

## **Hidden Costs Beyond Absenteeism (The Lebanese Case)**

Sajida M. EL Othman<sup>1</sup>

### **Abstract**

Mismanagement, long working hours and poor working conditions promote the occurrence of excessive absenteeism in the workplace. Employees' absenteeism has two foci: being physically absent from work (Absenteeism), and being mentally absent while physically present at work (Presenteeism). The study of a Lebanese bank is used to identify the root causes behind excessive absenteeism and presenteeism and their repercussions on both employees and employers. Analysis of the results showed that absenteeism was associated with a myriad of issues, including presenteeism, lower productivity, work-life conflict, and stressful environment.

*Keywords:* Absenteeism, Presenteeism, Long Working Hours, Productivity, Organizational Performance.

Being a staff member of a Lebanese bank and a direct observer, I (Sajida El Othman) have seen many employees struggling at work, trying to protect their "free time" from being stolen from their families; thus, I had the urge to raise the issue of Absenteeism and presenteeism in the workplace. I decided to use the SEAM intervention methodology to understand the problem and help the bank and the people working there. My co-authors offered advice during the project.

### **Absenteeism**

Employees' presence at the workplace is essential for running any business. Nowadays, people are becoming more aware of the concept of absenteeism and its repercussions on both employers and employees (Collier, 2018). However, employers are ignoring absenteeism's implications. Absenteeism is being intentionally or habitually absent from work (Investopedia, 2020). Excessive absenteeism shows harmful effects on productivity and has negative impacts on both employees and employers (Collier, 2018; Allen & Higgins, 1979).

There are different types of absenteeism. Voluntary absenteeism occurs when an employee does not show up to work without a valid reason whereas involuntary absenteeism is a genuine absence from work due to unavoidable reasons like illness and death (Avey et al., 2006). Some authors classified absenteeism into three different types: white, grey, and black. White absenteeism occurs when the employee is truly ill. Grey absenteeism, the most common form of

---

<sup>1</sup> Thanks to John Conbere for his editing assistance

absenteeism, occurs when absent employees claim sickness, but it is not clear whether this complaint is a real reason to be unable to attend work. Black absenteeism is when, employees falsely claim illness to take care of a sick child (Mensura, 2019).

Employees' absenteeism can be categorized under long term and short term absenteeism (Davey et al., 2009). Kaman (1995) stated that there are three major variables that trigger absenteeism: personal, attitudinal and organizational characteristics. Personal variables pertain to employees' characteristics (age, gender, marital status, values, beliefs, job satisfaction, motivation, etc.). The second variable is attitudinal characteristics which are highly affected by employees' dissatisfaction at the workplace (Nel et al., 2008). The third variable is organizational characteristics: work design, culture, working conditions, etc.), where poor working conditions drives employees towards higher absenteeism from the workplace (Nel et al., 2008).

While genuine illness is the most common reason for absences, there are many other reasons. The most common are illness, injuries, lack of flexibility, bullying, burnout, time theft, workplace-culture, organizational absence policies, job interviews, harassment lack of motivation, long working hours, family responsibility, personal problems, lack of commitment and work stress.

### **Presenteeism**

Presenteeism being mentally absent while physically present at work. It can come from sickness, or from other factors such as lack of work-life balance, long working schedule and other personal reasons. Employees' presenteeism occurs due to medical conditions where women are more prone to sickness than men (Burton et al., 2002). Presenteeism mainly occurs due to long working schedules where employees feel pressured to attend work for a long time beyond their capabilities of putting this amount of time at work. Presenteeism is costlier than absenteeism, (a) due to the productivity loss that occurs when a sick employee attends work and (b) because of the increased risk of transmitting infection from one employee to another or customers.

### **Association between Absenteeism and Presenteeism**

There is a strong relationship between presenteeism and absenteeism due to the fact that burnout increases employees' presenteeism (Smulders & Nijhuis, 1999). While absenteeism can be measured and calculated specifically by measuring the non-attendance of employees at work, presenteeism lacks this measurement and cannot be measured (Schultz et al., 2009). It While productivity loss is highly affected by absenteeism, presenteeism might have more impact on productivity loss (Baker-McClearn et al., 2010). Moreover, increased absenteeism can create a stressful environment among employees because of increased workload for other employees. Job demand puts more pressure on employees to attend work during their illness (Demerouti et al., 2009). In this study actors discussed presenteeism, but because it is so difficult to measure presenteeism was not factored into the calculation of hidden costs.

## **Long working hours**

Long working hours have various direct and indirect effects on employees' physical and mental health (Dembe, 2016). People who work for long hours (above 40 hours a week) had the risk of developing atrial fibrillation (irregular heart rhythm) 1.4 times higher than those who worked fewer hours (35-40 hours a week) (Kivimaki, 2017). Moreover, long working hours can affect the development of cardiovascular diseases indirectly, either through insufficient sleeping hours (sleep deprivation), or through unhealthy lifestyles generated from the lack of time for leisure and physical activities (Virtanen et al., 2012).

There is also evidence that people who put more than 40 hours of work per week, are three times more prone to develop diabetes, heart diseases and all types of cancer except of skin cancer (Dembe, 2016). In Japan, researchers focused on the association between long working hours and the risk of developing cardiovascular diseases which causes sudden death from overwork called "Karoshi" (Nishiyama & Johnson, 1997). Another analysis which took place in 9 European countries found that long working hours lead to increased alcohol consumption by 12% (Virtanen, 2015).

