

# Determinants of employee retention in higher education sector management essay



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According to Shoaib there are many studies on employee retention. In today's world employees play a vital role in an organization's success. Since employment levels are very high nowadays and power is now shifted from employer to employee, they are the most valuable asset in an organization. Every organization thinks that how can they retain their valuable employees for long term in the organization. Employees are the most important factor that helps the organization to increase their financial success. Vos, Meganck & Buye (2006); Ramlal (2004) explained in their studies that Retention management is defined as "the ability to hold onto those employees you want to keep, for longer than your competitors". Organizations that fail to retain high performers will be left with an understaffed; less qualified workforce that ultimately will hinder their ability to remain competitive. Processes should be studied along with quitting processes (Haushnecht, Rodda & Howard, 2009).

It is very important to retain critical employees because employees are the most important asset of any organization and have a great role in profit and loss and overall organization effectiveness. There is an essential economic impact when an organization loses any of its critical employees, but with the passage of time we should keep in mind the significance of loss. An organization must provide such an environment in which employees are encouraged to stay. Organizations will need to either create an informative environment where communication takes place, or continue to lose important individual knowledge that has been developed. (Ramlal, 2003, 2004).

Changing in employment relations creates attraction, motivation and retention of valuable employees. Over the last few years the environmental

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organization work has been changed dramatically. In today's world there is a lot of competition in international and global market so organization should be more elastic to increase the productivity of an organization, although this reduces the job security of workers at all level in the organization but on the other hand managers try to pull towards the employees and keep them it's very critical. Often, however, exactly these employees are difficult to retain due to their tendency to attach more importance to marking out their own career path than to organizational loyalty; a tendency which results in increased rates of voluntary turnover (Vos, Meganck & Buye, 2006). The most important and essential factor to run for an educational organization is academic staff. Many human resource managers did not aware about the current rate of employee's turnover in their institution. Although many human resource managers seemed to lack an overall picture of turnover among academic staff, it was the configuration of staff that was of most concern to them (Metcalf, Rolfe, Stevens and Weale, 2005). Throughout the world, most competitive organization including higher education institution spends millions to retain highly skilled employees because they play vital role in the organization success (Netswera et al, 2005). When an employee leaves, then organization bears the replacement cost such as advertising, recruitment and training of new employee it also affect the productivity level of the organization. Finding, recruiting and training the best employees represent major investment challenges. Once a company has captured talented people, the return on investment requires closing the back door to prevent them from walking out. The key role of human resources development professionals should be to lead the war for talent on behalf of

their organizations (Kaye & Jordan-Evans, 1999, cited in Netswera et al, 2005).

According to Shoaib (2009) that there are many important factors of employee retention such as career opportunities, work environment and work-life balance. Previous studies indicate Meganck and Buye (2006) that various factors in the literature are used as important in affecting employee retention namely financial rewards, career development opportunities, Social atmosphere and work-life balance. The study of Daid L. Stum (1998) investigated a variety of factors or conditions that could affect the Workforce Commitment Index. Such as a Fairless culture, opportunities for personal growth and recognition of work /life balance needs. Employee retention is very important for any organization because there is direct relationship between employee performance and organization efficiency. Fatima (2011) explain the relationship between career progressing opportunities, a supporting boss and a meaningful work climate provides organizations with improved ability to attract more skilled workers and also Retaining the talented employee. Employee performance increase with effective system and also stay with their current organization which are the key developer of productive organizations. Organizations concerning with individuals interest may be the winners in the competitive environment and compete with human skills and abilities toward more integrated and coordinated competency. Work environment is a situation in which employee wants to work in productive, respectful, and friendly manner (Ramlall, 2004).

It's very important to recognize the emerging needs of individuals to keep them committed and provide the work environment as necessitate (Ramlall, <https://assignbuster.com/determinants-of-employee-retention-in-higher-education-sector-management-essay/>)

2003). Work environment is the important factor that affect employee's decision to stay with the Organization and people enjoy working, and do hard work in those organizations that provide positive work environment where they feel they are making difference and where most people in the organization are capable and pulling together to move the organization success(Sheiekh, Qamer & Iqbal).

A company that wants to retain its skilled employee for long period of time must invest in the development of these employees (Vos, Meganck & Buye 2006; Ramlal, 2004). Employees perceive skill development opportunities and career progress as major attractors to organizations (Fatima, 2011). It is a challenge for the HR professionals is to identify the developmental strategies which can inspire the commitment of employees to the firm's mission and values so that the employees become motivated and help the firm to gain and maintain a competitive advantage (shoaib, 2009). It is necessary to provide opportunities for promotion to employee within the company and also providing opportunities for training and skill development that let employees to improve their employability in labor market. Growth opportunities which were offered by the employers are reduced due to turnover intentions of employees because the lack of training and promotional opportunities was the main cause for high-performers to leave the company (shoaib, 2009).

