

# **HRM PERSPECTIVES**

## **Insights on Human Resource Management Practices**



**Institute of Personnel Management Sri Lanka (Inc.)**

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# **Editorial**

## **Editorial Desk**

The HRM Perspectives Journal (HRMPJ) published by the Research and Publication Committee of the Institute of Personnel Management, Sri Lanka has reached its eighth year of publication. This time we are fortunate to publish the first issue of 2018 parallel to the National HR Conference 2018 of the institute with the theme “Transformation of HR in the Digital World”. In a data-driven world, an organization can rethink many of its old assumptions. Hence it is high time to do research in the same area.

Research is a systematic and scientific process of collecting information, analyzing the information and drawing conclusions for decision-making. Sometimes the research may be advanced, relying on sophisticated designs and statistics. But whether information is rigorous or not, research seeks to improve the performance. HRM Perspectives is a peer-reviewed bi-annual journal that provides a platform for researchers, academicians, professionals and students to publish their scholarly work pertaining to Human Resource Management. It has been nearly one year since I was given the privilege to serve as the Chief Editor. It has been a great pleasure for me to have done my duty for the journal over the past year. The journal has not undergone major changes this time. I believe that we have achieved one of our main objectives of the journal especially publishing it as a regular uninterrupted online publication. This effort can widen the dissemination of current HRM knowledge and reduces the cost of printing.

However, regular and timely publication has been ensured which is important for its continuing growth. On a positive note, there has been a steady increase of articles received for publication indicating a growing interest among researchers to publish their work in this journal. The HRMPJ has published an average of 10 articles of topics of mixed variety in this issue. Another objective of the Research and

Publication Committee of the Institute to provide opportunities for our own members and students to publish their scholarly work in this journal. I'm very happy to say that this time also our members and students made 70% contribution to the journal by sending their articles.

We would like to take this opportunity to thank current editorial board members for their ongoing commitment to the standards to which the journal aspires. We are glad to say that our panel of reviewers consists of PhD holders representing most of the State universities in Sri Lanka.

We would like to thank all previous editors for making the Journal the great journal it is today – one of the well accepted HRM journals in Sri Lanka. With such a broad base of support we, and the editorial board, are now in an excellent position to further improve the quality of the journal output. We hope to be able to bring about gradual changes in the near future for a successful indexation and more importantly, for further progress of the journal.

We look forward to work with all of you as we continue to make HRMPJ a success and we welcome your submissions, as well as feedback as authors, readers, and reviewers of the journal.

Wish you happy reading!

Yours sincerely

**Prof. Prasadini Gamage**

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***Editor –in-Chief***

# **A BLENDED LEARNING ASSESSMENT EXERCISE: A STUDY ON INTRODUCING A READING COURSE THROUGH A VIRTUAL PLATFORM**

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## **ABSTRACT**

*Educational programme deliverables in technology-based learning platforms create distinct challenges to Master of Business Administration (MBA) study programmes in terms of achieving effectiveness. The question remains whether it is effective in terms of teaching components and learning assessments in the context of adaptive teaching demands versus blended learning options. The author conducted an action research to evaluate the applications of learning in a virtual platform through the fundamentals of the Bloom's taxonomy and the SAMR framework (Substitution / Augmentation / Modification / Redefinition). The study carried out in association with two specially designed study programmes to investigate whether technology integration and instructional factors play an important role in learning when using online or blended learning modes. On the basis of a review of the above two study programmes from a group of MBA students at a well-executed postgraduate management educational institution of the country, the author determined that carefully structured assessments and adaptive learning would give participants an enriching learning experience, which is a results-driven outcome at the individual as well as the institutional level in the learning process. Further, it was observed that it can be further strengthened to work at*

*a higher level of learning applications without having drastic changes in a given subject learning/teaching context through blended learning.*

**Keywords:** Blended learning, Learning Effectiveness, Assessment models

## **Introduction**

The delivery of a lecture or the conduct of a learning session is only one facet in sharing knowledge or knowledge demonstration. It is critical for academics or professionals to focus on the three cornerstones in a teaching exercise, namely, the content (curriculum/knowledge), the mode of instruction (all delivery aspects) and the mode of assessment (evaluation mechanism). It is a delicate blend of striking a balance between fundamentals and advanced applications in the aforesaid teaching areas. If a lecture is to be conducted as a one-off activity, all aspects may not be relevant as there is no applicability of the assessment component in particular. Here, prominence is given in this study for assessing aspects and adaptive delivery mechanism rather than a discussion on the content aspect of learning or teaching (www.cmu.edu, 2017.).i.e. the mode of instruction and the mode of assessment.

## **Literature Review**

Joughin (2009) referred to assessment as one of the central cornerstones of higher education as it assists the process of learning, makes decisions on students' achievements in course requirements, and supports maintaining standards of the teaching profession. Assessment is applied to promote learning through its design, promoting feedback and through the development of learners' capacity to evaluate the quality of their own work, while they are undertaking assessment tasks. The term assessment refers to the wide selection of methods or tools that educators use to evaluate, measure, and document the academic eagerness, learning progress, skill acquisition, or educational needs of

learners. While assessments are often associated with traditional tests, there is a different array of assessment tools and methods to measure everything from a small age student to an advanced subject learning student. Assessments are typically designed to measure specific elements of learning such as the level of knowledge a student already has acquired, the clarity of concepts, particular skill that the instructor has planned to share, and the ability to comprehend and analyze different types of components of the teaching sessions.

According to many, there are two major assessments characteristically used, viz., formative and summative. Formative assessments are in-process evaluations of student learning that are typically administered multiple times during a unit, course, or academic programme. The general purpose of formative assessment is to give educators an in-process feedback about what students are learning or not learning, so that instructional approaches, teaching materials, and academic support can be modified accordingly. Formative assessments are usually not scored or graded, and they may take a variety of forms, from more formal quizzes/Multiple Choice Questions and assignments to informal questioning techniques and in-class discussions with students. Summative assessments are used to evaluate student learning at the conclusion of a specific instructional period—normally at the end of a unit, course, semester, programme, or school year. Summative assessments are usually scored and graded tests, assignments, or projects that are used to determine whether students have learned what they were expected to learn during the defined instructional period.

As far as evaluation is concerned, it is essential to have a substantial level of clarity on teaching strategy and assessment strategies for professionals who are engaged in educational pursuits. If summative assessments are applied, they are expected to evaluate student learning, skill acquisition, and academic achievement, at the conclusion of a defined instructional period. In other words, what makes an assessment “summative” is not the design of the test, assignment, or self-evaluation *per se*, but the way it is used. It is about how to determine whether or to what degree students have learned the material they have been taught.

Since these assessments are conducted at the conclusion of a specific instructional period, they are generally evaluative, rather than diagnostic. Herein the challenge is that education administrators are expected to carry out an analysis on how students have really learned and whether learning objectives are met as expected. It is also essential to have a deep down analysis on how the entire subject/module/programme has been performed in all aspects. The key challenge here is that other than 'examination-driven' programmes, other educational/professional encounters may have missed the interconnection of the systematic bridging of 'teaching/instruction', curriculum/content' and 'assessment'.

In this context, it is pertinent to explore the level or the degree of knowledge of a lecturer/resource person about the applications such as the fundamentals of Bloom's taxonomy and inter alia applications. Starting with the Bloom's Taxonomy which provides the basis to enlighten or monitor the development of assessments (tests and other evaluations of student learning), the instructional methods such as questioning strategies and curriculum (units, lessons, projects, and other learning activities). During the last six decades, the Bloom's taxonomy has been a classification system used to define and distinguish different levels of human cognition (thinking, learning, and understanding). It was originally published in 1956 by a team of cognitive psychologists at the University of Chicago. As per the original taxonomy, it has three domains such as Cognitive, Affective, and Psychomotor. In 2001, a group of scholars led by Lorin Anderson (a former student of Bloom) presented a revised version of the Bloom's taxonomy called a Taxonomy for Learning, Teaching, and Assessing, in which the three categories were renamed, and all the categories were expressed as verbs rather than nouns. Please see table 1 for a comparative illustration.

*Table 1: Bloom's Taxonomy Old version (1956) and New Version (2001)*

Level of Thinking	Old Version*	New Version*
	Evaluation	Creation – Creating
Higher order thinking	Synthesis	Evaluation – Evaluating
(HOT)	Analysis	Analysis – Analyzing
	Application	Application – Applying
Lower order thinking	Comprehension	Comprehension – Understanding
(LOT)	Knowledge	Knowledge – Remembering

*Source: Author*

*\*Both are to move up from bottom to top*

A new version of the Bloom's taxonomy has plenty of pragmatic solutions for adaptive teaching and it itemizes four major types of knowledge, educational institutions, and may want to teach students six cognitive process dimensions related to each knowledge dimension. A more detailed (but abbreviated) breakdown of the knowledge dimensions is presented below (Anderson *et al.*, 2001).

1. Factual knowledge: basic elements students must know to be acquainted with a discipline or solve problems in it
  - a. Knowledge of terminology
  - b. Knowledge of specific details and elements

2. Conceptual knowledge: the interrelationships among the basic elements within a larger structure that enable them to function together
  - a. Knowledge of classifications and categories
  - b. Knowledge of principles and generalizations
  - c. Knowledge of theories, models, and structures
3. Procedural knowledge: how to do something, methods of inquiry, and criteria for using skills, algorithms, techniques, and methods (process-centric)
  - a. Knowledge of subject-specific skills and algorithms
  - b. Knowledge of subject-specific techniques and methods
  - c. Knowledge of criteria for determining when to use appropriate procedures
4. Metacognitive knowledge
  - a. Strategic knowledge
  - b. Knowledge about cognitive tasks, including appropriate contextual and conditional knowledge
  - c. Self-knowledge

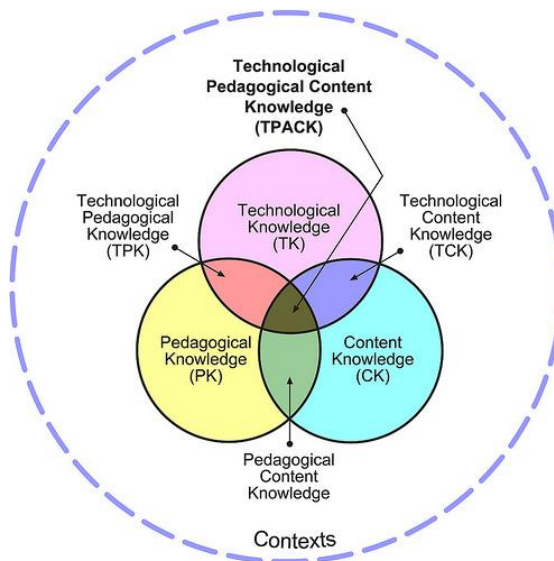
With the evolving changes in the educational landscape, Majdalany and Guiney (1999) opined that new technologies have transformed the education methodologies, and higher education establishments are experimenting and adopting diverse modes. Different names are appearing in multiple forms such as e-learning, distance learning, distributed learning, online education, Web learning, etc. Particularly, the e-learning mode concept appeared in the 19<sup>th</sup> century and was regarded as a correspondence course, whereas during the 1970s, this resurfaced in the open universities as the videotape, broadcast satellite, and cable productions. Now, distance education denotes the forms of the use of audio, video, and computer video-conferencing technologies as delivery modes. Eyitayu (2005) defined e-learning as a suitable blend of knowledge and technology for progressing wide, dynamic learning-teaching development. As Rothman (1995) stated sweeping changes are taking place in the educational systems. Various



institutions have tested to bring change to the educational system and to bolster student accomplishments by focusing on both teachers/lecturers and students responsible for academic learning and achievement. However, it is critically important to explore whether with the advancements in technological changes, does blended learning fall in line with assessment demands?

Puentedura (2009) postulated the concept of the SAMR model which illustrates that how technology integration falls on the continuum between Substitution, Augmentation, Modification and Redefinition (SAMR) levels which are chosen to represent the interconnection of technology, pedagogy, and content. In addition to this model, Mishra and Koehler (2006) framed the Technological Pedagogical and Content Knowledge (TPACK) model, adopted to attend to the comprehensive range of knowledge needed for effective educational technology integration. The TPACK framework built on Shulman's (1986) concept of Pedagogical Content Knowledge (PCK) connects three primary ways of knowledge needed by teachers, namely, Technological Knowledge (TK), Content Knowledge (CK), and Pedagogical Knowledge (PK). CK focuses on the subject matter of a teacher; PK is the knowledge of teaching and learning methods, and PK depicts learners, and assessment of learning; The relationship among technology, content, and pedagogy results in the TPACK: selecting and using specific tools suited to the content and teaching practices to support the desired learning outcomes (see figure1).

*Figure 1: The Technological, Pedagogical and Content Knowledge (TPACK) Model*



*Source: [www.tpack.org](http://www.tpack.org) (n.d.)*

The SAMR model was intended to encourage educators to significantly enhance the quality of education provided via technology. This model consists of four classifications of technology use for learning activities:

- i. substitution - the technology provides a substitute for other learning activities without functional change
- ii. augmentation - the technology provides a substitute for other learning activities, but with functional improvements
- iii. modification - the technology allows the learning activity to be redesigned
- iv. redefinition - the technology allows for the creation of tasks that could not have been done without the use of the technology

According to the model, the first two levels are called ‘Enhancement’, and the top two levels are called ‘Transformation’. A list of key

research applications could be found in enhancing technology integration among different research studies (Please see the Annex for the detailed list), and the effective applications of the SAMR model could be identified across many scenarios as presented below;

- i. Substitution: *Evans (2008), Gromik (2012), Lan, Tsai, Yang, and Hung (2012).*
- ii. Augmentation: *Chuang and Tsao (2013), Pfeiffer et al., (2009).*
- iii. Modification: *Cornelius et al., (2011), Wang, Yu, and Wu (2013).*
- iv. Redefining: *Liu and Tsai (2013), Redondo, Fonseca, Sánchez, and Navarro (2013).*

### **Action Research Approach**

As stated by Baskerville (1999); Baskerville and Wood-Harper (1998) action research provides an ideal research platform for validating, and possibly refining the learning effectiveness measures. Action research allows theory refinement in practice, in addition to concept testing. Further, as stated by Baskerville and Myers (2004) action research is a clinical method, aimed at crafting organizational modifications and solving real-world problems through the research. As our aim was not only to validate and possibly refine the measuring effects in practice, but also to make a showcase of how a learning exercise can be used to change towards the desired behavior, action research appears to be the perfect method. Walsham (2006) has also backed the idea of action research as the ideal way to perform involved research, where the researcher has a direct association with the change action in an organization.

Guiffridaet *et al.*, (2011) stress the fact that analyzing data can be one of the most complicated aspects of action research studies. However, it has an opening for aligning with contextual requirements ...the results of action research are relevant to practitioners and easily translated into practice because the questions that action researchers pose are generated by the practitioners themselves. In accordance with the action research principles, the two subjects delivered in a virtual

platform under a special requirement of a final year project component category during 2016 and 2017, based on 55 and 50 students respectively for each course were used to evaluate whether the programmes had the necessary application of assessments. Herein the element of evaluation is introduced in the different stages of the total process, as shown below;

Under this MBA programme, students are offered a number of options to complete the 'final project/research component' in their study programmes. All options involve a sound theoretical background, a clear framework, careful data collection, and analysis, followed by a clear presentation of findings, conclusions, and recommendations. Out of the above options, for this study, I have taken into account the Management Field Study category which requires students to undertake two additional elective courses to fulfill credit requirements. This project was carried out as an individual student project. Two special study programmes (electives) were introduced by the author and another senior faculty member in 2016 and successfully carried out in line with the Bloom's taxonomy principles of both old versions as well as a new version, and the SAMR model.

The main aim of these modules is to sharpen the participants' understanding of, and approach to the subject fundamentals and improve their skills of practical applications. Upon completion of these courses (2), and its assignments it is expected that they would be able to demonstrate certain learning outcomes such as recognize the key fundamentals; reflect on the main challenges associated, reach diverse organizations, industries and situations with confidence; realize the applicability of concepts learnt to the current issues faced by one's workplace; and reinforce the way how one professionally implements relevant initiatives in his workplace. Accordingly, the key features (Applications) that were included in the programme based on the sound principles are as follows;

- i. Developing strong communication methods/student engagement mechanism in a virtual platform.
- ii. Having a sound base, core areas were addressed in the course.
- iii. Clearly identified the key contents.
- iv. Choosing of a textbook (available on e-version), readings (Compulsory and supplementary) given supporting the key areas of the course.
- v. Linking with relevant research; incorporating. Research papers published in leading Journals in the course.
- vi. The inclusion of assessments to cover both formative and summative; not more than three items of assessments per each course.
- vii. Incorporating continuous assessment /midterm assessment or a combination of both.
- viii. Delivering online (refined blended mode) or blended (on-site and online delivery).
- ix. Including lectures as PowerPoint files with narrations by the lecturer/s.
- x. Applying multiple methods; streaming videos, audio /Video files, PowerPoint presentations, forums
- xi. Lower order thinking applications to higher order thinking applications were followed (As per the Bloom's taxonomy).
- xii. First five sessions versus last 5 sessions were set as per the SAMR model (Enhancing and Transformation).

As per the fundamentals of the assessment modes, the goal of formative assessment is to monitor student learning to provide ongoing feedback that can be used by instructors to improve their teaching, and by students to improve their learning. It helps students identify their strengths and weaknesses, and target areas that need work; and faculty recognize where students are struggling and addressing problems appropriately. The goal of summative assessment is to evaluate student learning at the end of an instructional unit by comparing it against some standard or benchmark by way of a midterm examination, a final

project, a paper, and a senior recital. Let's relate to the Bloom's Taxonomy and the SAMR model as depicted below in table 2 and 3;

*Table 2: Mapping of Bloom's Taxonomy Assessment*

<b>Level of Thinking</b>	<b>Old Version*</b>	<b>New Version*</b>	<b>Evaluation mode</b>	<b>Applications</b>
Higher order thinking	Evaluation	Creation to Creating	Final examination (Take home assignment)	Final Project Report
	Synthesis	Evaluation to Evaluating		
	Analysis	Analysis to Analyzing	Last 5 sessions: Application of techniques Journal papers Each week: Two readings as mandatory and supplementary	Forum Participation for applications and analysis E-mails feedback on mandatory reading and supplementary reading clarification
Lower order thinking	Application	Application to Applying		
	Comprehension	Comprehension to Understanding	Multiple choices Questions	First 5 sessions: Core concepts of the subjects 5 Chapters from a Textbook Each week: Two readings as mandatory and supplementary
	Knowledge	Knowledge to Remembering		

*Source:* Author

*Table 3: The SAMR model and the applications of the two study programmes*

Component	Application		
	Course Design	Course Delivery	Assessments
S-Substitution (the technology provides a substitute for other learning activities without functional change)	First 5 sessions: Core concepts of the subjects 5 Chapters from a Textbook Each week: Two readings as mandatory and supplementary	Video files A brief outline of each session on site.	Midterm online Quiz
A-Augmentation (the technology provides a substitute for other learning activities but with functional improvements)	Next 5 sessions: Application of techniques Journal papers Each week: Two readings as mandatory and supplementary	E-mails feedback on mandatory reading and supplementary reading clarification	
M-Modification (the technology allows the learning activity to be redesigned)	NA	Forum Discussions.	Active forum participation and feedback in one virtual platform
R - Redefining (the technology allows for the creation of tasks that could not have been done without the use of the technology).	NA		Final project. (NB: advanced technological designs were not included for assessment)

*Source:* Author

## **Discussion**

This paper discusses the effectiveness of specially selected two study programmes of the aforementioned institute, which were conducted via a technological platform as a reading/online course. The development of the assessment and teaching mechanism and the structure was based on the principles of the Bloom's taxonomy and the SAMR framework of moving from substitution to the redefinition level. Findings and implications of this exercise were directly reviewed through a participatory approach of other faculty members. One of the key findings the author would like to highlight, at the end of the teaching evaluation mechanism is, the learners would get an active and encouraging experience out of the whole exercise.

In this context, different modes of learning mapped were tested on a single platform such as quizzes, forum, and a final project. This study explores the actual student involvement in a more constructive and challenging manner at the final stage as MBA students. The two courses were administered in the final term of a two-year programme, nearly 4 months within the 10 sessions in both years. The courses were predominantly technical and management, an applied nature. The student's prior MBA classroom learning experience was taken into a more visible setting through the aforesaid different components of evaluation which were having rational objectives. It is expected to create a platform for them to move from lower order thinking to a higher order thinking level in their learning experience.

It is worth exploring the fact that the MBA students are generally working managers who are in a position to get things done, in a simple manner, while not being able to express what he/she had achieved through an academic language that applies appropriate or rather different terminology. The converse is also possible, where students may be extremely fluent about the concepts, and terminology of a particular subject, but may find it difficult to apply in a real-world problem scenario. It has been observed in this study that results obtained by participants were mixed. The success rate of the questions



indicates clusters with questions, mapped to lower levels of having similar success rates, and questions, mapped to upper levels of having nearly equal success rate. However, the author has not conducted any analysis on correlations of candidates' scores. This is due to having the focus on developing a mechanism to bring adaptive learning rather than studying student's results. This is supported by Jones (2008) whose research on nursing students had revealed that there was a big challenge among students in resolving situations requiring synthesis and analyses, due to which he had proposed the adoption of problem-based learning.

This paper highlighted how assessment is an integral part of providing a quality teaching experience for the adult learners, their lifelong learning process, and their participation in the learning community. Different methods of assessment exhibit different advantages and disadvantages in measuring various aspects of the student's ability and achievement. Hence, no single method of assessment can evaluate all aspects successfully. As a result, a selection of an assessment is required to provide a fair portfolio of overall student's ability. However, further study is needed through the 'TPACK' to explore the types of opportunities and activities that best correspond to course modifications, assessments and to extend the examination into the virtual platform to identify and enhance the learning and teaching experience to MBA students. In addition, the authors have observed that increased adoption and implementation of new platforms and practices can shape the level of engagement of the learning community.

## **Conclusions**

### ***Structuring of curriculum and the delivery of instruction***

The Taxonomy of educational objectives is a structure for classifying educational goals, objectives, and standards. It offers an organizational configuration that gives a commonly understood connotation to objectives classified in one of its categories, thereby enhancing effectiveness. The revised Taxonomy is a two-dimensional framework: Knowledge and Cognitive Processes in which still the arrangements are in a hierarchical structure, but not as rigidly as in the original

Taxonomy. Taking both together, Knowledge and Cognitive Process dimensions form the taxonomy table. It provides objectives, activities, and assessments which are a clear, concise, and visual representation of a particular course or unit. On the basis of these fundamentals, academic administrators could work out where and how to improve the planning of curriculum and the delivery of instruction.

### ***Implementation of technology enables learning activities***

The SAMR framework offers instructional designers with exciting new instructional strategies to consider in their respective study programmes across different levels. The use of the model can support in decision making when evaluating potential instructional designs that use virtual technologies. Similar to Bloom taxonomy from lower order thinking to higher order thinking, at the lower levels of substitution and augmentation to higher levels of modification and redefinition of the SAMR, one should look at factors such as the technology platform, administration, pedagogy, and programme specific factors for effective learning gains. Nevertheless, instructional designers should prudently deliberate how to address the technical, pedagogical, and management issues that will arise during the implementation of the technology-based learning activity.

### ***Extending newly found potentially successful applications to other programmes***

The findings of this action research study revealed that there is an increasing demand for executing and consolidating the pragmatic approach established in these two programmes by can be extended to off-shore MBA programmes and public sector targeted MBA programmes. Particularly, the Master of Public Administration (MPA) program is based on a needs assessment of the transversal knowledge requirements of executive level officers of the public service and course delivery system is adopted combining distance education with the traditional face to face method. The main reason is that busy public servants cannot be away from their work desks too long, and must be able to follow lessons when time permits as well as they work in

different geographical locations in the country. It allows cross-fertilization of ideas and promotes creative learning at the center and periphery together. Therefore, MBA learning should, in fact, be objective-focused and realignment of experiential learning rather than mundane pedagogical educational exercise driven by the motive of an earning of qualifications. Thus, educational institutions are compelled to seek avenues to craft the learning roadmap which will be made available to participants in both the acquisition and application of competencies to make the learning provided more value driven.

### ***Pedagogy and technological integration challenge***

Finally, as proposed by Madhuriet *et al.*, (2012) inquiry-based learning, and Jones' (2008) problem-oriented learning, it is essential to offer pedagogies which can offer better results when suitably combined with the traditional class-lecture method. Mosalam *et al.*, (2013) supported that hybrid methods often had better student participation and feedback. Therefore, re-orientation in any learning and education system will require substantial efforts to rework the pedagogy as well as evaluation methods in the current context of technological integration.

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## Annex

**Table: SAMR Model Findings of Different Research Studies/Applications**

Category and research study findings
<p><b>S-Substitution (the technology provides a substitute for other learning activities without functional change)</b></p> <p><u>Evans (2008)</u></p> <p>The author determined that the students found the podcasts to be a very efficient and effective review tool. One of the main reasons students cited for preferring the podcasts to more traditional forms of the review was their portability. One-fourth of the participants listened to the podcasts while traveling. The author also determined that the students were more engaged with the podcasts that they were with a textbook or in a review lecture.</p> <p><u>Gromik (2012)</u></p> <p>The study found that the creation of the videos helped increase the confidence and speed with which students could converse in English. Students who were interviewed noted that they appreciated the ability to use their cell phones anytime and anywhere for this assignment; however, this study is an example in which cell phones were used as a substitute for other more traditional methods. The same assignment could have been done using video cameras or in-class speeches. Other than an increase in convenience, the assignment offers no functional improvement over assignments that could be given without the use of a mobile device.</p> <p><u>Lan, Tsai, Yang, and Hung (2012)</u></p> <p>They determined that the group that used mobile devices produced more valuable (richer, more relevant, more useful, and more readable) course materials. The mobile users also participated more frequently and were more likely to be active, rather than passive, participants in the discussion boards.</p>
<p><b>A-Augmentation (the technology provides a substitute for other learning activities but with functional improvements)</b></p> <p><u>Chuang and Tsao (2013)</u></p>



This use of mobile technology could be classified as augmentation because it added a functional improvement to the previous model of only providing lectures or having the students create their own flashcards. The short messages prompted the students to take a moment to connect to the information to assist them in memorizing vital information about medications. The researchers determined that students who received daily text messages showed significantly higher learning gains at one week, two weeks, and four weeks after the conclusion of the unit.

Pfeiffer et al. (2009)

The addition of the video and audio connected the students to reference materials that more closely resembled the fish in their true context, providing a more situated learning experience. The researchers found that the students who used the dynamic field guide via the portable DVD players showed greater learning gains on a post-test than the students who used the static field guide.

#### **M-Modification (the technology allows the learning activity to be redesigned)**

Cornelius et al. (2011)

Mobile devices were used to modify and significantly redesign a flood disaster simulation in an applied geomorphology course. The use of SMS text messages placed the simulation, based on a real-life scenario, in the students' real lives. SMS text messages were sent to all of the students to update them on the events occurring in a simulated flood disaster. After each message, the students had to decide whether to mobilize the flood alert procedures or not and respond via text message. The next text message received by the student depended on his or her response to the previous text. Based on questionnaires and interviews, the researchers found that the students generally enjoyed the activity and felt it successfully helped them appreciate flood prevention measures. The use of SMS text messages allowed the simulation to be redesigned and allowed for real-time decision making by the students. This design provided truly situated learning. Just as in the simulation, in an authentic situation, everyday life would be interrupted by flood alerts. Each student participated individually, supporting the personalized nature of the learning experience. The students suggested improving the realism of the simulation by providing more details in the text messages and providing the students with more than two options. The addition of more details, as suggested by the students, would not only improve the realism of the simulation but would also make the mLearning activity more connected. The real-time decision making significantly increased

the realism of the simulation and thereby increased the educational value of the activity.

Wang, Yu, and Wu (2013)

Designed a module, eMASE (mobile assisted social e-learning), for a speech and debate course. Within the module, students were required to work in groups. To support group interaction, training was provided on the most commonly used mobile social applications: Facebook, LINE (a social networking site from Japan), WeChat, Google Hangouts, and YouTube. Students were able to practice within each tool, and the training ensured that all the students and the instructor were included in their contact lists. Students reported that they felt the mobile applications improved their learning and were a useful tool. In this study, the use of the apps was optional, as all the tasks could be accomplished through other traditional means of communication, including meeting in person. The addition of the training and prompting students to think about using mobile social apps within the context of their courses, however, illustrates how mobile devices can connect people. The students' freedom to choose whether to use the tools or not, also supports the personalized nature of mLearning. One interesting pattern noted by the authors of this study was that the students who were frequent users of the social networking applications appeared to be more confident and engaged in their learning.

**R – Redefining (the technology allows for the creation of tasks that could not have been done without the use of the technology).**

Liu and Tsai (2013)

The authors developed an augmented-reality cell-phone application to help Chinese students learn English. Using GPS to pinpoint the student's location, English language descriptions of the things around that student would be displayed over the image seen through the phone's camera. Based on student essays and reflections on an open-ended questionnaire, the authors found that participants were engaged in the learning scenario and produced meaningful learning and written essays. The authors concluded that the results of the study suggest that augmented-reality mobile learning may increase the effectiveness of language learning. This implementation of mLearning is personalized in that the students chose to use the application, is situated through the use of GPS and location, and is connected to information through the use of the application.

Redondo, Fonseca, Sánchez, and Navarro (2013)

In one case study, students were divided into two groups based on the capabilities of their personal mobile devices. The experimental group used an augmented-reality overlay to view architectural proposals on-site in 3D. The control group used the traditional methods of 2D and 3D drawings. The results indicated that the students in the experimental group were more proficient at adjusting their proposals to fit the proposed site. Over several case studies, the authors have found that the students using the 3D augmented-reality overlay are consistently outperforming the control group. This study also illustrates learning that is personalized, situated, and connected. It is personalized with the students' own projects, situated with the overlay view being available on-site, and connected to the information using the architectural applications.

*Source: Authors*



# **THE EFFECT OF INFORMAL RELATIONSHIPS AT WORK ON EMPLOYEE RETENTION INTENTION: EVIDENCE FROM SRI LANKA**

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## **ABSTRACT**

The prime purpose of this study is to assess the effect of informal relationships at work on employee retention intention, featuring the main three aspects of informal relationships at work: friendship; romance and negative relationships. Building on Maslow's (1954) hierarchy of needs theory, a narrative literature review of all the relevant research papers known to the authors was conducted first. It was found that the underlying relationships between informal relationships at work and the employee retention intention are not clear and consistent in the extant literature. Hence, this quantitative, cross-sectional, field study was designed to be conducted in the Sri Lankan context. Primary data were collected through a standard questionnaire

through a survey. The Convenience Sampling technique was applied to select the sample where the final sample consisted of 215 professionals working in Sri Lanka. Data were analyzed with the aid of SPSS, employing the correlation, regression, t-tests, and the ANOVA test.

Findings revealed that friendship at work has a significant, moderate-positive nexus with employee retention intention where there is no significant association was found between negative relationships and romance at work with employee retention intention. Further, it is found that 16.80% of the variation in the dependent variable (employee retention intention) could be explained by the fitted regression model of friendship at work. Moreover, prior engagement in romance at work is not a statistically a significant factor affecting employee retention. Also, there is no significant impact on current participation status in romance at work on employee retention intention. The findings of the current study support the general notion that the workplace is not a mere place to come and work, but it is a complex social system through which people try to fulfill their social needs, including informal relationships.

*Keywords:* friendship at work; romance at work; negative relationships at work; employee retention intention

## **Introduction**

Approximately 8.5 million (CBSL, 2016) people are a part of the labor force in Sri Lanka. These employees spend about eight or more hours a day in their workplace and organically producing friendships with their co-workers and supervisors. The establishment of these personal relationships at workplace directly alters the lives of every day. The existence or development of informal relationships between individuals within the work location is generally a private matter. However, those relationships can profoundly affect people's experience of work, both negatively and positively.

Capelli, (2000) observed that in a tough labor market talent can be hard to replace. Consequently, organizations suffer when talent is lost. This is because high turnover increases training costs, recruitment costs and loss of talent and organizational knowledge. If managers do not pay attention to retention, high staff turnover will damage the business severely, especially if it hits factors that provide a competitive advantage Koren (2010).

According to a Gallup survey, about 30% of employees in the U.S. responded that they had a best friend in their workplace (Rath, 2006). As cited by Lee and Ok (2011) researchers have consistently reported that workplace friendship positively affects employees' work-related attitudes and behaviours which in turn enhance organizational outcomes. Hamilton (2007) described people may gain help, assistance, guidance, advice, feedback, recommendations, or information from workplace friends on a variety of work-related matters such as completing jobs, performing tasks, and handling issues with co-workers, subordinates, supervisors, and/or clients (As cited in Lee & Ok, 2011).

In a 2005 SHRM poll, 40 percent of employees acknowledged being involved in a workplace romance (Parks 2006; as cited in Ariani et al, (2011)). Big companies such as American Apparel, Staples, Delta Airlines, and Lloyds of London etc. have recently considered their policies on informal relationships at work. While some organizations have a more relaxed view of relationships between staff, others have prohibited them entirely.