A broad body of evidence also suggests that long working hours are highly associated with other behavioral risk factors including excessive alcohol consumption, smoking, and lack of physical activities (Angrave et al., 2015; Virtanen et al., 2015), which end up with many indirect costs like increased absenteeism and turnover rate, lower productivity, increased insurance and health care costs in addition to increased errors and mistakes (Pencavel, 2014).

In summary, consistent long working hours is associated with many health effects that lead to increased absenteeism including physical and mental health problems, increased stress, burnout and fatigue symptoms among employees, cardiovascular diseases, increased alcohol consumption, and other chronic diseases.

## **Association between absenteeism, long working hours, and work-life conflict**

A number of researchers found that women, especially those who have dual jobs (paid and unpaid), are more willing to miss their jobs than men (Arai & Thoursie, 2004; Kristensen et al., 2006). Long working hours isolate employees from their leisure life and increase the risk of developing stress and depression (Haworth & Lewis, 2005) especially when it comes to creating equilibrium between work and life demands (MacDonald et al., 2005).

To summarize, working for long hours hurts work-life balance, which in turn affects employees' attendance at work and generates more absence days (Golden, 2006). Long working hours, are highly associated with increased absenteeism and work-life conflict (Tucker and Rutherford, 2005).

## **Methodology**

Our research questions were what is the experience of employees in terms of absenteeism and presenteeism, what were the causes of employees' absenteeism and presenteeism, and what were the hidden costs of employees' absenteeism and presenteeism?

A SEAM (Socio-Economic Approach to Management) intervention was chosen as the methodology for our intervention research. SEAM offers a methodical, tested way to assess the hidden costs in an organization. The intervener-researchers start the intervention by gathering data, synthesizing the data, and reporting the data back in a form of qualitative, quantitative and financial costs to all actors (i.e., participants) in the part of the organization being studied. The data are collected through semi-structured interviews, direct observation, and document review. The dysfunctions are analyzed, hidden costs are then calculated, and the findings are reported to all actors who participated in the intervention process. During this intervention, Sajida El Othman, the main author of this paper, was the SEAM intervener-researcher who was directly involved with all actors.

### **The SEAM Intervention at The Lebanese Bank**

Lebanese Bank (the name of the actual bank is not revealed to preserve confidentiality) is one of the biggest banks in Lebanon and the Arab World. It has been ranked as one of the best banks in Lebanon in terms of profits, outstanding service and proficiency. Lebanese Bank's employees on average work 1700 hours per year, significantly more than in any other bank in Lebanon. In

### **The Beginning of the SEAM Intervention**

Two clusters of employees were interviewed. One included leaders: the CEO, General Manager, Head of HR, Head of Retail Banking, Head of SME department, Head of Financial Institutions, Head of Purchasing Department, Head of Risk Management and 9 Branch managers were interviewed about the main dysfunctions inside the organization. All interviews were semi-directive, anonymous, and took between 1 hour and 1.5 hours.

The second cluster consisted of heads of main departments (credit, finance, etc.), branch managers, and employees (secretaries, office boys, tellers, customer service officers, credit officers, teller controller, customer service controller, compliance officer, assistant managers). Ten focus groups of 5 employees each were conducted and 20 interviews with the assistant branch managers and the senior head sections were conducted after.

All interviews were then transcribed, coded using a coding-categorizing technique and then analyzed. Dysfunctions were classified under "the six domains of dysfunctions": working condition, work organization, time management, communication-coordination-cooperation, Integrated training and strategic implementation.

One issue was very obvious directly after the first meeting with one of the GMs of the bank, who declared that the main reason behind extending the working schedule was due to shortage of staff, and instead of hiring new staff, they decided to extend the working schedule.

Some of the interviewees' comments were:

- ❖ "Many of us suffer from backache and others were forced into surgeries."
- ❖ "Due to the nature of office work and the lack of movement, along with wrong seating postures, I gained a lot of weight, where my chances of pregnancy have diminished with time".
- ❖ "Due to emotional pressures from the work timeline, fatigue symptoms have observed on our faces."
- ❖ "I asked my manager for permission, to miss work for two hours, to acquire a visa to travel. However, my manager refused, and my response was taking advantage of the sick leave policy instead."
- ❖ "We only benefit from 15 to 21 annual leaves. While the Lebanese social security bylaws allow female employees to benefit from one sick day leave per month, the bank's policy does not implement this law."
- ❖ "Kids might get sick anytime, and we are obliged to consume our annual leaves to take care of them instead of spending these days on our vacations."
- ❖ "2 years ago, I submitted a new project for the bank; unfortunately, instead of rewarding me, they applied it partially without taking my permission nor informing me."
- ❖ "My yearly bonus is insufficient to buy a suit for a job."
- ❖ "We barely see our parents, and our children barely know their cousins, we are about to lose our family bonds."
- ❖ "Instead of judging us for the number of hours spent at work, they can instead evaluate us based on the performance level we provide the bank with."
- ❖ "Employees are feeling emotionally anxious; they are not capable of making appointments with their physicians, due to the open working schedule, where they are not even allowed to leave work until they finish up their daily duties."

### **Hidden costs interviews**

Hidden costs interviews were needed for the purpose of calculating the hidden costs. Hidden costs are defined as costs generated from the gap between expected performance and actual performance. On April 24<sup>th</sup>, data was requested from the HR department to calculate the hidden costs in the bank. A harsh rejection was the response. Hence, looking for the bank's consolidated balance sheets, using 2 branches records for absence leaves was just a sample to calculate some of the hidden costs in the bank.