Mary ( 2005) the study was aimed to examine factors affecting teacher retention in government secondary schools in Eastern Uganda. He defined in his that Schools should give sufficient and timely remuneration and fringe benefits to teachers if they want to retain their teachers for long period of <https://assignbuster.com/determinants-of-employee-retention-in-higher-education-sector-management-essay/>

time. In this study remuneration, work environment and general schools management are independent variables and employee retention is dependent variable. Cross-sectional survey research design was used for both quantitative and qualitative approaches. In this study Simple random sampling and purposive sampling techniques was used and sample size is 370 respondents. Primary data was collected through questionnaires and interviews guides and Secondary data were collected from books and journals. Pearson's correlation co-efficient was used to determine whether there is linear relationship between the independent and dependent variables and statistical analysis was performing by using Spss. The results indicated that remuneration, conditions of working environment and general school management had positive relationship with employee retention. The research concluded that there was a strong positive relationship between remuneration, conditions of working environment and general school management and teacher retention so that better teacher remuneration, conditions of working environment and general school management was related to a considerable change in teacher retention and vice versa. Researcher gives some suggestions that Schools should take into concern the maintenance (hygiene) factors that are necessary to avoid dissatisfaction among teachers and the motivators that contribute to teachers' job satisfaction if they are to retain their teachers. This can be achieved by encouraging teachers to relate to all their peers and workmates very well, facilitating teachers to enjoy their work tasks, guaranteeing teachers' jobs, the school caring for teachers needs appropriately, improving the school disciplinary procedure, policies and regulations. Schools should ensure that teachers are treated fairly within the school and if they are to

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retain their teachers. They can achieve this by motivating teachers to stay with the school by establishing system to deal with perceived injustice situations.

The study concluded by Jackson (1999) on employee retention in which writer tested the performance of Range Complex Fire Department (RCFD) and the purpose of the study was to identify the problem due to which personnel were leaving the department and to suggest the ways to improve employee. To find out the problems on why employees leave organization they conducted some interviews from upper and lower management and the upper management interviews revealed that they believed personnel were the work schedule, lack of leaving because of the work schedule, lack of promotional opportunities, and job dissatisfaction caused by a low call volume. The recommendations were that the department improve its recruitment policies and procedures and develop its ongoing recruitment effort and the organization should also involve in its daily operations and improve its award programs, and also communicate and give importance of the members of the organization.

Anis (2010) argue that compensation is very important tool to retain employees but if the company will not provide them training and practices and proper work environment then their turnover rate will decrease because all these are very closely related with the employee retention. Johns (2000) indicate in his study that employee retention is engaged in management studies during Past decade. Employee retention is most critical issue as a result of the shortage of skilled labor, economic growth and employee

turnover. Retention is defined as “ the ability to hold onto those employees you want to keep, for longer than your competitors”.

This study is conducted by Dolan(2001) and the objective of this study is also to understand the importance of human resource because just due to their work force they are able to form the first labor organization. And it is possible because here employee retention was affected with the values and attitudes of the current member of the work forces. Attitudes, values and employee retention are closely related with each other. Because both the employer and employee attitude exhibit positive attitude that will be beneficial for work environment and retain the new employees. Azhar(2005) explain that employee retention is dependent on career development opportunities, supervisor support, working environment, rewards and work-life policies. As everyone knows that Human Resource is the most critical issue in today's modern world and to hire and retain tenanted employees is also a very difficult task and every organization is using different techniques to solve this problem. Retention of influencing and keeping potential employees is a crucial matter. This study discuss the unique ideas for employee retention and work environment and compensation are very effected tools for employee retention, training and development also have strong impact and these variables are much dependent on each other.

This study concluded by Rondeau (1990) to retaining employees in small and medium-sized firms as everyone wants to increase their employee turnover due to which they are focusing on attracting and retaining quality employees. Employers can create competitive advantage by means of a highly productive workforce a valuable source of competitive advantage <https://assignbuster.com/determinants-of-employee-retention-in-higher-education-sector-management-essay/>



because it cannot be copied quickly, is hard to imitate, is a source of the firm's competitive advantage, and is somewhat specific to the climate or environment of the organization. Effective human resource management allows an organization to attract, keep and develop higher quality employees that are relatively rare and valuable resource. Employee retention is affected by decision-making ideology, human resource management practices and human resource strategy.

