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A Study on the Influence of Age on Antecedent Factors of Retention in the Indian Software Industry

Priyada Sudhakaran	Research Scholar, Department of Management Studies,Sathyabama University, Chennai, India
Dr. G Senthilkumar	Research Supervisor,Sathyabama University,Chennai, Associate Professor, Dept. Of Commerce & Management,Yuvakshetra Institute of Management Studies

ABSTRACT

The management of any organisation today encounters the problem of employee retention,simply because the performance and growth of any enterprise depends on its employees.Employee retention significantly contributes to the success of any business.The aim of this study is to analyse the impact that age exhibits on the antecedent factors of retention such as pay benefits,training and development career development etc.Descriptive research approach and been followed for the study. The respondents for the study were employees working in the software companies in Chennai City. To examine the hypotheses of the study one way ANOVA was used.

Introduction

Employees are the most important asset of an organisation.Most of the companies today experience the challenge of retaining its key talent. It has become the most imperative target of the organisations because of the huge tasks that is involved in hiring a new employee. Research has shown that hiring a new employee is estimated to be twice a current employee's salary. Thus all organisations' make good efforts and frame retention strategies to retain their employees.A plethora of factors are to be given importance while framing retention strategies. Several research studies have shown the impact, retention variables have on turnover of employees. Retention strategies need to be framed to suit the varying demographic profile of the respondents. Important demographic variables such as age, gender and marital status highly influences the stay aspect of the employees. This research paper aims to analyse the relationship between age and the various antecedent factors of retention.Existing literature has given adequate evidence that employees value certain common factors while considering their stay or exit intentions. This study has included the antecedent factors such as compensation, benefits, training and development, career development, organisational culture and style,work and family demands that influences employee retention. Human behaviour is complex and this complex nature differs with age. The software industry comprises of a varying age group. Every age group will have different attitudes and perceptions with regard to the retention plans devised by the company.

Teclaw, Fishman and Moore(2014) stated that an employee's age had varying effects on turnover decisions so organisations must frame retention strategies accordingly.(Toosi 2012) had opined that human resources personnel should develop retention strategies to suit the younger work force.Lambert et al,(2012) mentioned in his study that younger employees in the age group between 25-30 changed jobs 6.5 times than the older workforce.Wren et al(2014) highlighted in his research that older employees have the feeling that they have only few job opportunities available thus stick on to their current jobs.Rogelberg and Howell (2012) observed that age significantly influences an employee's perception of satisfaction and commitment.The respondents chosen for the study were the software employees working in the software companies in Chennai city.

Review of Literature

Age and Compensation

It was observed by Trevor et al(2014) that compensation factor has a great influence on the retention of employees belonging to different age groups.He opined that the entry level employees do not attach much importance to pay factor but as an when he climbs up the career ladder pay becomes significant for retaining him in the company. In contrast to this he also stated that the top

level employees at least a minority lose interest in pay factor alone. They look forward to other retention strategies such as challenging work and better opportunities.Gardner(2010) stated that pay serves as a motivator to the middle level employees as well as served the role of an effective retention technique.

Age and Benefits

Various studies have reflected the role benefits plays as a motivator to the employees. Spector (2010)pointed that the organisations should be more creative and responsive in framing and timing the benefits given to the employees.He stated that organisations' should be generous enough to understand the benefits that are required by the various age spectrums.Devi(2009) highlighted that employers who continue to provide traditional benefits program to its employees without considering the age wise requirements will prove to be a factor that may induce voluntary turnover intentions. Deery (2008) mentioned in his study that the senior employees also consider benefits plan as a reflection of what a company holds for its employees. This in turn will increase the reputation of the employer and will motivate the employee to stay for a longer term with the company.

Age and T& D(Training and Development)

Messemer(2010) observed that the training and development offered by the company to its employees serves as an important retention tool. Tomlinson(2011) also added to this view that employees belonging to different age categories will have different training requirements. Their perceptions and attitudes to learning new technology would be different. Garg and Rastogi observed that senior employees would have reluctance to learning new technology.So the training and development programmes should be designed so as to inculcate interest in them. He also stated that the new employees are open to training and development opportunities with an open mindset. Therefore the management should utilize this age group for providing maximum knowledge dispersion.