Negative relationships can upset co-workers' sense of propriety and fairness, and also such unfairness leads to all sorts of problems, Research has shown that organizations seen by employees as unfair have higher rates of employee retention. After studying all of those things, we have to understand informal relationships at the workplace have a direct impact on a person's job or work life. The focus of this study is mainly on employee retention and informal relationships. So, the problem statement of the study was raised as:

*What is the impact of informal relationships at work on employee retention intention?*

The rest of the paper provides the literature pertaining to employee retention and informal relationships, hypotheses formulated based on the evidence in empirical and theoretical explanations, the methodology adopted in conducting the current study. Moreover, the latter part of the paper presents the findings, which is further discussed aligning to the extant literature, conclusion and the implications of the present study.

## **Literature Review**

Retention of the high-quality employees is more important today than ever before. A number of trends, including globalization and technological advancement, make it vital. Retention of talented employees is an advantage to an organization because employees' knowledge and skills are very important to a company's ability to be competitive (Kyndt, Duchy, Michielsen & Moeyaert, 2009). The process of employee retention will benefit an organization as the cost of employee turnover adds hundreds of thousands of money to a company's expense (Ratna & Chawla, 2012). It also means that if a company has a higher employee retention rate, it will motivate potential employees to join the company.

The high percentage of retention rate will describe that employees will remain in the organization for the maximum period. Thus, employers should consider in retaining employees while securing their trust and loyalty, and also meet the goals of employees without losing sight of the ultimate goal of the organization (Aguenza & Som, 2012).

As employees spend a large portion of their lives at work, informal relationships between employees at work are often formed. Informal relationships refer to the engagements or interactions among people outside the established organizational structure. Unlike formal relationships which have a set of rules and regulations which define the relationship between people and the tasks, informal relationships do not



follow any rules. However, they are formed by people at work, who have certain things in common; might be norms or common intentions.

Elton Mayo (1945) brought workplace relationships to attention when he wrote the first management book focusing on the social needs of employees. Mayo (1945) argued that the key determinant of job satisfaction was group interaction, and highlighted the importance of good leadership and satisfying personal relations in the workplace.

Earlier empirical research in management revealed that informal relationships can sway absenteeism, work-related outcomes and behavior of employees (Riordan & Griffeth 1995; Ross, 1997). Morrison, (2004); Sias & Cahill, (1998) shown that informal relationships in organizations enhance employees' commitment, job satisfaction and reduces absenteeism and turnover intention of employees.

The informal relationships employees have at work will have an impact beyond each individual's own sphere of experience at work. Taken together, the friendships, informal organizational relationships and unofficial power syndicates in an organization comprise the informal structure of the organization. Ringer & Robinson (1996) stated that the informal structure is a complex, usually hidden, a network of relationships and subgroups of people that interacts with, but is different from the formal structure. In the informal structure, there may be strong relationships that span horizontal and vertical boundaries (Morrison, 2005).

### **Hypotheses of the Study**

Having considered the evidence in the extant literature mentioned above, following hypotheses were advanced to be tested with empirical data.

Informal relationships can have the certain association with employee's retention. If a person faces some conflict in the organization; strong

relationships at the workplace cause to retain him in the organization for the longer period of time (Morrison, 2004; Winstead, 1995).

Empirical studies (Harris, 2000; Kinnear & Sutherland, 2000; Maertz & Griffeth, 2004; Meudell & Rodham, 1998) have explained that some factors that increase retention, which includes friendly working environment and healthy personal relationships. Allen and Shanock (2013) also stressed on the relationship with colleague socialization, increase an organization retention capability.

Earlier empirical research in management sciences revealed that positive informal relations have a positive relationship with an employee retention (Riordan & Griffeth 1995; Ross, 1997). Morrison, (2004); Sias & Cahill, (1998) have shown that informal relationships in the organizations enhance employee retention through job satisfaction. Walker (2001) identified seven factors that can enhance employee retention that included positive relations with colleagues. Kehr (2004) noted that social relationships have a relationship with employee retention.

Career Systems International in 2005, which surveyed over 7,500 employees about retention process and found out the attributes of retention: 41.8% declared relationships/working with great employees have an impact on retention decision. Empirical studies have been conducted on workplace friendship, there is some evidence that they are related to positive outcomes such as reduced turnover intention (Morrison, 2004). If a person experiences a personal crisis or has a very stressful job, workplace friends can provide support and therefore decrease the chances of the turnover (Morrison, 2004).

Employees who have a best friend at work reported that they work with passion and feel a profound connection to the company, compared with those who have no best friend/s. Also, employees who had a best friend at work planned to be with the company for at least another year, compared to who didn't have a best friend (Roth, 2006).

People who satisfied with their job has always good relationships and friendships in the workplace. (Winstead, Derlega, Montgomery & Pilkington, 1995). When there is a friendship in the workplace, there is some evidence that there are positive outcomes, good communication (Kram & Isabella, 1985), increased job satisfaction (Winstead et al. 1995), job performance (Ross, 1997), reduced turnover intention, high retention (Morrison, 2004), and organizational commitment (Nielsen et al, 2000).

***H1a:*** *There is a significant relationship between friendship at work and employee retention.*

***H1b:*** *There is a significant impact of friendship at work on employee retention.*

In opposition to the above perspective, several researches have shown that employees involved in a workplace romance can be more productive at work (Quinn & Lees, 1984; Dillard, 1987; Dillard & Broetzmann, 1989; Pierce, 1998). Levels of productivity may be lower at the start of the relationship as large amounts of time and energy are invested in it. Once the initial excitement of the new romance lessens, productivity tends to rise steadily (Pierce et al, 1996). Those who show a love motive avoid the negative consequences of inadequate performance by demonstrating increased effort in order to impress their supervisors. Job satisfaction and organizational commitment also increase (Pierce & Aguinis 2003). Workplace romance that leads to marriage could help individuals to work to their maximum potential as their personal needs are being satisfied, this, in turn, benefit performance (Mainiero, 1989).

Workplace romance can increase workplace morale and motivate other employees, encourage creativity and innovation. It can create a more relaxed and happier work environment (Biggs et al., 2012) and can soften personality conflicts because the workplace romance partners are more content and easier to get along with. It can improve teamwork, communication, and cooperation (Cole, 2009). In addition, some organizations experience lower turnover, because married employees

who work in the same company tend to stay with the company (Wilson, Filosa, & Fennel, 2003).

***H2a:*** *There is a significant relationship between romance at work and employee retention.*

***H2b:*** *There is a significant impact of romance at work on employee retention.*

An American study by Lozada (1996) found that 90% of dismissals are the result of poor attitudes, inappropriate behavior, and difficulties with interpersonal relationships rather than deficient technical skills.

A negative relationship is a reason for people seeking to leave their organization. Negative relationships could increase intention to turnover and reduce retention intention, and also produce stress at work (Riordan & Griffeth, 1995). The presence of negative relationships is likely to be negatively associated with employee retention if people experience negative relationships at work they are more prone to leave the job (Kathleen & Morrison, 2005).

Donovan, Drasgow & Munson (1998) found that people try to quit as soon as possible when there is a serious negative problem with relationships at work. This finding was supported by Moerbeek and Need (2003), who found that people who experience a bad atmosphere at work leave more quickly than people who experience a good work atmosphere.

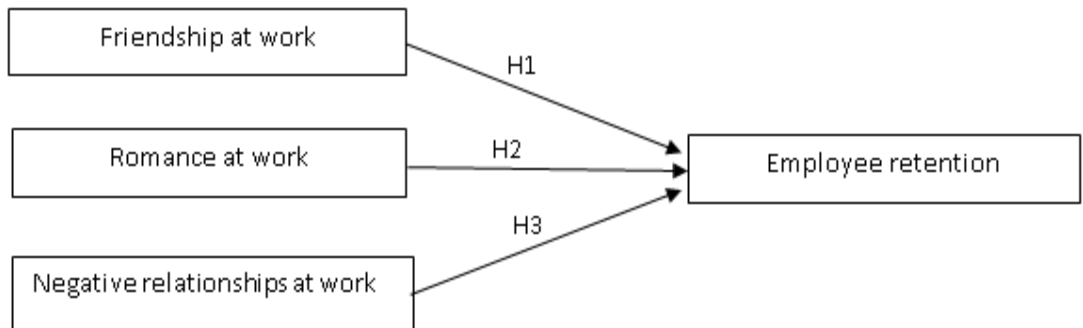
In order to explain the reasons behind the voluntary resignation, Arthur (2001) gave a list, which includes unsatisfactory relationships at work as a prominent reason. The presence of negative relationships is a reason to turn over, or at least produce stress at work which, in turn, can cause other problems (Riordan & Griffeth, 1995). The presence of negative relationships is likely to be negatively associated with employee retention if people experience negative relationships at work they are more inclined to leave their job (Kathleen & Morrison, 2005).

**H3a:** *There is a significant relationship between negative relationships at work and employee retention.*

**H3b:** *There is a significant impact of negative relationship at work on employee retention.*

### Conceptual Framework of the Study

The conceptual framework of the current study is depicted in figure 01. Friendship at work, romance at work and negative relationships at work are taken as the independent variables, while employee retention intention is taken as the dependent variable.



*Figure 01: Conceptual Framework for the Study*

*Source: Authors, 2018*

### Population and the Sample

The population concerned for the current study is unknown. It consists of all the employed people in Sri Lankan labor force as at 2017.12.31. As the total number of respondents in the population is unknown, the convenience sampling technique would be more appropriate to be used to select a representative sample. A total of 225 employees was selected randomly, the unit of analysis is at the individual level; an

employee, who is currently working for a public or private sector organization in Sri Lanka.

## **Measurement Scales of Variables**

### ***Employee Retention***

The questionnaire for this study was based on the questionnaire developed by Bernsen et al. (2009) and was supplemented by items based on the study of Govaerts et al (2011). All items were scored on a five-point Likert scale ranging from “1 = strongly disagree to 5 = I strongly agree”.

### ***Friendship at Work***

Prior to investigating the possible effects of friendships in the workplace, it is first necessary to establish if, in fact, friendship relationships are present in the workplace. To do this, the Workplace Friendship Scale (Nielsen et al., 2000) was incorporated into the questionnaire. The scale measures two aspects of workplace friendship: (a) the opportunity for friendship (e.g., I have the opportunity to get to know my co-workers), and (b) the prevalence of friendship (e.g., I have formed strong friendships at work). There are twelve items, rated on a 5-point Likert scale from strongly disagree to strongly agree (refer appendix 2 for the items in the workplace friendship scale).

### ***Romance at Work***

Participation in workplace romance: Whether or not an individual was currently participating in a romantic relationship with a member of the same organization was assessed with the item “I am currently romantically involved with (i.e., dating or married to) another individual who is presently employed at same organization” (1 = Yes, 0 = No) (Pierce, 1998).

Prior engagement in workplace romance: Participants were asked to report the number of workplace romances in which they had been

involved (1 = no prior engagement in workplace romances, 2 = engage in one to two workplace romances, 3 = engagements in three to five workplace romances, 4 = engagements in six to ten workplace romances, 5 = engagements in more than 11 workplace romances) (Doll & Rosopa, 2015). Attitudes about workplace romances - General attitudes about workplace romances were measured using a seven-item scale (Pierce, 1998; Powell, 1986). A measure of beliefs regarding romance in the workplace.

### ***Negative Relationships at Work***

To establish if respondents had negative relationships in the workplace they were given the definition below and were asked if there were any people who they work with, with whom they would consider having a negative relationship (Morrison, 2007).

"This person is not one of your friends. You do interact with this person on a regular basis, but you would definitely not continue the relationship if you did not work here. Your interactions with this person are characterized by disrespect, disagreement, dislike, conflict, and animosity. You would rather not have to interact with this person" (Kram & Isabella, 1985). The extent of negative relationships at work was assessed using a 12-item scale which was developed by Kathleen & Morrison, (2005).

### **Data Analysis Tools and Techniques**

The collected primary data were analyzed with the aid of Microsoft Excel and Statistical Package for Social Sciences (SPSS). Frequencies and descriptive statistics were used to elaborate the sample composition and the individual behavior of the constructs. Validity and the reliability of the measurement instruments and the data will be ensured through a Factor Analysis and Cronbach's alpha coefficient. Further, correlation analysis, regression analysis, independent sample t-test and the ANOVA test done to test the advanced hypotheses and to draw conclusions.

## Data Analysis and Results

### *Sample Composition*

A total of 125 out of 215 professionals responded, were males and the remaining 90 were females. 39 of the respondents were married and the remaining 176 in the sample were single. With regard to the monthly income; 161 (74.9%) belong to the income category of less than Rs. 50,000. Also, the majority of the respondents (81.9%) are in the age group of 24 – 30 years, while 119 of the respondents have more than 01 years of working experience.

### *Reliability Statistics*

Measurement instruments of all the constructs in the research model exceeded the acceptable standard of reliability of 0.70 (Nunally & Bernstein, 1994) (as cited in Ismail, Yao, and Yanus, 2009) as given in table 01.

*Table 01: Reliability Statistics*

Variable	Cronbach's coefficient alpha
Employee retention	.745
Friendship at work	.832
Negative relationships at work	.932
Romance at work	.694

*Source: Survey Data (2018)*

### *Validity Statistics*

The validity of the measurement was ensured by calculating Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO). All the measurement instruments consist of highest acceptable KMO value, which is above 0.7 under .000 significance level. Therefore, measurement instrument can accept as validate instrument which



consists of adequate and representative items that cover original construct.

*Table 02: KMO and Bartlett's Test*

Variable	Kaiser-Meyer-Olkin Measure of Sampling Adequacy	Sig. Value
Employee retention	.830	.000
Friendship at work	.861	.000
Negative relationships at work	.908	.000
Romance at work	.733	.000

*Source: Survey Data (2018)*

### **Correlation Analysis**

Pearson correlations were computed between friendship at work and employee retention. As depicted in table 03, Pearson correlation is 0.410, which shows that there is a moderate positive relationship between two variables. As the significant value 0.000 (2-tailed) is less than the desired level of significance (0.05) at the 95% confidence level, the found correlation coefficient (0.412) is statistically significant. So, there is statistical evidence to accept  $H_{1a}$  that there is a significant relationship between friendship at work and employee retention intention. Similarly, Pearson correlation was computed between negative relationship at work and employee retention. According to 4.13 table, Pearson correlation is -0.131, which shows that there is a negative weak relationship between two variables. As the significant value 0.054 (2-tailed) is bigger the desired level of significance (0.05) at the 95% confidence level, the found correlation coefficient (-0.131) is statistically insignificant. Therefore, the  $H_{2a}$  is not accepted. As correlation does not accept the hypothesis, it would not calculate the regression ( $H_{2b}$ ) for the hypothesis.

*Table 03: Results of the correlation analysis*

	Friendship at work	Negative relationships at work	Romance at work
Employee Retention Intention	.410 (Sig. 0.000)	-.131 (Sig. 0.054)	.125 (Sig. 0.068)

Correlation is significant at the 0.01 level (2-tailed)

*Source: Survey Data (2018)*

The calculated Pearson correlation between romance at work and employee retention intention is 0.125, which shows that there is a weak positive relationship between two variables. As the significant value 0.068 (2-tailed) is greater than the desired level of significance (0.05) at the 95% confidence level, the found correlation coefficient (-0.125) is statistically insignificant. Therefore, the H3a hypothesis is not accepted. As correlation does not support the hypothesis, it would not calculate regression for this hypothesis.

*Table 04: ANOVA of Prior Engagement in a Romance at Work and Employee Retention*

	Employee Retention				
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1.415	4	.354	.803	.524
Within Groups	92.492	210	.440		
Total	93.906	214			

*Source: Survey Data (2018)*

According to the Table 04, Prior engagement in a romance at work is not a statistically significant factor affecting employee retention. The

Sig value of ANOVA test 0.524 is greater than 0.05, and the conclusion could be drawn as there is no significant relationship between prior engagement in a romance at work and employee retention.

Independent sample t-test results shown in Table 05 indicates the current participation status in romance at work is not significantly correlated with employee retention. Sig. value 0.852 is greater than the significance level; 0.05. Hence, it could be concluded that there is no significant impact on current participation status in romance at work on employee retention.

*Table 05: Independent-Samples T-Test of Participation Status in a Romance at Work and Employee Retention*

		Levene's Test for Equality of Variances		t	df	Sig. (2-tailed)
		F	Sig.			
Employee Retention Average	Equal variances assumed	4.854	.029	-.187	213	.852
	Equal variances not assumed			-.148	32.734	.883

*Source: Survey Data (2018)*

## Regression Analysis

In the current research simple regression was used to test the research model and develop the regression equation. Then take the coefficient of determination to measure the marginal contribution of variables in the research model. The R Square value of the computed research model is given in table 06.

*Table 06: Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.410 <sup>a</sup>	.168	.164	.60561

a. Predictors: (Constant), Friendship

*Source: Survey Data (2018)*

According to the model summary given in table 07; the R Square value is 0.168. It means 16.80% of the variation in the dependent variable (employee retention) is explained by the fitted regression model.

*Table 07: ANOVA*

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.785	1	15.785	43.040	.000 <sup>b</sup>
	Residual	78.121	213	.367		
	Total	93.906	214			

a. Dependent Variable: Employee Retention Intention

b. Predictors: (Constant), Friendship

*Source: Survey Data (2018)*

As per the table 08; the fitted second regression model is significant as Sig value is 0.000 which is less than 0.05. Hence, H1b is accepted, and it could be claimed that the fitted regression model is significant at the confidence level of 95%.

*Table 08: Coefficients*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	1.790		6.806	.000
	Friendship	.483	.410	6.560	.000
	Average				

a. Dependent Variable: Employee Retention Intention

*Source: Survey Data (2018)*

## Discussion of Findings

It was found to be that there is a moderate positive relationship between friendship at work and employee retention. As the significant value 0.000 (2-tailed) is smaller the desired level of significance (0.05) at the 95% confidence level, the found correlation coefficient (0.412) is statistically significant. So, there is statistical evidence to claim H1a that there is a significant relationship between friendship at work and employee retention.

Previous researchers also have identified that friendship at work is directly and positively related employee retention (Morrison, 2004; Morrison 2005). Empirical studies (Harris, 2000; Kinnear & Sutherland, 2000; Maertz & Griffeth, 2004; Meudell & Rodham, 1998) have explained that some factors that increase retention, which includes friendly and healthy personal relationships at work. Earlier empirical research in management sciences revealed that positive informal relations have a positive relationship with an employee retention (Riordan & Griffeth 1995; Ross, 1997). Therefore, current researcher's findings are consistent with the previous research results.

It was also found to be that there is no significant relationship between negative relationships at work and employee retention. As the significant value 0.054 (2-tailed) is bigger the desired level of significance (0.05) at the 95% confidence level, the found correlation

coefficient (-0.131) is statistically insignificant. So, there is statistical evidence to reject H<sub>2a</sub> that there is a significant relationship between negative relationship at work and employee retention. Therefore, the H<sub>2a</sub> hypothesis cannot be accepted.

Previous researchers have identified that negative relationship at work has a negative relationship with employee retention. In order to explain the reasons behind the voluntary resignation, Arthur (2001) gave a list, which includes unsatisfactory relationships at work as a prominent reason. The presence of negative relationships is a reason to turn over, or at least produce stress at work which, in turn, can cause other problems (Riordan & Griffeth, 1995). The presence of negative relationships is likely to be negatively associated with employee retention if people experience negative relationships at work they are more inclined to leave their job (Kathleen & Morrison, 2005). And also, a researcher identified a negative relationship between negative relationship at work and employee retention but that was statically insignificant. Therefore, current researcher's findings are inconsistent with the previous research results.

As the significant value 0.068 (2-tailed) is bigger the desired level of significance (0.05) at the 95% confidence level, the found correlation coefficient (-0.125) is statistically insignificant. So, there is statistical evidence to reject H<sub>3a</sub> that there is a significant relationship between romance at work and employee retention. Therefore, the H<sub>3a</sub> hypothesis cannot be accepted.

The simple regression analysis describes that friendship at work has a positive impact on employee retention. The level of friendship at work gives a measure of employee retention and it has an approximately 17% accuracy of predicting. That is approximately 17 % of employee retention is accounted for employee retention.

This study showed the empirically significant relationship among friendship at work and employee retention, only a 16.8% of friendship at work impacts on employee retention. That means, there might be another 83.2% of unexplained influence on the said construct.

## **Implications and Recommendations**

Firstly, informal relationships are social and psychological needs of workers in the workplace and therefore should not be tolerated since workers themselves recommend it.

Each and every business should pay their attention more on retention of employees. There are a wide variety of practices can use to help enhance employee retention. A certain amount of turnover rate in the workplace is more important. Employees' who participated in the study have high-level employee retention (3.4 mean value). It means employees are willingly working for their organization certain period of time. So, this recommendation will help an organization to further increase the level of employee retention through informal relationships especially friendship. The low turnover rate needs to maintain to achieve a high level of performances. In here organization tries to increase employee retention through creating a friendly working environment.

The organization should conduct programmes such as annual trips, outbound training, provide sufficient opportunities to socialize, create friendly working conditions. That also might cause to decrease turnover rate. Therefore, these programs should be conducted regularly.

The findings of the current study provide a number of ideas for future investigation. Moreover, future researchers can also study the mediating effects of job satisfaction in the relationship between informal relationships at work and employee retention. Thus, further studies could fill the research gaps in these aspects. Hopefully, this paper would raise the levels of interests among scholars to conduct more informal relationships at work-related studies that may contribute to the new dimensions organizational management.

## **Conclusion**

Now a day human resource is considered to be the most important resource of an organization to remain competitive in the business

world. The general objective of this study is to investigate the impact of informal relationships on employee retention. The results from this study examined the relationship between informal relationships and employee retention. Based on the result of Pearson Correlation Analysis, it showed that there was a moderate positive relationship between friendship at work and employee retention. And also showed there is a no significant relationship between negative relationships at work and employee retention also romance at work and employee retention. Hence, the current research concludes declaring that the friendship at work is a significant type of informal relationship which impacts on employee retention intention.



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# **ORGANIZATIONAL FACTORS CONTRIBUTING TO EMPLOYEE WORK LIFE BALANCE OF SENIOR ENGINEERS IN A SELECTED SOFTWARE DEVELOPMENT COMPANY IN SRI LANKA**

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## **ABSTRACT**

*The purpose of this study is to examine and determine the organizational factors contributing to employee work-life balance of senior engineers in a selected software development organization in Sri Lanka. The main objectives of the study consist of determining the organizational factors contributing to employee work life, understanding the relationship and impact of those factors to overall employee work-life balance and to make recommendations and strategies to adapt by the organization. Based on the literature review,*

*four independent variables have been identified which includes job stress, organizational support, workload and the nature of work. The study collects the data by using the questionnaire technique and selects the sample size as 86 senior engineers. The hypothesis validation was carried out using Pearson correlation, Regression analysis from SPSS 19.0 tool. The research findings indicate that organizational support has the highest contribution to employee work-life balance. Workload and nature of work also hold a relationship to employee work-life balance, whereas job stress does not claim a relationship with employee work-life balance. This study will help organizations and managers to further enhance employee work-life balance via various HR strategies and thereby overcome the turnover rate of the employees. This study could be further continued with a larger sample and several other dimensions with some qualitative survey methods.*

**Keywords:** Employee Work-Life Balance, Employee Turnover, Job Stress, Workload

## **Introduction**

With the advent of globalization and technological advancement, organizations at present are seeking to achieve a sustainable competitive advantage over their competitors under dynamic market conditions. Organizations are more interested in investing in people or intellectual capital than tangible capital. This denotes organizations these days have considered the employees as one of the most valuable assets with an unmatched set of skills, abilities, and innovation (Raya and Bhuvanaiah, 2014). Shankar and Bhatnagar (2010); Chimote and Srivastava (2013) have claimed in their studies that organizations can be benefited through the right balance of work-life balance in terms of reduction in employee turnover. Work-life balance can be defined as the satisfaction and good functioning at work and at home, with a minimum of role conflict (Clark, 2000). It can be further denoted as the meaningful achievement and enjoyment in everyday life (Bird, 2006). Employee work-life balance has been considered as a vital aspect in



achieving competitive advantage among today's organizations (Opatha, 2009). Therefore, employee work-life balance has been sparked as the key determiner of employee retention.

The work of Hobson, Delunas, and Kesic (2001) acknowledges the absence of work-life balance will bring many negative consequences. This further implies the importance of work-life balance among the employees and the organization. The work-life imbalance affects family relationships (Pike, 2012, cited in Kumarasamy, Pangil and Isa, 2015). Thus, it can be further extended to the conflict between work and family (Biswas and Hassan, 2009; Doble and Supriya, 2010). The damaged family relationship consequently affects the employee's concentration of work and their performance. A significant study conducted by Kinman and Jones (2003) shows the imbalance between work and life influences employees psychological (anxiety, depression) and physical well-being negatively. In this context, employee work-life balance has become a popular subject among senior managers, marketers and business consultants. Work-life balance has been identified as an important area of Human Resource Management (HRM) which could attract increased attention from the researchers (Meyer and Allen, 2006). There are numerous research studies which have been conducted in the domain of work-life balance while examining the factors which influence the work-life balance. This study focuses on a well-established and reputed software development organization in Sri Lanka. The purpose of the study proclaims as the antecedents contribute to the work-life balance aimed at the senior engineers of the selected organization.

### **Problem Background and Problem of the Study**

The selected organization is a well-reputed customer-focused software development organization employing more than 300 Information Technology (IT) graduates. Considering the Sri Lankan software development industry, it is positioned at a higher value-added segment in the market due to the unique expertise in software engineering sector. The rapid progress of IT industry in Sri Lanka has created a

stable environment for the growth of the IT workforce in Sri Lanka, where IT market is estimated growth is 0.7% of the country's Gross Domestic Product (GDP). With these dynamic market conditions emerging in the external environment in the aspect of technology, political and economic, many challenges unfold in the presence of the selected organization. This organization had recently identified an issue where their employee turnover rate of senior engineers was in the uptrend for the last four years (2013-2017). This has resulted in creating issues in operational activities due to the fact of not having expert domain knowledge. Recruiting and retaining the most skilled workforce is a challenging task for any organization as it requires the strategic approach of employee attraction, selection, and retention of employees which meets workforce needs (Dunne, 2007). Murphy (2003) further reveals that losing key employees in an organization is a global problem.

Turnover in the workplace has received constant consideration by many academic researchers (Richer, Blanchard and Vallerandi, 2002) due to that fact of the cost associated with it (Soon et al., 2005). Hobson et al. (2001) claim that employees who fail to balance between work and family contribute to employee turnover and absenteeism. Further studies demonstrated by Shankar and Bhatnagar (2010) showed that higher work-life balance will result in high employee performance and low absenteeism. Furthermore, Daniels and McCarraher (2000) depict that work-life balance practices help to enhance the productivity of workers while diminishing levels of employee turnover and absenteeism. Moreover, a study examined by Smith and Gardner (2007) with 153 respondents in a large New Zealand organization implies a strong relationship between employee turnover rate and work-life balance as they state "Good work-life balance is a factor that can affect the levels of commitment to the organization and turnover intentions". Many researchers have highlighted the relationship between employee work-life balance and employee turnover. In the context of Sri Lanka, a research done by Thushari (2011) based on time management and work-life balance on 106 software engineers shows 25% of the respondents do not seem to spend quality time at work

mainly due to the reasons of heavy workload and stress. Premaratne (2007) implies that working hours, the demand for family and work extensions has a significant influence towards the work-life balance of software engineers. However, these studies only focus specific job role that is software engineers. Hence gaps may occur when generalizing to the entire software development industry.

So far, the company had not conducted any survey to understand the work-life balance of employees at any managerial level. This study intends to overcome the gaps in employee work-life balance context of the organization which focuses on what organizational factors contribute to employee work-life balance of seniors in the selected organization.

## **Research Framework**

Previous research studies identify different factors affecting employees work-life balance including organizational, personal and social. Based on those studies job stresses, workload, organizational support and the nature of work have been considered as four influential organizational factors in this study. Initially, work-life balance was defined as an inter-role conflict where role pressures from work and family domain are mutually incompatible (Kahn et al., 1964). Work-life balance can be conceptualized as "behavioral patterns of acting across multiple roles" (Marks and MacDermid, 1996). Following the theory of role balance of work-life balance can be further defined as a concept of maintaining the satisfaction and good functioning between home and office front with a minimum of role conflict (Marks and MacDermid, 1996, Greenhaus et al., 2003).

Work stress influences employee work life balance (Devi and Kangalakshimi, 2015). This study proclaims that stress has a direct impact on work-life balance which depends on two predominant factors as Psychological Pressure and Extricating Strategy of female employees in IT sector in India. The first hypothesis was proposed as:

***H<sub>1</sub>:*** *There is a relationship between causes of job stress and employee work-life balance*

***H<sub>1o</sub>:*** *There is no relationship between causes of job stress and employee work-life balance*

It is proven that there is a positive relationship between organizational support and work-life balance, based on 1566 samples of police officers in Malaysia (Kumarasamy, Pangil, and Isa, 2015, by Straub (2007). The second hypothesis was proposed as:

***H<sub>2</sub>:*** *There is a relationship between organizational support and employee work-life balance*

***H<sub>2o</sub>:*** *There is no relationship between organizational support and employee work-life balance*

Work overload will bring negative consequences such as fatigue, exhaustion which will lead an individual to respond negatively to the domain of work and family (Aryee, Srinivas, and Tan, 2005). The third hypothesis was proposed as:

***H<sub>3</sub>:*** *There is a relationship between workload and employee work-life balance*

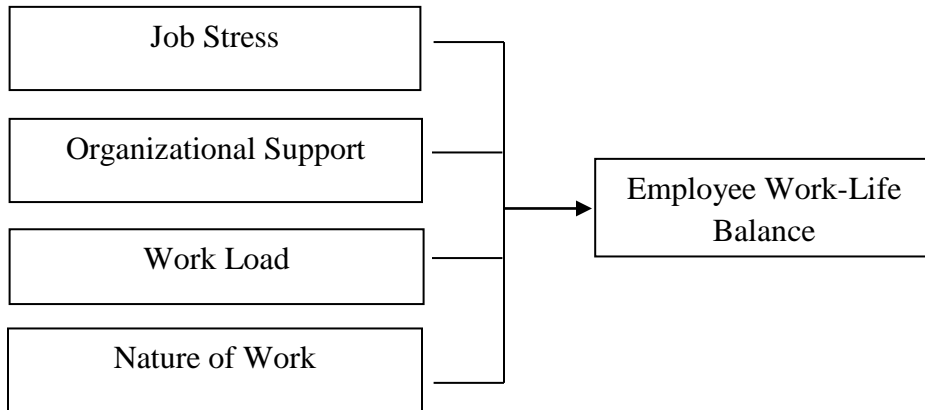
***H<sub>3o</sub>:*** *There is no relationship between workload and employee work-life balance*

Nature of work as unstructured work schedule; organization emphasis on time rather than tasks and non-desk jobs hinders the betterment of the work-life balance Murthy, Pangil and Isa (2015). The fourth hypothesis was proposed as:

***H<sub>4</sub>:*** *There is a relationship between the nature of work and employee work-life balance*

*H<sub>40</sub>: There is no relationship between the nature of work and employee work-life balance*

The relevant conceptual model is shown in the following diagram (FIGURE 1). Employee work-life balance has been identified as the independent variable. Job stress, organizational support, workload and nature of work are considered as the dependent variables.



*Figure 1: Conceptual Framework*

## **Research Design**

A study could be either exploratory, descriptive or hypothesis testing (Sekaran and Bougie, 2011). This study is a hypothesis based testing and correlational research as this it is focused organizational factors influencing on employee work-life balance and the relationships between those factors. The key methodology of collecting primary data was a survey method. The unit of analysis is referred to “the level of accumulation of the data collected during the data analysis stage”. The questionnaire of this study focuses on identifying the individual work-life balance level senior engineers and factors influencing for it. Therefore, the unit of analysis is the individual. This study was conducted in a non-forced setting since the questionnaire was

administered in normal organizational environments where the work proceeds. The population is considered as senior engineers in the selected organization. The total population of the study was 110. 86 senior engineers were selected as the sample using Simple Random Sampling (SRS).

## **Measures**

A questionnaire with 80 statements on a 1-5 Likert scale was developed and distributed among the sample. The research questionnaire contains 6 sections. The first section consists of the demographics, marital status, and educational qualification. The second part contains questions regarding understanding employee perceptions towards job stress. The third section relates to questions regarding understanding employee perceptions towards organizational support. Accordingly, fourth, fifth and sixth sections contain questions understanding employee perception towards workload, nature of work and employee work-life balance.

For each independent variable and the dependent variable 3-4 dimensions have been extracted based on the study of the literature review. The questionnaire was designed to cover three questions per dimension. Job stress was based on the scale developed by Anderson et al. (2002). The Organizational support was measured by an effective scale based on Meyer and Allen (1991). Workload and nature of work measures were adapted from Musura et al. (2013) and Delina and Raya (2013), Musura, Korican and Krajnovic (2013). The questions based on the scale items used by Netemeyer, Boles, and MacMurrian (1996), Musura, Korican and Krajnovic (2013), Delina and Raya (2013) used to measure the independent variable.

## **Validity and Reliability**

Reliability of the variables was measured with the Cronbach's alpha value. The results indicate that the reliability of both independent and dependent variables is acceptable. Hence the reliability level of the

questionnaire feedbacks was proved. The content validity of the questionnaire has been ensured by the correct conceptualization.