The study conducted by Glen(2006) to Provide practical guidance to senior HR professionals and business leaders for developing a successful strategy for key skills retention and employee engagement Addressed the key skills retention, employee engagement, and employee motivation and attendance gaps, with a view to positively impacting on organization costs, productivity and business performance. And also examine the value of assessment and feedback in talent engagement and retention, and to look at developing employees via experience-based development initiatives. the key elements of the business most likely to impact team engagement, motivation, attendance and retention, link individual assessment directly to the key drivers of the business, and recognize that key talent is likely to thrive on experience-based career leverage opportunities.

Alkandari & Hammad(2009) The retention of human resources has been shown to be important to the development and the accomplishment of the organization's goals and objectives. The primary aim of their study is to explore the main factors that affect private sector workforce retention in the state of Kuwait. 125 surveys distributed to private sector workforce. The survey questions designed to determine three elements of retention;  
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Benefits factors, strategies factors and organizational culture factors. The result of the study shows that benefits factors such as salary and compensation were rated as most important to the private sector workforce in the state of Kuwait followed by leave benefits and differed compensation. The three strategies rated most important to private sector workforce are rewards and recognition, annual performance appraisal and training opportunities. While work at home, voluntary reduction in Work schedule and alternative work schedule were rated as least important. The culture of private sector organizations in state of Kuwait are based on openness and trusts, effectively communication and good deal of time spent from supervisor listening to employee's ideas and suggestions. Finally the result employee's career plan shows that high percentage of private sector workforce had no plans to leave or retire from state employment within the foreseeable future.

The study conducted by lockwood (2007) to leveraging employee engagement for competitive advantage that success of any organization is totally depend on employee performance and employee engagement or involvement in business. Now the ability to attract, engage, develop and retain talent is very important. Without a workplace environment for employee engagement, efficiency will decrease. Organizational success will be determined with talented employees who are affected by workforce policies and practices that is beneficial for the success of the organization and employee retention, employee performance to engage the employees with the organization.

The study conducted by Shelton(2001) to analyze that employee development is totally depend on employee retention and job satisfaction and it is conducted with two studies of Gallup Organization and by the American Society for Training and Development and the Society for Human Resource Management that training and development will increase the job satisfaction level and helpful to make employee's decision to stay with the company. So training and development are much affected for employee development which is actually the huge part of success of the organization.

The study conducted by (Coffman, 1999) to shows that the working employees are Loyal and productive employees, who are not engaged (just putting In time), and those who are actively not engage with work (unhappy ), only 26 per cent Of the employees are fully engaged in their work. The rest of the Employees are either “ not engaged” (55 per cent) or “ actively disengaged” (26 per cent).

This study conducted by Samual & Chipunza (2009) in their study they identified intrinsic and extrinsic motivational variable influenced the retention and reduction of employee turnover in both public and private sector organizations. The aimed of the research was to determine the degree to which the identified intrinsic and extrinsic motivational variables are influencing employee's retention and turnover in the selected organizations; and make recommendations to management how affectively retain employees and reduce turnover. They were used quantitative research design because its findings are generalize able and the data objective. Cross-sectional survey research design was used to collect primary data and data was collected from respondent through questionnaire. They selected two <https://assignbuster.com/determinants-of-employee-retention-in-higher-education-sector-management-essay/>

public and two private sector organization in South Africa. The total population of the research was 1800 employees of the surveyed organization with a sample size of 145 respondents. The Chi- square test of relationship was used in testing the hypothesis of the study. The result showed that employees in both organizations were strongly influenced to stay in the organizations by a combination of intrinsic & extrinsic motivational factors. They were found motivational variables such as training & development, challenging/interesting work, freedom for innovating thinking, and job securities. The result shows overall level of significant is 0. 05. Researchers conclude that in the period of competition organizations given the growing needs to retain its best employees and its success, the finding of the study suggest that certain variables are important in influencing employee's decision to either leave or remain in an organization. These variables include training & development, reward for good performance, competitive salary package and job security. The results of previous research findings such as, Smit and Cronje (2002) and Hay (1999) found training and development as one of the major retention strategies being used by managers in retaining their best employees. They indicate that their study will support managers in the formulation of effective retention policies using correct motivational variables. They argue that it is only complete mix of intrinsic & extrinsic motivational variables that can enhance retention and reduce employee turnover in our various organizations.

