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# EFFECT OF ABSENTEEISM ON EMPLOYEE PERFORMANCE IN THE HOSPITALITY INDUSTRY

(A Case Study on Serena Hotels)

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## **Certificate from Guide**

This is to certify that this project entitled “Effect of Absenteeism on Employee Performance in the Hospitality Industry” has been carried out by Our group.

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**Introduction**

The hospitality industry is one of the greatest and active areas that, for its importance, impacts the world economy. In fact, it encompasses all sectors that include hotels, food and drinks, travel and tourism, and also planning events. The industry does provide numerous jobs and also promotes cultural sharing that improves people's quality of life around the world. The hospitality industry covers all such services, thus showing great scope and catering to both international and domestic tourists. [ Walker, J. R. (2020).]

Lodging, for example, includes hotels, resorts, and other places that provide guests with a temporary home. The food and beverage sector, which includes restaurants, cafes, and bars, is another important component, offering different food experiences which reveal the culture and taste of various regions. [ Walker, J. R. (2020).]

Travel and tourism connect people to new places, helping them learn about different cultures and experiences, while event planning and management create the framework for social and business events, from weddings to conferences. Knowing how important the hospitality industry is matters for anyone wanting to have a career in this field. The industry develops the economy and brings income and employment into the economy while also promoting cultures and global cooperation. For hospitality, it is significant in terms of improving guests' experience. The core objective of the hospitality industry is to offer more than is expected, making guests stay in memory through the quality of the service, unique product, or amazing experience. [Walker, J. R. (2020).]

**Organizational Profile: Serena Hotels**

Serena Hotels offers good places to stay in a variety of 35 high-end properties, such as hotels, resorts, safari lodges, camps, palaces, and forts. It covers 6 countries in East Africa (Kenya, Tanzania, Zanzibar, Uganda, Rwanda, Mozambique, and DR Congo) and has 12 properties in Asia (Afghanistan, Pakistan, and Tajikistan). Its list includes some of the best and most beautiful locations that are well-placed to give exciting travel options for its clients. Serena Hotels is very focused on making great products, providing good service, offering real food, and ensuring guests are happy. It is still working hard to be the best hotel for careful travelers. [Data From Sarena Official website]

**Serena Care**

We pride ourselves on the calibre of our service; but then we're very fortunate in our staff. We employ only the best; and not only do we ensure that they benefit from extensive training, health and community support, but we also believe in encouraging their full participation in both our present and our future.

**Serena Quality**

We believe our guests deserve the best - and this extends from the vibrancy of our cuisine to our choice of wines. We also believe in delivering optimum style of surroundings, uncompromising standards of comfort, extensive global connectivity and efficient business support. All properties in Asia and Africa are styled so as to complement the landscape, nurture the environment and celebrate the rich tapestry of local culture.

**Treasuring Our Heritage**

Tourism is about people, and we believe in introducing our visitors to the real character of their hosts. Our holiday destinations in East Africa and South Asia offer unusually complex and colourful ethnic tapestries, featuring a charismatic mix of peoples ranging from the scarlet-cloaked Maasai to the vibrant Baluch people of southeast Pakistan. This heritage is, however, fragile; and in order that it may be both preserved and nurtured for the future, we believe that the benefits of tourism must be shared with the local community.

**Ownership of the Serena Brand**

The Aga Khan Fund for Economic Development SA (AKFED SA), a Swiss entity, owns the brand Serena which is a hotel management company, and manages hotels under the Serena Brand in East Africa (Kenya, Tanzania, Zanzibar, Rwanda, Congo DRC and Uganda), Mozambique and South Asia (Pakistan, Afghanistan and Tajikistan).

## **Mission Statement**

To create outstanding facilities reflecting ethnic designs, providing exceptional service and management to exceed guest expectations and deliver satisfactory returns to stakeholders.