## Techniques of Data Analysis

The data gathered from the questionnaire was fed into SPSS (version 19) statistical tool. This output was then analyzed through Pearson correlation, regression values, and multiple regression values.

## Results

The questionnaire was distributed among 86 respondents. The survey claims 65% response rate having 57% of married employees. 64% are female and 34% are male out of the respondents. The respondents were profile based on age limits. The majority of the respondents represent the age less than 30 years. In defining the level of relationship between independent variable and dependent variable the significance value was considered. The alternative hypothesis was accepted if the value of significance level is below the standard value of (p) 0.05. The null hypothesis was accepted if the value of the significance level is above the standard value of (p) 0.05. The results of the Pearson Correlation coefficients between an independent variable and dependent variables are illustrated in TABLE 2 below.

*Table 2: Pearson Correlation between independent variable and dependent variables*

	Job Stress	Organizational Support	Workload	Nature of Work
Pearson Correlation	0.51	0.546	-.268	0.439
Sig.(2-tailed)	0.707	0.000	0.046	0.001
Mean	1.8293	3.5452	1.7359	3.2964
Std. Deviation	0.53761	0.51826	0.40831	0.47710

The significance value of job stress variable is 0.707 which is greater than (p) 0.05, therefore null hypothesis was accepted and it is considered that job stress and employee work-life balance does not have a relationship. The Pearson correlation value (0.439) of the nature of work determines that there is a weak positive relationship between the nature of work and employee work-life balance. It further denotes that there is a weak positive relationship between the nature of work and employee work-life balance. The following TABLE 3 indicates regression analysis, which shows the relationship between independent variable and dependent variables.

*Table 3: Result of regression analysis*

	Job Stress	Organizational Support	Workload	Nature of Work
Sig.(2-tailed)	0.707	0.000	0.046	0.001
R	0.51 <sup>a</sup>	0.546 <sup>a</sup>	-.268 <sup>a</sup>	0.439 <sup>a</sup>
R Square	0.003	0.298	0.072	0.193
Adjusted R Square	-.016	0.285	0.055	0.178

As per TABLE 3, regression analysis indicates that adjusted R<sup>2</sup> value of Job stress is only 1.6% and therefore the impact of causes of job stress and variable on employee work-life balance is negligible. The impact of organizational support variable on employee work-life balance is 28% which is higher. Regression analysis further showcases that adjusted R<sup>2</sup> value is 5% and therefore the impact of workload variable on employee work-life balance is only 5% which is low. The impact of workload variable on employee work-life balance is only 17% which is moderate. Multiple regression analysis was also conducted to evaluate the overall impact of dependent variables on the independent variable. The result of the multiple regression analysis is presented in table 4.



*Table 4: Result of multiple regression analysis*

Multiple R	0.651 <sup>a</sup>
R Square	0.424
Adjusted R Square	0.378

According to TABLE 4, the SPSS outcome of multiple regression analysis indicates that the adjusted  $R^2$  value is 37% and therefore, the overall impact of all the independent variables (Job stress, organizational support, workload and the nature of work and) on employee work-life balance is 37% which is moderately high.

## **Discussion and Conclusion**

The key objectives of the research study included identifying the different organizational factors influencing employee work-life balance of senior engineers; examine the relationship between organizational factors contributing to employee work-life balance and the overall impact of the factors on employee work-life balance. The final objective was to determine and suggest the recommendations and strategies be adopted by a selected organization to enhance and improve the work-life balance of senior engineers. Generally, the findings of the study support previous research results except for the factor job stress. The research has a response rate of 65%, which indicates that obtaining 100% response level will be a challenging task due to the unavailability of some employees. Also, there had been similar scenarios reported from previous authors' work as well. The study conducted on Individual, organizational and environmental factors affecting work-life balance by Kumarasamy, Pangil and Isa (2015) had only 79% respondents rate received from the 12 police headquarters Peninsular Malaysia.

Even though previous research work shows that work stress has an effect on employee work-life balance (Devi and Kangalakshimi, 2015). This may not be applicable in the selected organizational context. Hence there could be different other organizational factors and results may differ based on demographics, educational background of the

respondents as well. This could be further supported by the Border Theory Clark (2000) which explains that work and family spheres may consist of different types of attributes such as languages, customs, and manners. Therefore, the results may differ depending on above-described factors also. Similar results had been reported by the previous work of Kumarasamy, Pangil and Isa (2015) with the two factors, organizational support, and workload where there is a significant positive relationship between work-life balance and a significant negative relationship between workload and employee work-life balance.

Based on the findings of the research, there are several conclusions made. The strongest relationship exists between organizational support and employee work-life balance with a relationship of (R) 54%. The second most important relationship reported from nature of work and employee work-life balance with (R) 43%. Workload and employee work-life balance had a relationship level of (R) 26% with a low impact value from regression which is only 5%. Importantly the analysis reported that workload factor is detrimental to work-life balance. The job stress does not seem to have a correlation with employee work-life balance of senior engineers in the selected organization as the findings showcased a significance level of 0.707 which is greater than the standard value of 0.000. Therefore, in conclusion, organizational support and the nature of work are the major organizational factors appending to employee work-life balance of senior engineers in the selected organization whereas workload has a moderate relationship level. Job stress could be categorized an organizational factor which is not appending and influencing the employee work-life balance of senior engineers in the organization. The research problem identified as the turnover rate of senior engineers being an uptrend in the selected organization. If the organization is able to maintain a better work-life balance level, there is a strong possibility to overcome employee turnover rate being uptrend as the previous research work also emphasizes a positive relationship between employee work-life balance and employee retention.

## **Recommendations and Future work**

With the increasing competitiveness of the IT market segment in Sri Lanka retaining the required competent labor force and managing an existing customer base plays a vital role in the selected organization. As the data analysis proclaims the highest impact and relationship of organizational support towards employee work-life balance of senior engineers, the management and the HR team should value the contribution of the senior engineers by providing a more supportive environment for them and further enhance the support of the organization. One way of achieving this would be re-defining the work-life balance policies which would assist them to balance between dual roles in office and the home front. The HR department may initiate projects to discuss and listen out issues faced by the senior engineers. The issues discussed can be taken as the inputs for designing training programs aimed at career advancement and job satisfaction and other employee-oriented policies such flexible time, work schedules and leave policies and so on. Supervisor relationship could be further strengthened through an open-door culture which also creates a positive working environment for subordinates. Another recommendation would be to promote training programs on effective workload management and life management training courses. In this process, these training programs will provide guidelines to employees on the effects and causes of work-life imbalance while upgrading the quality of employees. These sorts of training programs will enable the employees to understand the issues and challenges in life. The flex time concept also can be promoted within the organization where employees can schedule the working hours depending on the work schedule and patterns. It will also help them to plan their work within the day. Since job stress is not related to employee work-life balance of senior engineers in this organization, the management should find out other real factors affecting the work-life balance level apart from organizational support, workload and the nature of work.

Since this study is predominately based on four organizational factors influencing to employee work-life balance of senior engineers in the

selected organization, this study could be further conducted to understand the employee work-life balance with different other organizational factors since job stress appeared not to have a correlation towards employee work-life balance in this context. In addition to that, this study could be further continued with a larger sample including qualitative surveys or focus group meetings to find out what other real organizational factors influencing employee work-life balance. Moreover, adding more dimensions to existing factors and more conceptualization could be another path of continuing this research study further.

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# **PERFORMANCE APPRAISAL AND INTENTION TO LEAVE OF THE EXECUTIVES AT RTS (PVT) LTD; MEDIATING EFFECT OF MOTIVATION**

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## **ABSTRACT**

*Employee turnover is a critical issue for organizations due to the associated costs and other negative consequences such as losing productivity, loss of talented, experienced employees and ultimately decrease of profits, harmful to the company's long-term sustainability etc. In this study, the researcher aims to examine the performance appraisal and intention to leave the executive level employees' at RTS (Pvt) Ltd and mediating effect of motivation. A quantitative method was followed through a questionnaire to collect research data from 47 executive level employees at RTS. Data were analyzed in details using descriptive and statistical analysis to measure the influence on the independent variable on dependent variable as well as how mediating effect of motivation influence both independent and dependent variable. The research findings showed that there is no relationship between performance appraisal and intention to leave as well as motivation and intention to leave of executive level employees at RTS. Moreover, it was proved that there is no mediating effect of motivation between performance appraisal and intention to leave of executive level employees at RTS.*

*Research results emphasize the requirement to study other factors which may have influenced intention to leave executive level employees*

*at RTS. Finally, research limitations and suggestions for future researches have also been discussed.*

**Keywords:** Performance Appraisal, Motivation, Intention to Leave

## **Background**

Effective management of the human resource is becoming a critical area in current business context, as knowledge, skills and attitudes of the workers make a greater influence on the stable growth and success of any organization. Moreover, it is very much important for organizations to retain the right employees to achieve corporate goals successfully. However, retaining the right employees for a long period has become a challenging task due to adverse trends in high employee turnover. Employee's intention to leave a job is a strong predictor of employee turnover. Hence it is very much important for human resource department to identify the employees' level of intention to leave.

Intention to leave a job can be simply defined as the employee's desire to leave the present organization. High employee intention to leave the organization creates a major impact on the company performance due to lower employee performance. Therefore, it is the responsibility of human resource department to ensure that human resources are managed carefully and retain for a longer time.

Motivation plays a vital role in retaining employees and it creates desire and energy for employees to perform well. Motivation means inspiring people to perform in order to accomplish the goals. Psychological factors that motivate employees can be job satisfaction, sense of achievement, teamwork, need for money, respect, rewards, and recognition etc. A motivated workforce is one of the main reasons behind successful organizations as motivation improves the level of efficiency of employees. Further motivation is a factor that decides the stability of the workforce. Motivated employees are generally satisfied

with their jobs and they are very loyal to the company and stay longer. On the other hand, negative state of mind about the jobs will lead employees to quit the job. Hence creating an enthusiasm in employees in doing their jobs in one of the critical functions of management to pursue employees to perform to the best of their abilities.

Recent research (Chaudhary and Sharma 2012) states that the motivation can be identified as an emotional factor which means, needs and wants of the workers need to be tackled by outlining an incentive plan. Therefore, designing an appropriate incentive plan is essential in managing human resources. However, such incentive plans should be supported with a proper performance appraisal mechanism. Employee performance appraisal procedures are designed to identify, assess and improve the efficiency and effectiveness in carrying out duties and responsibilities related to a job (Delery and Doty, 1996). Therefore, performance appraisal is a great technique that can be implemented to motivate the workforce. Carefully designed performance appraisal system will be beneficial to both employer and employee through improved employee performance and resulting financial and non-financial rewards to the employees.

Based on the above area of study, this research intends to discuss the performance appraisal, intention to leave and effect of motivation with relevant to executive level employees at RTS (Pvt) Ltd. Accordingly, “Performance appraisal and intention to leave of the executive level employees’ at RTS (Pvt) Ltd; Mediating effects of motivation” is the research title that has been identified to study throughout this research. As per the above research title, Performance appraisal has been identified as the “independent variable” Intention to leave the company has been identified as the “dependent variable” and Motivation has been identified as the “mediating variable”. Hence, performance appraisal is the variable that is assumed to affect intention to leave the executive level employees' at RTS (Pvt) Ltd.

Further, this research would specifically emphasize on identifying the mediating effect of motivation to the performance appraisal and intention to leave of the executive level employees' at RTS (Pvt) Ltd.

### **Problem Statement**

Research problem identification is the critical area in any research procedure and it will assist in identifying whether an actual problem or an opportunity exists. If researcher failed to identify the research problem accurately, then the expected results of the research cannot be achieved. (Ali, 2012).

Hence, based on the research topic, this research would attempt to identify the relationship between performance appraisal and intention to leave of the executive level employees' at RTS (Pvt) Ltd and mediating effect of motivation.

### **Symptoms of the Problem**

Having educated, the skillful and experienced staff is a key to a success of an organization as such employees can efficiently and effectively contribute towards achieving corporate goals and objectives.

However, due to the absence of a proper human resource management mechanism, it was observed that there are various kinds of issues among employees that need to be addressed. Accordingly, below key symptoms have been identified which require special attention.

The employee turnover ratio is high among employees and when compared with the previous years, it was observed that, the employee turnover ratio was rising continuously over last three consecutive years. Further company statistics show that the tendency of employee turnover is most popular among executive level staff. Employees are dissatisfied with the inappropriate mechanism followed in deciding annual increments and bonuses. Some employees are frustrated about not getting expected rewards and recognition for their extra contribution towards the organization over a general worker.

Employees are complaining about hiring staff for the higher positions from outside without promoting internal staff.

### **Problem Identification**

A total number of employees at RTS at the end of financial year 2016/2017 was 123 out of which 47 were executive level employees. Internal employment statistics show an increasing trend in executive-level employee turnover. Apart a significant number of grievances were coming human resources department and those were mostly from executive level employees. Discovering the hidden facts behind issues relating to employees has become a critical area which requires immediate attention.

Employees are dissatisfied with the inappropriate mechanism followed in deciding annual increments and bonuses. When deciding on how much increments and bonuses to be given, actual performance, qualification, and experience of each employee have not been considered. Hence a flat rate has been applied to all based on their employment category. There is an enthusiastic, efficient and skillful worker who contributes considerably more than a general worker. RTS has not recognized and rewarded such workers in order to encourage them to deliver more.

Internal employees are not given reasonable opportunity to climb up their career ladder through promotions. Always the probability of hiring people from outside for the managerial position is high and that practice has badly impacted the existing workers who seek for career development and promotions.

Hence, it is critical to find solutions to overcome above-identified issues in order to retain valuable employees for a long time.

### ***Problem Justification***

In order to justify above-identified issues, relevant analytical data have been gathered and reviewed in depth to formulate the research question

accordingly. When investigating the employee turnover figures further, it was identified that moving out from RTS is most popular among executive-level employees compared to others. Below Table 02 exhibits, executive employee' turnover details over the past few years.

*Table 02: Executive Employee Turnover Details*

Executive level employee turnover ratio	2016/17	2015/16	2014/15
No. of resignations	12	10	07
Total executive staff	47	50	54
Turnover ratio	26%	20%	13%

According to the Table 02, during the year 2016/17, 26% of executive-level employees have been resigned from the company due to various reasons. Showing an adverse trend, the executive level employee turnover ratio has doubled over last three years from 13% to 26%.

When the employees are young and well educated, they always look for career advancement and better financial and other non-financial benefits. Further, they expect favorable working conditions, workplace recognition, fair treatment, rewards etc. On the other hand, there is a good demand in the labor market for young, enthusiastic, well-educated employees, so that changing jobs is not a big issue for them.

## **Literature Review**

Performance appraisal is simply a powerful instrument for mobilizing employees in an organization to accomplish corporate goals. According to Heyel (1968), performance appraisal is a mechanism followed to measure the performance of employees against the expected job requirements. Such evaluation results will be used in deciding promotions, placements as well as in providing monetary and non-monetary benefits. On the other hand, Scott & Spriegel (1962) described performance appraisal as a tool that can be used by the

managers to find the effectiveness of the methods applied in hiring and placing an employee. In its recent form, Performance appraisal is a series of activities followed to assess individual employee to find out performance level, to identify training and development requirements and to reward employee on performance achievements (Fletcher, 2001).

The purpose of performance appraisal procedures has been discussed by Mishra (2014) and according to her view; the main purpose is to evaluate how well the individual employee is performing in his or her job. Further, she suggests that performance appraisal should be carried out with pre-determined objectives put in place well ahead conducting the appraisal procedure and it allows managers to provide their employees with a feedback against expected levels. Such feedback gives employees an opportunity to enhance their skills and knowledge as well as it encourages them to achieve success in their job. On the other hand, measuring job performance is a helpful tool for organizations to understand training and development requirement and providing required training and development will enhance the overall productivity of the organization.

Tyson and York (2000) discussed steps to be followed to conduct a proper performance appraisal procedure. They claim that all the employees are aware what is expected of them as it encourages them to achieve expected level of performance. Moreover, it's useful for appraisers, to decide on performance appraisal criteria to be used in assessing individual performance. According to Greenberg (1996), procedural fairness assures the fairness of any performance appraisal system. Accordingly, all the steps followed in the performance appraisals process should be unbiased and transparent. Moreover, to be fair, all the financial benefits should be decided on performance appraisal results. This type of an appraisal will keep employees motivated and encouraged. Performance success of the employees will demonstrate the overall productivity of any organization (Currall, et al., 2005). The saying, 'If you can't measure it, you can't manage it,' is a

valid saying with relevant to measuring employee performance in order to manage it effectively.

Torrington and Hall (1998) have discussed the advantages from carrying out performance appraisals within an organization and according to their performance appraisal is one of the main aspects in the area of human resource management and the performance results are used in making recruitment decisions and career development. Management feedback on each individual employee, encourage them to perform better in the future and as a result, overall company performance will enhance. Additionally, the lacking area of each employee performance will be considered by the human resource managers and to overcome the situation, necessary training and development will be given. The capability to deliver this type of appropriate managerial feedback has been displayed high motivation among employees (Prowse and Prowse, 2009).

Motivation can be identified as the goal-oriented behavior of each person. Hence motivation involves set of internal factors which are the driving forces in people, who regulate their own behavior. Well motivated people have clearly defined goals to achieve and they operate efficiently, as they have realized that their hard work leads to satisfying their needs as well as the requirements of the organization (Armstrong, 1999). According to McShane and Von (2003), motivation has the ability to influence the way, power and enthusiasm of performing in carrying out any work. Petri & Govern (2004) explain motivation as the driving force in an individual that shows differences in intensity of their behavior.

Different needs motivate people in different ways. Most of the people need monetary benefits. Some people crave to have power. Others expect continuous admiration of them. There are some people who want to be left alone. Therefore, it is a duty of managers to clearly identify which factors motivate each employee (Lauby, 2015). On the other hand, the feeling of being recognized and respected seems more



important than money for the majority of people, in motivating them to remain in a particular job (Laurie, 2007).

It is critical for managers to ensure that the workforce is motivated consistently. The workforce is one of the key assets of any company and motivating them, enhance the overall performance of both the employees and the company (Honore, 2009). Sustainable development depends not only on the rational approaches but mostly due to the employees' commitment and motivation to do their jobs (Sims, 2007). Enthusiastic employees are expected to outperform their less enthusiastic colleagues. Bowen and Radhakrishna (1991) argued, saying people's needs and wants are highly volatile and therefore it is a complex task for human resource managers to identify what motivates each employee.

According to the available literature in the area of human resource management, intention to leave is a much-studied subject and terms such as turnover intention, withdrawal intention and intention to quit have been used to give the similar meaning. As various scholars have shown, the turnover intention is clearly different from the term actual turnover. Mobley (1977) defines turnover intention as the intent to quit the job voluntarily. Steers and Mowday (1981) proposed that employees' turnover decision can be considered as rational choices such employee makes on his or her current job and the organization. Past studies have shown that the intention to leave the current job is the best predictors of actual turnover. Hence employees' behavioral target to leave the job is hypothetically apparent as a key forecast for real turnover (Gregory, et al., 2007). Horn, et al. (1992) found in their study that intention to quit and actual turnover had a significant positive relationship.

High employee turnover, eventually could adversely impact the performance of any business (Cotton and Tuttle, 1986). Newstorm and Davis (1994) have identified that high turnover in any organization results in a waste of human resources. Moreover, according to Pigors and Myers (1981) employee turnover creates huge financial impact for

any organization in terms of associated costs. Accordingly, the turnover decision of an employee affects both the employee as well as the employer in many ways. Hence it is critical to identify predictors of employee turnover in order to minimize the damage on company performance (Low, et al., 2001).

Many researchers have attempted to find what determines the employee's intention to leave the present organization. However, due to the vast diversity of the related factors, their findings show a low level of consistency. According to Griffeth, et al. (2000) employment payment related variables make a modest influence on employees' intention to leave. Manu, et al. (2004) revealed that employees plan to leave the organization due to economic factors. Lambert, Hogan & Barton (2001) found that job satisfaction is the most influencing element on employees' turnover intentions.

Moreover, inadequate knowledge on the job, uncertain anticipations of administrators, the uncertainty of performance appraisal techniques, extraordinary job stresses, and the poor job description will create a frustration and dissatisfaction in employees' mind. Ultimately, these will influence employees' intention to leave the job (Tor, et al., 1997). Poon (2004) revealed that employee dissatisfaction with existing performance appraisal procedures creates job dissatisfaction which will increase employees' intention to quit the job. A recent research conducted by Kuvaas (2006) with 593 staffs from 64 banks found a negative relationship between performance appraisal and turnover intention.

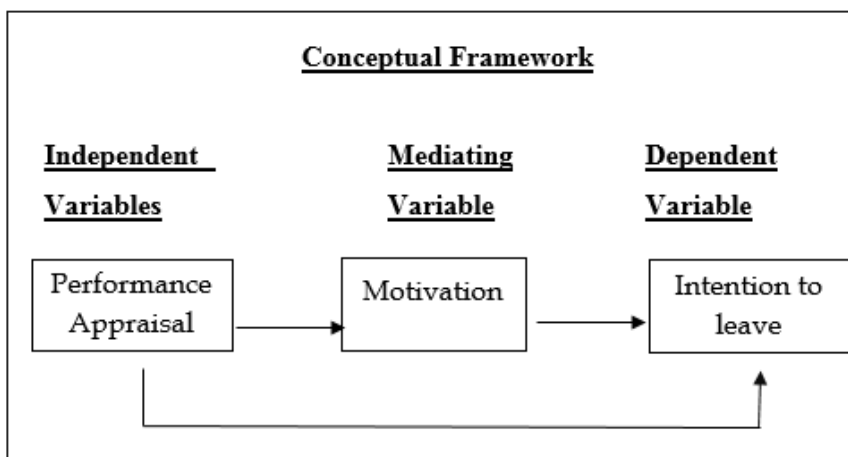
Various researchers have attempted through many studies to find the connection between employee motivation and performance appraisal, but they were unable to establish a direct link between those variables (Vroom, 1964). Petty, et al. (1984) studied the 15 studies that Vroom (1964) conducted in his research and they performed 20 more researches. The results of the study evidence that the employee motivation and performance appraisal are positively interrelated.

Moreover, Gagne, et al. (2000) found a strong positive relationship between motivation and performance appraisal.

Moreover, numerous studies have been undertaken to establish the correlation between motivation and employee turnover intention and most of the research findings showed that those two variables are inversely related. The recent studies (Maertz et al., 2007; Baranik, et al., 2010; Yucel & Bektas, 2012; Samad & Yusuf, 2012; Meyer et al., 2002) also have observed a negative relationship between motivation and employee turnover intention. Maqbool et al. (2012) conducted a research in Pakistan based on 100 government workers and the research results also evident negative relationship between motivation and the turnover intention.

### **Conceptual Framework & Development of Hypotheses**

A framework was developed based on the literature review. Accordingly, independent variable, mediating variable and dependent variable are identified.



*Figure 01: Conceptual Framework for the research*

Based on the conceptual framework hypotheses were developed. They are,

*H1 - There is a relationship between performance appraisal and intention to leave of executive level employees 'at RTS (Pvt) Ltd.*

*H2 - There is a relationship between performance appraisal and motivation of executive level employees 'at RTS (Pvt) Ltd.*

*H3 - There is a relationship between motivation and intention to leave of executive level employees' at RTS (Pvt) Ltd.*

*H4 - There is a mediating effect of motivation between performance appraisal and intention to leave of executive level employees' at RTS (Pvt) Ltd.*

RTS (Pvt) Ltd, employed forty-seven executive level employees and considering the size of the population, a total of forty-seven employees will be taken into the sample. Hence the total population size (N) is 47 and sample size (n) also is 47, out of which only 36 were responding to the questionnaire. The researcher used "Universal Sampling Technique" to collect the data as the population and sample size is equal.

Primary data were collected using questionnaires and the survey questionnaires were developed based on the indicators which were identified after concluding operationalization. The questionnaires were made based on the qualitative and quantitative approaches using the techniques such as Likert Scale and selection.

The researcher examined the relationship between variables. Thus, Microsoft Excel and SPSS (Statistical Package for the Social Sciences) software were used to test the hypotheses of the study and correlation analysis was used as the main statistical tool in this study. Apart from this tool, the researcher used Cronbach's alpha, Descriptive statistics, Karl Pearson correlation coefficient, significant test and Regression analysis. The research covers only executive-level employees' at RTS (Pvt) Ltd.

## Discussion of Findings

The findings of the survey are presented in two sections. The first section provides a description of the demographic factors of executive level employees. Hence, data on age distribution, gender distribution, marital status, and education level will be collected and analyzed. The second section addresses the results of testing the proposed research hypotheses.

*Table 6: Cronbach's Alpha, Mean Value, and Standard Deviation*

<i>Variable</i>	<i>Cronbach's Alpha</i>	<i>Mean Value</i>	<i>Standard Deviation</i>
<i>Performance Appraisal</i>	0.733	2.3217	0.32123
<i>Motivation</i>	0.708	2.9556	0.41158
<i>Intention to Leave</i>	0.727	3.7500	0.25014

Reliability of the collected data was measured through Cronbach's Alpha and as per Table 1 Cronbach's Alpha value of all variables are more than 0.07 and therefore such data can be recognized as reliable.

The mean value of the data represents the overall respondents view on the questionnaire and Table 1 shows the mean value of each variable.

## Testing of Hypotheses

**H1** - There is a relationship between performance appraisal and intention to leave of executive level employees 'at RTS (Pvt) Ltd.

SPSS Software is used to calculate Karl Pearson Correlation to find out the correlation between performance appraisal and intention to leave. As per correlation theory, the value between -0.2 to -0.4 is considered as a weak negative relationship. Accordingly, Karl Pearson Correlation value -0.324 in Table 7, indicates that there is a weak negative relationship between performance appraisal and intention to leave among executive-level employees at RTS.

*Table 7: Correlation between performance appraisal and intention to leave.*

Correlations			
		Performance appraisal	Intention to leave
Performance appraisal	Pearson Correlation	1	-.324
	Sig. (2-tailed)		.054
	N	36	36
Intention to leave	Pearson Correlation	-.324	1
	Sig. (2-tailed)	.054	
	N	36	36

Further, it is essential to identify the accuracy level, which is called as confidence level and 95% is considered as the acceptable level leaving 5% as the error margin. Such error margin of 0.05 is called as a Capital P Table. According to the Table, 7 P value is 0.054 which is greater than the Capital P Table value of 0.05. Therefore, alternative hypotheses cannot be accepted since there is no significant relationship between performance appraisal and turnover intention of executive level employees at RTS. The  $R^2$  value 0.105 shows that performance appraisal has influenced intention to leave only by 10.5%, whereas the balance should have occurred due to other factors which we have not tested here.

**H2** - There is a relationship between performance appraisal and motivation of executive level employees 'at RTS (Pvt) Ltd.

Karl Pearson Correlation calculation in Table 8 shows 0.693 as the correlation value between performance appraisal and motivation. As per correlation theory, the value between 0.6 to 1.0 is considered as a strong positive relationship. Accordingly, Karl Pearson Correlation value 0.693 indicates that there is a strong positive relationship available between performance appraisal and motivation among executive-level employees at RTS.

**Correlations**

		Performance appraisal	Motivation
Performance appraisal	Pearson Correlation	1	.693**
	Sig. (2-tailed)		.000
	N	36	36
Motivation	Pearson Correlation	.693**	1
	Sig. (2-tailed)	.000	
	N	36	36

\*\* . Correlation is significant at the 0.01 level (2-tailed).

*Table 81: Correlation between performance appraisal and motivation.*

According to the Table, 8 P value is 0.000 which is less than the Capital P Table value of 0.05. Therefore, alternative hypotheses will be accepted since there is a significant relationship between performance appraisal and motivation of executive level employees at RTS. The R<sup>2</sup> value 0.481 shows that performance appraisal has influenced motivation by 48.1%, whereas the balance should have occurred due to other factors which we have not tested here.

**H3** - There is a relationship between motivation and intention to leave of executive level employees' at RTS (Pvt) Ltd.

Karl Pearson Correlation calculation in Table 9 shows -0.178 as the correlation value between motivation and intention to leave. As per correlation theory, the value between -0.1 to -0.2 is considered as a very weak negative relationship. Accordingly, Karl Pearson Correlation value -0.178 indicates that there is a very weak negative relationship between motivation and intention to leave among executive-level employees at RTS.

*Table 9: Correlation between motivation and intention to leave.*

<b>Correlations</b>			
		Motivation	Intentiontoleave
Motivation	Pearson Correlation	1	-.178
	Sig. (2-tailed)		.300
	N	36	36
Intentiontoleave	Pearson Correlation	-.178	1
	Sig. (2-tailed)	.300	
	N	36	36



According to the Table, 9 P value is 0.300 which is greater than the Capital P table value of 0.05. Therefore, alternative hypotheses cannot be accepted since there is no significant relationship between motivation and intention to leave of executive level employees at RTS. The  $R^2$  value 0.032 shows that motivation has influenced intention to leave only by 3.2%, whereas the balance should have occurred due to other factors which we have not tested here.

**H4** - There is a mediating effect of motivation between performance appraisal and intention to leave of executive level employees' at RTS (Pvt) Ltd.

Moreover, according to the SOBEL test result, P-value 0.693 also demonstrate there is no significant mediating effect of motivation between performance appraisal and intention to leave of executive level employees at RTS.

Input:		Test statistic:	Std. Error:	p-value:
a	0.888	Sobel test: 0.39470646	0.12373752	0.69305953
b	0.055	Aroian test: 0.38863253	0.12567141	0.697548
$s_a$	0.158	Goodman test: 0.40107438	0.12177293	0.68836536
$s_b$	0.139	Reset all	Calculate	

*Figure 91: SOBEL Test to check mediating effect*

## Conclusion of the Study

There were four research objectives that the researcher, aimed to succeed through this research. One of the main objectives was to identify the relationship between performance appraisal and intention to leave. Karl Pearson Correlation value, -0.324 of the related data, indicated that there is a weak negative relationship between

performance appraisal and intention to leave and value 0.054 denoted that there is no significant relationship between performance appraisal and intention to leave. Hence, it has been proven that there is no significant relationship between performance appraisal and intention to leave of executive level employees at RTS.

Another specific objective of the research was to determine the relationship between performance appraisal and employee motivation at RTS. Karl Pearson Correlation value 0.693 indicated a very strong positive relationship available between performance appraisal and P value 0.000 showed, there is a significant relationship between performance appraisal and motivation. Therefore, the findings of the study evident that there is a significant relationship between performance appraisal and employee motivation of executive level employees at RTS.

Then the researcher attempted to understand the relationship between motivation and intention to leave executive level employees at RTS. Karl Pearson Correlation value, -0.178 showed that there is a very weak negative relationship between motivation and intention to leave and P value 0.300 denoted that there is no significant relationship between motivation and intention to leave. Accordingly, research findings have proved that there is no significant relationship between motivation and intention to leave of executive level employees at RTS.

Furthermore, researcher aimed to identify the mediating effect of motivation between performance appraisal and intention to leave. The result of SOBEL test for relevant data resulted in a P-value of 0.693, and it demonstrated that there is no significant mediating effect of motivation between performance appraisal and intention to leave. Hence the above objective proved as there is no significant effect of motivation between performance appraisal and intention to leave of executive level employees at RTS.

## **Recommendation and Suggestions for future researches**

### ***Recommendations***

According to the research conclusions, it is clear that there is no interconnection between performance appraisal and intention to leave as well as motivation and intention to leave of executive level employees at RTS. Moreover, there is no mediating effect of motivation between performance appraisal and intention to leave which means high employee turnover has not been influenced by limitations in performance appraisal procedures or lack of motivation. Hence intention to leave of executive level employees at RTS should have been influenced by some other factors that need to be investigated further. Discussions had with respondents have shown that below factors may have impacted the intention to leave the company executive level staff.

According to some employees, the management style of RTS has shown few weaknesses such a lack of delegation of power and inappropriate distribution of duties and responsibilities, which have created a frustration in employees' minds. Fewer employees were dissatisfied with their job due to heavy workload and the stress. Hence, they are looking for another job where they can earn the same salary with less workload.

Some employees had grievances, saying they cannot progress any further along their current career path due to various reasons and they wanted to find another job outside RTS to achieve career progression. Some executives who are keen to learn more about their jobs were unhappy about certain repetitive work allocated to them due to the limited job description in their job. Therefore, they were looking for another job where they can learn more. Hence it is recommended to address the above areas, in order to reduce executive level employees' intention to leave at RTS.

### ***Suggestions for future research***

Since the research content has few limitations, researcher suggests identifying other factors that could affect the executive level employees' intention to leave at RTS. Furthermore, larger population and the sample could be considered, without sticking into executive-level employees at RTS. As an example, clerical and top & middle managers should be included in the sample.