On the 27<sup>th</sup> of October 2017, I sent an email request to meet with the General Manager and the CEO of the bank. On the 4<sup>th</sup> of November 2017, a meeting held with the CEO of the bank. At the first sight, the CEO showed an indifferent reaction, especially with the qualitative results. However, when the quantitative results along with a sample of financial costs were presented to him, he gave all his attention. However, the results were not as accurate as expected since the analyzed data was based on consolidated financial statements and not on the Lebanese branch's ones. Accordingly, on the 6<sup>th</sup> of November 2017, the necessary accurate data was requested from the CEO. These data including the number of sick leave days per gender for the years 2015 and 2016, the number of employees per gender and the number of exit employees in years 2015 and 2016 for branch employees only. All data were collected via emails, analyzed, followed by calculation of hidden costs.

In order to be able to calculate the average cost per hour of employees, Table 1 shows the number of working hours calculated before and after extending the working schedule at the Lebanese Bank.

**Table 1**

*Calculation of HCVAVC*

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues	\$900M	\$926M	\$1,026M	\$1,076M	\$1,145M	\$1,209M	\$1,26M	\$1,303M	\$1,815M
VC	\$1,145M	\$1,209M	\$1,264M	\$1,303M	\$1,815M	\$1,145M	\$1,209M	\$1,264M	\$1,303M
ADWH	6 H	6 H	6 H	6 H	7.5 H	7.5 H	7.5 H	7.5 H	7.5 H
NYWD	279 D	279 D	279 D	279 D	279 D	279 D	279 D	279 D	279 D
# of Employees	1583	1701	1870	1878	1978	2078	2158	2251	2386
NYWH	2649942	2847474	3130380	3143772	3311172	4348215	4515615	4710217	4992705
HCVAVC	\$135	\$114	\$127	\$132	\$128	\$98	\$99	\$96	\$110

$$\text{Hourly Contribution to Value Added Variable Costs ()} = \frac{\text{Revenues} - \text{Variable costs}}{\text{Yearly Working Hours}}$$

*Note.* The following abbreviations are defined as follows:

Variable Costs (VC)
Average Daily Working Hours (ADWH)
Number of Yearly Working Days (NYWD)
Number of Yearly Working Hours (NYWH)
Hourly Contribution to Value Added Variable Costs (HCVAVC)

The main aim behind calculating the hidden costs was to raise the bank's top executives' awareness on how reducing hidden costs can affect positively the bank's overall performance and its impact on the bank's financials.

Accordingly, 3 hidden cost interviews were conducted with the CEO, HR manager and top executives. Hidden costs are classified under six categories, four of which represent waste in the present time. Wasted money is financial value of resources consumed due to dysfunctions. Wasted time is the value of wasted time due to dysfunctions, time that could have been used productively. Overpaying means paying someone to do the work that ought to be done by someone with a lower qualifications or salary. Missed productivity is potential earnings that were not achieved because of dysfunctions Two more categories of hidden costs refer to potential losses in the future. One is undeveloped potential, earnings that will not be achieved because dysfunctions prevent their creation. The other category refers to risks that have not been adequately addressed.

After the hidden cost interviews, I determined the financial losses from dysfunctions. Table 2 illustrates the overall results, which indicated that the most affected cost generated from absenteeism was related to the non-production costs that was estimated at \$34M and was highly affected by the direct productivity gap component, followed by personnel absenteeism and lastly by the non-quality component. The second ranked hidden cost category was related to overtime cost that was estimated at \$6M and was highly affected by non-quality component, followed by direct productivity gap, personnel absenteeism and lastly by staff turnover. The third ranked cost was related to the non-creation of potential that was estimated at \$5M and was only affected by the non-quality of employees' performance at the bank. The fourth ranked cost was related to over-salary that was estimated at \$1.4M and was only affected by the absenteeism rate of employees. The last ranked cost was related to the overconsumption that was estimated at \$113,000 and was only affected by direct productivity gap.

**Table 2***Overview of The Results Generated from Dysfunction at the Lebanese Bank*

	Overpaying	Waste d Time	Wasted Money	Missed Productivity	Undeveloped Potential	Risks	Total
Absenteeism	\$1.4M	\$1.2M	N/E	\$6.9M	N/E	N/E	\$9.5M
Non-Quality	N/E	\$2.9M	N/E	\$2.4M	\$5.3M	N/E	\$10.6M
Direct Productivity Gap	N/E	\$2M	\$113,000	\$24.7M	N/E	N/E	\$26.9M
Total Costs	\$1.4M	\$6.1M	\$113,000	\$34M	\$5.3M	N/E	\$46.9M
Average Yearly Hidden Cost Per Employee							\$32,000

**Mirror effect**

The mirror effect is the reporting of quotes from the interviews and focus groups, and the hidden cost assessment. The information was first presented to the CEO of the bank. The intention was to shock him with all results recorded. The CEO was truly shocked first with the number of absence days, and second with the costs generated from dysfunctions at the bank. Accordingly, he requested that I meet with the head of HR, and present the results to him. Moreover, in order to make sure that the main reason behind absenteeism was linked to the extension of the working schedule, the CEO asked me to perform the hidden costs calculations from year 2008 till year 2016 (4 years before and after the extension of the working schedule).

