

Employee Absenteeism in Maharashtra's Corporate Sector: A Comprehensive Literature Review and Strategic Analysis

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Citation: Thakur, N. & Ghodke, S. (2026). Employee Absenteeism in Maharashtra's Corporate Sector: A Comprehensive Literature Review and Strategic Analysis. International Journal of Global Research Innovations & Technology, 04(03), 48–54. <https://doi.org/10.62823/ijgrit/04.03.9266>

ABSTRACT

The literature review analyzes the findings of 12 empirical studies carried out during 2018 to 2025 on absenteeism among employees in manufacturing industries in Maharashtra. The research covers the major industrial belts under the jurisdiction of the Maharashtra Industrial Development Corporation (MIDC) involving the pharmaceuticals, steel, textile and chemical industrial areas in Nagpur, Pune-Chakan, Thane-Belapur and Kolhapur. The overall evidence suggests that the absenteeism among the workers is high and remains at the baseline of 10-15%. The major factors responsible for absenteeism include personal and occupational health problems (40-50%), inadequacies in wages and salary payments (25-30%), shift related tiredness resulting from 24 hours operation (15-20%) and skill-related factors (10-15%). There is empirical evidence for the positive attendance outcomes due to strategic intervention measures in workplaces involving active supervision, improvement of the facilities for health and well-being, restructuring of salaries and shift arrangements varying from 3% to 15%.

Keywords: Employee Absenteeism, Manufacturing Sector, MIDC Corridors, Workplace Interventions, Productivity Management, Attendance Optimization.

Introduction

Maharashtra is the leading industrial state of India, which provides a substantial share in the gross domestic product, industrial output, and export potential of the nation. This industriousness centers around the manufacturing complexes developed by the Maharashtra Industrial Development Corporation (MIDC). Some of the significant industrial zones in this respect include the automotive and chemical corridor of Pune-Chakan, pharmaceutical-chemical corridor of Thane-Belapur, engineering and logistics zone of Nagpur, and the textile and steel industrial zone of Kolhapur, all consisting of several thousand manufacturing units employing millions of formal, contract, and migratory workers.

While economic growth and technologic sophistication within these industries is quite impressive, one of the major operational challenges faced by industrial companies in Maharashtra continues to be absenteeism of employees. This term denotes regular, unplanned, and unexcused absence of workers from their scheduled work. As a result, absenteeism disrupts the operations, affects capacity utilization, and poses problems for supply chains management. According to national estimates on industrial sector in India, absenteeism leads to loss of about ₹24,000 crore per year. In the case of highly industrialized and densely populated zones of Maharashtra, the consequences are quite severe.

Problem Statement

The fundamental characteristic of the structure of the Maharashtra industrial labor market is the reliance of such labor market on migrant and contractual labor force. This particular labor force constitutes 60%-80% of the entire workforce in major MIDC areas. Working mainly under the rigorous continuous shift pattern of work (24/7 day, evening, and night shifts), such labor force faces substantial challenges from a physical, economical, and psycho-social perspective. As opposed to other

environments, where labor deficit can be quickly compensated for, industrial operations in the context of shop floor do not allow any sudden labor shortage without affecting the cycle times and safety requirements. The understanding of the underlying reasons and effectiveness of previous interventions is essential.

Research Objectives

The current literature review examines 12 empirical studies conducted during the period 2018 to 2025 to accomplish the following academic and pragmatic goals:

- Map Absenteeism Trends: Trace baseline levels, seasonal patterns, and industry-based trends in the main MIDC manufacturing belts in Maharashtra.
- Determine Primary Factors: Enumerate the main factors responsible for unscheduled absences of employees belonging to diverse demographics and work environments.
- Test Interventions: Evaluate the empirical effectiveness and return on investment of the interventions undertaken by industrial organizations in terms of supervision, welfare, finance, and infrastructure.
- Offer Strategies: Offer evidence-based strategies for managers of enterprises and MSMEs.

Methodology and Literature Selection Framework

In order to establish rigor in synthesis and scholarly credibility, the literature selection process was carried out using a multiple-stage protocol.

Selection Process for the Literature was done using very stringent geographical, sectoral, and methodological criteria.