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**RELATIONSHIP BETWEEN PERFORMANCE  
APPRAISAL SYSTEM AND INTENTION TO LEAVE  
WITH MEDIATING EFFECT OF PROMOTION AND  
TRAINING & DEVELOPMENT:  
A CASE STUDY OF SRI LANKA NAVY**

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**ABSTRACT**

*Performance Appraisal System helps to make HR related administrative decisions such as promotions and training & development etc. The Sri Lanka Navy also uses Navy Officers' Performance Appraisal System (Sri Lanka Navy Form NAV 206) to make such HR related decisions. The officers in the Sri Lanka Navy are promoted up to the rank of Lieutenant Commander on time-based promotion stream and Commander and above are on vacancy based stream. Then, there is a huge stagnation of promotion of Commander, Captain and Commodore rank in the Sri Lanka Navy because promotions of these officers totally depend upon the number of*

*vacancies available for each rank. The performance appraisal system of Sri Lanka Navy is used to promote these officers and to provide training opportunities for them. However, most of the officers are not satisfied with the transparency of the existing appraisal system. On the other hand, premature retirements of these officers have become a trend and most of them have left the Sri Lanka Navy before maturing the age. There is no any empirical evidence to prove what are the reasons for premature turnover of officers in the Sri Lanka Navy. Therefore, the purpose of this study was to investigate whether appraisal system, promoting and training & development influence on officer's intention to leave. Based on the theories as well, main variables were identified; Performance Appraisal System as a predictor variable, Intention to leave as Criterion variable and Promotion and Training & Development as intervening variables. Data were gathered through questionnaires from 147 officers in the rank of Temporary Lieutenant Commander and above up to Commodore rank officers in the Sri Lanka Navy and discussions were also held with few officers among them. Bivariate and multivariate analyses were mainly used to analyze data. According to the findings of the study, performance appraisal system significantly influences on officers' promotion, training & development. Ultimately, existing appraisal system, promotion, training & development significantly influence officers' intention to leave the Sri Lanka Navy. Promotion significantly mediates and training & development partially mediate the relationship between appraisal system and intention to leave. Thus, promotion and training & development opportunities should be provided for officers through a just and fair performance appraisal. It will lead to minimizing the officers' intention to leave the Sri Lanka Navy. Therefore, a new performance appraisal system should be established to eradicate lapses in the present system.*

**Keywords:** Performance Appraisal System, Intention to Leave, Promotion, Training & Development.

## **Introduction**

The performance of an organization depends upon the total sum of the performance of its members. The success of an organization will therefore depend on its ability to measure accurately the performance of its members and use it objectively to optimize them as a vital resource (Biswajeet 2009). Performance appraisal is described as merit rating in which an individual is rated as better or worse in comparison to others (Tripathi, 2006). Merit rating is used basically for the promotion of employees. However, performance appraisal is a more comprehensive term for such activities, because its use extends beyond ascertaining eligibility for promotion. Such activities may be training and development, salary increase, transfer, discharge, etc. besides promotion (Prasad, 2006). Therefore, the effectiveness of the performance appraisal system will lead to better promotion and training & developments etc. Promotion is negatively influenced quitting intention (Milkovich and Newman, 1993). Training is a tool that can lead to higher levels of employee retention (Colarelli & Montei, 1996; Becker, 1993). So, on the other hand, promotions, training, and development are essential for employee retention and minimize the turnover. Employee turnover represents a vital problem for an organization in terms of loss of talent, additional recruitment and training costs (Loi, et al., 2006). In this type background, Sri Lanka Navy takes most of HR related decisions such as promotion, training & development, etc. based on Sri Lanka Navy Officers' Performance Appraisal System. The heart of this system is the Sri Lanka Navy Form NAV 206.

A military force is only as good as its people. A force with dedicated and competent members has the potential for success in combat. A force whose members lacks the dedication and competence is unlikely to succeed under the strains of war. The human element remains vitally important since the ultimate success in military actions lies with people. The most sophisticated weapon systems cannot operate without human intervention. The Sri Lanka Navy is one of the formidable forces with 55,000 naval personnel including 3023 Commissioned Officers. The

performance of the officers' directly affects to achieve objectives, role, and task of the Navy. An intrinsic part of assuring that capable personnel is fulfilling these missions is the Sri Lanka Navy Officers' Performance Appraisal System. It is clear that purview of a military organization is more likely a dynamic market. Continues surveillance, monitoring and analyzing are required to guide operations. Therefore, all depends upon human activities. Selecting the correct person for the correct position is done based on an appraisal system in SLN too. Performance appraisal and its competitiveness effect on promotion and training & development etc.

The officers in the Sri Lanka Navy are promoted up to the rank of Temporary Lieutenant Commander on time-based promotion stream and Commander and above are on vacancy based stream. Therefore, it creates a barrier to their career progression. Once a cadet joins to the Sri Lanka Navy, he/she will be promoted to the rank of Lieutenant (Lt) on completion of four years and six months that Lieutenant who completes another eight years' service will be promoted to the rank of Lieutenant Commander (LCdr). A Rank of Commander (Cdr), Captain (Capt) and Commodore (Cmde) totally depend upon the number of vacancies available for each rank. Since promotion to the rank of Commander and above and training & developments in the Sri Lanka Navy depend upon the performance appraisal. It should be an impartial and transparent system to avail opportunity to be promoted the best out of the due number of personnel waiting for the promotion as a number of vacancies are limited and to provide opportunities of training and development for correct persons in the correct occasion. If not so, the frustration will create among the officers and organization itself has to compensate due to reason that most suitable officers will leave the organization before matured the age.

The performance appraisal system of the Sri Lanka Navy is used to assist the various administrative decisions such as determining promotions, transfers, and training & development opportunities etc. As per Researchers' observation, it can be observed that some of the officers in the organization were/ are not satisfied with the HR practices

and some of them left and others also will leave the Navy time being if this system continues as it is. Drastically increment of premature retirement since 2009 which is shown in following table 1 clearly proves above statement.

*Table 1: Details of Premature Retirement of Sri Lanka Navy*

Year of Retirement	Ranks					Total
	Lt	LCdr	Cdr	Capt	Cmde	
1999	1					1
2000						0
2001		1				1
2002			1			1
2003			1			1
2004			1			1
2005			1	1		2
2006	1		3			4
2007		1	2			3
2008			3			3
2009		1	6			7
2010			5	2		7
2011		1	3	4	1	9
2012		1	12	9		22
2013		3	4	7		14
2014		7	1	4		12
2015	3	5	4	2		14
2016	3	3	5	3		14
2017 (UP TO 11.10.2017)	4	12	11	5		32
Total up to 11.10.2017	12	35	63	38		148

*Source: HRM- Sri Lanka Navy.*

However, there is no any empirical evidence to prove what exact reason or reasons that has/ have affected the intention to leave or turnover of the officers in the Sri Lanka Navy. Therefore, the problem of the study is, *whether there is an impact of appraisal system, promotion, training & development of Sri Lanka Navy on officers' intention to leave.*

Based on the above problem, following objectives were developed,

1. To determine the influence of performance appraisal system on intention to leave of the officers in the Sri Lanka Navy
2. To identify the mediating effect of promotion on the relationship between performance appraisal system and intention to leave
3. To identify the mediating effect of training & development to the relationship between performance appraisal system and intention to leave
4. To provide practical suggestions to retain officers in the Sri Lanka Navy through Performance Appraisal System, Promotion, Training & Development.

## **Literature Review**

Performance Appraisal is a formal assessment and rating of individuals by their managers at, usually, an annual review meeting (Armstrong, 2006). The Chartered Institute of Professional Development (CIPD) describes Performance Appraisal as an opportunity for individual employees and those concerned with their performance, typically line managers, to engage in a dialogue about their performance and development, as well as the support required from the manager' (CIPD, 2013). Performance appraisal is one of the main HRM practices to measure the effectiveness and efficiency of employee performance (Redman, 2000). A well designed and fair performance appraisal system can attract, motivate as well as improve the performance of the employees. (DeNisi, 2006). Performance Appraisal has become a widely used management tool for businesses around the 1980's. Its modern uses had previously been restricted to Army Officers and Senior Management (Taylor. S, 2005).

Meenakshi, (2012) identified that organizations carry out the Performance Appraisal as a basis for administrative decisions such as promotion, allocation of financial rewards, employee development and identification of training needs. Fletcher, (2004) believes that the

general aims of Performance Appraisal also include motivating staff, succession planning and identifying potential, prompting manager-subordinate dialogue and formal assessment of unsatisfactory performance. Khan (2007), also states that the fundamental objective of performance appraisal is to facilitate management in carrying out administrative decisions relating to promotions, firings, layoffs and pay increases. Promotion opportunity acts as a mechanism for increasing the sense of belongingness and commitment to the organization and consequences is the long-term attachment to the organization (Holtom, 2008). Singh et al. (2011) suggest that Performance Appraisal has been considered as the most significant and vital tool for an organization, for the information it provides is highly useful in making decisions regarding various personal aspects such as promotion and merit increases. Researchers reveal on timely opportunities for promotion and its implementation enhance both the level of satisfaction and commitment of employees in organizations (McNeese-Smith, 2001). Rubel and Kee (2013) consider the promotion opportunity is one of the indispensable constructs of HRM practices to induce the employee commitment to the organization.

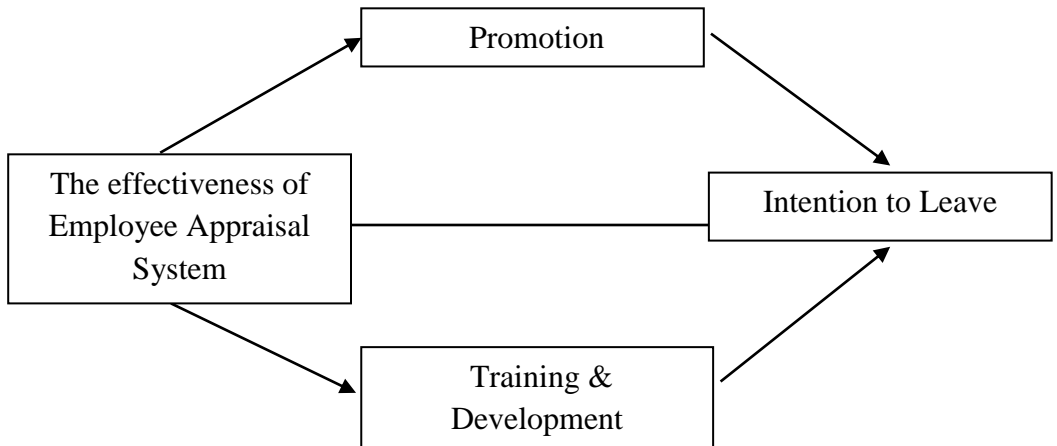
The appraisal is preceded by establishing general objectives or a description of the job, identifying specific job expectations, providing feedback and, coaching' (Hillman. G, 1990). From carrying out the performance appraisal, management then has to make choices in relation to retention, future assignments and training and developmental needs (Hillman. L, 1990). Latham and Wexley (2001) assert that the effectiveness of an organization's performance appraisal system is a prerequisite for ensuring the success of its selection, training, and employee motivational practices. According to Arthur (1994), in addition to performance appraisal, training and development of employees also shape their engagement and commitment towards the organizational development. Training and development programs are undertaken to make the employees capable enough to perform the assigned tasks efficiently and effectively and thus, employees feel more involved towards their jobs.

According to Oluwafemi (2013), turnover intention explains the relative strength of an individual's purpose or intent toward voluntary or permanent withdrawal from an organization. Most organizations are fully aware of the high cost of turnover and expect even higher costs to skilled-performer turnover (Kee, 2015). Due to Obis (2011), organizational performance and its resultant efficiency and effectiveness can only be achieved when individuals are continuously appraised and evaluated. A study carried out by Lau and Moser (2008) has found that an employee who believes the procedures are fair in measuring performance also experiences a higher level of commitment and consequently performs better. Carson et al. (1994) found a significant negative relationship between actual promotion and turnover. Milkovich and Newman (1993) have acknowledged that the promotion is positively related to the salary growth of employees and negatively influence quitting intention. Promotion opportunity acts a decisive role in the employee's decision to leave the organization (Ali & Baloch, 2010). Previous studies proved training contributes to in tangle results such as high organizational-based self-esteem, enhanced organizational commitment and improved participant knowledge and ultimately could affect employee retention and enhance organizational effectiveness (Babu, 2013); (Jehanzeb, 2013); (Armstrong, 2006); (Ahamad, 2003). Whiting and Kline (2007) disclose dissatisfaction with performance appraisal makes employee's intention to quit. This relationship was also justified by Guchait and Cho (2010) who declare performance appraisal is one of the prime components of Human Resource Management which describes a noteworthy undesirable relationship with quitting intention. Ansari, Kee and Aafaqi (2000) in their findings indicate that the fairness perception of Human Resource Management practices has a strong negative impact on the intention to quit. They also claim that performance management and promotion seem to have the similar trend. Ahmad & Lemba (2010) was found that the relationship between performance appraisal politic (motivational motive and punishment motive) and employee turnover intention does exist. Maertz and Campion (1998) argued that an effective way to decrease actual turnover rate is to identify factors that influence turnover intentions.



## Methodology

Following conceptual model was developed based on theories in order to achieve the objectives.



Based on the conceptualization of the study, following hypotheses were developed,

***H1-*** *There is a significant relationship between performance appraisal system and intention to leave of the officers in the Sri Lanka Navy*

***H2-*** *There is a significant relationship between the performance appraisal system and promotion of the officers in the Sri Lanka Navy*

***H3-*** *There is a significant relationship between performance appraisal system and training and development of the officers in the Sri Lanka Navy*

***H4-*** *There is a significant relationship between promotion and Intention to leave of the officers in the Sri Lanka Navy*

**H5-** *There is a significant relationship between training & development and intention to leave of the officers in the Sri Lanka Navy*

**H6-** *Promotion significantly mediates the relationship between performance appraisal system and intention to leave of the officers in the Sri Lanka Navy*

**H7-** *Training & development significantly mediates the relationship between performance appraisal system and intention to leave of the officers in the Sri Lanka Navy*

The selected sample for the research is 147 officers in the rank of Temporary Lieutenant Commander and above up to commodore rank officers in the Sri Lanka Navy. Data were collected through a structured questionnaire and analyzed using bivariate and multivariate analyses.

## Data Analysis & Results

The Pearson's coefficient of correlation was used to measure the associations among variables. The results of the correlation analysis are presented in the below matrix.

The effectiveness of Appraisal System	1			
Promotion	.668(**)			
Training & Development	.398(**)	.475(**)		
Intention to Leave	-.134(**)	-.178(*)	-.281(**)	1
	The effectiveness of Appraisal System	Promotion	Training & Development	Intention to Leave

\*\*. Correlation is significant at the 0.01 level (2-tailed).

\*. Correlation is significant at the 0.05 level (2-tailed).

N= 147

According to the correlation matrix, the effectiveness of the appraisal system is strongly associated with promotion, training & development and intention to leave. Strong positive significant associations show in between Appraisal System and Promotion as well as between Appraisal System and Training & Development. Coefficients of correlations of them are 0.668 at a 0.01 significance level ( $r = 0.668$ ,  $p < 0.01$ ) and 0.398 at a 0.01 significance level ( $r = 0.398$ ,  $p < 0.01$ ) respectively. Negative significant associations show in between promotion and intention to leave as well as between training & development and intention to leave. Coefficients of correlations of them are -0.178 at a 0.05 significance level ( $r = -0.178$ ,  $p < 0.05$ ) and -0.281 at a 0.01 significance level ( $r = -0.281$ ,  $p < 0.01$ ) respectively. There is a strong negative association between the effectiveness of the appraisal system and intention to leave. The coefficient of correlation is -0.134 at a 0.01 significance level. ( $r = -0.134$ ,  $p < 0.01$ ).

Simple linear regression analyses were carried out to investigate the relationships among variables in order to test hypotheses. Baron & Kenny (1986) method was used to investigate the mediating effects. Results of the Regression Analyses are summarized in the following tables.

***The relationship between Effectiveness of Appraisal System and Intention to Leave mediated by Promotion***

*Table 2: Regression Outcome for the relationship between Effectiveness of Appraisal System and Intention to Leave mediated by Promotion*

Step s	Relationships		R <sup>2</sup>	$\beta$	T	Sig.
	IV/s	DV				
1	Effectiveness of Performance Appraisal System	Intention to Leave	.218	-.290	-4.523	.010
2	Effectiveness of Performance Appraisal System	Promotion	.646	.567	10.121	.000
3	Promotion	Intention to Leave	.232	-.140	-3.034	.024
4	Effectiveness of Performance Appraisal System	Intention to Leave	.449	-.118	-1.233	.046
	Promotion			-.126	-2.352	.039

Step 1 - Impact of Performance Appraisal System (IV) on Intention to Leave (DV)

A negative and significant relationship shows between Effectiveness of Performance Appraisal System and Intention to Leave. The regression coefficient is -0.290 at a 0.01 level of significance. R<sup>2</sup> value is 0.218 and it indicates that 22% of the variation in Intention to Leave is

explained by the Performance Appraisal System. Therefore, following hypothesis is accepted.

*H1- There is a significant relationship between performance appraisal system and intention to leave of the officers in the Sri Lanka Navy*

Step 2 – Impact of Performance Appraisal System (IV) on Promotion (MED)

A positive and significant relationship shows between Effectiveness of Performance Appraisal System and Promotion. The regression coefficient is 0.567 at a 0.01 level of significance.  $R^2$  value is 0.646 and it indicates that 65% of the variation in the Promotion is explained by the Performance Appraisal System. Therefore, following hypothesis is accepted.

*H2- There is a significant relationship between the performance appraisal system and promotion of the officers in the Sri Lanka Navy*

Step 3 – Impact of Promotion (MED) on Intention to Leave (DV)

A negative and significant relationship shows between Promotion and Intention to Leave. The regression coefficient is -0.140 at a 0.05 level of significance.  $R^2$  value is 0.232 and it indicates that 23% of the variation in Intention to Leave is explained by Promotion. Therefore, following hypothesis is accepted.

*H4- There is a significant relationship between promotion and Intention to leave of the officers in the Sri Lanka Navy*

Step 4 - Impact of Performance Appraisal System (IV) and Promotion (MED) on Intention to Leave (DV)

A negative and significant relationship shows between Promotion and Intention to Leave. The regression coefficient is -0.126 at a 0.05 level of significance. Next, a negative and significant relationship shows between Effectiveness of Performance Appraisal System and Intention

to Leave. The regression coefficient is -0.118 at a 0.05 level of significance.  $R^2$  value is 0.449 and it indicates that 45% of the variation in Intention to Leave is explained by the Performance Appraisal System and promotion.

*If all four of these steps are met, then the data is consistent with the mediation hypothesis according to the Baron & Kenny's procedures. If, however, only the first three steps of Baron & Kenny's procedures are satisfied, then partial mediation is observed in the data (Baron & Kenny, 1986).*

Accordingly, Promotion fully mediates the relationship between performance appraisal system and intention to leave. Therefore, following hypothesis is accepted.

***H6- Promotion significantly mediates the relationship between performance appraisal system and intention to leave of the officers in the Sri Lanka Navy***

***The relationship between Effectiveness of Appraisal System and Intention to Leave mediated by Training & Development***

*Table 2: Regression Outcome for the relationship between Effectiveness of Appraisal System and Intention to Leave mediated by Training & Development*

Steps	Relationships		R <sup>2</sup>	$\beta$	t	Sig.
	IV/s	DV				
1	Effectiveness of Performance Appraisal System	Intention to Leave	.218	-.090	-1.523	.030
2	Effectiveness of Performance Appraisal System	Training & Development	.359	.349	4.893	.000
3	Training & Development	Intention to Leave	.279	-.215	-3.305	.001
4	Effectiveness of Performance Appraisal System	Intention to Leave	.280	-.017	-.279	.781
	Training & Development			-.207	-2.910	.004

Step 1 - Impact of Performance Appraisal System (IV) on Intention to Leave (DV)

A negative and significant relationship shows between Effectiveness of Performance Appraisal System and Intention to Leave. The regression coefficient is -0.090 at a 0.05 level of significance. R<sup>2</sup> value is 0.218 and it indicates that 22% of the variation in Intention to Leave is

explained by the Performance Appraisal System. Therefore, following hypothesis is accepted.

***H1-** There is a significant relationship between performance appraisal system and intention to leave of the officers in the Sri Lanka Navy*

Step 2 – Impact of Performance Appraisal System (IV) on Training & Development (MED)

A positive and significant relationship shows between Effectiveness of Performance Appraisal System and Training & Development. The regression coefficient is 0.349 at a 0.01 level of significance.  $R^2$  value is 0.359 and it indicates that 36% of the variation in Training & Development is explained by the Performance Appraisal System. Therefore, following hypothesis is accepted.

***H2-** There is a significant relationship between performance appraisal system and Training & Development of the officers in the Sri Lanka Navy*

Step 3 – Impact of Training & Development (MED) on Intention to Leave (DV)

A negative and significant relationship shows between Training & Development and Intention to Leave. The regression coefficient is -0.215 at a 0.01 level of significance.  $R^2$  value is 0.279 and it indicates that 28% of the variation in Intention to Leave is explained by Training & Development. Therefore, following hypothesis is accepted.

***H4-** There is a significant relationship between Training & Development and Intention to leave of the officers in the Sri Lanka Navy*

Step 4 - Impact of Performance Appraisal System (IV) and Training & Development (MED) on Intention to Leave (DV)



A negative and significant relationship shows between Training & Development and Intention to Leave. The regression coefficient is - 0.207 at a 0.01 level of significance. However, if a negative relationship shows between Effectiveness of Performance Appraisal System and Intention to Leave, it's statistically insignificant.  $R^2$  value is 0.280 and it indicates that 28% of the variation in Intention to Leave is explained by the Performance Appraisal System and Training & Development.

*If all four of these steps are met, then the data is consistent with the mediation hypothesis according to the Baron & Kenny's procedures. If, however, only the first three steps of Baron & Kenny's procedures are satisfied, then partial mediation is observed in the data (Baron & Kenny, 1986).*

Because only the first three steps are satisfied, Training & Development partially mediate the relationship between performance appraisal system and intention to leave. Therefore, following hypothesis is partially accepted.

***H6- Promotion significantly mediates the relationship between performance appraisal system and intention to leave of the officers in the Sri Lanka Navy***

## **Discussion, Conclusion & Recommendations**

The aim of this study was to investigate the influence of performance appraisal system, promotion, training & development of Sri Lanka Navy on Officers' intention to leave. The performance appraisal system of Sri Lanka Navy is used to promote officers and provide training opportunities for them. Researchers wanted to study its impact on officers' intention to leave. According to the findings of the study, there is a strong impact of performance appraisal system for officers' promotion, training & development. Ultimately, existing appraisal system, promotion, training & development influence officers' intention to leave the Sri Lanka Navy. According to the findings,

promotion significantly mediates and training & development partially mediate the relationship between appraisal system and intention to leave. Therefore, promotion and training & development opportunities should be provided for officers through an accurate, just and fair performance appraisal to minimize the officers' intention to leave the Navy.

So, a well-designed and fair performance appraisal system should be established, as there is a huge stagnation of promotion to the rank of Commander and above in Sri Lanka Navy and these promotions highly depend on current appraisal system. As per the findings, the majority of the officers do not accept this process. Most of the officers are also dissatisfied about the transparency, the feasibility of measuring of the required standard, faith in available appraisal system, impartial evaluation by the evaluators, sustainability of the present system, a reflection of 360 degrees of performance, just and fair manner of the existing appraisal system.

Promotion is one of the sensitive issues in every employee's life. Since performance appraisal is directly affecting the promotion of officers in the Sri Lanka Navy, an appraisal should be carried out impartially with sound criteria to prevent turnover which will be an extra burden to the Sri Lanka Navy. An Appraisal System must be developed and implemented to select most suitable officers for promotion and training & development since the appraisal system is the key for all such selections and it will totally affect for career development of the officers in the Sri Lanka Navy.

Introduction of a new performance appraisal system to address lapses in the present system is essential. It is required to set a standard which is to be adopted in order to prevent favoritism as well as preventing of being partial. It will be helpful to prevent unethical bringing up certain officers up on the ladder and the avail opportunity to be promoted the best out of the due number of officers waiting for the promotion. The new system is required to be adopted with 360-degree appraisal system. A further new system needs to be included indicators to measure

performance, ability or capability of the officer. In the meantime, it needs to be completed the appraisal process by directing officers for promotion, training and rewarding. Ultimately, it will cause to reduce officers' intention to leave the Sri Lanka Navy.

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**IMPACT OF JOB SATISFACTION ON  
ORGANIZATIONAL COMMITMENT OF CLASS  
ONE OFFICERS OF SRI LANKA  
ADMINISTRATIVE SERVICE:  
MODERATING EFFECT OF INDIVIDUALISM**

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**ABSTRACT**

*This study examines the relationship between job satisfaction and organizational commitment of class one officers of Sri Lanka Administrative Service (SLAS). As well as to measure the moderate effect of individualism between job satisfaction and organizational commitment.*

*The sample of this research consisted 108 classes I SLAS Officers who work for the top ten Cabinet Ministries. These officers are working in key designations at relevant Ministries.*

*Theoretically, the study has analyzed and formulated a conceptual framework for the research. Methodologically, the data used in the study were collected from ten cabinet ministries at a one time. SPSS 20 version was used for analyzing data.*

*The statistical results of the study revealed that there is a significant and positive relationship between job satisfaction and organizational commitment among the class I SLAS officers, further to that results showed a slightly moderate effect of*

*individualism on the relationship of job satisfaction and organizational commitment.*

**Keywords:** Job satisfaction, Organizational commitment, Individualism, Sri Lanka Administrative Service.

## **Background of the Study**

Sri Lanka Administration Service (SLAS) is a premier government service which is assigned to deliver civil administration and development activities of the government. This service established by the British Government during the Colonial Era (SLIDA, 1992). The history of Sri Lanka Administrative Service dates back to 1802. Accordingly, a group of officers was appointed from Great Britain in 1802, for the administration due to certain practical issues. That was the beginning of the Civil Service of the country and later on, it was named as Ceylon Civil Service 1833 based on the British Civil Service. In 1963 it was renamed as Ceylon Administrative Service with the inclusion of Divisional Revenue Officers Service. Further, it has been established as Sri Lanka Administrative Service in 1972 after Sri Lanka became a Republican State. At present Sri Lanka Administrative Service is implemented as the major civil service of the country (Warnapala, 1994, Administration Reforms, 2006).

In the present administration system, the SLAS officers were assigned to various kinds of government institutions to carry out the administration and development activities on behalf of the government. Therefore the level of work performance and the organizational commitment of the SLAS officer is highly required for the betterment of the public service delivery.

Those SLAS officers can be categorized into four main levels. They are a special grade, Class One, Class Two, Class Three. (Government Gassette, 2005). Newly recruited officers and officers whose service below 10 years included under Class Three. They are the lower level

and functional level managers of the government organizations and they are in the lower level of the hierarchy. Class Two includes officers whose service are under 17 years. The SLAS officers whose completed over 17 years included Class One and the most senior Class One officers are recruited as special grade officers.

Mainly this study examines the relationship between job satisfaction and organizational commitment of the Class One SLAS officers. Class One SLAS officers have a decision making, policy planning, and implementation powers. Therefore, this research targeted the Class One SLAS officers.

### **Problem Statement**

Currently, the Government of Sri Lanka maintains 6% to 8% economic growth (<http://www.treasury.gov.lk/>,2012). Hence it is vital to maintaining efficient and effective public service.

According to the structure of the civil service of the country, Sri Lanka Administrative Service is used to manage and supervise the civil administration and the development activities.

Many studies have proved that there is a positive relationship between organizational commitment and organizational efficiency and effectiveness.

It implies that when the employees are satisfied with their job, they will give the fullest commitment to their respective organization to accomplish its objectives. Hence it is the responsibility of the management to have and maintain the happy workforce. To make them happy, organizations have to provide high salaries, career advancement, good working conditions etc. But even though the organizations provide so many facilities it is very difficult to make the employees committed to work due to their negative attitudes. They give priority and commitment to personal interest rather than committed to the organization. Also, the individualistic behavior of

the employees is one of the key moderate factors in between the job satisfaction and organizational commitment. (Goncalo, 2005)

This research is based on the observations which are identified by the Ministry of public administration and the Ministry of Finance and Planning. (Treasury performance report, 2011) and the Parliament Sub Committee on Public Accounts (COPA report, 2011). According to those reports, the level of organizational commitment of the senior members of the Sri Lanka Administration Service (SLAS) is not in a satisfactory level. If this situation continues, the effectiveness of public sector governance will be collapsed.

There is hardly any research done in Government ministries targeting SLAS officers with regard to their job satisfaction and organizational commitment. This study fills the gap in the knowledge. Therefore the problem statement can be described as follows.

To what extent job satisfaction has an effect on the organizational commitment to moderate effect of individualism, of the class I SLAS officers.

### **Research Questions**

1. What is the relationship between job satisfaction and organizational commitment of the class 1 SLAS officers?
2. What is the moderating effect of individualism on the relationship between job satisfaction and organizational commitment of the class 1 SLAS officers?

### **Research Objectives**

1. To examine the relationship of job satisfaction on organizational commitment and organizational commitment of the class I SLAS officers.

2. To examine the moderate effect of individualism between job satisfaction and the organizational commitment of the class I SLAS officers.
3. To suggest positive factors which effect to improve job satisfaction and organizational commitment of the class I SLAS officers.

## **Literature Survey and Statements of Hypotheses**

### ***Job satisfaction***

Job satisfaction is the most important of one's feelings and attitude towards one's job. Graham, 1992 (sighted by Babara, 2003) it's about how employees feel about different aspects of their job. Fredric Herzberg, 1959 (sighted by Baksh, 2011) had explained links with Maslow and believe in the two-factor theory of motivation in relation to job satisfaction. This theory explains certain factors that a business could introduce that would directly motivate employees to work harder (Motivators).

Job satisfaction which defines the extent to which people either like or dislike their jobs, Locke, 1976, is the effective emotional response of jobholders to their jobs and represents a set of measures about the extent to which individuals derive pleasure from their jobs. Muchinsky, 1987, (sighted by Saxon, 2012) who supports this definition defines job satisfaction as, a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences.

One issue that has not yet been fully resolved is the high correlation found between job satisfaction and organizational commitment. Thus, the question is whether job satisfaction is an antecedent of organizational commitment or organizational commitment is an antecedent of job satisfaction. Bateman and Stressor, (1984) indicate

that organizational commitment is an antecedent of job satisfaction, while Meyer and Allen (1997) indicate the opposite.

### ***Organizational Commitment***

To Northcraft and Neale (1996), commitment is an attitude reflecting an employee's loyalty to the organization and is an ongoing process through which organization members express their concern for the organization and its continued success and wellbeing. Organizational commitment is determined by a number of factors, including personal factors (e.g., age, tenure in the organization, disposition, internal or external control attributions); organizational factors (job design and the leadership style of one's supervisor); non-organizational factors (availability of alternatives). All these things affect subsequent commitment (Northcraft and Neale, 1996). And they see commitment as an attachment and loyalty. These authors describe three components of commitment (1) Identification with the goals and values of the organization (2) A desire to belong to the organization (3) A willingness to display effort on behalf of the organization;

A similar definition of commitment emphasizes the importance of behavior in creating it. Salancik, (1977) conceives commitment as a state of being in which an individual becomes bound by his actions and it is these actions that sustain his activities and involvement. From this definition, it can be inferred that three features of behavior are important in binding individuals to act: visibility of acts, the extent to which the outcomes are irrevocable; and the degree to which the person undertakes the action voluntarily.

### ***The relationship among Job Satisfaction and Organizational Commitment***

Adeyinka, (2007) established that higher-level of organizational commitment and job satisfaction relate to managerial support staff.

Effective managers make positive impressions on other people in the organization and this enhances organizational commitment (Terzi and Kurt, 2005). If managers provide a supportive environment for employees, then employees make more effort to achieve organizational goals (Giffords, 2009). Numerous studies have found a positive relationship between job satisfaction and organizational commitment (Yang and Chang, 2007). The higher employees' job satisfaction, the lower is personnel turnover and absenteeism conversely, when the job satisfaction level is low, employees' commitment to the organization is also low and they have a tendency to seek different job opportunities (Silverthorne, 2005).

### ***Individualism***

Personal individualistic attitude is the other main factor which is affecting the individual employees. This attitude can be broadly defined as a settled mode of thinking just for one person-centric or work for a personalized agenda to get a maximum benefit for own self. Individualists attitudes are evaluative. As Makin *et al.*., (1996) explained, any individualistic attitude contains an assessment of whether the object to which it refers is like or dislike. Also, individualistic attitudes are developed through experience, but they are less stable than traits and can change as new experience gained or influences absorbed. (Armstrong, 2009).

Attention to Asian work practices has coincided with and perhaps fueled an increasing reliance on work groups in Western organizations. U.S. corporations have become increasingly team based with employees spending a larger proportion of their time working in groups. As a result, it has become increasingly important to understand how employees might best meet the demands of a cooperative work environment. And, according to many management scholars, what is needed is a fundamental shift from the individualistic mindset that has traditionally characterized the American workplace to a more collectivistic approach that places the needs of the group over those of the individual. Locke et al., (2005)

found that moving from an individualistic to collectivistic orientation has many potential implications. For example, it has been observed that collectivist group values, reduce social loafing and increase cooperation, and that person in collectivist organizational cultures will identify more strongly with their workgroups. However, there may also be some downside risks associated with a shift toward collectivism. Although collectivistic values may promote feelings of harmony and cooperation, they may also extinguish the creative spark necessary for innovation. Given the widely recognized importance of creativity for sustaining competitive advantage, such a byproduct of collectivism might have considerable negative consequences.