Accordingly, I presented to the head of HR the mirror effect. The head of HR showed unsupportive behavior, and assumed that all the numbers were inaccurate, until he checked every single number on the excel sheet. After that, all required data for the years 2008 till 2016 were provided. On the 22<sup>nd</sup> of January 2018, another meeting was held with the CEO, where the results were presented by comparing the absenteeism rate 4 years before and after the extension of the working schedule and comparing the results with the bank's departments ones. The results were more shocking to him than the previous ones. Again, feedback about the results were provided to the head of HR and the top management.

The head of HR took the intervention as a personal attack against him. He defended himself by assuming that the results are not accurate and all the data provided were not accurate



as well. One of the GMs, who had a hand in the strategic decisions and who performed “the simple calculations” that drove the bank towards extending the working schedule, tried to evade the interview, and he avoided answering my calls. While I was walking out from the head of HR’s office, he met coincidentally with that GM. He tried to justify avoiding answering the calls and he asked me to send him the results via email. After that, all results along with the mirror effect were finally presented and fed to the responsible actors.

The mirror effect was presented to employees and branch managers in 5 different branches. As a result, the findings made all the participants more aware of the need to minimize dysfunctions instead of repairing them once they occur.

### ***Root causes of organizational problems***

The expert opinion was reported after 1 month to the two clusters of people. The expert opinion report consisted of: (a) the key ideas from the interviews, (b) the unvoiced comments (or “non dit”) that were not explicitly said by the actors but were identified through direct observation, informal interviews and knowledge about the bank, and (c) the root causes of the identified dysfunctions.

The HR Department had not previously calculated the total number of sickness absence per employee. After discussing the results of the hidden costs with the CEO, the Head of the Human Resources Department realized that the number of sickness absences was huge. Moreover, we noticed that in every branch, there is a certain number of employees who take sick leave days repetitively every week. I also realized that in one branch, 3 out of 18 employees took sick absence days for three consecutive days per week repetitively. Accordingly, a certain number of employees play an important role in generating a high number of sickness absences, which affect the bank's overall absenteeism and related costs.

Another issue was observed, which is related to the decision that was taken solely by the Head of HR with the assistance of one of the GMs who conducted a simple calculation estimating the profits that might be generated from extending the working schedule, without taking into consideration other factors that might cost the bank more than profiting it. The long working schedule gave birth to excessive absenteeism with sick leave. What was also detected was the lack of managing the absence leaves by the HR department staff members, who never performed any inventory to check the absenteeism rate among employees or analyzed the root causes of the excessive absenteeism at the workplace. Actually, the HR department had not realized that the bank was suffering from excessive absenteeism.

In summary, the root causes of absenteeism and presenteeism were due to:

**Lack of sensitization.** Lack of awareness of employees’ needs and capabilities, and lack of analyzing the dysfunctions and the hidden costs generated from the consequences of excessive absenteeism on both employees and organizational performance.

**Lack of synchronization of actions.** The bank had not synchronized the day to day activities with strategic piloting (by converting low added value activities into high added value activities).

**Lack of cleaning up in time management.** Calculating only the number of working hours instead of measuring the number of working hours of in which employees were highly effective.

### The evaluation of hidden costs related to absenteeism

The hidden costs generated from absenteeism were related to three major factors: The absenteeism rate, the motive for absence and the cost of regulation modes. **Table 3** shows that in 2012, the year where the working hours were extended, the number of absences reached 3,810 days per year, distributed among employees by gender. While the number of absent days for females scored 2,360 absence days, the one related to men scored 1,450 absence days.

- ❖ The number of absence days increased by 145% from the year 2008 to the year 2012 (from 1,555 absence days in 2008 to reach 3,840 absence days in 2012). Meanwhile, the total number of employees increased only by 35% (from 786 employees in the year 2008 to 1,077 employees in 2012).
- ❖ The number of absence days increased by 102% from the year 2012 till the year 2016 (from 3,840 absence days in 2012 to reach 7,703 absence days in 2016).
- ❖ On the other hand, the total number of employees increased only by 17% (from 1,077 employees to 1,303 employees).

**Table 3**

*Absenteeism Rate at Lebanese Bank from 2008 till 2016*

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total # of Employees	786	844	921	1029	<b>1077</b>	1128	1184	1242	1303
% of increase in the number of employees	-	7%	9%	12%	5%	5%	5%	5%	5%
<b># of Absent Employee Days</b>									
Females	1,037	1,547	1,699	2,026	2,360	3,241	3,475	3,970	4,852
Males	518	822	935	1,205	1,450	2,069	1,944	2,247	2,851
Total	1,555	2,369	2,634	3,231	3,810	5,310	5,419	6,217	7,703
% of increase of absent days	-	52%	11%	23%	18%	39%	2%	15%	24%

Table 3 shows that the total number of absence days increased by 395% between the years 2008 and 2016 (from 1,555 absence days in 2008 to reach 7,703 absence days in 2016).

However, the total number of employees increased only by 66% between the years 2008 to 2016 (from 786 employees in 2008 to 1,303 employees in 2012).

To summarize, by comparing the results before and after extending the working hours, we concluded that the extension of the working hours at the Lebanese bank facilitated the increase in absence days among employees.

**Proposed Solutions for Absenteeism and Presenteeism among Lebanese Bank’s Actors**

All participants were involved in formulating solutions to reduce false absences, and minimize the consequences of presenteeism that affect the overall organizational performance and profitability. The proposed solutions started with the consultant's efforts via direct observations. The branch managers and their assistants were more aware of employees’ motivation factors, and they proposed some of the solutions related to employees’ competencies and working conditions.