## **Vision Statement**

To conserve rather than exploit nature, promoting sustainable development and protecting cultural and environmental heritage.

**Core Values**

**Commitment**: We are committed to embrace continuous improvement to maximize value to all our stakeholders

**Integrity:** We conduct our business honestly & ethically with all team members, guests & partners.

**Teamwork:** We value teamwork and recognize each other’s' contribution at Worldwide Hotels.

**Respect**: We foster mutual respect within an inclusive workspace.

**Accountability:** We hold ourselves accountable within an empowered environment.

### **Need for the Study Why Hospitality Industry?**

In the hospitality sector, employee absences have an influence on more than just worker output. They also affect guest contentment, the hotel's image, and its earnings. This research zeroes in on the Serena Hotel to analyze how not showing up to work affects its day-to-day activities and staff productivity. [ Bardi, J. A. (2019).]

1. **Labor-Intensive Nature**:

Hotels and restaurants, which are part of hospitality operations, depend a lot on people to provide customer service, run the business, and make sure guests are happy. When employees are absent, it affects service delivery because even a few missing workers can disturb the operations.

1. **High Expectations for Service Quality**:

Guests in hotels expect consistent, high-quality service. Absenteeism can lead to a shortage of staff, causing delays or reduced service standards, which can negatively affect guest experiences and lead to complaints or loss of business.

1. **Seasonal and Peak Demand**:

Hotels and restaurants often deal with changing customer numbers, and busy times need all hands-on deck. When workers don't show up during these rush periods, it causes big problems. The staff who are there end up working too hard, and the business doesn't run.

1. **Financial Performance Implications**:

Absenteeism impacts profit margins in industries that can easily incur increased costs because of overtime, temporary replacements, or loss in revenue associated with reduced productivity and customer dissatisfaction.

1. **Team Dependence**:

Hospitality employees are part of very interdependent teams. For example, housekeeping, front desk, and kitchen staff would have someone's absence impact the workflow of the entire team, hence reducing efficiency overall.

1. **Employee Engagement and Retention:**

High absenteeism rates may indicate more significant issues, such as burnout, unhappiness, or a lack of interest among employees. This hurts retention rates, which is a big challenge for the hospitality industry because of high turnover.

1. **Guest-Centric Business Model**:

Hospitality businesses revolve around customer experiences. Disruptions caused by absenteeism are highly visible to guests, potentially damaging brand reputation and loyalty.

**Why Study Absenteeism in Hospitality?**

The hospitality industry is one of the world's largest employers, thus greatly contributing to the economy. Being able to address absenteeism improves productivity, boosts guest satisfaction rates, and thus reinforces the economic position of the industry.

As an exemplar premium hospitality brand, Serena Hotels would thus form the ideal case for how absenteeism impacts luxury service delivery and in what ways it should be controlled effectively.[ Bardi, J. A. (2019).]

* **Patterns and Causes of Absenteeism at Serena Hotels**

**Patterns:**

* Absenteeism often peaks during busy seasons, such as holidays, when employee stress and workload increase significantly. This is particularly noticeable in roles that require long hours or extended guest interactions.
* Employees frequently report absences on Mondays or Fridays, suggesting patterns linked to work-life balance issues or fatigue cycles.
* Unplanned sick leaves dominate, often tied to short-term stress or burnout in response to demanding schedules and inadequate recovery periods.

**Causes**:

* **Work Stress:** Employees feel much pressure about delivering excellent service, which in turn leaves them mentally exhausted. Continuous stress without the help needed creates physical health issues that may aggravate the absenteeism problem.
* **Health Problems:** Long-term health problems, poor working environment in the respective workplaces, and stress-related disorders keep the hospitality industry employees away from work.
* **Job Dissatisfaction:** Lack of recognition, low incentives, and perceived under-valuation can lead to disengagement as an employee deliberately leaves the workplace.
* **Poor Work-Life Balance**: Strict schedules, little time off flexibility, and long working hours make it hard for employees to handle personal responsibilities, leading to unexpected absences.
* **Cultural Factors**: A lack of workplace engagement or cohesive team culture leads to absenteeism since the employees feel disconnected or unsupported in their roles.

