



Impact of organisational attributes on employee retention in higher education sector in Punjab

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Abstract

The present study aims to explore the impact of various organisational attributes on employee retention and to find out the reasons for low retention rate in higher education sector in Punjab. The research is based on primary data collected through questionnaire from 125 respondents working in private universities and 125 respondents working in public universities in Punjab. The analysis shows significant positive relationship of effective communication in the organisation and maintaining of high education standards with employee retention in the higher education sector. Further, the job insecurity, insufficient pay, work-life conflicts, work load, lack of career advancement and unethical rules and regulations are the main reasons of employee turnover and low retention rate.

Keywords: human resource, employee retention, higher education

Introduction

Employee retention as a part of talent management programs has gained importance in recent years. The organisations are putting in lots of efforts, time and money for the recruitment and retention of talent with them. It is more than keeping the employees in the organisation and also involves sustaining employees, primarily by enhancing their job satisfaction. Therefore, retention becomes the strategy instead of outcome. These are efforts by a business to maintain a working environment which supports current human resource to remain with the organisation. It is process of encouraging employees to remain in organisation for maximum time period or to the completion of project and also provide effective communication to improve employee commitment and enhance workforce support for key corporate initiatives.

Get Les McKeon, defined employee retention as *“A systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices in place that address their diverse needs. The Costs associated with turnover may include lost customers, business and damaged morale. In addition, there are hard costs of time spent on screening, verifying, references, interviewing, hiring and training the new employee just to get back to where you started”*.

The higher education sector in Punjab includes various public and private universities, autonomous universities and deemed universities. The public universities could be further divided in to central universities and state universities. Currently, 16 public universities are prevailing in state of Punjab, out of which 6 are autonomous and one central university. Further, 15 private universities are prevailed in Punjab.

Review of literature

The review of literature done for the purpose of the following study is provided below:

Nazia Sultana & Begum Bushra (2013) ^[7] analysed the

impact of respect, recognition and rewards on employee's satisfaction and by examining various practices adopted by Indian MNCs in retaining their employees. The study found significant impact of three R's in increasing employee retention and recreational activities and EPOSs are the motivating factors for employee retention.

Dutta A.B. & Banarjee S. (2014) ^[2] elaborated the retention factors such as training, recognition, career development and help in establishing relationship of communication and motivation with cause of employee retention. The study concluded that, retaining a worker demand the leader to reap the sensation of job security and satisfaction in the mind of workers.

Mehta M. & Kurbetti A. (2014) ^[6] examined the factors like career development, talent management, recruitment, training and development, compensation, work-life balance, role of supervisor, work related polices and performance appraisal. The study found that, there is no fixed strategy which show significance of influence of all these factors because organisation lay different emphasis of these points depending upon suitability impacting retention.

Brefo-Manuh A.B., *et.al.* (2016) ^[1] indicated that institute in Ghana operates relatively enviable motivational schemes including salary, allowances, free medical care and its impact on employee motivation and retention is seemingly significant however with regard to non-financial motivation, management has not pay much attention to it. Therefore, management should adopt financial and non-financial elements of motivation to guarantee employee retention.

Maurya K.K. & Agarwal M. (2019) ^[5] indicated that strategic move of employer branding towards human resource field is integrated with components of organisational attributes making it as an employer for preference. The impact of employer branding can be understood as intangible organisation's culture and employee's perceived benefits valuation in comparison to others and it has the ability to control employee retention.

Objectives of Study

The aim of the study includes

1. To study the impact of various attributes of management on employee retention in higher education sector in Punjab.
2. To know the reasons of low employee retention rate in higher education sector in Punjab.

Research Methodology

The purposive sampling method has been used to select the area for the purpose of the study. The researcher has selected the whole of Punjab state. Further, five public and five private universities has been selected for the purpose of study. The primary data is collected through a questionnaire from the employees working in private and public universities of Punjab. A structured questionnaire has been

framed for the employees working in public and private universities in Punjab based on existing research literature, academician’s opinion and feedback provided by the employees working in the higher education system in Punjab.

The sample frame consists of the public and private universities working in the Punjab State. The sample size is 250 employees working at various levels in public and private universities in Punjab. The equal number of employees from public and private universities has been taken i.e. 125 from public and 125 from private universities.

Data Analysis

The analysis of data using correlation and regression coefficients has been presented in the tables below:

Table 1: Correlations

		Employee Retention
Transparent Communication	Pearson Correlation	.041
	Sig. (2-tailed)	.514
Effective Communication	Pearson Correlation	.132*
	Sig. (2-tailed)	.037
Consistent Value System	Pearson Correlation	.090
	Sig. (2-tailed)	.158
Efficient Performance Appraisal	Pearson Correlation	.115
	Sig. (2-tailed)	.070
Clear Objectives for Employees	Pearson Correlation	.010
	Sig. (2-tailed)	.873
High Education Standards	Pearson Correlation	.126*
	Sig. (2-tailed)	.047

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

Table 2: Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	4.316	.208		20.757	.000
Transparent Communication	.019	.062	.021	.301	.764
Effective Communication	.079	.061	.088	1.293	.197
Consistent Value System	.053	.055	.062	.955	.340
Effective Performance Appraisal	.056	.064	.059	.865	.388
Clear Objectives for Employees	.021	.058	.024	.356	.722
High Education Standards	.069	.056	.083	1.231	.219

Table 1, indicates that correlation coefficient between effective communication and employee retention is highest that is 0.132, followed by 0.126 between high education standards and employee retention. Further, correlation between efficient performance appraisal and employee retention is at third place i.e. 0.115. However, correlation for clear objectives for employees and transparent communication have least values i.e. 0.010 and 0.041 respectively. Moreover, the correlation coefficient is significant (< 0.05) for effective communication and high education standards.

Table 2 reveals that, the beta coefficient has the highest value for effective communication and high education standards i.e. 0.088 and 0.083 respectively. However, it is lowest for transparent communication and clear objectives for employees i.e. 0.021 and 0.024 respectively. Moreover, the significance (>0.05) values for all the attributes are not statistically significant. It implies that, the change in predictor is not significantly associated with changes in the independent variables.

Findings

- There is positive correlation between the transparent communication, effective communication, consistent value system, effective performance appraisal, clear objectives for employees and high education standards with the employee retention in the organisation. However, it has significant value only for effective communication and high education standards.
- Most of the respondents reported that, job insecurity, insufficient pay, work-life conflicts, work load, lack of career advancement and unethical rules and regulations are the main reasons of employee turnover and low retention rate.
- The recruitment of deserving candidates, timely increments in salary, adequate promotion policies, managerial support and team work, demographic leadership style, equality among employees and recognition of employee efforts are the measures to reduce turnover and increase employee retention in higher education sector in Punjab.

Conclusion

The study concluded that, the organisations are putting in lots of efforts, time and money for the recruitment and retention of talent with them. The analyse shows that, there is significant positive relationship of effective communication in the organisation and maintaining of high education standards with employee retention in the higher education sector in Punjab. Further, job insecurity, insufficient pay, work-life conflicts, work load, lack of career advancement and unethical rules and regulations are the main reasons of employee turnover and low retention rate in higher education sector in Punjab. The study suggested for timely increments in salary, adequate promotion policies, managerial support, demographic leadership style, equality among employees and recognition of employee efforts for improving employee retention.

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