Selection Criteria and Protocol

Four basic criteria had to be fulfilled by the research articles chosen for this synthesis:

- Geographic Criterion: Research that is geographically situated in one of the MIDC Industrial Clusters in Maharashtra (Nagpur, Pune Chakan, Thane Belapur, Kolhapur, Narhe, and Greater Mumbai Region).
- Sectoral Criterion: The research should cover the key secondary industries i.e. manufacturing, pharmaceuticals, steel /fabrication, chemicals, and textiles/apparel.
- Methodological Criterion: Research should have used quantitative or mixed method research using shop floor primary data, corporate attendance records, or survey questionnaires.
- Publication Period: Research carried out from 2018 to 2025 (published Journal Articles, Doctoral Dissertations, Corporate Monographs)

Table 1: Distribution of Reviewed Empirical Studies by Sector, Region, and Workforce Structure

Industry Sector	MIDC Geographic Location	Study Count	Dominant Workforce Composition
Manufacturing & Engineering	Nagpur, Pune-Chakan, Narhe	4	60–70% Migrant Workers
Chemical & Pharmaceutical	Thane-Belapur, Chakan, Mumbai	4	70–80% Contractual Labor
Textile & Apparel	Kolhapur, Mumbai	2	65–75% Local / Rural-Origin
Steel & Fabrication	Kolhapur, Pune	2	80% Inter-state Migrant

Current State of Manufacturing in Maharashtra's Industrial Clusters

Cluster Profiles and Empirical Findings

Literature synthesis brings forth specific operating eco-systems in various industrial clusters in Maharashtra characterized by specific workforce dynamics and absenteeism indicators.

Nagpur Manufacturing Eco-system (Gupta, 2020)

The industrial eco-system in Nagpur includes heavy engineering and manufacturing industries that have over 60% of their work-force consisting of migrant or temporary inter-state workers. Production is conducted through three shifts that operate on a 8-hours basis. Baseline absenteeism stands between

12% and 14%. As indicated by Gupta (2020), compensation issues and severe health care problems faced by migrants are the major causes of unplanned absenteeism.

Pune-Chakan & Narhe Industrial Complex (Avinash, 2018; Suryawanshi & Jadhav, 2020)

The industrial complex that includes automated industries specializing in production of automobiles and chemicals employs 500-2000 employees per unit, and flexible contract labor makes up to 70% of the work-force in these plants. These industries are characterized by high levels of absenteeism (between 13% and 15%). Major factors of such absenteeism are exposure to chemicals, physical exhaustion and training fatigue related to re-certification procedures.

Thane-Belapur Pharmaceutical-Chemical Nexus (Patil & Koli, 2022; Sharma, 2023)

As one of the oldest industrial belts in India, Thane-Belapur comprises highly developed pharmaceutical and chemical industries. Absenteeism is estimated to be constant 14%. This area stands out due to high wage responsiveness – where employees prefer to be absent for unofficial work providing higher earnings compared to regular wages, as well as periodic labor unrest and health problems caused by chemicals.

Kolhapur Steel and Textile Belt (Patil, 2021; Ghadge, 2017)

The area is distinguished by presence of foundries, steel production and textile spinning factories. Workers are mostly rural immigrants (80%) in this location. Absenteeism rate is between 11% and 13%. Unlike urban industrial areas, absenteeism in Kolhapur shows clear seasonal trend correlated with agriculture periods and local holidays.

• **Macro Workforce Characteristics**

- From all the 12 studies analyzed, five baseline attributes describe the manufacturing labor force in Maharashtra:
- Dependence on migrant labor and contract employees (60%-80%).
- Jobs that are insecure with few social security benefits for non-permanent labor.
- Strict working schedule with rotating shifts including work in nights and on weekends.
- Approximate baseline monthly salary of ₹15,000 – ₹25,000.
- High dependency ratio with a single employee supporting multiple generations in the family.

Primary Causes of Employee Absenteeism

Synthesizing data across all reviewed literature reveals four primary, interconnected drivers of shop-floor absenteeism.

Table 2: Breakdown of Primary Causes, Prevalence, and Operational Manifestations

Primary Cause Category	Incidence Share (%)	Key Manifestations & Sub-Factors	Empirical Literature Sources
Health Issues & Hazards	40% – 50%	Sickness due to physical ailments, exposure to chemicals, repetition injury, sickness in the family, burnout.	Mahakalkar (2025), Sarkar (2024), Sharma (2023)
Wage Inadequacies	25% – 30%	Differences in cost-of-living, late payment of wages, overtime pay discrepancies, lack of motivation.	Gupta (2020), Kadam & Pawar (2019), Patil (2021)
Shift Fatigue & Stress	15% – 20%	Rotating shift fatigue, sleep disruption, insufficient recovery time, repetitive production line stress.	Avinash (2018), Patil & Koli (2022)
Training & Skill Gaps	10% – 15%	Protracted retraining (3–6 months), unengaging pedagogy, anxiety over automated machinery transition.	Avinash (2018), Suryawanshi & Jadhav (2020)

• **Health Issues and Occupational Hazards (40–50%)**

The most important reason for the employee's absence is health reasons. According to Mahakalkar (2025), health problems accounted for about 45% of all absences in general manufacturing industries, whereas Sarkar (2024) said that health problems are very much affected by relational stress as well as bad living conditions in slum areas of cities. Health absences are 50% in chemical processing units of Thane-Belapur due to respiratory problems and skin diseases due to chemical exposure. In mechanical units of Narhe, physical injuries and physical stress cause 48% of health absences.

