going backwards).

On productivity improvements

1. Use a well controlled Bundle system
2. Monitor operator performance
3. Give help to those performing badly
4. Maintain a good line balance
5. Make sure the cutting room is geared to produce what is needed to feed the lines
6. Don't give the supervisors too much to do
7. Use good methods.
8. Give operators enough space to work efficiently
9. Build the supervisors – don't shout at them on the floor
10. Ban shouting in the factory
11. Encourage, don't belittle
12. Monitor quality properly
13. Put in systems that help

Only 13 basic rules, I'm sure there are many more but this is a definite starting point.

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