Concerning the working hours, the CEO was convinced of the need to limit working hours (especially for working mothers). He also agreed on the importance of ensuring healthy working conditions for employees, and he was aware of the health issues that are affecting the bank’s employees. Accordingly, all participants were involved in formulating the solutions. Moreover, considering the quarterly incentives program for non-absent employees was a very interesting alternative to both the CEO and the HR, especially after comparing the hidden costs generated from absenteeism with the costs of implementing the suggested solution.

Participants proposed the solutions listed in Table 4.

**Table 4**  
Proposed Solution for Absenteeism at the Lebanese Bank

	Provide quarterly incentives for non-absent actors
Key ideas from Mirror Effect that influenced solution	<p>Employees lack transparency in their absence leaves due to the low number of annual leave days.</p> <p>It is prohibited by managers to refuse any medical report even if it is fake.</p> <p>Employees suffer from the low salaries and prefer to abuse the absence policy to avoid unpaid leaves.</p> <p>The long working schedule robbed employees’ work-life balance and family bonding.</p> <p>Lack of flex-time obliged employees to abuse the sickness absence policy.</p>

Table 4 represents the major key ideas generated from the actors at the Lebanese bank during the diagnostic phase of the intervention, noting that the baskets were suggested by the CEO with the help of some other readers including myself, and they were confirmed by all other employees involved in the study. Managing absenteeism has become a crucial duty for the HR department staff.

***Economic balance***

The economic balance for the proposed solutions determined the main weighted benefits in terms of hidden costs reductions from implementing them. It also shows the difference in costs between implementing the solution and the costs of the identified dysfunctions generated from absenteeism.

Table 5 represents the total costs of implementing the proposed solutions mentioned previously to minimize the hidden costs generated from the dysfunctions related to absenteeism’s and presenteeism’s effects.

**Table 5**

*The Total Estimated Reduction in Hidden Costs*

Economic Balance	Costs of Dysfunctions	Total Cost of Solutions	The Potential Impact of Reduction in Hidden Costs
The Potential Impact of Reduction in Hidden Costs	\$13.860M	\$260,000	\$13.6M

Table 5 indicates that the cost of implementing the suggested baskets was estimated at \$260,000. On the other hand, the cost of dysfunctions generated is estimated at \$13.860M. Hence, the potential impact of reduction in hidden costs was estimated at \$13.6M.

**Discussion**

In this research I aimed to investigate the hazardous effects of excessive absenteeism and presenteeism on both organizational performance and employee well-being in a Lebanese bank. I also attempted to show the main causes that triggered fake and non-fake absenteeism. Moreover, this research uncovered the root causes behind presenteeism and their direct and indirect effects on absenteeism's event.

The results from the intervention held at the Lebanese bank supported previous studies in that employees' absences were affected by many variables including job satisfaction, the motive of attendance, and the need for recognition. Moreover, due to the lack of work-life balance, employees remained mentally busy at work with their personal issues (presenteeism),

which directly affected the quality of service and their work performance. These results were found compatible with previous studies which found that job demand puts more pressure on employees to attend work during their illness (Demerouti et al., 2009) which ends up with presenteeism effects.

The findings also confirmed that there was a significant relationship between absenteeism and long working hours. Due to the long working schedule, employees showed numerous health problems, including heart diseases, high blood pressure, obesity, back -pain, neck pain, leg cramps, and vision problems. Also, the tribulations of working for long hours put employees' health under risk of generating tremendous health issues including chronic diseases like heart problems, cardiovascular diseases, high pressure, and diabetes.

Moreover, employees endured a lot of stress and pressure, which led them to excuse their transparency in the absence of leaves. Employees abused the absence system due to several reasons, including the low number of annual leaves, employees' demotivation and dissatisfaction, long working schedule, harassment, bullying, as well as a work-life imbalance. However, the most hazardous issue was related to the stress factor that affected employees' both professional and personal lives. Employees showed frustration and displayed fatigue symptoms due to the emotional pressures from the work timeline that triggered anxiety among them.

The intervention's findings affirmed that excessive absenteeism resulted in both direct and indirect costs, which influence the bank's profitability as well as the employees' overall productivity. The direct costs are related to the compensations paid to absent employees, and the indirect ones are related to the loss of production resulted from employees' absenteeism.

Findings from the intervention suggested a strong association between long working hours and absenteeism, especially those involving sick leaves. It further supported the strong relationship between excessive absenteeism and employees' dissatisfaction, which is also affected by both internal and external factors. Hence, many hidden costs were generated from excessive absenteeism, including productivity costs, non-quality of service, excess salary costs, as well as overtime costs. These results are compatible with previous studies, which stated that absenteeism is related to employees' psychological situation towards their job and the working conditions related to job stress and job satisfaction.

The research also showed that employees were not satisfied with their working schedules, nor with their salaries, incentives, or the unfair promotion system that remains based on favoritism. The unfair promotion system, which is based on favoritism rather than on competency, triggered employees' demotivation and directly affected their productivity level. Moreover, it gave more enrichment to previous findings which revealed that absenteeism is associated with other factors including poor working conditions, work-life conflict, long working hours, lack of fair promoting system, lack of compensation, and unfair reward system (O'Leary & Deegan, 2005; Stalcup & Pearson, 2001).

