

EFFECTS OF PRESENTEEISM ON PRODUCTIVITY OF GOVERNMENT EMPLOYEES IN PUTRAJAYA: A REGRESSION ANALYSIS APPROACH

Mastura Mohamad^{1*}, Hazlin Hasan², Sharifah Norhuda Syed Wahid³, Muhamad Hafiz
Suhaimi⁴

¹Faculty of Business Management Universiti Teknologi Mara UiTM Pahang, 26400 Bandar Jengka

²Faculty of Business Management Universiti Teknologi Mara UiTM Pahang, 26400 Bandar Jengka

³Faculty of Computer and Mathematical Sciences Universiti Teknologi Mara UiTM Pahang, 26400 Bandar
Jengka

⁴Faculty of Business Management Universiti Teknologi Mara UiTM Pahang, 26400 Bandar Jengka

*Corresponding author: hazlin665@uitm.edu.my

Abstract: Presenteeism is a situation when an employee insists on going to work with an unhealthy body despite requiring prompt rest. It has become a worldwide phenomenon and linked to the loss of productivity among employees more so than absenteeism. Productivity of the public sector is very important as it has a huge impact on the economic performance of a country. Thus, it is imperative to study the effect of presenteeism, focusing on personal factors and organizational policies dimensions, on the productivity of government employees in Putrajaya. The regression analysis approach using IBM-SPSS AMOS 24 software was used to determine the effect of presenteeism on productivity of government employees. A total of 108 respondents were selected using stratified sampling technique and answered a set of questionnaires. The study found a moderate positive relationship between personal factors and productivity ($r = 0.57$, $p < 0.01$) and weak positive relationship ($r = 0.390$, $p < 0.01$) between organizational policies and productivity. The dimension of personal factors was identified as a significant positive predictor towards productivity ($\beta = 0.53$, $p = .000$) which indicated that the greater the personal factors are, the more positively motivated the employees would be toward their job productivity. The study concluded that a better understanding on issues of presenteeism by the management would provide some insights on how the government agencies could assist the employees in dealing with the problems, thus enabling them to give better and efficient services to the public.

Keywords: Organizational Policies, Personal Factors, Presenteeism, Productivity, Regression Analysis

Introduction

The evolving business environment has increasingly put pressure on business organizations on the need to achieve more with less and strive to maintain productivity and remain competitive (Karanika-Murray, Pontes, Griffiths & Biron, 2015). Productivity is defined as a measurement of the significant amount of output that has been generated per unit of input or, in other words, concerned about the relationship between input and output that is possessed among employees in the organization (Linna, Pekkola, Ukko, Melkas, 2010). Malaysian Productivity Corporation (2018) reported that productivity growth is essential for the country to stay on track toward its goal of being a developed economy with a diverse population. Therefore, full commitment and involvement of everyone in the organization, in particular the employees who are directly linked to the productivity of an organization, are required as productivity and employees' performance are interdependent (Linna et al., 2010).

Generally, presenteeism is a phenomenon where employees insisted on going to work in an unhealthy condition, psychologically or physically, despite of the need for a prompt rest, thus led them incapable of fulfilling their specific jobs (Collins & Cartwright, 2012; Ferreira, Martinez, Cooper & Gui, 2015). Many organizations paid more attention to the issues of presenteeism recently as studies have shown that presenteeism was linked to the lower level of productivity among employees as well as contributing to hidden costs in an organization. Malaysia's Healthiest Workplace by AIA Vitality

2018 survey brought up the topic of presenteeism and it was reported that organization lost a total of 73.1% days per employee owing to absenteeism and presenteeism, costing each organization RM2.27 million per year. Presenteeism also brought negative impacts on personal growth of the employees as well as organizational growth if the organization does not take further action to tackle the problem (Johns, 2010; Sasmita & Sneha, 2013).

Previous research suggested that the issues of presenteeism were higher amongst service sector employees especially in the groups whose everyday tasks are to provide care or welfare services, or teach or instruct (Aronsson, Gustafsson & Dallner, 2000; Linna et al., 2010). Parallel to the notion, issues related to the productivity of a public sector have a bigger impact on the economic performance of a country since it acts as the main contributor to the nation Gross Domestic Product (Linna et al., 2010; Rahim, Sabri, Rahim, Othman & Magli, 2020). Hence, the researchers feel that it is imperative to conduct the study as the issues might impede the progress of Malaysia in becoming a developed nation.