Just as Western businesses have intensified their efforts to learn from Asian organizations, so too has there been a rise in research on cross-cultural differences between the two regions. Asian and Western cultures have been distinguished along a variety of characteristics. However, it is the dimension of individualism and collectivism that has received the most attention from psychologists specializing in cross-cultural research.

Cultural values of individualism and collectivism differ in their relative emphasis on independence versus interdependence with one's group. In individualistic cultures, people are viewed as independent and possessing a unique pattern of traits that distinguish them from other people. In contrast to such independence and uniqueness, people in collectivistic cultures view the self as inherently interdependent with the group to which they belong. Therefore, whereas people in individualistic cultures often give global and abstract descriptions of themselves (e.g. I am optimistic), people in collectivistic cultures might ask how they could possibly describe themselves in the absence of information about a particular situation. Line judgment task suggested that Asians demonstrated a stronger tendency to conform than Americans. In fact, the very concept of conformity may have different connotations in different cultures. While conformity is often viewed negatively in an



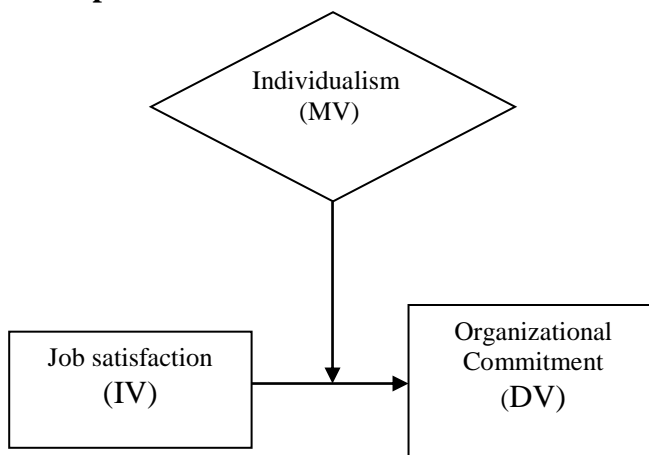
individualistic culture, uniqueness can be viewed as a form of deviance and conformity associated with harmony in a more collectivist culture, (Kim & Markus, 1999).

Because the person's identity is closely linked to his/her social group in collectivistic cultures, the primary goal of the person is not to maintain independence from others, but to promote the interests of the group. In contrast, most people in individualistic cultures assume that their identity is a direct consequence of their unique traits. Because of the norms of individualistic cultures stress being true to one's self and one's unique set of needs and desires. Based on the above literature, it is postulated the following hypotheses.

***H1 – There is a positive relationship between job satisfaction and organizational commitment of the class I SLAS officers.***

***H2 –The relationship between job satisfaction and the organization's commitment is moderated by the individualism of class I SLAS officers.***

## Conceptual Framework



*Figure 01: Conceptual framework*

According to the conceptual framework of the study job satisfaction is the independent variable and organizational commitment is the dependent variable. Further individualism is the moderating variable.

## Research Methodology

### *Population and Sample*

This study has investigated the relationship between job satisfaction and organizational commitment of the class 1 SLAS officers. Also, this study examined the moderating effect between the relationship job satisfaction and organizational commitment. Relevant data were collected from top ten cabinet ministries in which most of class 1 SLAS officers are working. The present carder for SLAS is around 2200.

The Population of the study includes the number of Class I SLAS officers who worked in the top ten Cabinet Ministries. The total number of class I SLAS officers worked in top 10 cabinet ministries (Government Gazette – 2010/04.30) is 147 (Database of Department of Management Services, General Treasury, 31/03/2013). That means targeting population is limited to 147 numbers of class I SLAS officers.

The sample size is decided by using a sample table developed by Kerjice and Morgan (1970) as in Sekaran & Bougie (2011). According to the relevant population, given sample size is 108. This study utilized convenience sampling technique to select the sample for data collection.

### ***Measurement***

A survey questionnaire was developed, including forty questions covering to measure job satisfaction, organization's commitment, and individualism. The organization commitment questionnaire (OCQ) developed by Mayer and Allen (1997), overall job satisfaction scale (OJS) developed by Brayfield and Rothe, (1951) and the Minnesota Satisfaction Questionnaire (MSQ), developed by Weiss et al., (1967) was used to develop the research questionnaire

## **Data Analysis and Presentation**

### ***Profile of the Sample***

Out of a total number of 108 questionnaires distributed only 96 respondents successfully completed the questionnaires and returned. The descriptive statistics of the study reveal that out of the sample of respondents' females are the highest percentage of responding at 52.1%, whilst male at 47.9%. Further the statistical results show that age between 40 – 50 has the highest percentage of respondents at 45.8%, age between 40 – 50 has the 43.8% and 10.4% having an age

between 50 – 60. The majority of the respondents (63%) have 8 years or above experiences in the existing organization and 26% of the sample has more than four years of work experience in the existing organization.

### ***Reliability of the Questionnaire***

Reliability is checked on the final sample data for all the relevant variables and dimensions. Affective commitment, organizational policies and supervisor's management style have the highest reliability coefficient and that was more than 0.7. For normative commitment, individualism and working conditions, Cronbach's Alpha was between 0.6 and 0.7. Hence the reliability of the entire questionnaire was at a satisfactory level.

## **Testing of Hypotheses**

### ***Correlation Analysis of Variables***

The correlation analysis is conducted to determine the association between two or more variables listed as groups and the strength of that association. The value should fall between 0.00 (no relation) and 1.00 (perfect relation). Table 01 shows correlation analysis between all the groups of studied variables. The correlation is significant at 0.01.

*Table 01: Correlations between Job Satisfaction, Organizational Commitment & Individualism*

		INDI	JOBS AT	ORGC O M
INDI	Pearson Correlation	1	.362**	.383**
	Sig. (2-tailed)		.000	.000
	N	96	96	96
JOBS AT	Pearson Correlation	.362**	1	.682**
	Sig. (2-tailed)	.000		.000

ORGCOM	N	96	96	96
	Pearson Correlation	.383**	.682**	1
	Sig. (2-tailed)	.000	.000	
	N	96	96	96

Table 01 showed that all the relevant relationships are significant. As well all the relationships are positively correlated. The strongest correlation is observed between job satisfaction and organizational commitment ( $r = 0.682$ ), and this correlation is significant and positive, (Sig. = 0.000  $p < 0.01$ ). Second strongest correlation is shown between job satisfaction and affective commitment ( $r = 0.585$ ), and this correlation also significant and positive, (Sig. = 0.000  $p < 0.01$ ).

**H1:** There is a relationship between job satisfaction and organizational commitment.

*Table 02: Model summary for H4*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.682 <sup>a</sup>	.466	.460	.43921

a. Predictors: (Constant), Job Satisfaction

*Table 03: ANOVA<sup>b</sup> Test for H4*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.805	1	15.805	81.929	.000 <sup>a</sup>
	Residual	18.133	94	.193		
	Total	33.938	95			

a. Predictors: (Constant), Job Satisfaction

Table 02 summarizes the results of the regression test and shows how much of dependent variable (organizational commitment)

variance is explained by the independent variable. According to the regression summary table, R<sup>2</sup> value is 46.3 which imply that 46.33% variation in organizational commitment is due to job satisfaction. That means hypothesis is supported by the data, therefore H1 is accepted.

**H2** –The relationship between job satisfaction and the organization’s commitment is moderated by individualism.

*Table 04: Model Summary for H2*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.698 <sup>a</sup>	.487	.476	.43265

a. predictors: (constant), individualism, job satisfaction

*Table 05: ANOVA Test for H2*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.530	2	8.265	44.153	.000 <sup>a</sup>
	Residual	17.408	93	.187		
	Total	33.938	95			

a. predictors: (constant), indi, job satisfaction

b. dependent variable: organizational commitment

The Table 04 shows the results of the regression test and it explains how much of the organization’s commitment (dependent variable) variance with the moderating effect of individualism. According to the model, R is 0.698 which indicates that the model is successful in predicting elements to achieve the organizational commitment and it’s explained 48% of the variance leading to the organizational commitment and Table 05 observed F value 44.153 has a P value of 0.000 as associated with it shows the model reaches a statistically significant (Sig. =0.000 p<0.05)

According to this result shown in Table 04, it was observed there is 46% of the variance leading to the organization's commitment without moderating effect of the individualism. Table 05 shows, that variance level was increased by 2% by the individualism (moderate variable). That statistic explained there is less positive, a moderate effect of individualism on the relationship between job satisfaction and organizational commitment. That means hypothesis is supported by the data. Therefore, H2 is accepted.

## **Discussion**

This study offers additional insight into the relationship between job satisfaction and organizational commitment. In this research, job satisfaction was used as an independent variable and six dimensions were identified to measure job satisfaction.

Organizational commitment is the dependent variable. It focuses on employee commitment to the organization under three areas: (a) effective commitment exists when employees stay with the organization because they want to, (b) continuous commitment exists when employees stay with the organization because they need to, and (c) normative commitment exist when employees stay with the organization because they feel they ought to, (Mayer & Allen, (1997).

To study the Individualistic attitudes of the class I SLAS officers was measured to identify any moderate effect in between the relationship of job satisfaction and organizational commitment. The statistical results of the study reveal that the findings in relation to the moderate effect of individualism in between the relationship of job satisfaction and organizational commitment. The results of the regression analysis further revealed that 48.7% variation in organizational commitment is explained by job satisfaction. Correlation also increased to 0.698, this relationship is statistically significant. (Sig. = 0.000 p, 0.01) that means, according to the model summary and ANOVA analysis, with the moderate effect of individualistic attitude, the correlation in between job satisfaction and

organizational commitment was increased by 0.016 and variance level also increased by 2.1% leading to the organizational commitment. According to this statistical evidence, there was a little moderate effect of individualistic attitude in between the relationship of job satisfaction and organizational commitment.

These results can be explained by the practical working situations of the SLAS officers. A Senior officer in the class I, need work for their career development. In that context, they must establish their professionalism and expertise. This also can be linked to the promotional aspects. They need to get promotional designations like Director Generals, Additional secretaries, and secretaries. That means they need to work with individualistic attitude too.

### **Recommendations**

Based on the research findings following recommendations can be made for the attention of the relevant authorities.

Based on the research findings, performance appraisal system, supervisor's management style, organizational policies, and recognition are highly relevant to Class I SLAS officer's job satisfaction. Therefore it is needed to be more focus on maintaining fair performance appraisal system, organizational policies, supervisor's management style and recognition because research finds the strongest relationship between above factors and job satisfaction. Also, above mentioned other areas should be considered as important factors for the service improvement plans.

The overall research finding is there was a significant and positive correlation between job satisfaction and organizational commitment, of the Class I SLAS officer. That also highlighted the policymakers and high-level administration authorities must consider this relationship for the future administration policy-making processes. If the Government identified the existing organization commitment level was not at a satisfactory level, then this point is needed to be taken as a serious issue.



These research findings also suggest that the performance appraisal system was positively related to job satisfaction and individualism also showed a slightly moderate effect in between the relationship of job satisfaction and organizational commitment.

## **Conclusion**

With the increasing competitiveness in the public-sector managers and environment of the promising economic development, it is more important than ever that organization's commitment of the class I SLAS officers. In this research, it used many techniques to help and assess the variables.

To determine the association between the studied group of variables and dimensions, it conducted a correlation test. The strongest correlation was found to be between job satisfaction and organizational commitment, (0.682), and weakest between job satisfaction and organizational commitment (0.292). First research question and hypothesis were linked to these results. According to research findings, experience in existing organization and experience under the existing supervision were shown the positive variance and significant relationship with the organizational commitment.

Furthermore, regression analysis conducted to test the relationship between the different variables and answer research hypotheses. The results showed that job satisfaction significantly influences the organizational commitment. H1 is accepted and it can be described as "there is a significant and positive correlation between job satisfaction and organizational commitment". H2 can be accepted, but individualism did not show a strong moderate effect in between the relationship of job satisfaction and organizational commitment. It can be described as "the relationship between job satisfaction, organizational commitments were slightly moderated by the individualism".

The final finding of this research was explained as there was a significant and positive correlation between job satisfaction and

organizational commitment among the class I SLAS officers, who worked at the top ten Cabinet Ministries. According to the initial research problem of this study parliament, CPPA report (2011) mentioned the Senior SLAS officers' organization's commitment was not at a satisfactory level. This research finds a significant relationship between job satisfaction and organizational commitment. Therefore national priority should be given to the implement some measures to improve job satisfaction of the senior SLAS officers because they are responsible for the public-sector management and economic development of the country.

This research conducted to examine the relationship between job satisfaction and the organizational commitment. To examine the deep relationship between these variables, research should be conducted to examine the level of job satisfaction and the relative level of organizational commitment.

Also, additional research should be conducted using more dimensions under job satisfaction. This is may be useful to get understand about complex relationships in-between relevant dimensions and other relationships on job satisfaction and organizational commitment.

Lastly, researchers might further examine the political interference in the relationship of job satisfaction and organizational commitment. Because the in the present practical situation political influence and other related activities can be affected by these relationships too.

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# **THE IMPACT OF PERFORMANCE APPRAISAL PROCESS ON EMPLOYEE JOB SATISFACTION OF EXECUTIVES: EVIDENCE FROM A MOTOR COMPANY IN SRI LANKA**

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## **ABSTRACT**

*Employee job satisfaction is one of the critical factors in an organization that allows gaining a competitive advantage in the long run. The reason is, the satisfied employee will be the motivated and the engaged employee who will add productivity to the business process. If the management can ensure that employees are satisfied they can push the employees to be engaged and add value to the organization. In the ABC Motor Company Ltd, they have implemented a Computerized Performance Appraisal system recently with the intention of enhancing the organizational performance. But, informal discussions with them provided evidence that the employees have issues with the new change in the status quo. Therefore, the purpose of the study is to identify the*

*relationship between Performance Appraisal process and the job satisfaction among the executives in the ABC Motor Company Ltd. Sixty executives in the company have been selected as the target population and the data were collected from them and directed them for analysis. Within the scope of this study, Performance Appraisal process and factors that lead to job satisfaction have been discussed in the review of the literature. The study analyses the five major factors related to Performance Appraisal process that triggers the employee job satisfaction as performance standards setting/goal setting, regular feedback, and coaching, supervisory support, computerizing the performance appraisal process and the planning personal development and expected to identify the significance of each factor towards the employee job satisfaction.*

*Keywords -Employee job satisfaction, Performance Appraisal process*

## **Background**

Today, the dynamic business world is being changed rapidly with the intervention of novel technology and innovative business procedures. Therefore, it increases the competition among the existing business organization as all are trying to make the advantage of the new technology in their business. Hence, it is apparent that the organizations need a unique strategy to gain a competitive advantage and also which will ensure the growth and the long-term survival of the organization in a challenging environment. An authentic uniqueness can be created by the pool of competent employees in an organization. For that, it is essential the employees be highly motivated and satisfied because then, they will deliver beyond the maximum they could.

Obviously, it is the responsibility of the Human Resource department to create a motivated and satisfied workforce to achieve organizational goals and objectives in the long run. Employee job satisfaction can be defined as an emotional response to a job situation, also it is often determined by how well outcomes meet or exceed expectations.



Moreover, job satisfaction represents several attitudes as pay, promotional opportunities, working conditions, co-worker relationship, supervision and the work nature (Luthan, 2002).

Moreover, job satisfaction is defined as the feeling that a worker has about his job experiences in relation to previous experiences, current expectations or available alternatives (Balzer, et al.,1997, p. 7) To create a set of satisfied employees, performance appraisal process provides a major initiator. The performance appraisal process can be used to set performance standards and make sure that employees are adhering to them. If so employees are rewarded and recognized. If not, performance gaps are identified and development opportunities are provided with special attention to enhance the expected competencies in them.

Performance Appraisal is a method of evaluating the behavior of employees in the work spot, normally including both the quantitative and qualitative aspects of job performance. The performance here refers to the degree of accomplishment of the tasks that make up an individual's job. It indicates how well an individual is fulfilling the job demand. (Bagul, 2013). Human Resource Management plays a crucial role in an organization because they are responsible for creating a competitive advantage using people. People make things happen in an organization. Therefore, investing in them must be done accurately, to ensure that those intangible assets will generate an ROI rather than adding another cost factor in the organization. Hence, the HR department should be on alert and examine whether their efforts create a pool of motivated and satisfied employees.

It has been researched and proved that employee job satisfaction has a direct link to the employee performance. Employee performance will lead to increased productivity, decreased turnover, increased attendance, less job stress and etc. Sometime not all the satisfied employees will deliver a value aligned to the overall organizational value, but at least if they are satisfied, most probably they will retain and the organization could make them engaged in the very next step.

When employees are achieving the set goals and objectives, their particular contribution to the organizational success is measured and enhanced through the performance appraisal process. The performance appraisal process can be used by the organizations not as a tool to explore where have they gone wrong, but as a future development tool for the employees to mitigate the drawbacks as much as possible.

This research will explore whether there is an impact of performance appraisal process on the job satisfaction of the executives of the ABC Motor Company Ltd.

## **Literature Review**

Performance appraisal (PA) is a set of structured, formal interactions between a subordinate and a supervisor, usually in the form of a periodic interview, in which the performance of the subordinate is reviewed and discussed, with an emphasis on identifying weaknesses and strengths as well as opportunities for performance improvement and skill development (Latham and Wexley, 1994). Moreover, Performance appraisal (PA) is an important human resource practice and a tool which provides information to many critical human resource decisions such as training and development needs (Taylor et. al. 1995), compensations and benefits (Holland et al.,2005; Boxall and Purcell, 2003; Allen and Meyer, 1990), layoffs, staffing, pay raises, drug testing, and discipline (Cropanzano, 1991; Folger and Konovsky, 1989; Gilliland, 1994; Konosky and Cropanzano, 1991).

At present, most of the organizations pay a keen interest to transform their performance appraisal process from a paper and pencil approach to a computerized approach. Most of the companies have gotten used to web-based technology to facilitate their HR practices.

A computerized Performance appraisal system is a software program that facilitates the completion of performance evaluations online. It can be an MSS (Managerial Self-Service) tool such that only managers have access to this system or it can be a combination of MSS and ESS (Employee Self-service), in which employees also have access and can

provide information into the system. A computerized Performance Appraisal system can be more than the traditional Performance appraisal form placed on the web in that it may be integrated with an employee position description module, allowing managers to pull data from the employee's position description and insert this information into the evaluation (People Admin, 2006).

The main advantage of these systems is the accessibility of real-time data at any time from any computer with internet access. Moreover, the process will be more efficient with accurate report generation. (Kavanagh and Thite, 2008). Such systems provide the opportunity to the supervisors to complete the performance evaluation on time, continuously monitor the employee progress and identify the trends in performance ratings.

Computerization of Performance appraisal systems does matter to some extent to manipulate the employees' reactions to the Performance appraisal process. The computerized performance appraisal process appears to facilitate the supervisor accountability for the outcome of the performance evaluation. The findings elaborate that there is no any difference between computerized performance appraisal process and paper-based performance appraisal process in perceived levels of rating security (Stephanie, Margaret, Wendy, Amber, Kelleen, 2009).

When the computerized Performance appraisal process is implemented it reports a higher level of employee participation in the process than in a traditional computerized Performance appraisal process. The researchers have identified that employees who have been evaluated through computerized Performance appraisal systems have reduced perception about the quality of the evaluation. Perhaps, because of the novelty of the system supervisors may have spent a significant amount of time figuring out how to use it, therefore it may have resulted in a low quality and a less detailed feedback. If the supervisors use it as a technology-driven tool rather than a development tool, the quality of the evaluation may get a lesser security (Stephanie, Margaret, Wendy, Amber, Kelleen, 2009).

Job satisfaction is an area which has been researched by most of the researches throughout the history. A Hawthorne study was one of the biggest studies of job satisfaction. This study (1924 -1933) was conducted by the Elton Mayo of the Harvard Business School to find out the effect of various conditions of worker's productivity. These studies ultimately showed that novel changes in work conditions temporarily increase productivity. It is called the Hawthorne Effects. This finding provided strong evidence that people work for purposes other than pay, which paved the way for researchers to investigate other factors in job satisfaction.

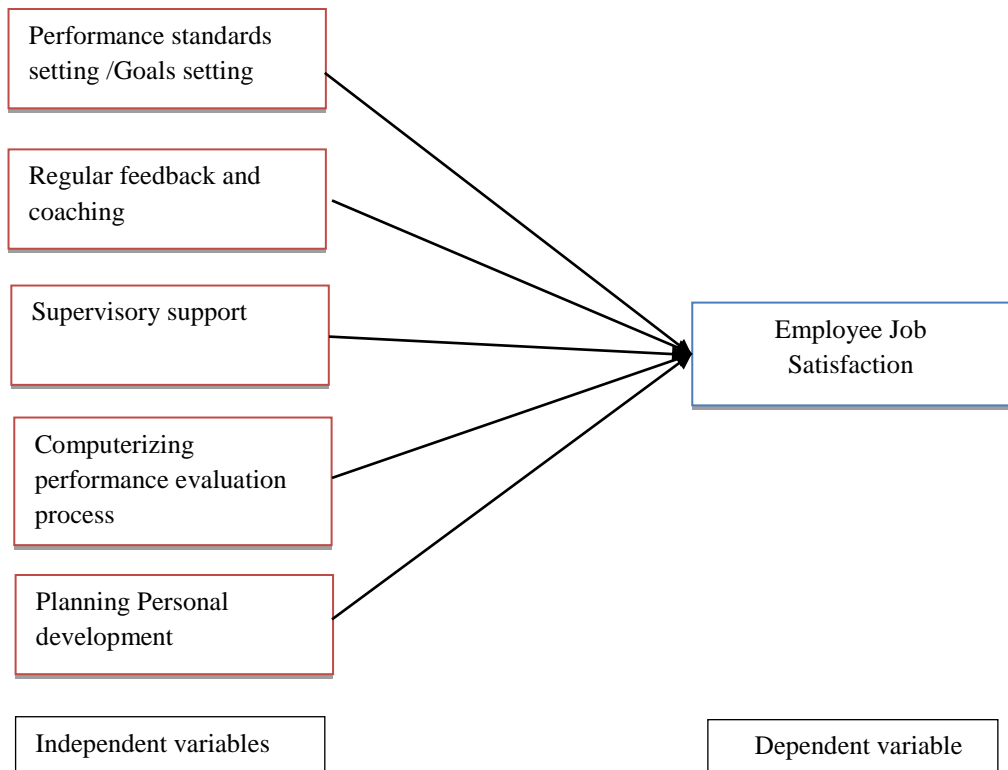
Scientific management also had a significant impact on the study of job satisfaction. Principles of Scientific Management book (Taylor, 1911) was argued that there was a single best way to perform any given work task. This book contributed to a change in industrial production philosophies, causing a shift from skilled labor and piecework towards the more modern approach of assembly lines and hourly wages. Therefore, industries greatly increased productivity because workers were forced to work at a faster pace. However, workers became exhausted and dissatisfied, thus leaving researchers with new questions to answer regarding job satisfaction.

The relationship between Performance Appraisal system and the job satisfaction has been researched in the recent history. Employee job satisfaction has been identified as one of the main reactions of the performance appraisal process by many researchers, also it has been studied frequently. According to Lai Wan (2007), employee job satisfaction is an important goal for an organization to achieve. It has been shown that customer satisfaction, employee retention, productivity, and profitability are linked to employee satisfaction. Satisfied and highly motivated employees will create organizational performance and in return high customer satisfaction. Therefore, employee job satisfaction generated regarding the performance appraisal process is considered as one of the important reactions (Giles and Mossholder, 1990)

There are three elements of employee job satisfaction linked with the performance appraisal process. Kacmar says that Performance ratings have an impact on employee job satisfaction. (Kacmar, 1996). The second element is the rater. Here mainly the rater's role is played by the immediate supervisor. He is responsible for providing feedback on the subordinate's performance (Milkovich and Boudreau, 1997). The most important job satisfaction element is the employee-supervisor relationship. (Pooyan and Eberhardt, 1989). The last element of job satisfaction is the appraisal feedback. Many researchers have stated that performance feedback increases job satisfaction and it plays an important role in many organizational activities such as career development, motivation, job satisfaction, and performance management (McCarthy and Garavan, 2001).

## **Methodology**

Following the conceptual framework has been developed based on the literature review. Five dimensions have been found to develop the conceptual framework. The framework below shows the independent variable of the study; Performance Appraisal Process which consists of five dimensions: performance standards setting (Goal setting), regular feedback and coaching, Supervisory support, computerizing the performance evaluation process and planning personal development and the dependent variable, job satisfaction.



*Figure 1: Conceptual framework*

Based on the conceptual framework hypotheses have been developed. They are,

**H<sub>0</sub>1-** There is no a relationship between performance standards setting/ goal setting and employee job satisfaction

**H<sub>A</sub>1-** There is a relationship between performance standards/ goal setting and employee job satisfaction

**H<sub>0</sub>2-** There is no a relationship between regular feedback and coaching and employee job satisfaction

**H<sub>A2</sub>**- There is no a relationship between regular feedback and coaching and employee job satisfaction

**H<sub>o3</sub>**- There is no a relationship between supervisory support and employee job satisfaction

**H<sub>A3</sub>**- There is no a relationship between supervisory support and employee job satisfaction

**H<sub>o4</sub>**- There is no a relationship between computerizing performance evaluation system and employee job satisfaction

**H<sub>A4</sub>**- There is no a relationship between computerizing performance evaluation system and employee job satisfaction

**H<sub>o5</sub>**- There is no a relationship between, planning, personal development and employee job satisfaction

**H<sub>A5</sub>**- There is no a relationship between planning, personal development, and employee job satisfaction

The population of this study is the executives of ABC Motor Company Ltd. The Company has got 28 departments where they have 80 of the executives. Due to the difficulty of taking the population as the sample, 60 executives have been selected as the sample that represents all 28 departments. As the researcher is not an internal employee of the selected company, they restricted to collect data from all the executives.

The data has been collected using a questionnaire. 60 executives have been selected randomly from all that represent all the 28 departments. The questionnaire includes five demographic questions as age, gender, the department the employee belongs to, the period of service in the company and the period of service in the company. The rest of the questionnaire comprises with 30 questions scaled by a five-point Likert scale that has been used to measure the relationship between the independent variables and the dependent variable. The sample has been

selected through simple random sampling. Each member of the population has the equal chance of being selected.

The gathered data have been analyzed using descriptive statistics and inferential statistics. The analysis has been facilitated by SPSS software. The researcher has used descriptive statistics as measures central tendency (mean, median, mode) measures of spread (standard deviation, variance) and charts and graphs to elaborate the behavior of the sample.

One measure of inferential statistics is testing the hypothesis. Therefore, the researcher has used inferential statistics as correlation analysis, and multiple regression to measure the relationship between the Performance appraisal process and the employee job satisfaction.

### **Discussion of Findings**

As follows, Spearman correlation coefficients have been obtained to describe the relationship existing between the independent variables and the dependent variables. The results have been summarized in a table.



*Table 2- Summary of testing hypothesis and correlation analysis*

Dimension	Spearman Correlation	Sig. Value	Relationship with Job Satisfaction	Hypothesis Supported/Not Supported
Performance Standards	.531**	.000	Moderate Positive	Supported
Regular Feedback and Coaching	.503**	.000	Moderate Positive	Supported
Supervisory support	.583**	.000	Moderate Positive	Supported
Computerizing Performance Appraisal system	.158**	.000	Weak Positive	Supported
Planning Personal Development	.528**	.000	Moderate Positive	Supported

According to the above table “Computerizing the Performance Appraisal system” has the least strength relationship with job satisfaction. After the strength of the associations of the independent variables with the dependent variable has been defined, the next step will be the predicting the value of the dependent variable based on the value of the independent variables.

Multiple regression analysis has been used by the researcher to predict the value of the dependent variable. Following tables have been obtained after analyzing the data using multiple linear regression.

*Table 3- Results of Hypothesis testing and Multiple Regression Analysis*

Model Summary <sup>b</sup>										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin Watson
1	.635 <sup>a</sup>	.403	.348	2.02801	.403	7.287	5	54	.000	2.456

a. Predictors: (Constant), Personal\_Development\_Plan, Supervisory\_Support, Regular\_Feedback\_and\_Coaching, Computerized\_Performance\_Appraisal\_System, Performance\_Standards

b. Dependent Variable: Employee Job Satisfaction

Model summary table, as shown above, provides R,  $R^2$ , adjusted  $R^2$  and the standard error of the estimate, which can be used to determine how well a regression model fits the data. R can be considered to be one measure of the quality of the prediction of the dependent variable, employee job satisfaction. According to the table, R states a value of 0.635 which indicates a quiet good prediction.  $R^2$  indicates the value as 0.403, which says that our independent variables explain 40.3percent of the variability of the dependent variable, employee job satisfaction.

*Table 3- Coefficient values generated by Multiple Regression Analysis*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	6.607	2.423		2.727	.009	1.750	11.464
1- Performance Standards setting	.219	.134	.262	1.637	.107	-.049	.488
2-Regular Feedback and Coaching	.343	.162	.326	2.116	.039	.018	.668
3-Supervisory Support	.012	.046	.029	.260	.796	-.080	.104
4- Computerizing Performance Appraisal System	-.142	.113	-.157	-1.264	.212	-.369	.084
5- Planning Personal Development	.236	.097	.285	2.444	.018	.042	.429

Unstandardized coefficients indicate how much the dependent variable varies with an independent variable when all other independent variables are held constant. In the above coefficients table, the unstandardized coefficient B1, for Performance standards setting is 0.219 which interprets that when the performance standards setting or goal setting process is enhanced job satisfaction of the executives shows an increment. Other independent variables except Computerizing the performance evaluation system, too depict the same relationship with the employee job satisfaction. This says when the impact of the independent variables Regular feedback and coaching, Supervisory support, and the Planning Personal development is increasing the employee job satisfaction of the executives is resulting in a higher level.

Unstandardized coefficient B4, for Computerizing the performance evaluation system is (-0.142). Therefore, when their manual performance appraisal is gradually moving to a computerized system, employees' job satisfaction is getting decreased.

## **Conclusion of the Study**

Performance Standards setting /Goal Setting: Performance Standards setting or goal setting has a moderate positive relationship with the employee job satisfaction. It can be concluded that if the goals or targets given to the executives are clearly defined and understood, it will increase their job satisfaction. Moreover, it can be concluded that if the jointly prepared goals (participation of both supervisor and subordinate) are provided to the employees, they will be more satisfied. When the employees could clearly identify how the organizational vision is backed by their contribution, their job satisfaction will be increased. Moreover, when the executives have a clear understanding of the measuring criteria of their goal achievement, they will be more satisfied.

***Regular Feedback and Coaching:*** Regular feedback and coaching have a moderate positive relationship with the employee job satisfaction. After the goals/targets have been assigned, executives expect their supervisors to continuously monitor and give them feedback. Furthermore, they are more satisfied if there is an effective two-way communication between the supervisor and the subordinates while they are thriving to achieve their goals. They hugely expect their supervisor to deliver the feedback using the sandwich model. That means, the executives need to hear bad comments about them in a positive manner with suggestions to improve. Executives feel more relaxed and comfortable when their supervisors are there to support them when they are struggling to achieve the given goals. Whenever a skill gap is identified by the supervisor, and coaching is provided to accomplish the gap and equipped with necessary competencies, the executives will be more satisfied.

***Supervisory Support:*** Supervisory support has a moderate positive relationship with the employee job satisfaction of the executives. Employees expect to receive SMART goals from their supervisors, which are clearly defined. Clarity of the goals is an important demand by the employees from their supervisors. On the day of performance review, if the review is conducted ethically without any biases, employees are satisfied. Employees expect the supervisors not to treat them based on the personal relationships they have apart from the professional relationships. When the employees have made accomplishments, they need their supervisors to recognize and appraise them. At the end of the performance review, if the supervisor has identified the weak areas of the subordinate and arranged with necessary training and development programs, the executives will be more satisfied.

***Computerizing Performance Evaluation Process:*** Computerizing the evaluation system has a negative weak relationship with the employee job satisfaction. Even though ABC Motor company has implemented a computerized appraisal system after researching on the positive impacts resulting from the new system, my research study has revealed that the

computerized system has created employee job satisfaction among the executives. The analyzed data shows that the employees are much familiar with the system and also, they have received sufficient training on how to use the system. But they do not believe that it has helped to strengthen the healthy relationship between the employees and the supervisors. Employees believe that there has not occurred a positive impact on the goal/task assigning process by performing it via the computerized system. Though the computerized system has been introduced with the intention of enhancing the transparency of the evaluation process, the employees do not see any enhancement in the transparency of the evaluation process.

***Planning Personal Development:*** Planning personal Development has a moderate positive relationship with the employee job satisfaction. This means that during the performance management process, they expect them to have a customized development plan, which could address his/her weaknesses. They will be more satisfied if they are given an opportunity to suggest their own development requirements. In the end, it can be negotiated with the supervisor and prioritize the most needed competency gaps to be fulfilled at the very first. It can be stated that executives will be more satisfied if their development plan is a joint effort of both supervisor and the subordinate. Executives do not just need the plan to be remained as a plan, without implementing it actively. Moreover, they will be satisfied if the progress or the impact of the development initiatives taken plan in the early quarter have been evaluated at each review session.