- **Wage Inadequacies and Financial Pressure (25–30%)**

Financial dissatisfaction forms the second significant factor. According to research by Gupta (2020) and Kadam & Pawar (2019), monthly income ranging from ₹15,000-₹20,000 is inadequate for meeting basic requirements for life in highly costly metropolitan areas like Pune and Thane, where monthly expenditure exceeds ₹25,000 regularly. This financial gap results in wage-induced absenteeism wherein contract laborers opt for unorganized day work with more daily monetary compensation or becomes demotivated due to delay in monthly payments.

- **Shift Fatigue and Operational Strain (15–20%)**

The continuous cycle of 24-hour shifts creates severe disruption of circadian rhythms. Avinash (2018) found an 18% absenteeism rate caused by fatigue at the Chakan industrial belt. Short breaks between rotating shifts along with assembly-line work increase physical fatigue and contribute to absenteeism on a short-term, unscheduled basis.

- **Training and Skill Development Deficits (10-15%)**

Mandatory training and skills development programs can often create problems of absenteeism unwittingly. Avinash (2018) stated that at Prakash Manufacturing Ltd., the mandatory training program that took place in 3-6 months created 12% absenteeism rate during these training programs due to pedagogic monotony, performance anxiety, and loss of income from overtime..

Comparative Analysis: Regional and Sectoral Variations

Table 3: Sector-Specific Absenteeism Benchmarks and Dominant Vulnerabilities

Industry Sector	Average Absenteeism Rate	Primary Drivers	Volatility Level
General Manufacturing	12% – 13%	Health issues (45%), Wage gaps	Low – Medium
Pharmaceuticals	13% – 14%	Health issues (48%), Compliance strain	Medium
Chemical Processing	14% – 15%	Occupational hazards, Toxicity concerns	High
Steel & Fabrication	11% – 12%	Base wage adequacy (35%), Heavy physical labor	Medium
Textile & Apparel	11% – 13%	Seasonal agricultural shifts, Wage structures	Low (Predictable)

The importance of sector dynamics is clearly demonstrated as shown in Table 3 below. The chemicals sector demonstrates the highest rates of absenteeism (14–15%) and highest level of variability due to stringent environmental safety requirements and chemical-related health threats. In contrast, the textile and steel sectors show relatively consistent absenteeism levels, which are linked to agricultural harvest seasons.

Impact on Organizational Productivity and Economic Cost

The financial and operating implications of absenteeism of workers are tremendous. The empirical facts shown by Raut (2022) and Deshmukh (2021) show that absenteeism to the level of 10-15% results in 5-10% of reduced efficiency of the total plant.

The cost per absent worker is highly variable in technical industries:

- Chemical Industry (Higher Skills) - ₹3,000-₹4,000 daily cost of absenteeism per worker due to highly sophisticated process being interrupted.
- General Industry (Average Skills) - ₹2,000-₹2,800 daily cost of absenteeism per worker.
- Textile Industry (Lowest Skills) - ₹1,200-₹1,800 daily cost of absenteeism per worker.

In addition to the direct cost of absenteeism in terms of money, there are many negative consequences that this problem leads to such as delayed planning, increased number of errors by substitute workers, overtime cost and underused capital when expensive equipment sits idle.

Evaluation of Workplace Interventions and Outcomes

The synthesized literature identifies four core intervention strategies implemented across Maharashtra's industrial units, each offering varying levels of attendance recovery.

- **Supervisory Engagement and Relationship Building**

The best results can be obtained by active empathic floor leadership. Daily shop floor meetings, supervisory active listening skills, structured grievance handling process, and peer recognition programs have helped to improve attendance of employees by 10%-15% within 2-3 months of implementation (Gupta, 2020; Sarkar, 2024). It was found out that optimal manager-employee ratio (1:15 to 1:20) played an important role in keeping these improvements.

- **Health Welfare and Ergonomic Design**

Investments into health and welfare of workers through building clinics on the territory of the factory, health examinations, transportation subsidies, industrial ergonomic design, and creche centers were able to ensure a continuous reduction in the number of absent employees by 3%-5% (Mahakalkar, 2025; Suryawanshi & Jadhav, 2020). Economic efficiency analysis of these measures revealed that spending ₹50,000-₹75,000 per employee per year on health infrastructure would result in saving ₹2,00,000-₹3,00,000 per employee.