### **Self-notes after my study**

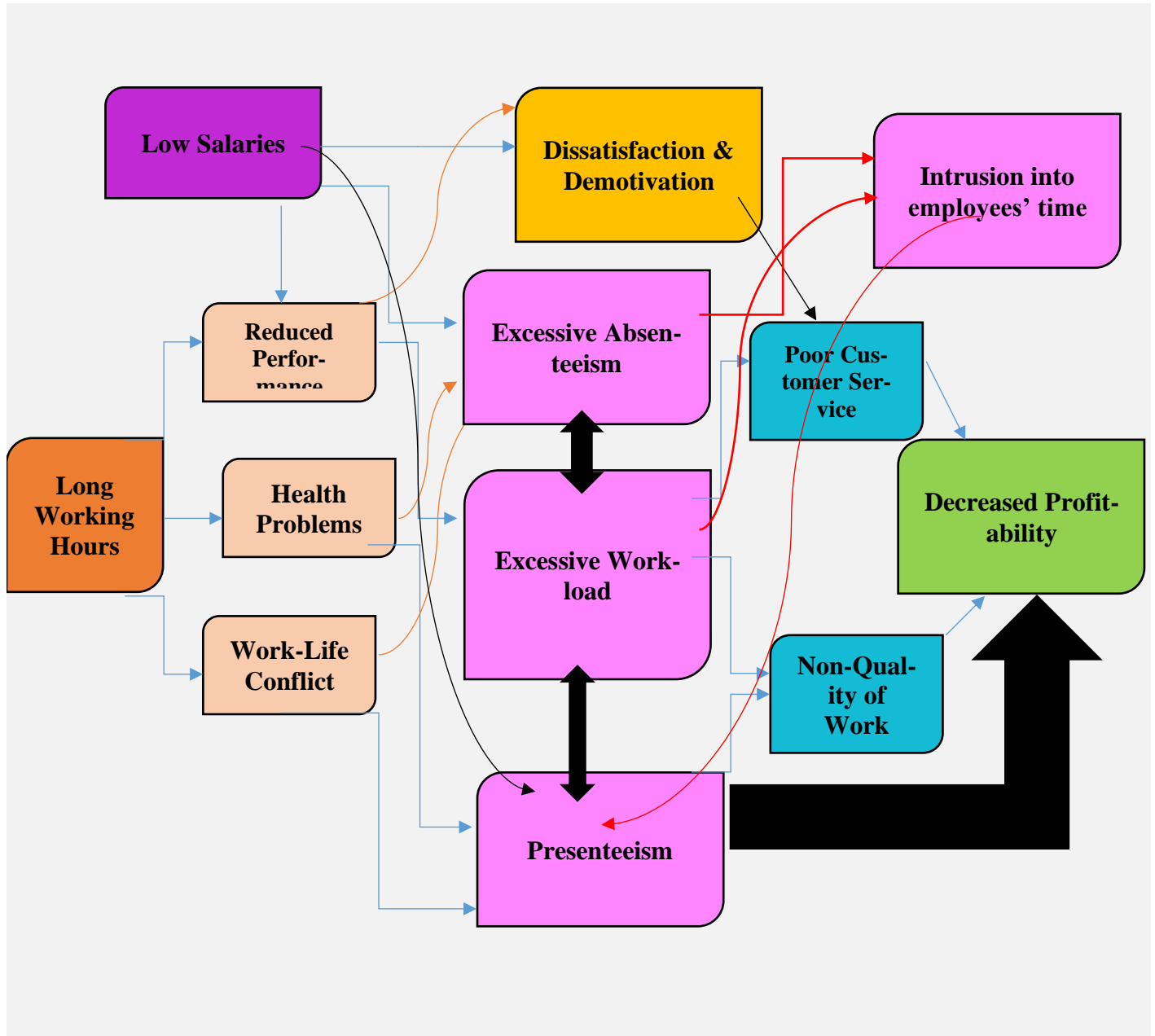
A few months after formulating the baskets and presenting them to all participants, the bank adopted some of those baskets without informing me as the researcher. I believe but cannot prove that this research was a major factor in these changes.

- ❖ The bank introduced its adopted performance management system to its employees in order to keep them involved with the annual evaluation process basis to get the most of their productivity.
- ❖ The bank started to increase employees' health awareness via workshops handled by physicians hired from outside the company.
- ❖ In July t, 2019, the bank initiated a competition between its staff to come up with new innovative products that could add value to the bank, especially with the fierce competition the bank is facing in the banking industry especially in the digital transformation arena.
- ❖ The Bank started to encourage employees to perform some stretching movements during their working schedule to avoid spine, back, and shoulder serious pain and discomfort. All these stretching tips pop up every time the employees' desktop screen logs out.
- ❖ After the breakdown of trust in the banking system, and after the capital controls imposed by the country's banking sectors, the anger among protestors against the Lebanese banks raised. The Lebanese bank shortened the branches' working schedule to become 6 hours instead of 9.5 hours per day (5 days per week) with a full weekend as recommended via the baskets in my study.
- ❖ The Bank adopted a new initiative called MAP (Mark, Assess, Plan) to improve the career development process by developing employees' skills and competencies.

After the study I developed a theory linking working hours, absenteeism, presenteeism and their relationship.

**Figure 1**

*Sajida s Theory*



**N.B:**

**Intrusion** could be defined as the time (vacations, weekends, holidays, and after working schedule) where employees' personal time is getting disturbed by work calls, emails, clients, etc.