Literature Review

Presenteeism has recently gained attention as a major factor that affects organizational performance and many scholars assumed that the cost of presenteeism exceeds the cost of absenteeism (Evans-Lacko & Knapp, 2016; Lohaus & Habermann, 2019). Absenteeism can be easily measured as the employee is obviously absent from work but presenteeism is difficult to determine and loss of productivity is greater with presenteeism than absenteeism. The dimensions of work-related demand, personal factors and organizational policies that led to presenteeism were identified by Aronsson and Gustafsson (2005), Collins and Cartwright (2012) and Leineweber, Westerlund, Hagberg, Svedberg, Luokkala and Alexanderson (2011) while Sasmita and Sneha (2013) added personal circumstances and personality of the employees to the dimensions of presenteeism. In this study, the researchers focused specifically on personal factors and organizational policies as proposed by Collins and Cartwright (2012) in order to better understand the issues that might directly affect the employees' productivity.

Personal Factors as the Dimension of Presenteeism

As suggested by Collins and Cartwright (2012), personal factors were related to financial problems as well as the attitude of an employee known as individual boundarylessness which refers to the difficulty in saying no that leads to presenteeism. It was also indicated that employees turned up to the office despite being unwell since they really needed the money and because they were closely related to their colleagues. A sense of teamwork strongly affected presenteeism as those who were sick would not let their colleagues be burdened by their work if they were absent. Apart from that, Miraglia and Johns (2010) found that the personal factors dimension encompasses attitudes, behaviors, aspects of the individual situation and personality as well as lifestyle and self-efficacy. Studies also suggested that health locus of control, perceived legitimacy of absence, and the proclivity for the sick role influenced the choice between presenteeism and absenteeism and personal factors also led to employees' low job productivity, which is a cost to an organization (Miraglia & Johns, 2016; Sasmita & Sneha, 2013; Rahim et al., 2020). Rahim et al. (2020) in their study also reported that materialism which refers to the individual behaviour and lifestyle was also discovered to have a favourable influence on employee presenteeism. Similarly, Lohaus and Habermann (2019) found that self-efficacy and lifestyle which include regular physical activity and other health-related behaviors were associated with presenteeism.

Organizational Policies as the Dimension of Presenteeism

It is very common for organizations to have rules and policies on matters pertaining to employees' conduct and performance as they would guide the employees in doing their work and set the tone for how the organization operates. As Collins and Cartwright (2012) pointed out, in order to reduce the level of absenteeism, an organization should have a policy like trigger points to flag any employees that reach a maximum amount of absenteeism and call them for an interview. Hence, in such a situation, some employees tend to be present in the office despite being unhealthy to avoid such a scenario. There were also organizations which introduced a policy of reducing sick pay to increase the level of presenteeism among the employees. Johns (2010) expressed that pay, sick pay and attendance control

were commonly introduced in an organization to tie the employees to be constantly present in the office without fail. Moreover, the problem of presenteeism in an organization increased since employees were subject to a fixed system where they were required to attend an interview if they were to take sick leaves too frequently and it became worse because presenteeism did not only affect a certain employee but could also infect other colleagues in the office (Aronsson & Gustafsson, 2005; Karageorge, 2016; Miraglia and Johns, 2016). On the other hand, The Department of Statistics Malaysia Official Portal (2021) reported that while labour productivity per hour worked increased by 0.4%, total hours worked decreased by 0.9%. In this context, it shows that a high level of productivity among the employees can only be achieved if the organization lessens the number of working hours that relate with the organizational policies.

Productivity

Ferreira et. al (2015) stated productivity as a significant amount of work performed by an employee as well as the quality of work performed. It was also confirmed that productivity among the employees is very important as it would reflect the success of a business operation. The idea was supported by Mlakar and Stare (2013) who claimed that the productivity of an organization depends highly on the productivity of its workers. High productivity helps firms, industries and nations to achieve a viable competitive advantage and acts as a vital barometer for measuring economic performance of an economic system. Ferreira et al. (2015) further expressed that presenteeism influences productivity loss but Leineweber et al. (2011) stated that there is a negative relationship between presenteeism and productivity as the issue can also be related to other existing health issues. Due to the differences in previous research findings, the researchers find it interesting to study more about this matter to test and see the accuracy of the results.