Age and Career Development

Robert C merchant(2011) in his study has observed that career development has evolved from an isolated tool for individual growth to a key strategic asset for many far sighted organisations.

Smriti Chand(2009) stated that careers are made up of stages. These stages are exploration, establishment, mid-career, late career and decline. It is the duty of the company to ensure that each employee is in track with their required timely career progression in accordance with their age. If an employee expects to have a career progression when he is between 30 and 35 years of age,if the company fail to deliver its promise it psychologically affects the employee.

Research Methodology

Tools Used

To test the significant influence of age on antecedent factors (Pay, Benefits, Training and Development, Career Development, Leadership, Relationship with superiors, Work Aspects, Organisational Culture and Style and Work and Family Demands) of retention among software professionals, one- way ANOVA is applied to ascertain the significant influence of age on antecedent factors of retention. The following null hypotheses are framed;

Null Hypothesis H_0: There is no significant influence of age on (a) Pay (b) Benefits (c) Training and Development (d) Career Development (e) Leadership (f) Relationship with superiors (g) Work Aspects (h) Organisational Culture and Style (i) Work and Family Demands in software industry.

Table 1 shows the results of significant influence of age on antecedent factors of retention in Software industry.

Table 1 Influence of age on antecedent factors of retention

Factors	Age	N	Mean	SD	F-value	p-value
Pay	20-30 years	243	3.84	0.517	1.384	0.246
	31-40 years	413	3.89	0.388		
	41-50 years	244	3.88	0.320		
	Above 50 years	42	3.82	0.378		
Benefits	20-30 years	243	3.78	0.704	0.600	0.615
	31-40 years	413	3.77	0.547		
	41-50 years	244	3.82	0.473		
	Above 50 years	42	3.72	0.229		
Training and development	20-30 years	243	3.56	0.499	9.477**	<.001
	31-40 years	413	3.70	0.445		
	41-50 years	244	3.78	0.464		
	Above 50 years	42	3.69	0.553		
Career development	20-30 years	243	3.31	0.785	8.566**	<.001
	31-40 years	413	3.63	0.753		
	41-50 years	244	3.49	0.940		
	Above 50 years	42	3.33	0.954		
Leadership	20-30 years	243	3.16	0.956	19.182**	<.001
	31-40 years	413	3.69	0.766		
	41-50 years	244	3.44	0.929		
	Above 50 years	42	3.60	0.777		
Relationship with superiors	20-30 years	243	3.32	0.803	10.472**	<.001
	31-40 years	413	3.65	0.689		
	41-50 years	244	3.53	0.826		
	Above 50 years	42	3.31	0.765		
Work aspects	20-30 years	243	3.50	0.883	7.595**	<.001
	31-40 years	413	3.77	0.637		
	41-50 years	244	3.63	0.746		
	Above 50 years	42	3.46	0.695		
Organisational culture and style	20-30 years	243	3.38	0.946	6.076**	<.001
	31-40 years	413	3.60	0.748		
	41-50 years	244	3.34	0.927		
	Above 50 years	42	3.48	0.875		
Work and family demands	20-30 years	237	3.55	0.793	1.168	0.301
	31-40 years	402	3.63	0.614		
	41-50 years	242	3.52	0.871		
	Above 50 years	42	3.58	0.799		

Findings

Pay

The obtained 'F' value is 1.384 and it is not significant at 5% level. The value indicates that there is no significant influence of age on Pay in Software industry. Therefore, the formulated hypothesis "There is no significant influence of age on Pay in Software industry" is accepted.

Benefits

The obtained 'F' value is 0.600 and it is not significant at 5% level. The value indicates that there is no significant influence of age on Benefits in Software Industry. Therefore, the formulated

hypothesis "There is no significant influence of age on Benefits in Software industry" is accepted.

Training and Development

The obtained 'F' value is 9.477 and it is significant at 1% level. The value indicates that there is significant influence of age on Training and Development in Software Industry. Therefore, the formulated hypothesis "There is no significant influence of age on Training and Development in Software Industry" is rejected.