## Conclusion

Absenteeism is becoming a significant challenge for a productive workforce. While absenteeism took its value among employers, presenteeism still lacks the attention of many organizations since it can neither be measured nor calculated. The main aim of this research is to shed light on the root causes of excessive absenteeism and presenteeism. It also examined the relationship between absenteeism, long working hours, work-life balance, stress and working conditions, and the hidden costs generated from them. Hence, the Lebanese bank was chosen as the field where the intervention took its place.

The intervention's results illustrated employees' perception of how the combination of long working hours, stressful environment, poor working conditions, and lack of flexibility trigger employees towards abusing the absence policy. It also showed that working for long hours was remarkably associated with the work-life imbalance and health problems. Employees endured a lot of stress and pressure at work, and they lacked transparency in their absence leaves due to the low number of annual leave days. Employees also reported that the tribulations of working for long hours put their health at risk of generating different mental (presenteeism) and physical problems. It also increased the potential of developing tremendous health issues, including chronic diseases, heart problems, cardiovascular diseases, high pressure, and diabetes. This research also showed that anxiety, anger, stress, and pressure resulted in presenteeism among employees especially in coping with the long working schedule and maintaining the equilibrium between work and personal life.

To conclude, one of the most important parts of solving any problem is to realize its presence and its root causes before arranging any solution. This research showed the importance of understanding the effects of absenteeism on presenteeism and its repercussions on employees' performance and organizational profitability. When absenteeism occurs among employees, the other present staff members are put under pressure in finishing up their tasks in addition to the absent employees' ones. Presenteeism will then occur and overwhelm employees' minds and souls, resulting in diminished performance and poor quality of work. It further highlighted the strong association between absenteeism and long working hours and their effects on employees' work-life balance, productivity-loss, and poor customer service. Accordingly, ensuring a management system that encourages flexibility in working hours and work-life balance is a win-win situation for both employers and employees.



## References

- Allen, R. F., & Higgins, (1979). M. The absenteeism culture: becoming attendance oriented. *Personnel*, 56(1):30-39.
- Angrave, D., Charlwood, A., & Wooden, M. (2015). Long working hours and physical activity. *Journal of Epidemiology and Community Health*, 69(8), 738-744. <https://doi.org/10.1136/jech-2014-205230>
- Arai, M., and P. S. Thoursie. 2004. "Sickness Absence: Worker and Establishment Effects." *Swedish Economic Policy Review*, 11(1): 9–28.
- Avey, J. B., Patera, J. L., & West, B. J. (2006). The implications of positive psychological capital on employee absenteeism. *Journal of Leadership & Organizational Studies*, 13(2), 42-60. <https://doi.org/10.1177/10717919070130020401>.
- Baker-McCleary, D., Greasley, K., Dale, J., & Griffith, F. (2010). undefined. *Human Resource Management Journal*. <https://doi.org/10.1111/j.1748-8583.2009.00118.x>
- Burton, W. N., Conti, D. J., Chen, C., Schultz, A. B., & Edington, D. W. (2002). *Journal of Occupational and Environmental Medicine*, 44(6), 523-529. <https://doi.org/10.1097/00043764-200206000-00013>
- Conbere, J. P., & Heorhiadi, A. (2011). The socio-economic approach to management: A successful systemic approach to organizational change. *OD Practitioner*, 43(1), 6–10. <http://resources.css.edu/sbt/seam/articles/volume1/issue2/conbereheorhiadi>
- Conbere, J. P., & Heorhiadi, A. (2018a). *The Socio-Economic Approach to Management: Steering Organizations into the Future*. World Scientific Publishing Co.
- Conbere, J. P., & Heorhiadi, A. (2018b). The challenges of leading healthcare organizations. *The Theory and Practice of Socio-Economic Management*, 3(1), <http://resources.css.edu/sbt/seam/articles/volume3/issue1/heorhiadi.pdf>
- Collier, E. (2018, October 4). Workplace absenteeism. The Hub | High Speed Training. <https://www.highspeedtraining.co.uk/hub/reducing-absenteeism-in-the-workplace/>
- Davey, M. M., Cummings, G., Newburn-Cook, C. V., & Lo, E. A. (2009). Predictors of nurse absenteeism in hospitals: A systematic review. *Journal of Nursing Management*, 17(3), 312-330. <https://doi.org/10.1111/j.1365-2834.2008.00958.x>
- Dembe, A. E., & Yao, X. (2016). Chronic Disease Risks from Exposure to Long-Hour Work Schedules Over a 32-Year Period. *Journal of Occupational and Environmental Medicine*, 58(9), 861–867. <https://doi.org/10.1097/jom.0000000000000810>
- Demerouti, E., Le Blanc, P. M., Bakker, A. B., Schaufeli, W. B., & Hox, J. (2009). Present but sick: A three-wave study on job demands, presenteeism and burnout. *Career Development International*, 14(1), 50-68. <https://doi.org/10.1108/13620430910933574>.
- Haworth, J., & Lewis, S. (2005). Work, Leisure and Well-Being. *British Journal of Guidance and Counselling*, 33(1). <https://doi.org/10.1080/03069880412331335902>.
- Golden, L. (2006). Overemployment in the US: Which workers are willing to reduce their work hours and income? *Decent working time: New trends, new issues*, 209-261.
- Investopedia. (2020, July 7). *The causes and costs of absenteeism in the workplace*. Forbes. <https://www.forbes.com/sites/investopedia/2013/07/10/the-causes-and-costs-of-absenteeism-in-the-workplace/>
- Kaman, R. L., & Association for Worksite Health Promotion. (1995). *Worksite health promotion economics: Consensus and analysis*. Human Kinetics Publishers.