Methodology

A set of questionnaires was developed and adapted from Leineweber et. al (2011) as well as from Aronsson and Gustafsson (2005) as the instrument for data collection. The questionnaire was divided into Section A: Demographic Background, Section B: Personal Factors, Section C: Organizational Policies and Section D: Productivity of Employees. A 5-point Likert-scale format was used for Part B, C and D. The questionnaire was pre-tested on selected respondents to check on its validity and reliability. The Cronbach Alpha's value from reliability analysis (PF = 0.717, OP = 0.760 and PE = 0.783) exceeded the acceptance level of 0.7 (George & Mallery, 2006). Therefore, the questionnaire was found to be reliable for distribution to the selected respondents for real survey. The sampling frame for this study was obtained from the Human Resource Department of the four selected government sectors in Putrajaya, namely; Jabatan Perkhidmatan Awam (JPA) with the population size of 128, Kementerian Dalam Negeri (KDN) with the population size of 278, Kementerian Kesihatan Malaysia (KKM) with the population size of 165, and Kementerian Pengajian Tinggi Malaysia (KPTM) with the population size of 255. In total, the population size of all selected departments are 826 comprising of employees from N11 - N18, N19 - N28, N29 - N40 and N41 - N54 grades. The stratified sampling technique was used to ensure that the strata in the population was fairly calculated and presented for each departments (Salkind, 2012). In this context, Osborne and Costello (2004) suggested variable ratios of 15:1 or 30:1 when generalization is critical. In relation to this study, there were three main variables with each variable needing a maximum number of 30 respondents. Therefore, the sample size needed for this study was at least 90 (JPA \geq 14 respondents, KDN \geq 30 respondents, KKM \geq 18 respondents and KPTM \geq 28 respondents) . This study received 108 responses from the respective selected respondents which exceeded the minimum requirement of 90 respondents.

The objectives of the study were to test the following hypotheses:

- H1: Personal factors have a significant effect on productivity of government employees.
- H2: Organizational policies have a significant effect on productivity of government employees.

There is enough evidence to conclude that the stated factors(s) have a significant effect on productivity of government employees if the p-value obtained from the regression analysis is at least less than 5% significance level. The data was analysed using IBM-SPSS AMOS 24 software which included the frequency analysis, descriptive statistics, correlational analysis (Salkind, 2012) and regression analysis.

Findings and Discussion

Result shows that 32 males (29.6%) and 76 females (70.4%) aged more than 18 years old were involved in this study and the majority of them was from N19 to N28 grade (79, 73.1%) followed by N29 to N40 grade (16, 14.8%), N11 to N18 grade (12, 11.1%) and one (0.09%) respondent from N41 to N54 grade. Furthermore, 89 (82.4%) of them had been working at their current positions for less than 16 years. The normality test shows that the data was approximately normally distributed based on the skewness value for each of the variables of interest (PF = 0.323, OP = 0.245 and PE = -0.126) was between the accepted range (Leech, Barret, Morgan, Clay & Quick, 2005) whereby the productivity of the government employees as the dependent variable and the other two variables (PF and OP) became predictors. Furthermore, the predictors did not have a multicollinearity problem between them due to the correlation value obtained was 0.62 (Figure 1), which is less than 0.85 (Zainudin, 2015). Descriptive analysis for each variable is shown in the following Table 1. According to the responses given, it was found that personal factors become a more agreeing factor of presenteeism among government employees compared to organizational policies. Their productivity in work indicates that they approximately agreed towards their current working style.

Table 1: The Descriptive Analysis

Variables	Mean	Standard Deviation
Personal Factors (PF)	3.87	0.413
Organizational Policies (OP)	3.63	0.469
Productivity of Employees (PE)	3.81	0.405

The correlational analysis reveals that there existed a significant moderate positive relationship between personal factors and productivity of government employees ($r = 0.565$, $p < 0.01$). Meanwhile, the relationship between organizational policy and productivity of government employees was a significant weak positive relationship ($r = 0.390$, $p < 0.01$). These results were supported by the descriptive statistics which indicated that the personal factors contributed higher scores compared to organizational policies among selected government employees in Putrajaya. The following Fig. 1 shows that the coefficient of determination value of the model is 0.32 which indicated that 32% of the total variation of the productivity of government employees was influenced by their personal factors and organizational policies. In addition, there existed a significant moderate positive relationship ($r = 0.57$, $p < 0.01$) between the two predictors and the productivity of government employees. The moderate level of the association is consistent to the percentage value obtained from the coefficient of determination.

