ABSENTEEISM AND LABOR TURNOVER AND ITS IMPACT ON PRODUCTION COSTS IN THE SPECIAL OCCASION WEAR INDUSTRY

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Senior Prof. Amal S Kumarage	

ABSTRACT

Absenteeism and the turnover become critical factors in today's business world. Employees are being considered as the most important asset of the organization where as their performance will directly influence on the organizational performance. In recent times, the export apparel market in USA for Sri Lanka has been drastically decreased and the problem centered for the study is to identify which extend the absenteeism and the employee turnover will influence on the production cost of the organization. In that, two hypotheses were developed based on the two research objectives. As per the sampling plan, 432 respondents were selected from non-probability convenience sampling method and both primary and secondary sources of data were used for the study. Both quantitative and qualitative data has collected for the study purpose and analyses have been conducted and both primary and secondary sources of data has collected for the study. As per the main data collection instrument, a self-administered structured questionnaire has been used. Other than that, an in-depth interviews and the focused group discussions have been conducted with the employees of the company. Both hypotheses were supported and there is a strong and a positive relationship in between the employee turnover and the production cost and also there is a positive and strong relationship between the absenteeism and the production cost.

Keywords: Employee turnover, absenteeism, production cost

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Abstract

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