**Effects of Absenteeism on Employee and Organizational Performance**

* + - **Employee Impacts**:

Team members covering for absent colleagues experience increased workloads, often resulting in higher stress levels and potential burnout. This can lead to further absenteeism or attrition, creating a cycle of instability.

Reduced teamwork efficiency and dissatisfaction can emerge as employees feel overburdened and unsupported, diminishing their overall productivity and workplace satisfaction.

* + - **Organizational Impacts**:

**Operational Disruptions**: Absenteeism creates staffing shortages, leading to delays, reduced service quality, and compromised guest experiences. This is particularly critical in luxury settings like Serena Hotels, where customer expectations are exceptionally high.

**Increased Costs**: Financial losses accrue from overtime pay, hiring temporary staff, or the potential need to reschedule or cancel bookings due to understaffing.

**Declining Reputation**: Consistent absenteeism can result in visible service lapses, harming the hotel’s reputation and reducing guest loyalty.

**Lower Morale**: Persistent absenteeism disrupts team dynamics and undermines employee engagement, weakening the organization’s overall culture.

### **Objectives of the Study**

### Understand the Effect of Absenteeism on Employee Performance:

* Analyze how absenteeism affects productivity and efficiency among employees at Serena Hotels.
* Examine its impact on employee morale, teamwork, and service quality in the hospitality context.
* Assess how absenteeism influences overall organizational performance.

### **Significance of the Study**

This is important because, for Serena Hotels, understanding and then being able to manage absenteeism helps it understand those impacts on productivity, the service quality delivered, and, most importantly, employee satisfaction.

**Increase Productivity**: A consistent workforce reduces disruptions, enabling smoother operations and improved efficiency. Employees who are regularly present can better focus on their responsibilities, enhancing overall productivity.

**Enhance Service Quality:** With adequate staffing levels, the hotel can consistently meet high guest expectations, ensuring superior experiences that contribute to guest satisfaction and loyalty.

**Reduce Operating Costs**: Lower absenteeism reduces the financial burden associated with hiring temporary replacements, paying overtime, or facing losses due to decreased operational efficiency.

**Support Employee Health:** By addressing the root causes of absenteeism, such as stress and burnout, organizations can promote employee well-being. This not only enhances morale but also reduces long-term absenteeism caused by health issues.

**Strengthen Organizational Culture**: A stable and engaged workforce fosters a positive workplace culture. Employees who feel supported and valued are more likely to exhibit loyalty and contribute positively to the organization's goals.

**Literature Review**

**1-Tamara Singh et al. (2016): Impact of Absenteeism on Organizational Performance**  
Tamara Singh’s study shows that absenteeism is an important issue that affects how well organizations perform. It points out that absenteeism causes loss of productivity, problems with operations, and a bad work environment. The study also finds out what causes absenteeism, like work stress, burnout, and lack of interest, and recommends solutions like employee wellness programs, stress management workshops, and recognition systems.

2- **Habeeb ur Rahman (2016): Absenteeism in the Hospitality Industry**  
It studies the retail industry where business growth has problems with absenteeism. The author finds that absenteeism in the hospitality industries, just like the hospitality industry, is caused by personal problems and work stress with a feeling of low involvement at workplaces. He recommends increasing supportiveness at workplaces with flexible working hours.

