

A study on OD Intervention – An appropriate reward and its effect on absenteeism issue in a manufacturing industry Smart Creations

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Abstract

This experimental research discusses the cause and effect relationship of a dependent variable and independent variables in relation to absenteeism in a key department of production function in a Small Scale industry called Smart Creations, Ambathur Industrial Estate, and Chennai. The production of this plant is controlled – bottle neck by a key department called buffing. The average absenteeism for the year 2011 -2012 was 25 %. It was still worsen during the month of March and April, it was 27% and 38 % respectively. There was an immediate need to reduce this absenteeism parentage in order to increase the production. An experimental study was conducted to understand the effect of giving quantum increase in the existing attendance bonus scheme. The scheme was announced as a trial in the mid of May 2012. Study was observed for two months and found that there was tremendous improvement in the attendance present percentage. Absenteeism has come down to 23 %, 13 % and 7 % in the months of May, June and July respectively.

Key Words: OD intervention, Absenteeism, Appropriate rewards

1. Introduction:

Smart Creations is a decade-old pioneer in 24 karat Gold Coating and Silver coating services with a spiritual touch. With flagship brands, Pon Alayam (creating Golden Temples) and Pon illam (creating Golden Homes), focus on enriching sanctity and serenity, thus enabling better life-qualities. Smart Creations is in the business of gold plating and Silver plating for national as well as global industrial components also. Smart Creations is a major player in the industry with franchisees spread across India. Equipped with the London based NTGD technology, Smart Creations is a fast-growing enterprise with national global aspirations. A Smart Creations' Initiative engoldening temples by gold coating the Vimanams, Dwajasthambams, Golden Chariots, Inner & Outer Girbagrahas, Kalasams, Kavachams & Prabhai. Since 1998 "Smart Creations" has a special place in the elite group, Temple Projects, Corporate and Star Hotels of Chennai in Tamilnadu, Karnataka and Delhi as they are the first to expose them to the fantasy of specialized coatings to realize their imaginations and tasteful decors.

2. Need for the study:

The production process sequence is buffing, plating, lacquering, oven drying, inspection and packing. Buffing is the critical operation, bottle neck for the production process. Added to the criticality absenteeism became a hindrance for the production. So study was conducted to address this issue.

3. Objective of the Study:

To reduce the absenteeism through applying suitable OD intervention.

4. Methodology:

An experimental research of before – after without control group design, to find out the effect on absenteeism by the cause of OD intervention. Buffing department has been taken as an experimental small group of 5 employees.

5. Experiment:

An experiment is generally used to infer causality. In an experiment manipulation of one or more variables and measures their effects on dependent variables of interest. Since any changes in the dependant variable may be caused by a number of other variables, the relationship between cause and effect often tends to be probabilistic nature.

There was an attendance incentive scheme of amount Rs 200 per month for 100 % present person. Experiment was conducted with a treatment of enhancing this amount to 2.5 times, Rs 500 per month. This was communicated in the mid of May 2012, to the group to understand that one day absence means, he will be losing one day salary plus this incentive of Rs 500.

6. Data collection:

Pre treatment data for two months April and May and Post treatment for two months of June and July data collected from the secondary source of attendance records.

7. Statistical Techniques

Pre treatment data for two months April and May and Post treatment for two months of June and July data collected from the secondary source of attendance records.

A Simple 5X2 table and bar charts are used to present and analyze the data

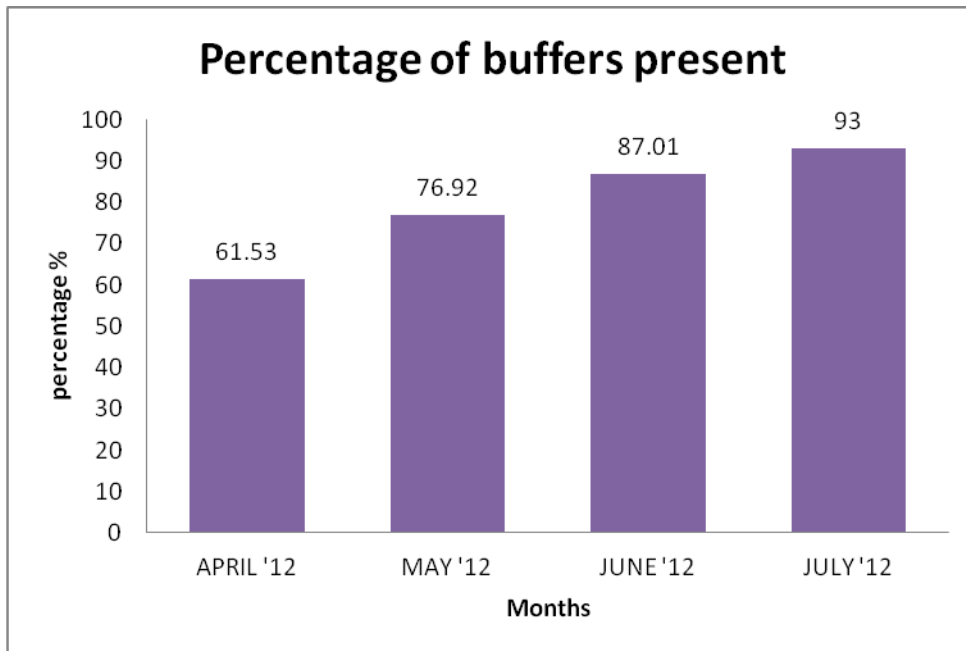
Table I shows that month wise buffers present percentage for the four month of April 2012 to July 2012

Table 1

Month	% Present
APRIL '12	61.53
MAY '12	76.92
JUNE '12	87.01
JULY '12	93.00

Chart I shows that month wise buffers present percentage for the four month of April 2012 to July 2012

Chart I



8. Results and discussion:

It is observed from the table I and the Chart I that there is a gradual, consistent and continual improvement in the buffers present percentage. The treatment of enhancing the attendance incentive effected in the improvement.

9. Limitation of the study:

There could be some other extraneous variable might also have been contributed to this improvement like better relationship with supervisor.

10. Conclusion and recommendation

Appropriate amount of rewards will effect on performance. Even though there is reward scheme it should be revisited and revised accordingly. There is further scope to improve through various employee engagement activities, can be taken for further experiments.

Reference

Deepak Chawla, Neena Sondhi (2011),” Research Methodology” pp 62 - 79