Hoyos & Green (2011) explain aims of their study that provide insights into the recruitment and retention issues faced by employers in rural areas. For this they gathered information through interviews with employers and labor

market intermediaries in the largely rural county of Lincolnshire, UK was used as a source of data and focal point to discuss the demand side of the labor market. A distinction is made between circumstances in which there are hard-to-fill vacancies on the one hand, and the effects of an abundant labor supply on the other. The factors that affect labor retention are also discussed, including situations in which staff retention is a non-issue. Recognizing the fact that economic life exists within, and is affected by the social context, the views of employers and labor market intermediaries are also analyzed in the light of data from other sources. The paper concludes by suggesting that employers' recruitment and retention issues cannot be studied in isolation; the supply side as well as the demographic, economic, and political context need to be considered as well. A small-scale study that investigated employers' recruitment and retention problems in rural Lincolnshire. Data was collected through telephone interviews conducted in late 2006 and early 2007 with employers and labor market intermediaries and other commentators considered as „experts“ in the field. The material from these interviews was analyzed with the aim of gaining understanding of the main issues affecting employers in rural areas of Lincolnshire and associated issues relating to rural labor markets and economic development. The aim of the study was to scope recruitment difficulties of employers in Lincolnshire and to assess possible causes. To this end, employers were contacted to discuss the issues facing them in relation to recruitment and retention of staff. Additionally, twenty-two interviews were conducted with representatives from local authorities, education and training providers, employer associations, business development associations, regional and sub-regional economic development agencies, <https://assignbuster.com/determinants-of-employee-retention-in-higher-education-sector-management-essay/>

trade unions; Jobcentre Plus (an agency in England with responsibility for post compulsory education and training excluding higher education) and the Learning and Skills Council; and experts with experience of researching economic and skills issues in Lincolnshire. In both sets of interviews, views and information were elicited via an aide memoire designed to structure discussion regarding employment and associated labor market and business development issues. Discussions with employers focused on the extent to which being located in a rural area gave rise to labor and skill shortages; skill needs; relative wage levels; and recruitment and retention policies.

Discussions with intermediaries and other experts covered issues related to the context; labor market mobility; moves to self-employment; adequacy of current arrangements for training and business advice; and planning and delivery arrangements. This situation suggests two interrelated problems; the lack of high-value added businesses requiring higher-level skills on the one hand, and the low skills levels of the indigenous population on the other Labor market in rural areas.

Nawaz, Jahanian & Tehreem (2012) explained in their study that in the recent scenario of intense competition, organizations are encountered with a number of problems. Disproportionate turnover is usually an indicator of basic problems that prevails within the organizations. It is really of great importance for the organizations to retain the employees who contribute in the success of the organizations. The organizations therefore need to know how they can strategically influence the employees to make them stay with the organization. For this they were conducted research with an aim to identify variables which influence the turnover intentions of the employees in

organizations. For this purpose Pakistan they were taken International Airlines as a case. They identify six variables which tend to influence employee turnover intentions in organizations through secondary data. A survey was conducted to gather the primary data from the employees of PIA on these six variables. It is very difficult to collect data from the entire network of PIA because of time, access and cost constraints. Due to constraints mentioned in the previous lines, Karachi i. e. head office, Multan, Lahore, Peshawar and Islamabad stations are chosen for the present study. Proportionate random sampling is used. The sample is distributed in such a way that 61 respondents are taken from Karachi, 12 are taken from Islamabad, 11 are considered from Lahore, 8 are from taken from Peshawar and 7 from Multan. Data were collected through close ended questionnaire and questionnaire contained 18 questions. Chi-square association is used to analyze data. The analysis of the data revealed that greatest association exists between the experienced career propagation chance and the resulting lower turnover intention of the employees in relation to the career propagation chances they experienced. Association was also identified to exist between the experiences of the employees on Incentive plans, work setting, supervisory support, work life balance and organizational prestige and the resulting lower turnover intentions in relation to each respective variable. In the light of the results drawn from the present research it is recommended to all the management and policy makers of the organizations that a clear and motivating incentive programs should be developed which can enable the employees to stay with the organization for a longer period of time. Management of the organization should also focus on the working

environment so that the employees feel ease in accomplishing their task and have a positive impact on their intention to remain with the organization.