**3-Gethsi Beulah and Dr. Venkatrama Raju D (2014)**   
This research investigates absenteeism in the Hospitality industry, highlighting factors such as high stress, poor work-life balance, and disengagement. These same factors contribute to absenteeism in the hospitality sector. **Serena Hotels** can mitigate absenteeism by focusing on performance evaluations, introducing wellness initiatives, and improving employee engagement through career development opportunities

**4-Dr. Abhinav Patel and Sanjay Thakkar (2014)**   
Patel and Thakkar’s study identifies various causes of absenteeism, such as health issues, family conflicts, and lack of motivation. These factors are also prevalent in the hospitality industry, where employees may face long working hours and personal stressors. Addressing absenteeism at **Serena Hotels** can be achieved by offering mental health support, flexible working hours, and transportation assistance, particularly during peak operational periods​.

**5-Barkha Gupta (2013):**   
Gupta’s study explores how absenteeism in the Hospitality impacts organizational performance. She emphasizes the importance of creating a conducive working environment to reduce absenteeism. offering flexible scheduling and creating an environment where employees feel valued and appreciated can significantly reduce absenteeism and enhance service delivery​

**6-Dr. Renuka Rathod and Mr. Basavanth Reddy (2012)**   
Rathod and Reddy’s study investigates absenteeism in the Titan Industry and suggests various measures to address the issue. They recommend improving organizational practices, offering regular feedback, and implementing clear absenteeism policies. These measures are directly applicable to **Hospitality,** where similar strategies can be employed to manage absenteeism and improve workforce productivity

* **Research Methodology**

This study uses both **qualitative** and **quantitative** approaches to explore absenteeism at Serena Hotels, focusing on its impact on employee performance and operational efficiency.

**Primary Data: Interviews**

•Personal experiences in missing work including reasons they are away for personal grounds and its implication to the job.

• Views of HR about how to address absenteeism, just like existing policies, issues with attendance tracking, and current strategies for reducing absenteeism.

These qualitative insights help in uncovering issues that statistical data fails to capture-from emotional factors, morale among employees, and different workplace cultures.

**Secondary Data: Industry Reports and Case Studies**

* Common causes of absenteeism in the hospitality industry.
* Successful strategies implemented by other hotel chains to manage absenteeism.
* Statistics and studies on absenteeism rates in the hotel and restaurant sectors.

These resources will help validate the findings and give a wider perspective on absenteeism management.

**Serena Hotel Faisalabad and Broader Serena Hotels Group**

* **HR managers and employees at Serena Hotel Faisalabad**, where absenteeism patterns will be directly observed.
* **Other Serena properties**, whose absenteeism data will be used to compare and analyze patterns, identifying any system-wide trends or specific challenges unique to individual locations.

This sample approach ensures a representative analysis of absenteeism across the Serena Hotels group.

**Findings and Analysis**

* + 1. **Patterns of Absenteeism**: High absenteeism rate during busy time: high absenteeism is always marked during such busy times that include the holidays, weddings, and other conferences that attract a host of clients to Serena. This period is always long and hence the more clients; therefore, more demand for the services. Employees are left to work for extended hours, resulting in the onset of emotional and physical pressures that usually lead to an employee developing burnout or stress symptoms, hence having to leave to rest out.
    2. **Front-Line Roles:** Workers in front-line jobs have more guest interactions, longer shifts, and higher expectations. This can lead to fatigue and stress. As a result, they take more sick days or unscheduled time off, which disrupts the smooth running of the hotel. [ Bowie, D., Buttle, F., Brookes, M., & Mariussen, Å. (2017).]
    3. **Causes of Absenteeism**

Several factors contribute to absenteeism at Serena Hotels, most notably:

**• Long Working Hours and Burnout:** Front-line workers have to work long hours, especially when things are busy, without enough time to rest. Their jobs are very demanding, especially during busy seasons, which causes burnout. Many workers say they feel very tired and mentally worn out, leading them to take unexpected days off to recover.

•**Lack of Recognition and Motivation**: The other reason is that employees are not recognized for their efforts. Most front-line employees feel that their contributions are not recognized, and thus they have low motivation and feel disengaged. Low motivation is a significant driver of absenteeism, as employees may not be connected to the goals of the organization or value the work they do.