Table 2 shows the regression analysis result for the stated hypotheses. Result shows that the research hypothesis (H1) which is that personal factors have a significant effect on productivity of government employees in Putrajaya is supported since the p-value obtained is less than 5% of significance. Therefore, the personal factors become a significant predictor towards productivity of government employees ($\beta = 0.53$, $p = .000$). The estimated value of personal factors is 0.53 which means that when the personal factors scale increased by 1 point, the productivity of government employees was also expected to increase by 0.53 point.

Table 2: The Regression Weights and Its Significance

Part	Estimate	P	Result	Decision
PE < --- PF	0.53	0.000	Significant	H ₁ is supported
PE < --- OP	0.06	0.546	Not significant	H ₂ is not supported

In relation to the significant finding, Collins and Cartwright (2012) proposed that teamwork strongly affected presenteeism as the employees thought about their team members that might need to perform their jobs if they were to be absent from the office. This matter is closely related to personal factors as one of the items in the questionnaire stated the effort of having good relationships between colleagues. Most of the employees strongly agreed that being present in the office due to personal factors was the most influential dimension. In addition, Hafner, Stolk, Saunders, Krapel and Baruch (2015) also stated that employees who were facing financial concerns had a higher productivity loss in an organization. The finding is also consistent with a previous study which showed that agreeableness, openness, consciousness and extroversion of an individual influenced presenteeism (Tianan, Mingjing & Xiyao, 2016). This statement connotes that employee who are reluctant to say no and accept all the requests in an organization tend to face presenteeism.

In contrast, Rahim et al. (2020) proposed that financial stress and locus of control that refers to personal factors had weak correlation with presenteeism. The level of productivity among the employees would not be affected even though they have financial problems because the employees might have some support from their colleagues. Yongxing, Jihao, Shengnan and Shujie (2019) also reported that self-efficacy was negatively correlated with productivity loss and may act as a moderator in the relationship between presenteeism and productivity among the employees in an organization. Furthermore, Table 3 reveals the second hypothesis (H2) is not supported because the p-value obtained is more than 5% of significance which indicates that organizational policies have no significant effect on productivity of government employees.

Conclusion

This study focused on the effects of presenteeism dimensions of personal factors and organizational policies on the productivity of government employees in Putrajaya. The results revealed that the dimension of personal factors has a significant effect on productivity of government employees. The results also confirmed that at the organisational level, this phenomenon did affect the productivity of the organization and business competitiveness whilst at the individual level, presenteeism may aggravate one's illness, resulting in poor productivity. In conclusion, the significance of this study lies in the values of its findings as reducing personal related factors as well as unsupportive organizational policies would give a huge impact towards the success of an organization. The findings have the potential to assist the top management to gain a clearer view of the factors that lead to presenteeism and take action to combat the issue by implementing effective management strategies. An effective management of both personal factors and organizational policies could assist the management in the prevention and intervention of employees' presenteeism behaviour, thus improving the overall service performance of the government agencies.

References

- AIA Malaysia. (2018). One Year Later: Malaysian Workforce Experience High Productivity Loss and Work-Related Stress. Retrieved 20 May 2021 from <https://www.aia.com.my/en/index.html>.
- Aronsson, G., & Gustafsson, K. (2005). Sickness Presenteeism: Prevalence, Attendance-Pressure Factors, and an Outline of a Model for Research. *Journal of Occupational and Environmental Medicine*, 958-966.
- Aronsson, G., Gustafsson, K., & Dallner, M. (2000). Sick But Yet at Work. An Empirical Study of Presenteeism. *Journal Epidemiol Community Health*, 54, 502-509.
- Collins, A., & Cartwright, S. (2012). Why Come into Work Ill? Individual and Organizational Factors Underlying Presenteeism. *Employee Relations*, 34(4), 429-442.
- Department of Statistics Malaysia Official Portal. (2021). Labor Productivity of First Quarter 2021. Retrieved 20 May 2021 from