## **Recommendations**

***Performance Standards/Goal Setting:*** Overall organizational performance will be encountered by the employee performance. Therefore, if the employees are performing well then the particular company should be performing well in financially. The following recommendations are suggested by the researcher in order to enhance the setting performance standards or setting goals.

Strategic level discussions, evaluations, and planning must be done in the very first place with the participation of the top management. Decisions must be taken about the performance standards of each job role. Those decisions must be included in the company policies and documented for legal compliance. After the strategic level planning has been done, the plan must be operationalized with the participation of the heads of each department. Here I suggest for them to apply a balanced scorecard as a strategic performance management tool.

The balanced scorecard can be used to, 1) Communicate what they are trying to accomplish. 2) Align the day-to-day work that everyone is doing with strategy. 3) Prioritize projects, products, and services. 4) Measure and monitor progress towards strategic targets. According to the following model, it depicts that balanced scorecard will assist the organization to determine the strategic objectives, set measures against which the objectives are evaluated, set targets to decide the level of performance for each measure. Strategic initiatives can be taken to reach the targets.

Furthermore, balanced scorecard can be used to cascade the organizational vision into individual goals that will make each and every employee informed about their contribution to achieving organizational goals.

Apart from the balanced scorecard, researcher suggests performance-based pay scheme and competency-based pay scheme for the company ABC. When the employees are paid for excelled performance they will try their best to achieve the assigned goals.

***Regular Feedback and Coaching:*** After the employees are given goals or tasks they must be tracked continuously in order to see whether they are following the desired way to the goal. The following recommendations have been suggested by the researcher to enhance the regular feedback and coaching process. Rather than having an annual performance review meeting, arrange short-term review meetings like one meeting per week between the supervisor and the subordinate. This will be an informal meeting between the two parties.

Grant permission to the subordinate to contact the supervisor whenever he/she is in a troublesome situation to achieve the given tasks. When the supervisors have identified competency gaps in their subordinates, there should be an effective mechanism to report the requirements immediately to the department of HR and make arrangements to conduct the necessary training sessions.

***Supervisory Support:*** In the early researches conducted it has been found that there is a high possibility that an employee may leave an organization due to the unhealthy relationship. Therefore, it must be ensured that each employee has got the most appropriate supervisor that he/she could have.

At the strategic level, it must be decided the standards need to be fulfilled by every employee to play the role of a supervisor. (Minimum requirements to be a supervisor, professional traits and human traits needed to be possessed by a supervisor). In the end, these requirements must be documented and included in company policies for legal compliance. Rotate the allocation of supervisors to the employees, which means limit the time duration that an employee spends with one supervisor and make arrangements to change the supervisor. This may help to both supervisor and the subordinate to avoid the boredom caused by holding the same relationship in the long run. Some employees will unveil new potentials when the supervisor of him/her has been changed.

Supervisor-subordinate group projects or joint goals/task can be assigned where each party will need the assistance of the other party to accomplish the project successfully. In a context like this, both of them will respect each other, listen to each carefully and try to achieve the goal/task by using a mutual support. This initiative will result in a base of a solid relationship between the supervisor and the subordinate. An awarding scheme could be introduced to appreciate the supervisor when the subordinates have made special achievements. This will announce the company that the particular supervisor is also a counterpart of the great victory obtained by the employee.



Get-together events could be arranged to enhance the mutual bond existing between the supervisors and the subordinates. When they got to know each other very well, they will start respecting each other. When the employee has completed a considerable number of years within the company he could be given the opportunity to demand the supervisor he/she wishes to have. Then the Department of HR will consider the employee's request when assigning the supervisors.

***Computerizing Performance Evaluation Process:*** Automation does not always bring efficiency to an organization. Most of the people have taken it wrong that wherever an inefficient manual process is automated using a machine, it will be the perfect match, which will not be the case.

The secondary data of the company indicate that they have conducted a research study and found out that the appraisal system has a moderate positive relationship with the overall employee performance. Based on this result, they have initiated a computerized performance appraisal system, which has created a negative relationship with the job satisfaction. Therefore, the researcher has suggested following recommendations to redesign the computerized performance appraisal system.

It is recommended to improve the existing manual process at the very beginning in order to reduce the current inefficiencies. For example, they could introduce quarter based reviews rather than having annual reviews. Moreover, the factory workers cannot be evaluated as the way that the executives are being evaluated, different techniques must be applied to assess different job role families which will result in higher employee job satisfaction. Likewise, first the company ABC must focus on process improvements rather than trying to be replaced by automated systems. Here the company has computerized one HR practice where other important HR practices as recruitment, training and development, and HR planning are still done on spreadsheets. As the HR processes are linked with each other, this may cause

incompatibility in the long run. Therefore, they should try to computerize the rest of the HR practice to gain a higher efficiency.

Even though it incurs a higher implementation cost and time, if the company could move to an ERP (Enterprise Resource Planning) solution, they could go an extra mile compared to other competitors in the market.

Enterprise resource planning(ERP) is business process management software that allows an organization to use a system of integrated applications to manage the business and automate many back office functions related to technology, services, and human resources. ERP software integrates all facets of an operation including product planning, development, manufacturing, sales and marketing in a single database, application and user interface. As it costs high the company could purchase fundamental modules at the beginning. I suggest them to purchase, production planning module which will represent their core profit gainer, quality management module, finance module and the HR module. The performance of the employees who work in production planning, quality management, finance, and HR will be easily tracked by the ERP system.

***Planning Personal Development:*** The main responsibility of the department of HR is to attract, develop and retain the best talents Following recommendations have been provided by the researcher in order to enhance the

Starting from the strategic level, as the first step, organization analysis, task analysis, and the personal analysis must be done to identify the training needs in each level. After identifying the needs, training programs must be designed and presented to every department. Then demand and priority for each training program for each department will be analyzed. Ultimately, by considering the constraints of money and capacity available training manager will optimize the number of employees who should participate from each department. When employees have been assigned to the training program, it should be tallied with their personal development plan

After the probation period, each employee must be provided with a personal development plan, and also a succession plan which will be highly acknowledged by the employees. Recognition will be awarded to the employees who accomplish the plan.

### **Suggestions for future research**

In this study, the researcher has addressed the shape of the relationship existing between the performance appraisal system and the job satisfaction. The job satisfaction could lead to employee turnover in the long run. Therefore, it will add more value if any researcher could study to determine whether there is an indirect impact on the whole Performance Management system on employee turnover.

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# **INFLUENCE OF TRAINING & DEVELOPMENT ON JOB PERFORMANCE OF BRANCH-IN-CHARGES: A CASE STUDY OF A LEASING COMPANY IN SRI LANKA**

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## **ABSTRACT**

*Competition in the finance and leasing industry of Sri Lanka has increased to a great extent during the recent past, due to strict regulatory directions and other macro factors. In order to achieve their business objectives, Companies in this sector implement different strategies to improve job performance of the workforce. Training and development is a key result area (KRA) in human resource management (HRM), which is aimed at improving job performance of individuals, teams, and Organizations as a whole. This research is conducted with the objective of examining the influence of training and development practices on the job performance of the Branch-in-Charges in a leading leasing Company in Sri Lanka. Effective performance of Branch-in-Charge is a vital factor in achieving the overall performance the Branch, whilst performance of each Branch has a direct impact on the overall performance of the Organization.*

*This research has been conducted using the Survey method. A sample of 45 Branch-in- Charges were selected for this study using random stratified sampling approach. Primary data has been collected through the structured questionnaire and secondary data has been gathered through Management Information System (MIS) reports and human resource records of the Company. Statistical Package of Social Science was used for data analysis. Data analysis involved percentages and bivariate analyzing in the form of cross-tabulation. The findings were presented in the form of tables and figures. This research identified training needs analysis, the motivation of trainees, method of training and evaluation of training as factors of training and development that have a significant correlation with the job performance of the Branch-in-Charges. Training and development practices of the Company have a strong positive impact on the job performance of Branch-in-Charges as evident from the sample of 45 personnel used for this research. In conclusion, this study identified that the job performance of Branch-in-Charges can be improved further, through systematic and well-planned training and development process within a Company.*

**Keywords:** Training & Development, Job Performance, Branch-in-Charges (BIC), Leasing Company

## **Introduction**

Organizations that “Compete through people” highlights the fact that achieving high success increasingly depends on an organization’s ability to manage talent, or human capital. The term human capital describes the economic value of employees’ knowledge, skills, and capabilities (Bohlander & Scott, 2013). In order to be competitive, Organizations need to effectively manage and utilize their human resources. Keeping the workforce up-to-date in the dynamic business environment is vital to achieving corporate objectives. People are the most important asset and the driving factor of any Organization. Therefore, Organizations should closely focus on the KRAs in HRM. Training has a distinct role in the achievement of an organizational goal



by incorporating the interests of the organization and the workforce (Stone, 2002). Employee performance depends on many factors like job satisfaction, knowledge and management, but there is a relationship between training and performance (Amisano, 2010). Training & Development and performance management are core functions of HRM.

ABC Company Limited (hereinafter referred to as the Company / ABC / ABC Company) is a leading specialized Leasing Company, registered with the Central Bank of Sri Lanka. With approximately fifteen (15) years of operation in the industry, ABC Company has rapidly expanded to be one of the largest specialized leasing Companies in Sri Lanka. At the initial stage, the Company was engaged only in the automotive leasing business. However, due to increased market competition in the leasing industry, ABC gradually diversified its operation into other lending activities such as loans, factoring, margin training. At present, the company has a workforce of 710 employees and a network of 51 Branch offices. Each of these Branch offices is supervised by a Branch-in-Charge, who is entrusted with responsibilities of managing the Branch office operation. In order to perform the job role in an effective manner, Branch-in-Charge should be a multi-task, who has a clear understanding and sound knowledge pertaining to all operational areas such as Sales, Recoveries, Administration, Customer Service, Audit etc. He who is the team leader of the Branch office is responsible to guide the staff to achieve set targets of the Branch offices and therefore, the role of Branch-in-Charge is very complex and challenging. Accordingly, the job performance of the Branch-in-Charge is an important factor, which influences the overall performance of that particular Branch office. The overall performance of ABC Company is dependent on the collective performance of the 51 Branch offices.

The most employee-centric organizations provide employees with regular training programmes to enhance the knowledge and skill set of their employees and offer career advancement opportunities to help the employees to reach their potential (Kumar & Pansari, 2015). Therefore, in order to improve job performance of Branch-in-Charges, ABC

Company provides various types of training programmes. Frequent training programmes are being conducted for the improvement of knowledge, skills, and attitudes of Branch-in-Charges. In order to ensure effective utilization of investment in training, it is worthwhile to investigate the influence of training on the job performance of Branch-in-Charges. Further, it is important to identify aspects of training and development, which have an impact on the job performance of Branch-in-Charges. If not, it will be a waste of the money and time of both employers and employees and in turn, it will affect the performance of the Organization as well. In view of that, this research was carried out for ascertaining the relationship between training and development and performance of Branch-in-Charges of the ABC Company.

### **Research Question**

Have training and development practices carried out by ABC Company improved job performance of Branch-in-Charges at ABC Company?

### **Specific Objectives**

1. To study aspects of training and development which influence the performance of Branch in Charges.
2. To identify the relationship between training and development practices and job performance of Branch-in-Charges
3. To provide recommendations/suggestions to improve the effectiveness of training and development practices.

### **Literature Review**

#### ***Training & Development***

According to Barmley (2003), training is a process, which is planned to facilitate learning so that people can become more effective in carrying out aspects of their work. Training is an aspect of human resource development function of the organization (Rajeev, 2009). Dessler,

(2005) defined training as a process that applies different methods to strengthen employees' knowledge and skill needed to perform their job effectively. Training is important for the employees' development and the employee development encourages self-fulfilling skills and abilities of the employee, decreased operational costs, limits organizational liabilities and changing goals & objectives (Donald Nickels, 2006). Employees' training has become an important tool through which organization can improve its service quality, decrease labor cost and increase productivity and profitability (Kim, 2006). Identification of the needs for training and development and selecting methods and programmes suitable for these needs, plan how to implement them and finally evaluating their outcome results are important functions in training and development (McCourt & Derek, 2003). Training is the tool to bridge the gap between actual and desired performance of employees. The ultimate objective of training is to improve employee performance in order to achieve the desired objectives of the organization.

### ***Performance of Employees (Job Performance)***

Performance is the ultimate goal of any business's efforts that lead towards the achievement of market leadership and capturing of unbeatable talent. These two are crucial for the organizations and are part of the organizational strategic mission (Mwita, 2000). Employee performance can be seen in the quality of goods and services the company produces and in customer interactions and feedback. (Kumar & Pansari, 2015). Further, Kumar and Pansari (2015) emphasize that with the increased competition, technological advances and globalization, companies come to realize that employee expenditures are more than a cost: Employees are the face of the business and sources of organizational knowledge. Accordingly, employees can be identified as the source of competitive advantage of a business. Therefore, employee performance has become a crucial factor for the success of organizations. According to Goldstein and Ford (2003), training is one of the most persuasive methods for improving job performance and enhancing employee's performance in a work

environment. The employee performance depends on various factors. However, the most important factor of employee performance is training. Training is important to enhance the capabilities of employees. (Khan, Khan, & Khan, 2011). As highlighted by the aforementioned literature, performance of any organization depends on the performance of its workforce. Training has a distinct role in developing employee performance, which increases the performance of the organization as a whole.

### ***Training Need Analysis***

According to Punia & Kant (2013), training needs assessment plays an important role in designing and creating a successful and effective training. It is the key factor in determining whether the training achieved desired outcomes. With the rapidly changing business environment and with the technological advancement, it is a common challenge for any organization to maintain the competitiveness through training the employees. In view of that identification of training needs, assessments of the organization should be conducted systematically by utilizing organization analysis, task analysis, and person analysis. (Bohlander & Scott, 2013)

Organization analysis refers to identifying the training needs based on the business strategies of the Organization. Identification of training needs based on the job role is the emphasis in task analysis. Final approach to training need identification is the person analysis. Offering the training to the right person is very important to ensure the maximum return on investment of a training programme. In order to identify the right person, it is required to analyze the competencies of employees.

### ***Motivation of Trainees***

According to Bohlander & Scott (2013), two preconditions for learning affect the success of those who receive training: readiness and motivation. Trainee readiness refers to whether or not the experience of trainees has made them receptive to the training they will receive.

Prospective trainees should be screened to ensure that they have the background knowledge, the skills to absorb what will be presented to them. The other precondition to learning is employee motivation. The Organization needs to help employees understand the link between the effort they put into training and the payoff. The motivation of training is an important factor throughout the training cycle; before the training, during the training, and after the training. Prior to training, the motivation of trainees to attend for training programme is important. During the training, respective trainees need the motivation to learn. Finally, after training, trainees need the motivation to apply the acquired skills/knowledge of the training.

### ***Method of Training***

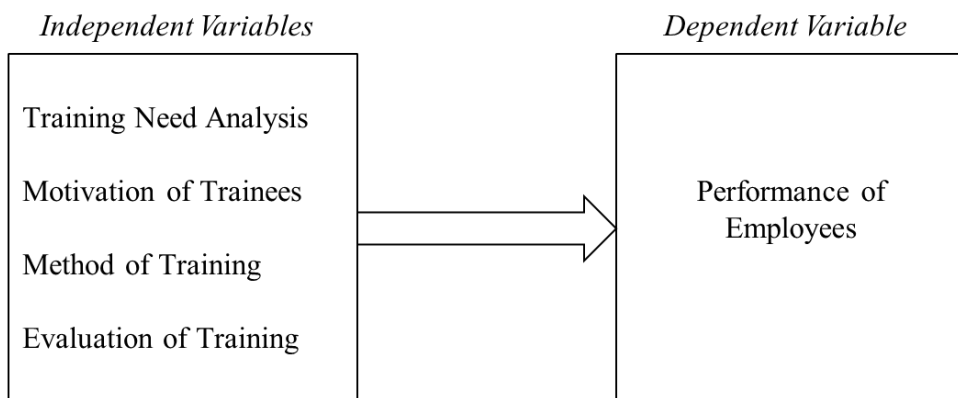
As described by Hackett (2003), wherever and by whom training is to be conducted, careful thought must be given to the method to be employed. A major consideration in choosing among various training methods is determining which ones are appropriate for the knowledge, skills, and attitudes to be learned. For example, if the material is mostly factual, methods such as lecture, classroom, or programmed instructions may be fine. However, if the training involves a large behavioral component, other methods such as on-the-job training, stimulation, or web or computer-based training might be better (Bohlander & Scott, 2013). On-the-job learning is not always conscious or structured. On-the-job learning is not restricted to the learner's current job, job rotation; work shadowing or secondment to other parts of the business can broaden the chances of learning. Off-the-job learning may be the only way to acquire the background knowledge needed for some jobs. Indeed, relevant off-the-job learning in the form of academic study or vocational training is likely to form part of the employee specification for recruitment. (Hackett, 2003)

### ***Evaluation of Training***

Training evaluation is defined as a systematic process of collecting data and information to examine whether training really achieved its intended purpose. Moreover, training evaluation has the advantage of

identifying the area that needs further improvement and it may provide an insight into methods of improvement (Goldstein & Ford, 2002). A variety of methods are available to assess the extent to which a firm's training programmes improve learning, affect behavior on the job and impact the bottom line performance of an organization. Bohlander & Scott (2013) describe four basic criteria available to evaluate training as a reaction, learning, behavior, and results. The assessing participants' reactions are the most common and simplest approaches to evaluating a training programme. Testing the knowledge and soft skills of trainees before and after a training programme will help determine their improvement. The third level of evaluation is about work-related behavioral changes that reflect in performance. Most organizations today measure their training in terms of its Return on Investment. (ROI), which refers to the benefits derived by an organization through training its employees relative to the cost incurred. The benefits can include higher revenues, increased productivity, improved quality, lower costs, more satisfied customers, higher job satisfaction and lower employee turnover.

### **Conceptual Framework**



*Figure 2: Conceptual Framework of the Research*

*Source: Conceptualized by the researcher*

## Hypotheses

This study is an attempt at identifying the relationship between aforementioned independent variables and performance of employees (Branch-in-Charges). Based on the conceptual framework, following null hypothesis and alternative hypotheses are suggested for each independent variable.

	Null Hypothesis		Alternate Hypothesis
$H_{01}$	Training need analysis has no relationship with the performance of employees	$H_{a1}$	Training need analysis has a relationship with the performance of employees
$H_{02}$	The motivation of trainees has no relationship with the performance of employees	$H_{a2}$	The motivation of trainees has a relationship with the performance of employees
$H_{03}$	Method of training has no relationship with the performance of employees	$H_{a3}$	Method of training has a relationship with the performance of employees
$H_{04}$	Evaluation of training has no relationship with the performance of employees	$H_{a4}$	Evaluation of training has a relationship with the performance of employees

## Research Methodology

A sample of 45 Branch-in-Charges was selected for this study, using the stratified random sampling technique. The sample size was determined according to the standard sample calculation method at the confidence level of 95% and the confidence interval of 5%. A structured questionnaire was used to collect the primary data from the identified group of respondents. The Statistical Package of Social Science (SPSS) was used for data analysis and the questionnaire was coded before entering the data into SPSS. The correlation coefficient and correlation of determination methods were referred to identify the degree and strength of the relationship between two variables.

## Data Analysis

### *Demographic Analysis of the Respondents*

Of the total respondents, 56% are in the age group of 20-29 years and 44% are in the age group of 30- 39 years. 73% of the respondents possess, Bachelor's degree as the highest education level and 27% of the respondents possess a G.C.E. Advanced level as their highest level of education. Of the total respondents, 35% have worked in the Company for a period of 1 - 3 years, whereas 56% have worked in the Company for 3 - 10 years. Out of the total respondents, 78% are in the Executive grade and 22% are in Non-Executive grade. 67% of the respondents have participated in a training programme during the period of last 3 – 6 months, whereas 13% of respondents have participated in training programmes during the period of last 3 months.

### Testing Hypothesis

#### *The relationship between Training Need Analysis (TNA) and Performance of Employees (PE)*

		TNA	PE
TNA	Pearson Correlation	1	.589**
	Sig. (2-tailed)		.000
	N	45	45
PE	Pearson Correlation	.589**	1
	Sig. (2-tailed)	.000	
	N	45	45

\*\*, Correlation is significant at the 0.01 level (2-tailed).

*Table 4: Correlation between training needs assessment and performance of employees*

*Source: Research Data*



Pearson Correlation Coefficient between training needs analysis and performance of employees is 0.589 and there is a strong positive relationship between TNA and PE. Since the significance level is less than 0.05, the correlation between TNA and PE is significant and the dependent variable (PE) and independent variable (TNA) is linearly related. The coefficient of determination (R-Squared /  $R^2$ ) between a training need analysis and performance of employees is 34.7%. Accordingly, 34.7% of the employee performance is explained by the training needs analysis. In line with the findings of the above analysis, there is a strong positive relationship between training need analysis and performance of employees. Therefore, the null hypothesis ( $H_{01}$ ) is rejected and the researcher has accepted the alternative hypothesis ( $H_{a1}$ ). Training need analysis has a relationship with employee performance.

***The relationship between Motivation of Trainees (MOT) and Performance of Employees (PE)***

		MOT	PE
MOT	Pearson Correlation	1	.706**
	Sig. (2-tailed)		.000
	N	45	45
PE	Pearson Correlation	.706**	1
	Sig. (2-tailed)	.000	
	N	45	45

\*\*. Correlation is significant at the 0.01 level (2-tailed).

*Table 2: Correlation between the motivation of trainees and performance of employees*  
*Source: Research Data*

Correlation Coefficient between the motivation of trainees and performance of employees is 0.706 and the correlation is significant at

the 0.01 level (2-tailed). There is a strong positive relationship between MOT and PE and these two variables are linearly related. The coefficient of determination between MOT and PE is 49.8%. Accordingly, 49.8% of the employee performance is influenced by the motivation of trainees. Therefore, the null hypothesis ( $H_{02}$ ) is rejected and the alternative hypothesis ( $H_{a2}$ ) is accepted. The motivation of trainees has a relationship with employee performance.

***The relationship between Training Method (TM) and Performance of Employees (PE)***

		TM	PE
TM	Pearson Correlation	1	.749**
	Sig. (2-tailed)		.000
	N	45	45
PE	Pearson Correlation	.749**	1
	Sig. (2-tailed)	.000	
	N	45	45

\*\*. Correlation is significant at the 0.01 level (2-tailed).

*Table 3: Correlation between training method and performance of employees*

*Source: Research Data*

Correlation Coefficient between training method and performance of employees is 0.749 and the correlation is significant at the 0.01 level (2-tailed). There is a strong positive relationship between TM and PE. Further, the correlation between TM and PE is significant and the dependent variable (PE) and independent variable (TM) is linearly related. The coefficient of determination between training method and performance of employees is 56.1%. The contribution of training

method for maintaining the current performance level of employees is 56.1%. Therefore, the null hypothesis ( $H_{03}$ ) is rejected and the alternative hypothesis ( $H_{a3}$ ) is accepted. Training method has a relationship with employee performance.

***The relationship between Evaluation of Training (EOT) and Performance of Employees (PE)***

		EOT	PE
EOT	Pearson Correlation	1	.598**
	Sig. (2-tailed)		.000
	N	45	45
PE	Pearson Correlation	.598**	1
	Sig. (2-tailed)	.000	
	N	45	45

\*\* . Correlation is significant at the 0.01 level (2-tailed).

*Table 4: Correlation between the evaluation of training and performance of employees*

*Source: Research Data*

Pearson Correlation Coefficient between the evaluation of training (EOT) and performance of employees (PE) is 0.598 and there is a strong positive relationship between EOT and PE. Since the significance level is less than 0.05, the correlation between EOT and PE is significant and these two variables are linearly related. The coefficient of determination between the evaluation of training and performance of employees is 35.7%. Accordingly, 35.7% of the employee performance is explained by the evaluation of training. Therefore, the null hypothesis ( $H_{04}$ ) is rejected and the alternative hypothesis ( $H_{a4}$ ) is accepted. Evaluation of Training has a relationship with employee performance.

## **Conclusion and Suggested Recommendation**

This study sought to investigate the influence of training and development on the job performance of Branch-in-charges of ABC, a leasing Company in Sri Lanka. Training needs analysis, the motivation of trainees, method of training and evaluation of training are identified as the factors of training and development that strongly influence job performance of Branch-in-charges. In conclusion, the study emphasizes that training and development is a very important function in HRM. Therefore, it should be planned and implemented by the organization to improve the competencies of the employees in order to increase their performance and in turn increase the performance of the Organization as a whole. Suggested recommendations for improving the job performance of employees through training and development are explained in brief.

Identification of training needs should be a systematic process and it should be conducted in three stages - at the level of organizational, job and individual. The short-term and long-term goals of the Company should be considered in preparation of an annual training plan. Job descriptions, performance standards, and job specification could be used for data collection when analyzing training needs of particular job roles and individuals. Training needs analysis should be done more professionally in conjunction with the respective line manager as well as the individuals involved, together with the HR personnel. This will help to create a good training plan, which assigns the right people to the appropriate training.

As per the research findings, there is a strong positive relationship between the motivation of training and the performance. In addition to setting up the clear training objectives, the Company should ensure the quality of the learning environment, trainer and trainee's readiness. The motivation of trainees is an important factor throughout the training process. Before sending employees to training programmes, they should be provided with all relevant information, in advance. The training environment should be conducive and a competent trainer should be allocated to provide training, in order to keep the trainees motivated during the training. Further, inculcating a learning culture is

another approach to motivate employees on training. Job enlargement, job enrichment, recognition, setting up long-term career prospects and regular feedback are other methods, by which the organization can improve motivation of trainees.

Training method should be determined based on skill acquisition, knowledge enhancement, and attitude formation. In the case of ABC Company, excluding the current traditional methods, the company can take advantage of innovation and technology to employ other types of training such as E-learning, On-the-job training, etc. E-learning and blended learning could be employed as the innovative training methods for both managers and employees. E-learning could be a practical method of training, which benefits both organization and its employees. E-learning is a cost-effective training method, which is lower than other formal in-house training. Due to its flexibility and convenience, E-learning enables people to learn without constraints of time and geographic limitation.

The evaluation process should be determined at the planning stage of training while considering how the information required to evaluate learning events could be obtained and analyzed. The feedback provided by the trainees should be considered in developing future training programmes. The company also should maintain the face-to-face discussion with employees to understand their training needs and expectations better. After the training, the employees probably need less time to perform the same tasks as they did before and become more productive, which raises the employee performance. Critical and positive feedback should be obtained from supervisors and a proper evaluation mechanism should be implemented for evaluating the performance of employees.

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# **CONTENTS OF THE PSYCHOLOGICAL CONTRACT AND EMPLOYEE RETENTION GARMENT MANUFACTURING INDUSTRY**

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## **ABSTRACT**

*The psychological contract is an essential factor for employee retention. The aim of this research is to investigate the relationship between the contents of the psychological contract and employee's intention to retain of Nor Lanka Manufacturing Colombo Ltd. To examine the relationship between the contents of Psychological Contract and employee's intention to retain. The sample of this study consisted of 175 employees' works at Nor Lanka Manufacturing Colombo Ltd. In order to gather information, a structured questionnaire is developed and distributed. The data were analyzed using SPSS 20 version and Descriptive Statistical technique, Correlation and Regression were used to test the hypotheses. The statistical results of the study reveal that Job Security and Flexible Time Schedules are significant predictors of Employees Intention to*

*Retain. The review of the literature suggests that the psychological contract is extremely important for organizations to manage as it has an impact on employee Intention to Retention. The study concludes that it is important to manage the psychological contract and human resource employee retention significantly impacts employee development as well as an assessment of psychological contract fulfillment. The failure of a company to comply with its obligations (as perceived by an employee) can erode the employment relationship.*

**Keywords:** Psychological Contract, Retention, Job Security, Recognition, Career Advancement and Flexible Time Schedules.

## **Introduction**

In the business context, every organization tries to get the maximum output through to competitive business environment. Business target is to get the maximum out of the limited resources. Employees are considered as the primary asset of an organization. Therefore, all the organizations make their best efforts to attract, retain and manage their human resource to gain the maximum output. The business main aim is to get the best out of the minimum utilization of resources. Their main focus is to utilize human resources in an efficient and effective way to get the maximum contribution by maintaining better employer, employee relationships/ psychological contract and try to implement as a whole.

An organization depends on the performance of their employees. An effective performance brings up good production and increases productivity. Effective production is the correct path for the achievement of organizational goals and objectives. This shows the improvement of the organization. To get an effective production the employees' performance has to be utilized efficiently. In that case, it is important to have a satisfied workforce.

When looking at the employee satisfaction it is so important in building up a good relationship between employer and employee. The best understanding of the employer gives better feedback to employees. A good employer and employee relationship keep the stronghold of the organization's survival. This is where the theory of Psychological contract comes up. Good relationships will lead the business. Bad relationships will bring down the business.

## **Background of the study**

### ***Psychological Contract***

The Psychological Contract emerged as a concept in the psychological literature almost fifty years ago, as a footnote in Understanding Organizational Behavior (Argyris, 1960). The Psychological Contract refers to implicit ideas about the employee-organization relationship. Menninger's (1958) concept of the 'psychotherapy contract', that ascribes the intangible aspects of the contractual relationship that exists between psychoanalysts and patients, was thus translated the work setting. The concept of the Psychological Contract gained increasing popularity in the 1980s and 1990s. These years were characterized by many large-scale and small-scale organizational changes. Because of these changes, the 'traditional' employment relationship was put to a test. Serious behavioral and attitudinal reactions among employees could be observed. The Psychological Contract was used to describe, analyze, and explain the consequences of these changes. Publications by Denise Rousseau (e.g. 1989, 1990, 1995) defined and limited the psychological contract to an employees' perception of the exchange of mutual promise-based obligations between the employee and the organization.

Much has been written about the psychological contract since Argyris first used the term in 1960. Machen defined the contract as an "unwritten set of expectations operating at all times between every member of an organization and the various managers and others in that organization" (1980:5). Harrier and Pemberton see it as "the perception of both parties in the employment relationship and the obligations

implied in the relationship" (1997:45). Guest and Conway talk about "the relationship between the individual and the organization" (1993:372).

The Rousseau (1989) presented a narrower definition with the perspective of the individual as the central element.

*Psychological contracts are defined as the beliefs individuals hold regarding the terms and conditions of the exchange agreement between themselves and their organizations.*

This article refers to 'the organization' and 'leaders' and 'leadership', which broadly are the same thing in considering and describing the Psychological contract. Leadership or 'the leader' basically seems to represent the organization and to reflect the aims and purposes of the owners of the organization. Leaders and leadership in this context refer to senior executive leaders or an assistant executive leader.

Armstrong highlights other references, within which these points are especially notable:

*"...Because psychological contracts represent how people interpret promises and commitments, both parties in the same employment relationship can have different views..."* (DM Rousseau and KA Wade –Benzoni, 1994)

The concept of the psychological contract highlights the facts that employee/employer expectations take the form of unarticulated assumptions,

Robinson (1996), states that the constant change of the contract provides increased opportunities for misunderstandings and therefore causing a contract breach. Sims (1994) concurs and states that 'a balanced psychological contract is necessary for a continuing, harmonious relationship between employee and the organization. However, the violation of the psychological contract can signal to the participants that the parties no longer shared (or never shared) a

common set of values or goals.’ When an employee feels that an employer has violated or breached the contract, it can result in his/her exit (termination of the relationship) which is one of the behaviors described by Rousseau (1995). The psychological contract breach has an influence on some variables. Guest (2004) categorized the outcomes of non-fulfillment between attitudinal consequences and behavioral consequences. One of the behavioral consequences is the turnover intention (Robinson & Rousseau, 1994; Robinson, 1996; Turnley & Feldman, 2000; Lo & Aryee, 2003) and actual turnover (Robinson & Rousseau, 1994; Robinson, 1996).

### ***Employee Retention***

People are bound to join organizations for work and leave through resignation, dismissal, retirement or some other reasons, Nzuve (2010). Employee turnover is the rotation of workers around the labor market; between firms, jobs, and occupations; and between the states of employment and unemployment, Abassi (2000). Very few people appear to leave jobs in which they are broadly happy, in search of something even better. Instead, the picture is overwhelmingly one in which dissatisfied employees seek alternatives because they no longer enjoy working for their current employer, Torrington et al (2008). Promotions and transfers are not considered a part of labor turnover because they involve movement across the membership boundary of an organization, Nzuve (2010).

Branham (2005) identified the seven reasons why employees leave organizations to be: the job or workplace not living up to expectations, a mismatch between the person and the job, too little coaching and feedback, too few growths and advancement opportunities, feeling devalued and unrecognized, stress from overwork and work-life imbalance and loss of trust and confidence in senior leaders. Increasingly, employees are leaving organizations for reasons other than the traditional ‘better pay’ and which are more related to the unfulfilled perceptions of both parties to the employment relationship. These unarticulated perceptions on the part of the employee and the

employer give rise to the concept of the psychological contract and its role in the employment relationship and by extension, employee turnover.

### **Problem Statement**

The ABC Garment Manufacturing Company was started in November 2010. Right through the years, it has built up its image in the apparel sector for supplying the best, quality products for International Brands Such as George, Next, ASDA, Matalan, Sainsbury Etc

The growing business for four years has reached the success in Apparel manufacturing. This long way was with the success of more satisfied and friendly satisfied employer, employee relationships.