- Kivimäki, Mika et al. (2017). Long working hours as a risk factor for atrial fibrillation: a multi-cohort study. *European heart journal*.
- Kristensen, Kai, Hans Jørn Juhl, Jacob Eskildsen, Jesper Nielsen, Niels Frederiksen, and Carsten Bisgaard. 2006. Determinants of Absenteeism in a Large Danish Bank. *The International Journal of Human Resource Management* 17: 1645–58.
- Mayfield, J., & Mayfield, M. (2009). The role of leader motivating language in employee absenteeism. *Journal of Business Communication*, 46(4), 455-479. <https://doi.org/10.1177/0021943609338665>
- Milkovich, G.T., & Boudreau, J.W. (1994). *Human Resource Management (7th ed.)*: IRWIN publishers.
- Nishiyama, K., & Johnson, J.V. (1997). Karoshi--death from overwork: occupational health consequences of Japanese production management. *International journal of health services: planning, administration, evaluation*, (27)4, 625-41.
- Nicholson, N. (2007). Absence behaviour and attendance motivation: A conceptual synthesis. *Journal of Management Studies*, 14(3), 231-252. <https://doi.org/10.1111/j.1467-6486.1977.tb00364.x>
- O'Leary, S., & Deegan, J. (2005). Career progression of Irish tourism and hospitality management graduates. *International Journal of Contemporary Hospitality Management*, 17(5), 421-432. <https://doi.org/10.1108/09596110510604841>
- Pencavel, J. (2014). The productivity of working hours. *The Economic Journal*, 125(589), 2052-2076. <https://doi.org/10.1111/econj.12166>.
- Savall, H., & Zardet, V. (2008). *Mastering hidden costs and socio-economic performance*. Information Age Publishing.
- Schultz, H., & Schultz, J. (2006) *Industrial Psychology: Science and Practice*. Van Schaik Publishers.
- Schultz, A. B., Chen, C., & Edington, D. W. (2009). The cost and impact of health conditions on Presenteeism to employers. *Pharmacoeconomics*, 27(5), 365-378. <https://doi.org/10.2165/00019053-200927050-00002>
- Smulders, P. G. (1980). Comments on employee absence/attendance as a dependent variable in organizational research. *Journal of Applied Psychology*, 65(3), 368–71. <https://doi.org/10.1037/0021-9010.65.3.368>
- Smulders, P. G. W., & Nijhuis, F. J. N. (1999). The Job Demands-Job Control model and absence behaviour: Results of a 3-year longitudinal study. *Work & Stress*, 13(2), 115–131. <https://doi.org/10.1080/026783799296093>
- Stalcup, L. D., & Pearson, T. A. (2001). A model of the causes of management turnover in hotels. *Journal of Hospitality & Tourism Research*, 25(1), 17-30. <https://doi.org/10.1177/109634800102500103>
- Steers, R. M., & Rhodes, S. R. (1978). Major influences on employee attendance: A process model. *Journal of Applied Psychology*, 63(4), 391-407. <https://doi.org/10.1037/0021-9010.63.4.391>
- Steers, R.M., & Rhodes, S.R. (1978). Major Influences on Employee Attendance: A Process Model. *Journal of applied psychology*, 63(4), 391-407. <https://doi.org/10.1037/0021-9010.63.4.391>
- Swarnalatha, C., & Sureshkrishna, G.S. (2013). Absenteeism - a menace to organization in building job satisfaction among employees in automotive industries in India original arti-

cle. <https://www.semanticscholar.org/paper/ABSENTEEISM-A-MENACE-TO-ORGANIZATION-IN-BUILDING-IN-Swarnalatha-Suresh-krishna/ab5188c7375b59304ab9a69597937d5e38685fee>

- Virtanen, M., Heikkilä, K., Jokela, M., Ferrie, J. E., Batty, G. D., Vahtera, J., & Kivimäki, M. (2012). Long working hours and coronary heart disease: A systematic review and meta-analysis. *American Journal of Epidemiology*, 176(7), 586-596. <https://doi.org/10.1093/aje/kws139>
- Virtanen, M., Jokela, M., Nyberg, S.T., Madsen, I.E., Lallukka, T., Ahola, K., Alfredsson, L., Batty, G.D., Bjorner, J.B., Borritz, M., Burr, H., Casini, A.P., Clays, E., Bacquer, D.D., Dragano, N., Erbel, R.A., Ferrie, J.E., Fransson, E.I., Hamer, M., Heikkilä, K., Joeckel, K.H., Thilly, C.H., Knutsson, A.K., Koskenvuo, M.J., Ladwig, K.H., Lunau, T., Nielsen, M.L., Nordin, M., Oksanen, T., Pejtersen, J.H., Pentti, J.T., Rugulies, R., Salo, P.M., Schupp, J., Siegrist, J., Singh-Manoux, A., Steptoe, A., Suominen, S.B., Theorell, T., Vahtera, J., Wagner, G.G., Westerholm, P.J., Westerland, H., & Kivimäki, M. (2015). Long working hours and alcohol use: systematic review and meta-analysis of published studies and unpublished individual participant data. *BMJ*. (2015). 350:g7772. <https://doi.org/10.1136/bmj.g7772>