- **Compensation and Incentives**

Financial incentives such as bonus for perfect attendance each month (₹500-₹1,000), revision of piecework rate, and timely salary payment increased attendance by 2%-4% (Patil, 2021; Ghadge, 2017). Financial incentives had shown their effectiveness in the case of wage-based.

- **Training Redesign and Shift Optimization**

By replacing extensive classroom training sessions with interactive training and by optimizing shift rotation schedules by providing 2 to 3 consecutive days of rest following night shifts, shift fatigue and training absence has been lowered, which has led to an attendance improvement rate of 5 to 10 percent over 3 to 4 months (Avinash, 2018).

Table 4: Strategic Synthesis of Intervention Efficacy, Cost, and Scale

Intervention Strategy	Targeted Root Cause	Attendance Gain	Gestational Period	Implementation Cost
Supervisory Engagement	All Causes / Morale	10% – 15%	2 – 3 Months	Low
Welfare & Healthcare Infrastructure	Health Issues & Hazards	3% – 5%	3 – 6 Months	Medium
Compensation Restructuring	Wage Inadequacies	2% – 4%	1 – 2 Months	Medium
Training Redesign & Shift Rotation	Shift Fatigue & Skill Gaps	5% – 10%	3 – 4 Months	Medium
Integrated Combined Approach	Systemic Multi-Factor	12% – 20%	4 – 6 Months	High

Strategic Framework and Recommendations

Based on empirical evidence, a tiered implementation framework is recommended for enterprise leadership and small-to-medium enterprises (SMEs).

- **Strategic Roadmap for Large Enterprises (500+ Employees)**

- Phase 1 (Immediate – Month 1): Implementation of Supervisory Engagement Initiatives. Educate floor supervisors on empathic leadership styles and provide grievance redressal mechanisms (Target Recovery: 10-15%).
- Phase 2 (Month 2-3): Alignment of Remuneration and Benefits. Initiate Perfect Attendance incentives (Rs. 500-Rs. 1,000/month) and ensure on-time disbursement of payrolls (Target Recovery: 2-4%).
- Phase 3 (Month 3-6): Implementation of Primary Healthcare Units at Workplace. Collaborate with industrial health service providers for placement of full-time doctors, regular health screening, and ergonomic assessment (Target Recovery: 3-5%).
- Phase 4 (Month 6 onwards): Designing of Ergonomic & Shift Rotation Strategy. Implementation of 3-shifts ergonomic rotations with 48-hour rest periods following night shifts (Target Recovery: 5-10%).

- **Strategic Roadmap for Small & Medium Enterprises (SMEs: 50–200 Employees)**

- High-touch Management Culture: Maintain presence on the shop floor of owners/managers and organize monthly open door communication sessions.
- Common Health Care Facilities: Create SME clusters within MIDCs and utilize common occupational health care facilities and emergency medical services among them.
- Transparency in Wages: Provide transparent guidelines for piece-rate payment and ensure monthly wage payments

Research Gaps and Future Research Directions

While existing literature offers valuable cross-sectional insights, five critical research gaps remain:

- Longitudinal Monitoring of Intervention: Failure to conduct longitudinal monitoring of interventions (2-3 years) to determine sustainability.
- Digital Ecosystem Influence: Little empirical analysis on the impact of Industry 4.0 automation for attendance tracking, mobile applications, and predictive AI on worker morale and absenteeism.
- Female Labor Dynamics: Very little empirical work devoted to female industrial laborers in MIDC corridors.
- Inter-State Empirical Comparison: Need for empirical analysis of Maharashtra compared to other leading manufacturing states such as Tamil Nadu and Gujarat.
- MSME Ecosystem Concentration: Too much focus on corporate units while ignoring MSME ecosystem

Conclusion

Absence of workers in the manufacturing sector of corporations in the state of Maharashtra is a serious problem, though it can be handled with ease. Taking into account the average rate of absence ranging between 10% and 15%, the reasons for the absence of employees clearly fall under employee's poor state of health (40-50%), low wages (25-30%), shifts fatigue (15-20%), and lack of training (10-15%).

The literature clearly proves that punishment-based policies have little effect on the situation, while comprehensive policies involving supervisor intervention, good health care system, fair compensation, and proper shift planning help lower the rates of absenteeism by 12%-20% in 4-6 months. For effective change on the shop floor, the joint efforts of corporation managers, government policy makers, and workers are needed.

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