With the arrival of new CEO, the office current situation was changed. Rigid rules were brought up due to a bad perception of the CEO. All the blaming was pointed to all the General Managers and the staff. The employees unhappy and the business was underperforming. The employee morale was brought down.

After a few days of the new appointment, the existing newly joined staff started moving to the organization's competitors. A significant down worth of performance was shown off. The HR Department realized that the reason for their leaving is the dissatisfaction of the new boss. Which shows the best psychological contract which was built with former Executive Director was strong. By that time the production is also getting low and the company cost was too high. It showed a declining of the business.

*Table 1: Employee turnover rate through 5 years*

Year	2011	2012	2013	2014	2015	2016
No of Employees	60	160	252	294	299	300
New Joiners	100	108	124	131	71	101

Resignations	0	18	32	97	61	98
Turnover						
Rate	0	11.25%	12.69%	32.99%	20.40%	32.66%

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Once the Psychological Contract has been breached, there is a tendency to leave.

While the calculations, it results that the new joiners leave early. This was realized by the investigation on final interview sheets. Most of the employees' answer was that their promises being ignored. The people who have granted study leave was not allowed. The freedom of going further in higher studies was not permitted during the weekdays. The practical exposure was poor. The factory visits have not been done. Etc.

### **Research Questions**

1. Is there a relationship between the contents of psychological contract and employee's intention to retain?
2. What is the relationship between Job Security, Recognition, Career Advancement and Flexible time schedules on employee retention?

### **Objectives of the Study**

1. To examine the relationship between the contents of psychological contract and employee's intention to retain.
2. To identify the impact of the contents of the psychological contract and employee's intention to retain.

### **Literature Survey**

#### ***Employee Retention***

Graham and Bennett (1998) define turnover as the movement of people into and out of the firm. This movement is normal since no one is indispensable. Movement of employees into and out of an organization may be at a low or high rate (Nzuve, 2010). Turnover rate is a measure

of the rate at which employees leave the firm, Gomez-Meija et al (2010). Well-managed companies try to monitor their turnover rate and identify and manage causes for a turnover. The goal is to minimize turnover and the costs of replacing (recruitment costs, selection costs, training costs and separation costs) employees as this affects the bottom-line, Graham, and Bennett (1998). It is usually convenient to measure it by recording movements out of the firm on the assumption that a new employee eventually replaces a leaver. Every organization should expect a certain degree of labor turnover without which the company stagnates (Nzuve, 2010). He argues that zero turnovers; when no one leaves the organization and there are no new employees will generally result in higher pay for the long-serving employees who will be at the top of their pay scales resulting in higher total labor costs.

Measuring employee turnover for a department of an organization is important as it can be an important indicator of the efficiency with which the various managements of human resources functions are performed by management and supervisory personnel as well as the human resources department (Nzuve, 2010). Most organizations measure turnover differently, but the most frequently used approaches are to express the number of separations as a percentage of the average number of employees on the payroll during the year (Nzuve, 2010) or as a ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period (Price, 1977).

In a professional services organization, where the personal relationships established between employees and clients are central to ongoing success, a turnover rate in excess of 10 percent is likely to cause damage to the business, Torrington, Hall, and Taylor (2008). Noe et al (2010) agree that in organizations that rely on teams or long-term customer contacts, the loss of workers who are central to employee teams or customer networks can be especially disruptive.



### ***Psychological Contract***

The psychological contract is an increasingly relevant aspect of workplace relationships. It constitutes a set of unwritten expectations that exist between individual employees and their employers, (Armstrong, 2009). It is a system of beliefs that encompasses the actions employees believe are expected of them and what response they expect in return from their employer and, reciprocally, the actions employers believe are expected of them and what response they expect in return from their employees. Guest (2007) noted that it is concerned with: 'The perceptions of both parties to the employment relationship, organization, and individual, of the reciprocal promises and obligations implied in that relationship.' Rousseau and Wade-Benzoni (1994) concur and state that psychological contracts refer to beliefs that individuals hold regarding promises made, accepted and relied upon between themselves and another. (In the case of organizations, these parties include an employee, client, manager, and/or organization as a whole). Because psychological contracts represent how people interpret promises and commitments, both parties in the same employment relationship (employer and employee) can have different views regarding specific terms.

According to Tyson and York (2000), the psychological contract is the term used to describe the 'deal' between employer and employee, not the legal contract, but the bargain implicitly struck about what each party can expect from each other, and about the obligations each has to the other. Foot and Hook (2008) concur with this belief that it constitutes the expectations that each party holds with regard to the other, and is recognized as having an impact on the way people behave in the workplace. It is, however, very resistant to change, Gomez-Mejia et al (2010). Within organizations, as Katz and Kahn (1966) pointed out, every role is basically a set of behavioral expectations. These expectations are often implicit – they are not defined in the employment contract. They believed that employees may expect to be treated fairly as human beings, to be provided with work that uses their abilities, to be rewarded equitably in accordance with their

contribution, to be able to display competence, to have opportunities for further growth, to know what to expect of them and to be given feedback on how they are doing. Employers may expect employees to do their best on behalf of the organization – ‘to put themselves out for the company’ – to be fully committed to its values, to be compliant and loyal, and to enhance the image of the organization with its customers and suppliers, Katz and Kahn (1966). Skinner (1974) maintains that employees will behave in ways they expect will produce positive outcomes. But they do not necessarily know what to expect.

As suggested by Spindler (1994), a psychological contract creates emotions and attitudes which form and control behavior and since employee/employer expectations take the form of unarticulated assumptions, disappointments on the part of management as well as employees may, therefore, be inevitable (Armstrong, 2009). These disappointments can be alleviated if management appreciates that one of their key roles is to manage expectations, which means clarifying what they believe employees should achieve, the competencies they should possess and the values they should uphold. People who have no clear idea about what they expect, may, if such unexpressed expectations have not been fulfilled, have no clear idea why they have been disappointed. But they will be aware that something does not feel right.

According to Armstrong (2006), the nature of the psychological contract is changing in many organizations in response to changes in their external and internal environments. This is largely because of the impact of global competition and the effect this has had on how businesses operate, including moving into ‘lean’ forms of operation. Flexibility, adaptability, and speed of response are all important in order to ensure that an organization maintains a competitive edge and individual roles may be subject to constant change – continuity and predictability are no longer available for employers. Leaner organizations mean that careers may mainly develop laterally – expectations that progress will be made by promoting through the hierarchy are no longer so valid. Additionally, leaner organizations may

make greater demands on employees and are less likely to tolerate people who no longer precisely fit their requirements (Armstrong, 2006).

### ***Job Security***

Meltz (1989) defines job security broadly as “an individual remains employed with the same organization, with no diminution of seniority, pay, pension rights, etc.” Similarly, Herzberg (1968) defines job security as the extent to which an organization provides stable employment for employees.

Following the work of Locke (1969), Hamermesh (1977), Freeman (1978) and Borjas (1979), economists became increasingly interested in issues related to subjective evaluations of the utility derived from work since job satisfaction is related to gains in efficiency at an organizational and an individual level. Thus, Burchell *et al* (1999) and Brockner *et al*, (1988) found that job insecurity may lead to a worsening of the employer-employee relationship.

### ***Employee Recognition***

In establishing a TQM process within a company, a transition in corporate culture towards one of continuous improvement is a fundamental requirement. In this sense, an effective reward and recognition process provides a clear and visible statement to all employees of the organizational values and the commitment to employee involvement. Although some believe that motivation is an intrinsic property of human nature rather than a behavior to be installed by the management (Scholtes, 1995), recent results from a US Council of Communication survey concluded that recognition for a job well done is the top motivator of employee performance (Sweatman, 1996).

## ***Career Advancement***

The interest in career advancement could be related to the theory of “survival of the fittest.” Every career-minded individual is probably focused on wanting to know the “recipe,” or factors that would allow them to be the fittest, or at least be among the fittest, to compete in the corporate jungle (Farmer, 1997). The thirst for career advancement is unquenchable and thus has led to many researchers spending time and effort analyzing career advancement factors. As stated by Garavan et al. (2006), research on career advancement has focused on how the shape of traditional career paths has changed due to increasing environmental uncertainty. Issues related to career advancement have been extensively analyzed over the past four decades (Gattiker and Larwood, 1988).

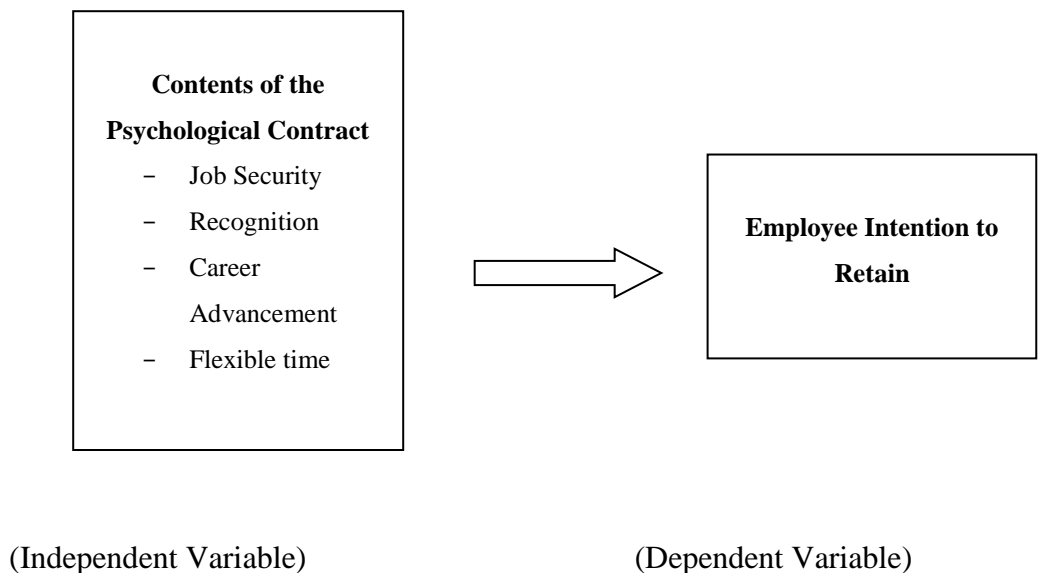
Among the areas of studies are the relationship of career advancement with sociology (Wong et al., 1985), psychology (Korman, 1980), socio-economics (Whitely and Dougherty, 1991), and behavioral studies (Turban and Dougherty, 1994). Departing from the previous studies, the study looks at career advancement in terms of human development, which distinguishes the study from the rest.

## ***Flexible Time Schedules***

There is considerable interest in flexible work arrangements in the business community. Recent evidence from the National Study of Employers (Galinsky et al., 2008) indicates significant increases between 1998 and 2008 in the percentage of employers offering various flexible alternatives, including schedule flexibility such that employees are allowed to change their starting and quitting times daily. Indeed, a recent report endorsed by Corporate Voices for Working Families (2005), a consortium of over 50 employers, 70 percent of whom are listed in the Fortune 500 (p. 27), concludes that: Whether in driving financial performance or leveraging human capital, flexibility contributes powerfully to business success. But the positive benefits of flexibility cannot be realized until it is expanded to more workplaces with more varied and effective implementation. It is time to take action to unleash the power of flexibility and accomplish its expansion.

## Conceptual Framework

Out of many factors discussed in the literature survey that has an impact on Psychological contract to the employee's intention to retention, has summarized with the list of factors.



*Figure 1: Conceptual Framework*

## Hypotheses

**H<sub>1</sub>:** There is a relationship between Psychological Contract and employee's Intention to Retention

**H<sub>1a</sub>:** There is a relationship between Job Security and Intention to Retain

**H<sub>1b</sub>:** There is a relationship between Recognition and Intention to Retain

**H<sub>1c</sub>:** There is a relationship between Career Advancement and Intention to Retain

**H<sub>1d</sub>:** There is a relationship between Flexible Time Schedules and Intention to Retain

## **Research Design**

The research design involves a series of actions which show the ways or methods of data collection by the researcher. The researcher mainly focused the purpose of the study, the type of investigation, the extent of researcher interference, the study setting, the unit of analysis and the time horizon. The other aspects of measurements, data collection methods, sampling design and data analysis was elaborated.

### ***Purpose/ Nature of the research***

This study is a hypothesis testing study, which was analyzed certain practices of the Nor Lanka Manufacturing Ltd. Hypothesis testing usually explains the nature of certain relationships or differences among groups or the independence of two or more factors in a situation. That means this research emphasized there is a significant impact of the Psychological Contract on employee retention of the Nor Lanka Manufacturing Ltd. The result of this testing is very important to the company because employee relationships can be used as a tool to increase employee retention and ultimately increase their performance.

### ***Type of investigation***

Every manager should determine the type of investigation. Mainly there are two types; they are causal study and co-relational study. According to Sekaran (2006), causal study means the study, which the researcher wants to delineate the cause of one or more problems. When the researcher is interested in delineating the important variables associated with the problem, it is called as a co-relational study. This

study mainly focuses on the important factors associated with the problem; therefore, this study is a correlational study.

### ***Time horizon (time of the study)***

The time horizon is also very important when conducting a research. This time horizon may be cross-sectional study or longitudinal study. According to Sekaran (2006), a cross-sectional study can be in which data are gathered just once. If the researcher wants to get data more than one time, it is called as a longitudinal study. In this research, the researcher uses a cross-sectional study. Because the researcher did not gather data more than one time, only got just once.

### ***Population and sampling***

Nor Lanka Manufacturing Ltd is a buying office with 350 employees are working. The population includes Managers, Executives, Staff members, and workers, hence the sample too.

The Sample size has been selected in a more convenient way for data collecting and analysis process. According to the Morgan Table for Determining Sample Size from a Given Population, the sample of the total population is given as 175. This 175 should represent the 350 members in the organization and it should be distributed among all the layers and the departments. The Simple Random Sampling method was used to select the names of the sample and identify the 175 members who will need to distribute the questionnaire.

### **Testing Reliability**

In order for assessments are sound, they must be free of bias and distortion. Reliability is a concept that is important in defining and measuring bias and distortion.

Reliability is the extent to which an experiment, test or any measuring procedure yields the same result on repeated trials. Without the agreement of independent observes able to replicate research

procedures, or the ability to use research tools and procedures that yield consistent measurements, researchers would be unable to satisfactorily draw conclusions, formulate theories, or make claims about the generalized ability of their research.

According to Standard given by Keller and Warrack factors loading above 0.7 and maximum 1.0 are accepted. According to given standard, Cronbach's Alpha value of all is in the range of closer to reliability. Therefore, this data set is accepted for further analysis.

*Table 2: Cronbach's alpha for each variable*

Variable	Cronbach's Alpha
Job Security	0.796
Recognition	0.671
Career Advancement	0.745
Flexible time schedules	0.726

The result suggests that instrument of Job Security and career advancement behavior possessed a high degree of internal reliability. Other instruments, suggesting that each instrument's internal consistency were satisfactory.



## Hypotheses Testing

There were five hypotheses of the study. The hypothesis was about testing the impact of the independent variable on the dependent variable. The Multiple Regression techniques were applied.

***H<sub>1</sub>***: *There is a relationship between Psychological Contract and employee's Intention to Retain.*

		Correlations	
		RE.AV	PC.AV
RE.AV	Pearson Correlation	1	.789**
	Sig. (2-tailed)		.000
	N	175	175
PC.AV	Pearson Correlation	.789**	1
	Sig. (2-tailed)	.000	
	N	175	175

\*\* . Correlation is significant at the 0.01 level (2-tailed).

According to the above table correlation between Psychological Contract and Retention is 0.789. P value .000 which less than 0.01. The correlation value of 0.789 indicates that there is a Significant Strong positive relationship between Psychological Contract and Retention. Hence **H<sub>1</sub>** can be accepted. R Square value is .623. Which indicates that 62% variation in Retention due to Psychological contract.

***H<sub>1a</sub>***: *There is a relationship between Job Security and Intention to Retain.*

Correlations		Recorded Retention	Recorded Job Security
Recorded Retention	Pearson Correlation	1	.741**
	Sig. (2-tailed)		.000
	N	175	175
Recorded Job Security	Pearson Correlation	.741**	1
	Sig. (2-tailed)	.000	
	N	175	175

According to the above table correlation between Intention to Retain and Job Security is 0.741. P value .000 which less than 0.01. The correlation value of 0.741 indicates that there is a Significant Strong positive relationship between Intention to Retain and Job Security. Hence **H<sub>1a</sub>** can be accepted. R Square value is .549. Which indicates that 54% variation in Intention to Retain and Job Security.

***H<sub>1b</sub>***: *There is a relationship between Recognition and Intention to Retain.*

Correlations		Recorded Retention	Recorded Recognition
Retention	Pearson Correlation	1.000	.320
	Sig. (2-tailed)	.320	1.000
	N	.	.000
Recognition	Pearson Correlation	.000	.
	Sig. (2-tailed)	175	175
	N	175	175

According to the above table correlation between Intention to Retain and Recognition is 0.320. P value .000 which less than 0.01. The correlation value of 0.320 indicates that there is a Weak relationship between Intention to Retain and Recognition.

Hence **H<sub>1b</sub>** can be accepted. R Square value is .102. Which indicates that 10% variation in Intention to Retain and Recognition.

**H<sub>1c</sub>**: *There is a relationship between Career Advancement and Intention to Retain.*

Correlations		Recoded Retention	Recoded CA
Retention	Pearson Correlation	1.000	.316
	Sig. (2-tailed)	.316	1.000
	N	.	.000
Career Advancement	Pearson Correlation	.000	.
	Sig. (2-tailed)	175	175
	N	175	175

According to the above table correlation between Intention to Retain and Career Advancement is 0.316. P value .000 which less than 0.01. The correlation value of 0.316 indicates that there is a Weak relationship between Intention to Retain and Career Advancement. Hence **H<sub>1c</sub>** can be accepted. R Square value is .100. Which indicates that 10% variation in Intention to Retain and Career Advancement.

**H<sub>1d</sub>**: *There is a relationship between Flexible Time Schedules and Intention to Retain.*

Correlations		Recoded Retention	Recoded FTS
Retention	Pearson Correlation	1.000	.813**
	Sig. (2-tailed)	.813**	1.000
	N	.	.000
Flexible Time	Pearson Correlation	.000	.
	Sig. (2-tailed)	175	175
	N	175	175

\*\* . Correlation is significant at the 0.01 level (2-tailed).

According to the above table correlation between Intention to Retain and Flexible Time Schedules is 0.813. P value .000 which less than 0.01. The correlation value of 0.813 indicates that there is a Significant Strong Positive relationship between Intention to Retain and Flexible Time Schedules. Hence **H<sub>1a</sub>** can be accepted Square value is .660. Which indicates that 66% variation in Intention to Retain and Flexible Time Schedules.

## Multiple Regression Analysis

*Table 3: Multiple Regression Analysis*

Coefficients(a)					
		Unstandardized Coefficients		Standardized Coefficients	
Model		B	Std. Error	Beta	t
1					
	(Constant)	.264	.114		2.326
	Job Security	.244	.060	.201	4.091
	Recognition	.075	.047	.076	1.602
	CA	.058	.070	.047	.826
	FTS	.270	.042	.332	6.361
Supervision	.554	.060	.596	9.203	.000

The multiple regression analysis explains the relationship and magnitude of each independent variable [Job Security (JS), Recognition (Rec), Career Advancement (CA), Flexible Time Schedules (FTS)] on the dependent variable [Intention to Retain (RE)] as,

$$\text{Retention} = 0.264 + 0.244 (\text{JS}) + 0.075 (\text{Rec}) + 0.058 (\text{CA}) + 0.270 (\text{FTS})$$

## **Findings and Discussion**

This study sets out to investigate the relationship between Psychological contract and employee Intention to Retention in Nor Lanka Manufacturing Colombo Ltd. All hypothesized relations were supported by the data. The results of this study revealed that the positive link between Psychological contract and Employee Intention to Retention. These findings confirm the theory that the degree of Employee Retention positively increases if the degree of fulfillment of Psychological Contract through Job Satisfaction, Employee Recognition, Career Advancement and Flexible Time Schedules. When the mentioned instruments are fulfilled employee retention can be still.

The findings are consistent with previous researches. Psychological Contract is related to job outcomes, such as job satisfaction, commitment, and turnover intention. And also found that Psychological contract (relational and transactional contract) is a significant link with Commitment. These findings demonstrate that when promise build, the employees in a workplace feel an emotional attachment to the organizations which increase job satisfaction and commitment and decrease their turnover intention. This finding was also consistent with a meta-analysis Zhao et al., (2007) who examined the relationship of psychological contract with job outcomes such as job satisfaction, turnover intention, and citizenship behavior.

This suggests that the business unit heads of each department want to pay attention to fulfill their promises for building an emotional attachment of workers with the workplace as recommended by Zhao et al., (2007).

## **Conclusion**

The review of the literature suggests that the psychological contract is extremely important for organizations to manage as it has an impact on employee Intention to Retention.

Modern organizations can't succeed unless the people they employ agree to contribute their mission and survival, hence workers and employers need to agree on the contributions that workers will make to the firm and vice versa. Understanding and effectively managing these psychological contracts can help organizations thrive. Organizations are thus increasingly acknowledging psychological contract as a significant aspect of the employment relationship. The concept of mutuality is a major feature of Psychological Contract, implying that there is a common and agreed understanding of the promises and obligations the respective parties have made to each other about work, pay, loyalty, commitment, flexibility, security, career advancement and etc. which are the sub-dimensions of Psychological Contract.

The growing management interest in a psychological contract can be attributed to the fact that the construct has the potential to predict employee outcomes, organizational success and financial performance (Pate et al., 2003; pg 558). Employee-employer relationships influence the economy as well as the behavioral outcomes of the organization. The psychological contract is a multi-dimensional construct and unlike other constructs, it is not only an effective but also a cognitive and physical state of involvement in one's job. It also focuses on the emerging issues in employment relationships. They are constructs that understand the concerns about employment relationships.

The psychological contract is necessary. However, its violation can signal to the participants that the parties no longer share or shared a common set of values and goals since as a psychological contract create emotions and attitudes that form and control behavior. Management of organizations has the core task towards the management of psychological contract which has a positive association with a range of outcomes within the employment relationship and this is a useful way of conceptualizing that relationship.

The study concludes that it is important to manage the psychological contract and human resource employee retention significantly impacts employee development as well as an assessment of psychological

contract fulfillment. The failure of a company to comply with its obligations (as perceived by an employee) can erode the employment relationship.

## **Recommendations**

Nor Lanka Manufacturing Colombo Ltd is a supportive buying office, which gives a tremendous support to the economic development in the apparel sector. For supply better service to the nation, the employers want to concern about the improvement of Psychological contract among their employees and to retain them in the organization for the future betterment. To retain employees, the employers need to be obtained a psychological contract. The study provides data related to the impact of the psychological contract on employee intention to retention, which can be used by Nor Lanka Manufacturing Colombo Ltd to develop the existing contracts which can be most attractive to employees. Nor Lanka Manufacturing Colombo Ltd, which is a large buying office in Sri Lanka can try to design a brainstorming session for all the General Managers and the Business Unit Heads to develop these contracts.

A result from this study has demonstrated that psychological contract variables can significantly explain a substantial amount of variance in turnover intentions for Nor Lanka employees. Further, an effective commitment was found to be an important mediating role the relationship between psychological contract variables and intention to retention. In addition, the analysis revealed that at different stages of adulthood, different factors might play a role when considering the intention to leave the organization.

Among the psychological contract variables, job security appeared to be the most significant predictor of organization's employee's intention to retention, followed by promotion opportunities and salary. Thus, the greater the extent to which individuals find their jobs to be challenging, comprehensive and diverse, the less likely they are to leave their organizations. This effect was partially mediated by affective commitment, i.e. the more respondents perceive their job as one which includes challenging, comprehensive and diverse tasks, the more they

are committed to the organization and in turn, the less likely they are to leave the organization. Therefore, in terms of the psychological contract perceptions, this might mean that the expectations among Nor Lanka employees are rather high and that a slight violation of this expectation towards the negative side is what makes them consider leaving the organization. Recognition and career advancement were also related to Nor Lanka employees' retention intentions. The more the respondents agreed to the fact that their organization offered them promotion opportunities and competitive salaries, the less inclined they were to consider leaving the organization.

The results also highlighted significant influence of equitable and competitive salary and availability of promotions for employees' intentions to retention. Psychological contract measures such as job security, recognition, job content, promotion, salary, work-family balance and performance pay have significantly affected the intention of retention. These factors were also found to be directly related to affective commitment and in turn, were also found to operate as a mediating variable between psychological contract measures and intention to retention. It is only the individuals who develop psychological contracts and not organization. Organizations provide individuals with a context in which psychological contract can evolve and develop. As such, the organization can influence the psychological contract of employees directly through its agents and indirectly through administrative contract makers. The findings of this research study provide some important suggestions for managers in the organization to concentrate on the key predictors of the psychological contract for the explanation of managers intention to retention.

One of the strongest predictors of intention to retention in this study is Job Security, which is also an important predictor of affective commitment. This refers to the extent to which employees are satisfied with their jobs. Excessive work demands can lead to higher levels of psychological strain and job dissatisfaction. The impact of these demands may be offset by the perception that one has control over important aspects of the job environment. Indeed, highly challenging



and demanding work combined with high control is considered an active job that has beneficial outcomes for individuals. On the other extreme, low-demanding work with low levels of control will lead to strain and reduces job satisfaction. Also, the combination of highly demanding work with low levels of controls will lead to strain because anxiety will be created about the job performances and personal consequences of not completing the work in a specified time frame. Low- demand work combined with high levels of control will lead to boredom and dissatisfaction. As such, jobs which are perceived as challenging and have enough possibilities for control may lead to a lower turnover intention and also actual turnover. The practical implication of this perspective for Nor Lanka employees is the design of jobs. Because individuals will become more experienced and task-mature in a specific job over time, Nor Lanka employees should be able to design their jobs with flexible boundaries employees can obtain more tasks in a specific job (e.g. activities, responsibilities, intrinsic development opportunities) with the provision of more control opportunities (e.g. autonomy, power).

Practical implications for management may be twofold. Firstly, management should know whether the promotional possibilities and salary heights in their organization are perceived as unfair by employees in comparison with the conditions in other industries. Too much-perceived unfairness by employees with too little compensation from other job characteristics may lead to turnover intentions. Secondly, care should be taken in the communication in the recruitment process of new employees, to align the perceptions of new personnel with realistic possibilities for salary and promotion in the organization. Consistency in promises related to salary and promotion opportunities is important to prevent violation of the psychological contract.

The result of this study also suggests several interesting avenues for further investigations. Further, researchers are needed to explore these relationships. This study sample was obtained from Nor Lanka Manufacturing Colombo Ltd only. To enhance the validity, future

studies can obtain a sample from the other subsidiaries in other countries too.

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# **THE IMPACT OF GLASS CEILING ON WOMEN CAREER DEVELOPMENT: IN CASE OF SENIOR EXECUTIVE AND ABOVE LAYERS IN APPAREL SECTOR IN SRI LANKA**

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## **ABSTRACT**

*The main purpose of this study was to identify whether there is a significant impact of glass ceiling toward the women's career development. Further study was focused to identify the acceptance of career aspiration and career goal achievement by female employees in Sri Lankan context. Therefore, the study has focused on female employees who are about to top layers and females who are in the Apparel industry. The study is an explanatory cross-sectional study in nature. The researcher conducted a descriptive study in order to identify the real perception of glass ceiling in the apparel industry.*

*A self-administrated questionnaire which has extracted from standard and a well-tested questionnaire was used to collect data from female employees. The respondents were senior executives and above layer*

*female employees who have well experienced and have to climb us to a certain extent in their career ladder, selected from three giant apparel manufacturing organizations in Sri Lanka. And the sample consists of 100 female employees who included in the prior mentioned population. Descriptive statistics and correlation were used to analyze collected data set in order to come to a statistically supported conclusion.*

*Through the findings, it has revealed that apparel sector, female employees who are in senior executive and above layers significantly does not perceive glass ceiling as a barrier to their career development. This study mainly focused on organizational climate, focus on work-life balance, personal factors and gender stereotypes which are few of the factors of the glass ceiling. Further study revealed that females are fully confident about their capabilities, females are ready to accept top positions and they work for career goal attainment. Further study has concluded that untested other factors can work as a glass ceiling for these females and also culture existed and educational level might act significant role to break the glass ceiling.*

**Keywords:** Glass Ceiling, Women's Career Development, Gender Stereotypes

## **Introduction**

Even though current world going on a journey of development and innovation most of the empirical researches describe that gender biases in the business world still exist. This has become a major issue, where gender has created some restriction for women as per the most of the researches. Even though there are women in the business world who has climbed the career ladder and become CEO's of companies in most of the researchers' it implies that this is lesser than 5%. From past to present there are more discussions about what the women's role should need to be and question about whether women can do same as men in the business world. Although there is continued discussion about continuous improvement of people and going beyond the framework, it is still questionable about gender for most of the men and women what would be their role should be.



When comes to the mid of the twentieth century, women's engagement toward labor force can be identified as an effort to break the gender barrier within people and some of the studies show that most of the women have entered into the middle management levels and few have climbed higher to the director or CEO level. With this movement, most of the organizations have implemented policies and procedure and consider flexible working hours to motivate more women to climb up the career ladder. According to Meyerson & Fletcher (2000), women at the highest levels of business are still rare. They consist only 10% of senior managers in Fortune 500 companies, less than 4% of the uppermost ranks of CEO, president, executive vice president, and COO and less than 3% of top corporate earners.

This situation has become a critical issue where even though the majority of the country's population consists of the female. And the majority of them would not engage in the labor force and does not much concentrate on the career progression.

Even though women try to develop their career path most of the scholarly articles describe that most of the men would not allow this and put different kind of barriers and obstacles by bringing the difference of gender capability. In 1987 this has been identified as a concept of the glass ceiling in the book "*Breaking the glass ceiling: Can women reach the top of America's Largest Corporations?*" Different research articles have brought a different kind of definition for the concept of this glass ceiling. But all of them consist of the common idea that glass ceiling is a transparent barrier which has imposed based on the gender discrimination. Gender has brought up a difference between employees even though they are capable enough to perform and develop their career path. As per some documentaries it explains that men use this glass ceiling not because the women are lack of capability or commitment, but it will help them with their promotions as gender can use as a weapon for restricting women and the role of women by bringing numerous arguments that women cannot do same as men and women are weak. According to a labor force survey (2010), female participation in operational level and worker

level is comparatively higher than the managerial and leadership positions. It shows that even though females engage in the workforce at the initial stage, going for a career development and working for the success of career has not been focused by these employees. Researches imply the cause for this is due to the role and the frame that has constructed by the society based on the gender with the belief that women should take the responsibility of children and family care which has restricted women to focus on a career progression. According to Sikandar and Mitra (2012) even though it explicates that men and women leadership style is different, this has been caused by the gender stereotype of that belief of women are different to men and being more emotional rather than the capability and skill of the women. This might work unfavorably toward women to climb up to leadership level as it believes that women take many decisions from being emotional and those decisions are not effective.

Even though people talk about breaking the imaginary barriers, still gender creates the difference between career developments of female employees in current economic context. Even though most of the women enter the executive level jobs in the industry, going above to the leadership roles has restricted by this Glass ceiling concept can be seen, according to most of the research studies as they must face challenges of being a woman and the gender perspective of most of the men as well as female.

According to most of the researches, it implies this under representation has been impacted by the glass ceiling, which has restricted women from getting promotions and development of the career path of women. And the glass ceiling is a concept which continuously uses by societies in every country, regardless of economic and technological development that country going through. It is really questionable whether actually, gender plays a role when understanding the capability of a person irrespectively that persons 'skills, knowledge and personal capacity of tolerance and work.

## **Research Context**

The research population is an Apparel sector in Sri Lanka for the study. As it is the largest employer of female employees' apparel industry has taken as the research context of the study. The industrial sector in Sri Lanka is the second largest sector of the national economy. Industry sector contributed 26.8% of the country GDP. It recorded significant growth of 6.7% in 2016 first quarter (Annual report Central bank of Sri Lanka, 2016). According to an Annual survey of Industries 2015 conducted by the Department of Census and statistics has identified that industrial sector includes Manufacturing, Mining and Quarrying, water supply, sewerage, waste management and remediation activities and electricity, gas, steam and air conditioning supply (Census and Statistics Department, 2015).

Among these, highest numbers of persons are employed under manufacturing sector, which is 94.7% out of the total (Census and Statistics Department, 2015) and consequently reporting highest exports of Rs. 710,768. Highest output amounts to Rs. 3,633 billion is also from the manufacturing sector (Central bank of Sri Lanka, 2016). Further, under manufacturing sector, highest numbers of people are employed in manufacture of wearing apparel which is 485,637. Apparel sector is the biggest industry in Sri Lanka. Apparel sector is a significant sector to the Sri Lankan economy. The Apparel sector contributes to the economic growth.

Furthermore, apparel sector the industry provides direct employment opportunities to over 300,000 and 600,000 include a significant number of women in Sri Lanka and this is the height employment opportunity providing industry for women in Sri Lanka. So, for this study, the researcher has selected the top three private sector Apparel manufacturing companies in Sri Lanka. Among the top 3 apparel companies, most significant clusters under each company which are practicing many different HRM practices and which have received many awards for HR has been selected based on interviews done.