## •**Constant Working Conditions:** Doing the same laborious work day in and day out may cause dissatisfaction and absenteeism. The lack of breaks or incentives while working for long hours can demotivate the worker and take more days off.

## **4. Effect on Performance**

## **• Low Productivity:** When employees become habitual of missing work, the employees who stay in the department have to perform extra work. This makes them feel unenergetic and less efficient with higher error rates. This leads to hurt productivity levels throughout different departments and creates trouble in operations. [ Brown, L. (2019).]

## • **More Work for Current Employees:** When employees are not working, their colleagues have to pick up the slack, which can be frustrating and stressful. Employees who have too much work are more likely to feel burned out, creating a cycle of absenteeism. This extra work can also lead to lower service quality because staff members cannot give the same level of attention and care that is needed in hospitality jobs.

## **Service Quality and Guest Happiness Dropping:** In a nutshell, the absence of workers brings about a shortage of employees, which drops service quality. Fewer staff members, especially when there are many guests, results in slower check-ins, long waiting times for food, and less cleaned rooms. This hurts how happy the guests feel. In a tight hospitality market, this drop in service quality will result in poor guest reviews, fewer returning guests, and a hurt reputation for Serena Hotels.

## **Suggestions and Recommendations**

Propose Strategies to Mitigate Absenteeism:

1. Suggest practical measures such as wellness programs, flexible scheduling, and employee engagement initiatives.
2. Recommend recognition systems and incentives to improve attendance and motivation.
3. Highlight the importance of training managers to address absenteeism proactively and foster a supportive work culture.

Based on the findings and analysis of absenteeism at **Serena Hotels**, the following suggestions and recommendations can help mitigate absenteeism, improve employee satisfaction, and enhance overall performance.

1. Organizations should encourage team work that will enhance team spirit and relationship.

2. Conduct regular training sessions for employees to understand the problems faced by the employees in the work.

3. Conduct regular medical examinations for employees to safeguard the health issues.

4. Regular performance appraisal will keep in check the absenteeism of employees.

5. Giving incentives or attendance bonus can reduce absenteeism rate.

6. Employee counseling, Involvement and Engagement activities should be imparted to improve the morale to reduce negative attitude like alcoholism.

7. Ensure fair and transparent implementation of HR practices like job rotation, welfare measures, work culture etc.

8. Implement a Flexible Work Schedule: Allow employees to have flexible working hours or remote work options, where feasible, to accommodate personal needs and reduce stress, ultimately improving attendance and productivity.

9. Establish a Grievance Redressal System: Create a robust system where employees can raise concerns and seek solutions to workplace issues. This fosters trust and ensures employees feel heard, reducing dissatisfaction and absenteeism.

10. Recognize and Reward Consistency: Develop a system to regularly acknowledge employees with excellent attendance and performance. Public recognition, awards, or certificates can boost morale and inspire others to follow suit.

## **Conclusion**

The success of organization in terms of profitability, efficiency, growth depends on the contribution of employee towards objective. The rate of absenteeism can be reduced with mutual commitment and involvement of employer and employee. The provision of various welfare facilities, work culture, communication, training, HR Policies can reduce absenteeism to involve substantial financial commitment for the management. Hence, absenteeism is invisible and unpredictable in nature that proves fatal for the industry.

However, by adopting targeted strategies such as wellness programs, flexible scheduling, employee recognition, and enhanced management training, Serena Hotels can effectively address absenteeism. Implementing these measures will help reduce absenteeism rates, improve employee engagement, and foster a more supportive work environment.

Through strategic HR initiatives, Serena Hotels can mitigate the negative impact of absenteeism, improve overall productivity, and maintain high standards of service excellence. Ultimately, reducing absenteeism will contribute to a more motivated workforce, greater operational efficiency, and sustained guest satisfaction, aligning with Serena Hotels' commitment to delivering exceptional hospitality.

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