- https://www.dosm.gov.my/v1/index.php?r=column/cthemebByCat&cat=438&bul_id=N1o4aUJyYmk0SUprUmd6R25MVVJEUT09&menu_id=Tm8zcnRjdVRNWWlpWjRlbtlaDk1UT09.
- Evans-Lacko, S., & Knapp, M. (2016). Global Patterns of Workplace Productivity for People with Depression: Absenteeism and Presenteeism Costs Across Eight Diverse Countries. *Social Psychiatry and Psychiatric Epidemiology*, 51, 1525–1537.
- Ferreira, A. I., Martinez, L. F., Cooper, C. L., & Gui, D. M. (2015). LMX as a Negative Predictor of Presenteeism Climate: A Cross-Cultural Study in The Financial and Health Sectors. *Journal of Organizational Effectiveness: People and Performance*, 2(3), 282-302.
- George, D., & Mallery, P. (2006). *SPSS for Windows Step by Step: A Simple Guide and References*. United States: Pearson Education Inc.
- Hafner, M., Stolk, C. V., Saunders, C., Krapels, J., & Baruch, B. (2015). Health, Wellbeing and Productivity in the Workplace. *A Britain Healthiest Company Summary Report*.
- Johns, G. (2010). Presenteeism in the Workplace: A Review and Research Agenda. *Journal of Organizational Behaviour*, 519-542.
- Karageorge, E. (2016). My Coworkers are making me sick. *Monthly Labor Review*, 11, 1-2. Retrieved from <http://www.stats.bls.gov/opub/mlr/mlrhome.htm>.
- Karanika-Murray, M., Pontes, H. M., Griffiths, M. D., & Biron, C. (2015). Sickness Presenteeism Determines Job Satisfaction Via Affective-Motivational States. *Social Science and Medicine*, 139, 100-106.
- Leech, N. L., Barrett, K. C., Morgan, G. A., Clay, J. N. C., & Quick, D. C. (2005). *SPSS for Intermediate Statistics: Use and Interpretation*.
- Leineweber, C., Westerlund, H., Hagberg, J., Svedberg, P., Luukkala, M., & Alexanderson, K. (2011). Sickness Presenteeism among Swedish Police Officers. *Journal Occupational Rehabilitation*, 17-22.
- Linna, P., Pekkola, S., Ukko, J., & Melkas, H. (2010). Defining and Measuring Productivity in the Public Sector: Managerial Perceptions. *International Journal of Public Sector Management*, 23(5), 479-499.
- Lohaus, D., & Habermann, W. (2019). Presenteeism: A Review and Research Direction. *Human Resource Management Review*, 29, 43–58.
- Malaysian Productivity Corporation. (2018). *Productivity Report 2017/2018*. Malaysian Productivity Corporation.
- Miraglia, M., & Johns, G. (2016). Going to Work III: A Meta-Analysis of the Correlates of Presenteeism and a Dual-Path Model. *Journal of Occupational Health Psychology*, 21(3), 261–283.
- Mlakar, P., & Stare, J. (2013). Some Characteristics of Employees as Risk Factors for Presenteeism. *International Public Administration Review*, 35-55.
- Osborne, J. W., & Costello, A. B. (2004). “Sample Size and Subject to Item Ratio in Principal Components Analysis: Practical Assessment, Research & Evaluation, 9(11). Retrieved January 28, 2021 from <http://pareonline.net/getvn.asp?v=9&n=11>.
- Rahim, H. A., Sabri, M. F., Rahim, F. F. M., Othman, M. A., & Magli, A. S. (2020). Personal, Financial and Job-Related Factors Affecting Malaysian Employees’ Presenteeism in the Service Sector. *International Journal of Academic Research in Business and Social Sciences*, 10(16), 250–277
- Salkind, N. J. (2012). *Exploring Research*. Harlow, United Kingdom: Pearson Education Limited.
- Sasmita, P., & Sneha, P. (2013). The Determinants of Sickness Presenteeism. *The Indian Journal of Industrial Relations*, 49(2), 256-269.
- Tianan, Y., Mingjing, Z., & Xiyao, X. (2016). The Determinants of Presenteeism: A Comprehensive Investigation of Stress-Related Factors at Work, Health, and Individual Factors among the Aging Workforce. *Journal of Occupational Health*, 58, 25–35.
- Yongxin, L., Jihao, Z., Shengnan, W., & Shujie, G. (2019). The Effect of Presenteeism on Productivity Loss in Nurses: The Mediation of Health and the Moderation of General Self-Efficacy. *Front Psychology*, 10, 1745.
- Zainuddin, A. (2015). *SEM Made Simple, A Gentle Approach to Learning Structural Equation Modeling*. MPWS Publication Sdn. Bhd.