## **Problem Statement**

As per many of the literature, it provides details that women who are operating in the business world have not climbed to the top of their career ladder. And there are statistics which implies that there is a smaller percentage of participation of females in the development of their career. And many researches try to imply that even though the world population, the male population is high most of the country vise female population seems high and growing. And this can be a future problem where the lack of the women's participation in the business world and lack of need for developing themselves can create issues in labor force participation and that might directly can be affected to the economies of countries.

And this has described in many researches as glass ceiling where female get demotivate due to the gender barriers and they give up on their jobs as the societies have created such stereotype that female should take more responsibility of their families. Therefore, the study would focus a group which consists of early managerial level in order to identify the real relationship between women's career development toward leadership layer and impact of glass ceiling on this. Where an organization conducts this particular study into this focus group previously and would fill the gap in the knowledge.

As per the selected population, which includes apparel sector, one of the giant manufacturers brings data on gender, which implies lack of participant of female in above layers of senior executive and assistant manager. This comprises about 24% of senior female executive and 76% of male executives and in assistant manager level, 8% of the female participant and 92% of the male contribution being highlighted as per the gender breakdown reports of the division. Therefore, the study would mainly focus on senior executive and above layers to identify the influence of glass ceiling for their career progression which would help females to climb the ladder to leadership layer.

Therefore, the study would focus the main question as *To what extent glass ceiling would impact on career development of senior executive and above level women.*

## **Objectives of the study**

### ***General Objective***

To assess the impact of glass ceiling, toward the career development of women, in the apparel sector of Sri Lanka.

### ***Specific Objectives***

1. To identify the relationship of glass ceiling and Women Career Development.
2. To measure impact of glass ceiling on Women Career Development
3. To identify cultures that can create to overcome the glass ceiling effect on Women Career Development.

## **Research Questions**

1. To what extent glass ceiling would impact career development of senior executive and above level women?
2. To which extent organizational climate impact on women's career development of senior executive and above level women?
3. To which extent focus on work-life balance's impact on women's career development of senior executive and above level women?
4. To which extent personal factors impact on women's career development of senior executive and above level women?
5. To which extent gender stereotypes impact on women's career development of senior executive and above level women?

## **Literature Review**

Social cognitive theory expresses that individuals gain as a matter of fact of others (Bandura, 1986; Sahoo & Lenka, 2016). The role model theory bolsters the idea that individuals comprehend, anticipate, and change their conduct by watching others. Behavior change happens in youthful female representation, when they see an uplifting feedback by emulating their good senior female examples. Junior female workers imitate their effective seniors to enhance their activity execution and endeavor to achieve their expert objectives (Singh et al., 2006; Sahoo & Lenka, 2016). Because of the shortage of female workers in senior administrative positions, junior female representatives are not ready to benefit proficient direction. At the point when these female officials are denied of a capable coach, they feel depreciated and create a goal to stop. Pipeline hypothesis excuses this contention of the mass migration of ladies executed in the mid administration level by selecting willful retirement when they see an absence of profession improvement openings in the association.

### ***Women's career development***

Career development is identified as a continuous process of balancing learning, working and leisure time of person and going forward through the career ladder. And through women's career development it would identify to what extent females process in this career development process in order to make their work life a better by utilizing their adequate qualifications, varied experiences, and achievements (Sahoo & Lenks, 2016). Even though there are women who play roles in the top level of the organizations in the 1990s and earlier in the business world, it has identified by researches that most of these women are entrepreneurs rather than the corporate sector. Reaching the top level by women identified as a difficult challenge as an individual and as well as a business. This implies that career development does not exertion for female.

## ***Glass ceiling***

The "Glass ceiling" is an allegory that is utilized to portray what female experience when they endeavor to progress in administrative chains of importance. The term started in the famous media (Hymowitz & Schellhardt, 1986; Powell & Butterfield, 2015) and rapidly spread to the sexual orientation in administration writing. In an early book on the subject entitled the Glass Ceiling: *Can Women Reach the Top of America's Largest Corporations?* Morrison et al., (1987); Powell & Butterfield (2016) characterized the unfair limitation as "a straightforward boundary that keeps the female from transcending a specific level in partnerships." In spite of the fact that unattainable ranks can exist at any administrative level, the term was first authored to allude to female' confined access to top administration levels.

## ***Factors based on Glass ceiling***

The Glass ceiling has been grounded by several factors which include corporate culture, corporate climate, organizational practices, work-life balance, personal belief and attitude toward glass ceiling and gender stereotypes vice versa. Below researcher will discuss extensively some selected facts based on the previous empirical studies. And the selected factors will be tested throughout the research study.

## ***Organizational Climate***

As per Cooper (2001), hierarchical atmosphere refers to the predominant corporate view of females' expert abilities and sense of duty regarding their vocations. It additionally incorporates dispositions towards ladies that could bring about unsupportive and disheartening workplaces (Knuston and Schmidgall 1999). Klenke (1996) additionally demonstrated that in many associations that are male-driven, the male system still exists, and studies demonstrate that ladies have been generally barred from these systems. The advantages of casual systems administration are very much recognized as imperative for upward versatility, including data trade, vocation arranging and strategizing, proficient help and consolation, and expanded perception.

Inconvenience on the two sides prompts this rejection (Davidson and Cooper 1992). Numerous associations still grasp a 'male-arranged' administration style, where immediate and forceful conduct is the standard. Be that as it may, when females grasp this style, they are regularly named as 'bossy' and 'pushy,' though men utilizing similar practices are named 'pioneers' (Davidson and Cooper, 1992)

### ***Work-life Balance***

Family obligation refers to instrumental exercises identifying with youngster's childhood, giving commodities and bolster administrations to the family. Family responsibilities had assumed a remarkable part in regardless of whether the females had acknowledged the employment. Some of them had postponed tolerating them until the point when their youngsters were more experienced (ILO, 2004). As per ILO (2000), family duty is an essential element of callings and particularly development work, since it here and there requires extended periods of time nearby to pick up involvement and acknowledgment, prompting ladies who need both family and a vocation need to juggle overwhelming obligation in the two areas. Research demonstrates that contemporary women's vocations and lives seem, by all accounts, to be inseparably laced; work and private lives are interconnected (O'Neal et al., 2008). The contention amongst work and family commitments, that numerous development experts encounter, is more intense for ladies than for men (Amaratunga et al., 2007).

As per Lingard and Francis (2002), work-life balance defined as the integration between work life and family life of the female worker and work requests borne by development experts is harming to their family and residential duties. Site-based representatives, both expert and manual laborers are generally subject to changing work areas. These practices avoid and hinder females' employee movement in development management. Learning theory is a more recent theory clarifying the females' preference between corporate work and family work. It is a verifiable educated, forthcoming and multidisciplinary theory. Therefore, women tend to balance work life in parallel with



family life. Due to this, females more willing to give up career development opportunities as they mostly focus on work and family life balance. As well as most of the time work life depends on the family life of the female.

### ***Person-Centered Factors***

The individual-focused hypothesis worries with aptitudes, qualities, and conduct of ladies' representatives to break the biased based impediment (April et al., 2007). The qualities, for example, aspiration and certainty, initiative aptitudes like demanding and affecting conduct need among females contrast with men (Terjesen and Singh, 2008). Indian ladies are challenge opposed and may dodge rivalry since they disdain an aggressive situation they should be in (Jain and Mukherji, 2010). An examination by Bombuwela and Alwis (2013) demonstrates that absence of fear and negative states of mind are singular boundaries which prevent ladies' vocation advances in Sri Lanka. Among the West Asian nations, in Israel, inspiration and objectives have an impact on profession development (Lerner et al., 1997). The absence of energy for testing assignments goes about as a characteristic obstruction for ladies' profession advancement in Bahrain (Pillai et al., 2011). The substandard mental self-portrait of Oman ladies made them imagine that they are not fit for being monetarily and socially free and consequently backtracks ladies from their vocational development (Goveas and Aslam, 2011). Inspiration to lead has a positive effect on the work-family struggle, and it appears that ladies confront more as a result of this than men; and with the higher desire, Indonesian ladies can decrease the family-work strife viably (Sumarto and Permanasari, 2013). Ladies troughs have more worry than men because of their double part as working ladies and home producer, subsequently, such absence of passionate steadiness makes the boundaries of their professional development (Napasri and Yukongdi, 2015).

### ***Gender Stereotypes***

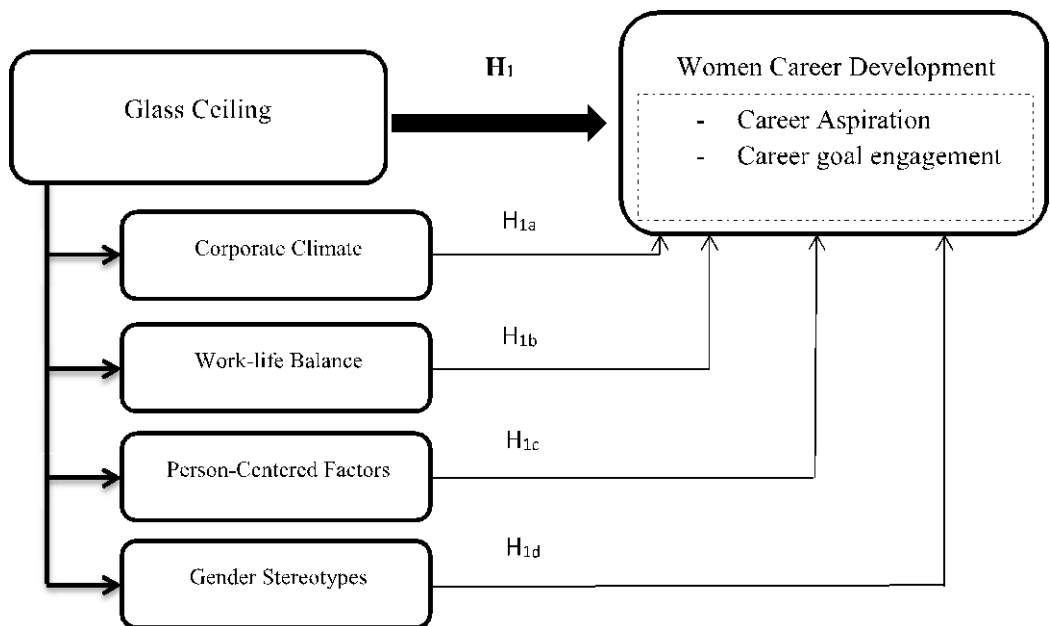
Gender Stereotypes are characterized as a mutual arrangement of convictions about implied characteristics of females and guys. Young

men are for the most part ascribed to be solid, forceful and the pioneers while the young ladies are being credited as feeble, inactive and consequently adherents. Sex generalizations have been researched at two levels: sex-parts generalizations and sex-characteristic generalizations (William and Bennett, 1975). Sex-pat generalizations are convictions about the suitability of different parts and segregating exercises for men and ladies; while sex-attribute generalizations are convictions that "mental and behavioral qualities" depict larger part of men than the greater part of ladies.

Females are contracted for "Usual" ladies' positions that are low paying give an account of Sex Separation and Inappropriate behavior in the Work environment with a little open door for progress. Socially and customarily there is a distinction in the impression of seeing a lady at work contrasted with their male partners (Pichler et al., 2008; Michael, 2007). A diverse report on 25 nations found that in every one of the nations' females was portrayed as wistful, accommodating and superstitious (William and Best, 1990). Some closed-minded convictions are that ladies are inconsistent with high weight and high requesting occupations; being candidly feeble, a lady can't take the high weight workload, cannot be an extreme drill sergeant, traveling an overnight for the business reason for existing is an obligation for women.

## Conceptual Framework

The conceptual framework of the current study is illustrated in figure 01. Glass ceiling and women's career development identified as the two variables of the study. The hypothesized relationship between variables



*Figure 1: Conceptual Framework of the Study*

The Glass ceiling is an out-bursting notion that exists within both local and international context and this concept associated with women's career development. This has a significant impact on local as well as a global active labor force, whereas glass ceiling will work as a conclusive factor of engagement of female toward the labor force of the country.

The concept of the glass ceiling is being more confronted by the senior executive and above working layers, as senior executive layer would exertion as the initial layer of leadership within the organizational hierarchy. Therefore, the current study examines about the glass ceiling impact of female employees in the corporate world by significantly targeting the senior executive and above layers of the organizational hierarchy, in order to identify the real impact of these two variables.

### **Development of Hypotheses**

The study by covering organizational, personal and societal areas has developed below hypothesis in order to test the significant impact of glass ceiling on women's career development.

***H1*** – There is a significant impact of glass ceiling on women's career development.

***H1<sub>a</sub>*** – There is a significant impact of corporate climate on women's career development.

***H1<sub>b</sub>*** – There is a significant impact of work-life balance on women's career development.

***H1<sub>c</sub>*** – There is a significant impact of personal factors on women's career development.

***H1<sub>d</sub>*** – There is a significant impact of gender stereotypes on women's career development.

### **Overall Research Design**

This study titled as the 'impact of glass ceiling on women's career development in Sri Lanka females' is a quantitative study that attempts to find out the solution for the research problem of 'what relationship exists among glass ceiling and career development of women'. As the current study attempts to test the formulated hypotheses and the

established relationships in the research model, this would be considered as an explanatory research.

Further, this examination is an explanatory investigation, which sets up a relationship between variables (Saunders, Lewis and Thornhill, 2009, p.140) and this will take descriptive according to Sekaran (2010) as it explains the relationship between glass ceiling and women's career development. As the current study does address the "What" question and its concern with the relationship between the variables glass ceiling and women's career development it can be concluded that the current study is an explanatory research. Hussey and Hussey (1997) state that the 'quantitative research approach provides objective and unbiased results that have not been influenced by the researcher'. Based on these the researcher has selected it as a quantitative study. Quantitative methods emphasize on measuring and factor analysis (Saunders et al., 2009).

Further, this is a cross-sectional examination as information will be gathered just for a specific purpose of time and it won't repeat. Additionally, the researcher's obstruction will be least in the present investigation and in the meantime, this will be a field think about. Unit of the examination will be at the individual level; female senior executive and above employees in the apparel sector. The investigation will be led among a sample of 200 females drawn through simple random sampling. Information will be gathered through a self-managed, pre-trying, standard poll, which has met the acknowledged measure of legitimacy and dependability. Information was examined utilizing SPSS and Excel. Frequency analysis, correlation test, and regression analysis will be performed to analyze data, and to test the advanced hypothesis.

## **Population**

The population concerned for the current study includes the entire female senior executive and above female employees in the apparel industry, which include selected three giant apparel manufacturers in Sri Lanka; a total 925 of female employees above senior executive

level is entitled to the study as per the head counts given by each organization.

### ***Sample and Sampling Technique***

The sample size is 100 Female employees who are above the senior executive level of selected private sector Apparel organizations of Sri Lanka which is 10.27% of the population. As the population is known and as this is a Quantitative study, probabilistic sampling methods could be used in the study. As researcher can approach more respondents and it provides a better representative simple random sample technique is more reliable.

### **Testing of Hypotheses**

The Glass ceiling related factors divided into four factors, including corporate climate, work-life balance, personal factors and gender stereotypes in order to conduct the analysis clearly. Correlation and regression models were used to identify the acceptance of hypotheses.

### **Sample Composition**

The researcher identified the target sample as 100, which is 10% of the population, which consist of senior executive and above female employees in the apparel industry. Therefore, it was distributed 121 questionnaires in order to collect data and out of these 112 questionnaires filled in and returned. Therefore, the response rate is 92.56%, approximately, while this can be identified as good response rate as it was able to capture 100% of the sample. As the study is mainly focusing on career development of women, the population is biased and comprise of 100% females. According to the sample civil status, it can be identified that 56% of the sample is single while 44% of the sample are married females. This implied that the majority of the sample is single females. And this can be identified as the novel inclination of females who compromise, starting their family life due to the consideration of career development. The majority of the sample lies in between age 24 to 30 years old, which can be identified as 66%

of the total sample. The second highest is 30%, which group consists of 30 to 36 years old. And age 36 to 42 years old has been captured by the sample from 5%, while 4% representation can be identified by the age group which is 42 years and above category. The lowest percentage is 1% of 24 years or below category where sample consists of only one person in that age group out of 100. The majority of the sample having an income level of LKR 50,001 to LKR 100,000 and as a percentage, it consists of 50%. The second highest income level is LKR 100,001 to LKR 150,000. As a percentage, 33% of the sample lies within this income level. 12% of the sample getting more than LKR 200,000 and 5% of the sample getting LKR 150,001 to LKR 200,000 as monthly income. The majority of the sample has qualified with a basic degree. According to the sample, only 2% is having a diploma level education, as a frequent, it is only 2 persons out of 100 headcounts. The majority of the sample is having a degree level education which is 68% of the sample. Both postgraduate and master level, having an equal percentage which is 15%.

### **Testing of Hypotheses**

Glass ceiling factors have divided into 4 factors in order to conduct the analysis and to identify the real impact clearly. It comprises Organizational Climate, Work life balance, Personal factors and gender stereotypes. Correlation and regression model's researcher has conducted the testing of hypotheses.

***H1a: There is a significant impact of corporate climate on women's career development.***

*Table 1: Correlation Statistics of Organizational Climate*

		Organizational Climate Average	Women Career Development Average
Organizational Climate Average	Pearson Correlation	1	.141
	Sig. (2-tailed)		.162
	N	100	100
Women Career Development Average	Pearson Correlation	.141	1
	Sig. (2-tailed)	.162	
	N	100	100

As shown in table 1 Pearson Correlation coefficient is 0.142, which shows that there is a positive weak relationship between two variables. On the other hand, the correlation coefficient is significant at the sig. 0.162 level (2- tailed) and this value is above the 0.05 significant level, it implies that the relationship is insignificant and this concludes H1a cannot be accepted. As correlation does not accept the hypothesis, it would calculate regression for the hypothesis to verify this further.

*Table 2: Regression Model Summary – Organizational Climate*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.141 <sup>a</sup>	.020	.010	.37944



According to table 4.17 R Square stands for 0.020 which state that there is only 2% of the positive impact of organizational climate on women's career development.

*Table 3: Organizational Climate - ANOVA<sup>a</sup>*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.286	1	.286	1.986	.162 <sup>b</sup>
	Residual	14.109	98	.144		
	Total	14.395	99			

According to table 3 the regression model is insignificant as a sig. value stands for 0.162(b) as this value is more than 0.05 which is the slandered sig. value, this can be identified as an insignificant regression model. Which state that there is no significant impact of organizational climate on women's career development. This will further verify that H1a hypothesis cannot be accepted and null hypothesis would not reject.

***H1<sub>b</sub>: There is a significant impact of work-life balance on women's career development.***

*Table 4: Correlation Statistics of Focus on Work-Life Balance*

		Women Career Development Average	Work-Life Balance Average
Women Career Development Average	Pearson Correlation	1	-.013
	Sig. (2-tailed)		.899
	N	100	100
Work-Life Balance Average	Pearson Correlation	-.013	1
	Sig. (2-tailed)	.899	
	N	100	100

As shown in table 4 Pearson Correlation of the work-life balance - 0.013, which show that there is a negative, weak relationship in between two variables with a highly insignificant base where the correlation coefficient significant value is 0.899 (2-tailed) which can conclude that H1<sub>b</sub> cannot be accepted in the study. As correlation does not accept the hypothesis, it would calculate regression for the hypothesis to verify this further.

*Table 5: Regression Model Summary - Focus on Work-Life Balance*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.013 <sup>a</sup>	.000	-.010	.38323

According to above table 5 R Square denoted as 0.010, which state that there is 0% of no impact of focus on work-life balance on women's career development of apparel sector female employees. And the table 4.20 denotes that it is not significant.

*Table 6: Focus on Work-Life Balance - ANOVA<sup>a</sup>*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.002	1	.002	.016	.899 <sup>b</sup>
	Residual	14.393	98	.147		
	Total	14.395	99			

As illustrated in table 6 sig. value stands for 0.899(b), which is more than an acceptable sig. values 0.05. This further concludes that there is no significant impact of focus on work-life balance of women's career development. This will further verify that H1b hypothesis cannot be accepted and null hypothesis would not reject.

***H1c: There is a significant impact of personal factors on women's career development.***

According to the below table 7, Pearson Correlation for the personal factors can be identified as -0.026 which shows that there is a weak negative relationship between two variables. And the correlation coefficient significant value can be identified as 0.794 (2-tailed), which indicates highly insignificant as it is highly greater than 0.05 acceptable level. Therefore, it can conclude that H1c cannot be accepted with the significant level and the negative weak relationship. As correlation does not accept the hypothesis, it would calculate regression for the hypothesis to verify this further.

*Table 7: Correlation Statistics of Personal Factors*

		Women Career Development Average	Personal Factor Average
Women Career Development Average	Pearson Correlation	1	-.026
	Sig. (2-tailed)		.794
	N	100	100
Personal Average	Pearson Correlation	-.026	1
	Sig. (2-tailed)	.794	
	N	100	100

*Table 8: Regression Model Summary - Personal Factors*

Mode 1	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.037 <sup>a</sup>	.001	-.009	.38300

According to the below table 8 the R Square value 0.001, which implies that 0.1% impact of personal factors on women's career development in selected samples.

Table 9: Personal Factors - ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.019	1	.019	.132	.717 <sup>b</sup>
	Residual	14.376	98	.147		
	Total	14.395	99			

Further, according to the ANOVA table 9 denotes that H1c cannot be accepted, as a sig. value exceeds the acceptable significant value which is .0.05. Table 4.22 illustrates sig. value as 0.717(b), which is highly insignificant. And this further validates that H1c cannot be accepted while null hypothesis would not reject.

***H1d: There is a significant impact of gender stereotypes on women's career development.***

According to the table 10, the Pearson correlation for the Gender stereotypes is -0.064 which indicates that there is a negative, weak relationship in between gender stereotypes and women's career development. Even though there is a weak negative relationship correlation coefficient sig. value stands in a highly insignificant where the sig. value is 0.527 (2-tailed). Therefore, it can conclude that H1d hypothesis cannot be accepted with the given significant level. As correlation does not accept the hypothesis, it would calculate regression for the hypothesis to verify this further.

*Table 10: Correlation Statistics of Gender Stereotypes*

		Women Career Development Average	Gender Stereotypes Average
Women Career Development Average	Pearson Correlation	1	-.064
	Sig. (2-tailed)		.527
	N	100	100
Gender Stereotypes Average	Pearson Correlation	-.064	1
	Sig. (2-tailed)	.527	
	N	100	100

Table 11 illustrates R Square denote as 0.004, which implies that there is a weak impact of Gender Stereotypes on women's career development in the apparel industry. As percentage, 0.4% of negative impact is there.

*Table 11: Regression Model Summary – Gender Stereotypes*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.064 <sup>a</sup>	.004	-.006	.38248

Even though there is a negative, weak impact, according to table 12 illustrate that sig. value is highly insignificant where sig. value 0.527(b). Therefore, this further verifies that H1d cannot be accepted and null hypothesis would not reject.

*Table 12: Gender Stereotypes - ANOVA<sup>a</sup>*

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	.059	1	.059	.402	.527 <sup>b</sup>
Residual	14.336	98	.146		
Total	14.395	99			

***H1: There is a significant impact of glass ceiling on women's career development.***

According to study main independent variable can be identified as Glass ceiling and the dependent variable is Women career development. Based on the selected factors, organizational climate, work-life balance, personal factors and gender stereotypes the concept of glass ceiling would be measured. According to the table 13, the Pearson Correlation coefficient can be identified as 0.027 which can be identified as a positive weak relationship between two variables. And the correlation coefficient sig. value can be identified as 0.790 (2-tailed), which means sig. level is highly insignificant. Therefore, with the selected factors of the study, it can be concluded that there is no relationship in between the Glass ceiling and women's career development. Therefore, the H1 hypothesis cannot be accepted. As correlation does not accept the hypothesis, it would calculate regression for the hypothesis to verify this further.

*Table 13: Correlation statistics of Glass Ceiling*

		Glass Ceiling Average	Women Career Development Average
Glass Ceiling Average	Pearson Correlation	1	.027
	Sig. (2-tailed)		.790
	N	100	100
Women Career Development Average	Pearson Correlation	.027	1
	Sig. (2-tailed)	.790	
	N	100	100

By considering above statistics that have been calculated based on the independent variable and selected factors, it can be finally concluded that organizational climate, focus on work-life balance, personal factors and gender stereotypes which are the selected factors of independent variable would not create a significant relationship with women's career development. Therefore, the alternative hypothesis cannot be accepted while null hypothesis would not reject by the study.

*Table 14: Regression Model Summary - Glass Ceiling*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.027 <sup>a</sup>	.001	-.009	.38312



According to table 14, R Square stands for 0.001, which implies that there is 0.1% of the impact of Glass ceiling toward women's career development which is a negative weak impact in the apparel sector in Sri Lanka. Further table 15 denotes sig. value as 0.790(b) which indicates the test is highly insignificant as this sig. value exceeds the acceptable 0.05 sig. value. Therefore, this further validates that H1 hypothesis cannot be accepted and null hypothesis would not reject.

*Table 15: Glass Ceiling - ANOVA<sup>a</sup>*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.010	1	.010	.071	.790 <sup>b</sup>
	Residual	14.385	98	.147		
	Total	14.395	99			

## Findings

According to Dimovski (2010), has concluded that organizational Climate cause to create, glass ceiling within Singaporean working females and there is a significant impact on women's career progression by the organizational climate. Even though Dimovski (2010) conclude like this according to the study researcher able to conclude that there is no relationship or impact to women's career development of apparel sector senior executive and above layer employees, who are up to the leadership layers from the organizational climate of the apparel industry.

A study, which was conducted by Nirju (2013) has revealed that focusing on more and more to balance work life and family life of females with the obligations which females carried within family life,

will cause to reduce the focus on career development and females tend to give up a promotional opportunity in Kenya Community. But with the current study, it has revealed by the researcher that focus on work-life balance does not affect on the career development of females in the Apparel sector in Sri Lankan context. Even though statistics identified weak negative relationship (-0.013) and weak negative impact (-0.010), this was highly insignificant and the hypothesis got rejected by the statistics.

Through CPS (Career Pathway Survey) conducted by Smith et al., (2012) conclude that personal factors significantly affect to the women's career development and has been identified as significantly contribute to the glass ceiling. And through this study, it has discovered that women highly believe in the glass ceiling. Even though the CSP concludes like this, through the study researcher conducted using the extractions from the CSP survey, it has identified that personal factors do not impact on career development of females in the apparel industry and they are highly confident about themselves and their abilities and capabilities.

According to Sikdar & Miitra (2012), the study of gender stereotypes and women's leadership acceptance conclude that within organizations in the UAE, employee feedback highlights gender-role stereotypes as defining leadership roles, rather than individual biological sex and their traditional family and social role. And the study concludes that lens of gender creates a high negative impact on career aspiration of females. Through the study conducted in the Apparel industry within Sri Lanka by the researcher able to identify those female employees who are in senior executive and above layers do not perceive gender stereotypes as a barrier toward career development. And these females show readiness toward the acceptance of career goals without considering the gender stereotypes and believe on gender differences.

Throughout literature review of the study, it states that there is a glass ceiling and it creates an unseen barrier toward females in the corporate sector in order to get succeeds in their career life. Mathur & Helm

(2006) state that glass ceiling considered a myth by many, is real and is nurtured by the organizational culture, policies, and strategies besides women's own inadequacies. This state that the glass ceiling as a myth or a reality, it exists within the corporate world working as a transparent barrier toward career progression and avoiding females to take up leadership positions. But the study conduct by the researcher has identified with the statistics support that in the Apparel industry glass ceiling does not accept by females. Career development and acceptance do not get affected by the glass ceiling. According to the study the main hypothesis got rejected with the correlation statistics (0.027) and regression statistics denote (-0.009) strong weak impact with highly insignificant value. As this indicates that there is the strong, weak relationship between glass ceiling and women's career development. Therefore, it has identified that in the Apparel industry career development of females who are at senior executive above layers does not get affected by the glass ceiling.

### **Implication**

Over the years, the female labor force participation rate has shown signs of only fringe improvements, leading to a steady level of overall LFPR of around 54 percent. The reasons for low female participation are lacking provisions for flexible working hours or work-from-home facilities, lack of regularized and proper child care facilities, a higher share of household responsibilities on female and limitations. If this tendency continues, the adequate supply of labor to drive the economic growth would be challenging in the future. Since female labor force is an indication of the strength of the labor market, apart from the overall labor force rate and the unemployment rate, a national level policy is required to fill such gaps in order to reach maximum utilization of the total labor force and comprehensive growth.

When comes to the Apparel industry majority of the workforce has been identified as female workers by that statistical data of Central bank annual reports. Therefore, the researcher focused the study to be

conducted in apparel industry where female contribution is significantly high.

When comes to the headcount details of the organizations that sample is consisted of, it has identified that even though the female headcount is high, number of females who are in senior executive and above layers are low comparative to the male headcount and majority of female work in operational level rather than managerial and leadership positions. Therefore, the study focused on senior executive and above layers of the organization and selected this context for the research in order to identify whether lack of females in managerial and senior position affect by the glass ceiling in the apparel manufacturing industry.

Target sample lies between senior executives, assistant managers, managers, deputy general managers, managers, and director in order to identify the real situation of the accepting glass ceiling as these layers and have put significant effort to climb up to leadership layers and are or working for improvements and they have experienced career development process. And this will confirm the real situation and practicability of the study, as the study has focused on the experienced workgroup.

## **Recommendations**

Facilitating females in order create career their own career path needs to be done by every organization as the number of female enrollment into the workforce of the country keep continuously increasing. On the other hand, females should be much more confident about their capabilities and commitment to their career development, unless perceiving and accepting glass ceiling as a barrier to their career development might tend to weaken them from accepting top positions of the organizations.

According to the mean value of career development aspiration of the study, it implies that females who are in apparel sector are much more enthusiastic about their career and give value to career life equal to the

family life. Therefore, the organization should work to retain these employees within the organizational and accepting that the females can do same as man's concept rather than thinking females are restricted to the certain category of work in apparel. And also, organizations can bring up gender quota into the policies that will imply headcount quotas according to the gender within the organization. This also will help to strengthen females to climb up their career ladder without being biased on gender toward leadership positions and will restrict gender biases if any male or female might have in the recruitment process. Also, can facilitate with leadership building programs and focus females equally to males, as more of the leadership training programs had enlisted males and not even one female in some programs.

Also, females can provide with much more international exposure and experiences by sending them toward international training programs or projects as much of the European countries does not accept gender differences in a work context.

### **Limitations**

As the study has limited only to the apparel sector sample of the study is limited and according to the Central bank statistical data majority of the female employees in the service sector. Therefore, if the study focused on the service sector researcher could find more reliable output on the glass ceiling and women's career development. And the sample was only limited to 100 even though the number of female employees goes to four-digit figures in Sri Lanka.

Questionnaire responses could be biased and might not read appropriately with the limitation of time. And the responses which have given to questionnaire may be wrong with deliberate change in mind with the time factor. Some questionnaires which distributed among employees do not return due to tight schedules and time limitations.

And the study has focused only 4 factors of the glass ceiling which are not much more affecting the career development of females according to the study. Therefore, there might be much more untested other

factors that can exist within females in the apparel sector. Hence, future researchers can expand the number of other factors related to the glass ceiling.

## **Conclusion**

A human resource might reduce their importance within the organizational context as it has started to bring in artificial intelligence into the apparel sector recently. But humans are needed in decision making positions as the technology still not work as the priority in decision making. Therefore, working at the operational level or executive level might be riskier in the future. Therefore, females must work to get into these decision-making layers of the organizations rather than doing paperwork or supportive roles in the organizations. Therefore, this study focused to identify acceptance of a common barrier which females reluctant to accept decision makings in organizations.

Based on the study it has revealed that organizational climate, personal factors, focus on work-life balance and gender stereotypes does not act as a barrier within the apparel sector for females to develop their career as hypotheses got rejected due to the insignificance and weak relationships between glass ceiling factors and women's career development in correlation statistics. Therefore, the first objective of the study, which was to identify relationship has revealed that there is no relationship between studied glass ceiling factors and women's career development in the apparel industry in Sri Lanka.

Further study has looked into the impact of the glass ceiling factors, organizational climate, focus on work-life balance, personal factors and gender stereotypes, which researcher has focused mainly on overall factors of the glass ceiling. According to the statistical regression model, it revealed that these factors do not affect to women's career development in the apparel industry within the senior executive and above layers as statistic output were strong, weak, highly insignificant impact from the glass ceiling on women's career development based on these factors. Therefore, a second objective was accomplished by the

study and conclude that there is no significant impact of glass ceiling based on selected factors toward career development of women.

The further study consists of identifying the culture and the context which supported females to decline glass ceiling. The researcher identified based on the personal views of these employees that implementation of specific projects focused on females in order to develop females, flexible working hour policies, working from the closest office and day care facilities which have provided in selected organizations have created a female-friendly culture. And the educational level of the females can be identified as significantly high. This also can be supported to decline the glass ceiling concept. Also, customer influence toward organizational policies, as these organizations, do not produce for the local market, but for the highly recognized foreign market can be identified within the culture of these organizations.

Therefore, the researcher will conclude that there is no significant impact of selected glass ceiling factors does not create real glass ceiling within apparel sector. And this does not work as an unseen barrier toward women's career development

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