Fatima (2011) describes in his study that management can no more influence the decision of employees, to leave or to stay. Employee retention has become a critical factor of influence for performance of the larger organizations. Several factors generates a significant influence on employee retention either increasing or not. Individuals have become more demanding regarding their jobs and tasks. The purpose of his study is to determine the factors that affect employee retention and to analyze the relationship between the factors of employee retention and organizational competence. A model is proposed that illustrates the factors as rewards. Career development opportunities, work environment and supervisor support affects employee retention in organizations and also demonstrates the relationship between factors affecting employee retention and the organizational competence. It is concluded that reward system of any organization regardless of its size, comprised on the decision of staying or leaving the present job. Either the compensation packages concerns with their interest and objectives or not, decides whether the employee is committed or not. Secondly the career and growth opportunities offered in the organization are according to employee's sense of fulfillment. More growth opportunities will generate more job satisfaction, hence low rate of leaving job.

Results of her study shows that rewards, career development opportunities, supervisor support and work environment have a positive relationship with employee retention as well as the development of organizational competence by retaining employees.

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According to Netswera et al (2005) the success of the most competitive companies throughout the world, including higher education institutions, lies in their highly skilled employees on which these institutions spend millions to retain. Literature reveals the cost of losing best employees to be enormous – beyond monetary quantification. Also worth noting is that the loss of one competent employee to a competitor institution strengthens the competitor's advantage. This case study analyzed human resources turnover data, and interviewed academic managers and employees in order to examine the possible employee retention factors for a higher education institution in South Africa. The findings reveal different institutional interests between institutional managers and employees. The former are concerned more about profits, business sustenance and justification for spending, while the latter are driven by introverted interests such as development, monetary rewards and personal fulfillment. Against the given background and literature and owing to the then perceived high employee turnover rate of the institution surveyed, which was 157 administrative and 49 academics in two years, the institutional researchers considered it important to assess the institution's retention efforts. The research aims and objectives were executed in three phases. The first Phase was aimed at identifying exit and employment trends. Quantitative analysis of the secondary dataset of the period between 1998 and 2000 from the Human Resources Department gave an indication of the exit and employment trends. In second phase the institutional management, that is the vice-chancellor, deputy vice-chancellors and deans of departments, were individually interviewed to identify what the institution considered to be its core business units and competencies. The assumption, also informed by literature, is that these

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competencies are vital for the institution to retain its employees. In third phase two categories of employees were individually interviewed, that is, those who had submitted resignations to leave the institution and those that had stayed with the institution for more than five years. The purpose of these interviews was to explore and describe employee retention factors. All resigning employees (23) who had resigned during the duration of the research were interviewed; however, 10 long-service employees were randomly selected. The research recommends a large-scale survey to ascertain if the identified employee retention factors hold for all or most of the staff members, including administrative staff in higher education institutions. The recommended survey should also, through such methods as Thurstone's Law of Comparative Judgment, rank all the identified retention factors in order to present an order of importance for various departments, skills levels and biographical groupings.

The study of Mary (2005) investigated a Variety of factors that affect teacher retention in government secondary schools in Eastern Uganda. The objectives of her study included: to establish the effect of remuneration on teacher retention in government secondary schools in Eastern Uganda; to find out the effect of conditions of working environment on teacher retention in government secondary schools in Eastern Uganda and to examine the effect of a general school management on teacher retention in government secondary schools in Eastern Uganda. She used cross-sectional survey research design adopting both quantitative and qualitative approaches. The researcher used a sample of 370 respondents. Simple random sampling and Purposive sampling was used. Data was collected through questionnaires

and interviews guides. Pearson's correlation co-efficient was used to determine whether there is linear relationship between the independent and dependent variables. Qualitative data was analyzed through content analysis. Findings of her study revealed that there was a strong positive relationship between teacher remuneration and teacher retention. There was a very strong positive relationship between teacher conditions of working environment and teacher retention. There was a very strong positive relationship between general school management and teacher retention. The research concluded that remuneration, conditions of working environment and general school management had positive relationship with retention. The study recommends that; Schools should give adequate and timely remuneration and fringe benefits to teachers; Schools should take into consideration the maintenance factors that are necessary to avoid dissatisfaction among teachers and the motivators that contribute to teachers job satisfaction; Schools should ensure that teachers are treated fairly within the school and in relation to employees of other organizations.

According to Alnaqbi (2011) staff retention problems affect organizational productivity and performance of worldwide organizations. Managers face the challenge of having to address retention problems in the context of increasing competition in the global marketplace. His study brings into focus the extent to which human resource management (HRM) practices and organizational culture in the UAE affect employee retention in public organizations. The purpose of his study was to identify HR practices and other factors such as job satisfaction, organizational commitments and leadership practice that affect employee retention in the UAE with emphasis

on public organizations, in a comparative study of Sharjah and Dubai. He us both quantitative and qualitative research approaches to accomplish his task. The research questions were answered through two research phases inv