

RETENTION FACTOR PERFORMANCE APPRAISAL- EFFECTS OVER DIFFERENT AGE GROUPS OF EMPLOYEES IN CERAMIC SANITARY WARE FACTORIES IN INDIA

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ABSTRACT

Manufacturing organizations are very keen in retaining skilled employees and special attention is being given for their retention. Several factors influence retention and this paper deals with effects of retention factors performance appraisal- over different age groups of employees in ceramic sanitary ware factories in India ,a sector which is unattended so far. Statistical tool used for analysis. The findings reveal that there exists significant difference between different age groups of employees with respect to their perception towards performance appraisal. Also employees of age group of below 25 years significantly differ from other age groups with respect to their perception towards performance appraisal. Employees of 36 -45 years age groups are largely influenced by this factor while employees of below 25 years age group are receiving lesser influence. Implication to organization and suggestion for future research also incorporated.

KEYWORDS: Employee Retention, Performance Appraisal, Age Groups

Retention of skilled workers has been a serious problem worldwide in the face of ever increasing turn over. Roughly 46 million well trained and qualified employees will be over 57 years around 2020 (Carnevale 2005) resulting in skilled workers shortage. On the other hand surveys reveals that India is blessed with considerable work force nearly 25% of world requirement (Ragupathi 2012) . As the skilled employees presume that they are more marketable and this opportunities induces them to mobilize aiming greener pastures results in world's highest turnover rate of 26% (HayGroup 2013). Previous literature gives evidence that performance appraisal is an important factor most relevant in increasing retention of employees .This research explores whether performance appraisal perception exerts difference in influence over different age groups of employees working in unattended ceramic sanitary ware factories in the turnover prone Indian environment. Also it explores the group which is highly influenced and the group which gets lesser influence

REVIEW OF LITERATURE

Employee Retention

Employee retention refers to keeping the capable employees to work in the organization for longer periods. As per Johnson (2000) retention is “the ability to hold on to those employees you want to keep for longer than your competitors”. As the availability of good and valuable employees become scarce, today organization takes much care in retaining such employees (Panoch 2001). For any organization to survive in today's ever increasing competition, where employee poaching is on the rise, it is very important to retain their best employees and keep them committed towards their organization (Mehta et al 2014).

Performance Appraisal

Performance appraisal is a managerial process of evaluating the employee's performance with assigned work and employees satisfaction over performance appraisal plays a very important role. When employees presume that their performance is valued properly and without any bias, increases their attachment towards organization and also their continuation as a member of the company.

According to the research by Katavich (2013), if the employees are satisfied with their appraisal system then their satisfaction has positive benefits for both the organization and the individual in terms of affective commitment and intention to leave. Performance appraisal is correlated to organization commitment and turnover intention of employees. Kadiresan et al 2015 and perceived fairness of performance appraisal is negatively related to turnover (Rubel and kee 2015). The findings of the previous researchers support that performance appraisal is an important factor having relationship with employees retention.

OBJECTIVES

1. To find out whether there is significant difference between different age groups of employees with respect their perception towards performance appraisal
2. To identify the group which is highly influenced.
3. To ascertain the group which is receiving lesser influence

Hypothesis

H₁ -There is no significant difference between groups of age, with perception of employees towards performance appraisal

Sample and procedure

Respondents in the study were staff of 5 ceramic sanitary factories in India. Out of 550 questionnaires distributed to the staff of the above factories, 416 usable questionnaires were used in the statistical analysis representing a response rate of 75% (approx.) from the sample. The selection of the respondent is based on the simple random sampling.

Measurement

The variables of the study were performance appraisal and employee retention. Totally 16 questions exists in the questionnaire. There were six questions to measure performance appraisal and employee retention was measured using 10 questions. Respondents were asked to respond the questionnaire on a Likert- scale range from 1- 5 with 1 = strongly disagree and 5=strongly agree. Statistical package for the social sciences (SPSS) has been employed for analyzing the collected data. The researcher adopted the questionnaire from previous papers (Wang 2012; Dulebohn and Ferris 1999; Njoroge 2007). The cronbach’s alpha for performance appraisal is 0.795 and for employee retention it is 0.824. The reliability co-efficient for the items used to measure the variables are more than minimum acceptable level of 0.700 (Nunnally and Bernstein 1994) and provides support to the items used.

RESULTS AND DISCUSSION

Table 1: Age wise Classification of Respondents

S.No	Age groups	No of Respondents	%
1	Below 25	34	8.2
2	26-35	193	46.3
3	36-45	146	35.1
4	Above 45	43	10.4
	Total	416	100.0

Source: Primary Data

Table 1 shows various groups of employees grouped according to their age 26-35 age group having highest percentage. Below 25 age group showing lowest percentage.

Table2 ANOVA for significant difference between groups of age with performance appraisal

Demographic Variables	Groups	Sum of Squares	df	Mean Square	F	Sig.
Age	Between Groups	102.414	3	34.138	6.349	0.000*
	Within Groups	2215.430	412	5.377		
	Total	2317.844	415			

Source: Primary Data *p<0.01

Table 2 shows ANOVA results and It reveals that p value for groups of age is , less than 0.01 and provides no support to the hypothesis H₁. So it is concluded that there is significant difference between the age groups with respect to their perception towards performance appraisal.

Table 3: Duncan multiple range test for age groups with performance appraisal

Age Group in years	N	Subset for alpha =0 .05	
		2	1
Below 25	34	24.2941	
26-35	193		25.4870
Above 45	43		25.9535
36-45	146		26.1096

Source: Primary Data

Duncan multiple range test results are shown in Table 3 It is understood that employees of age group of below 25 years significantly differ from other age groups with respect to their perception towards performance appraisal and employees of 36 -45 years age groups are largely influenced by this factor. But employees of below 25 yrs age group are receiving lesser influence.

Generally younger employees are having relatively lesser family commitment and mobilization comparatively easier for them than aged employees. Also younger employees presume that because of their age they are having more opportunities in the market. Hence influence of performance appraisal is lesser for this age group.

Mostly employees belonging to age group of 36-45 years will be having reasonable experience, holding middle level posts and receiving good remunerations. As the performance appraisal is the managerial process of evaluating employee’s performance, this age group considers this factor is very essential for their elevation to senior posts in the factory. Hence they are highly influenced by this factor.

CONCLUSION

The findings reveals that their exits significant difference between different age groups with respect to their perception towards performance appraisal. Also employees of age group of below 25 years significantly differ from other age groups with respect to their perception towards performance appraisal. Employees of 36 -45 years age groups are largely influenced by this factor while employees of below 25 yrs age group are receiving lesser influence.

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