The mean table 4.30 indicates that the respondents in the age group of 41-50 years have scored higher mean value of (3.78) and the lowest mean value was scored by the respondents in age group of 20-30 years (3.56). This shows the respondents in the age group of 41-50 years agrees that training and development as an important variable in retaining an employee.

Career Development

The obtained 'F' value is 8.566 and it is significant at 1% level. The value indicates that there is significant influence of age on career Development in Software Industry. Therefore, the formulated hypothesis "There is no significant influence of age on career Development in Software Industry" is rejected.

The mean table 4.30 indicates that the respondents in the age group of 31-40 years have scored higher mean value of (3.63) and the lowest mean value was scored by the respondents in age group of 20-30 years (3.31). This shows the respondents fall in the age group of 31-40 years agrees that career development is an important variable in retaining an employee.

Leadership

The obtained 'F' value is 19.182 and it is significant at 1% level. The value indicates that there is significant influence of age on leadership in Software Industry. Therefore, the formulated hypothesis "There is no significant influence of age on leadership in Software Industry" is rejected.

The mean table 4.30 indicates that the respondents in the age group of 31-40 years have scored higher mean value of (3.69) and the lowest mean value was scored by the respondents in age group of 20-30 years (3.16). This shows the respondents fall in the age group of 31-40 years agrees that leadership is an important variable in retaining an employee.

Relationship with Superiors

The obtained 'F' value is 10.472 and it is significant at 1% level. The value indicates that there is significant influence of age on relationship with superiors in Software Industry. Therefore, the formulated hypothesis "There is no significant influence of age on relationship with superiors in Software Industry" is rejected.The mean table 4.30 indicates that the respondents in the age group of 31-40 years have scored higher mean value of (3.65) and the lowest mean value was scored by the respondents in age group of above 50 years (3.31). This shows that the respondents fall in the age group of 31-40 years agrees that the relationship with superiors is an important variable in retaining an employee.

Work Aspects

The obtained 'F' value is 7.595 and it is significant at 1% level. The value indicates that there is significant influence of age on work aspects in Software Industry. Therefore, the formulated hypothesis "There is no significant influence of age on work aspects in Software Industry" is rejected.The mean table 4.30 indicates that the respondents in the age group of 31-40 years have scored higher mean value of (3.77) and the lowest mean value was scored by the respondents in age group of above 50 years (3.46). This shows the respondents fall in the age group of 31-40 years agrees that work aspects as an important variable in retaining an employee.

Organisational Culture and Style

The obtained 'F' value is 6.076 and it is significant at 1% level. The value indicates that there is significant influence of age on Organisational Culture and Style in Software Industry. Therefore,

the formulated hypothesis "There is no significant influence of age on Organisational Culture and Style in Software Industry" is rejected. The mean table 4.30 indicates that the respondents in the age group of 31-40 years have scored higher mean value of (3.60) and the lowest mean value was scored by the respondents in age group of 41-50 years (3.34). This shows the respondents fall in the age group of 31-40 years agrees that organisational culture and style is an important variable in retaining an employee.

Work and Family Demands

The obtained 'F' value is 1.168 and it is not significant at 5% level. The value indicates that there is no significant influence of age on work and family demands in Software Industry. Therefore, the formulated hypothesis "There is no significant influence of work and family demands in Software Industry" is accepted.

Conclusion

The purpose of this study was to understand the effect that age exhibits on the various antecedent factors of retention. It was understood from the study that age as a demographic variable has immense importance while framing retention strategies. The software industry comprises of employees belonging to different age groups. Human nature is complex and it varies with age. This in turn influences an employee's perception towards the various retention strategies employes by the company. Thus it is highly advised that the companies give due regard to the age factor of the employees while formulating retention strategies. An employee may leave his present company for a variety of reasons. This may include better pay, good benefits than being currently offered, better training opportunities etc. All these requirements may vary with age of the employee. Thus the researcher throws light on the extent to which an organisation should analyse the age factor while framing retention strategies.

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