Employee Retention Strategies in Educational Institutes: A Study of Private Engineering and Management Institutes in West Bengal.

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Abstract

At a time when the whole world is becoming a global village, finding and keeping talent has become a major challenge in India. Worldwide, retention of skilled personnel has been of serious concern to management in the face of even increasing high rate of turnover. Retention of highly skilled employees has become a difficult task for management as these categories of employees are being attracted by more than one establishment at a time. Furthermore, skilled personnel in India are migrating from one state to another for better job opportunities. Against this background, establishment in India will continue to lose valuable employees to competitors until management are able to identify and implement appropriate retention strategies, that will help in reducing the frequent turnover of key employees. This can radically affect the ability of the establishments to prosper in today's competitive economy, leaving even the most ambitious establishment unable to succeed due to their inability to retain the right employees. The whole Indian scenario demands that the management should identify the reasons for the frequent change of jobs by the employees. Once these reasons have been identified, management then can device retention strategies that will help in keeping essential and talented employees for a longer tenure. The objective of the investigation carried out has been to undertake a comprehensive analysis of the retention in education sectors in West Bengal(Private Engineering and Management Institutes having at least 20 numbers of full time faculty members). Most primary data has been collected to make the study more authentic. Respondents were encouraged to express their candid opinion while filling in the questionnaire. Statistical tools like mean, standard deviation, skewness, kurtosis, correlation, factor analysis and analysis of variance have been used for analyzing the data.

Key Words: Retention, HRM, Empowerment, Hypotheses, Management

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Introduction

Today we are called upon to expect the unexpected. The concept of continuous improvement implies a readiness to live with flexibility, spontaneity, and unpredictability. Since long it has been observed that quite a large number of students after passing out their examinations used to go to other states from West Bengal to study Engineering and Management courses. From the year 2000, Government of West Bengal gave permission to open private Engineering and management colleges to retain the outgoing students of West Bengal and that gave rise to nearly 150+ colleges throughout West Bengal which have also given rise to the employment of qualified teaching personnel. As a consequence of the economic liberalization in India, there has been a tremendous pressure on the government as well as the establishments in West Bengal to improve their competitive capabilities and performance. Establishments have to upgrade policies, strategies and managerial skills to face these challenges. Therefore, what will differentiate the successful establishments from the unsuccessful ones will be the effectiveness of Human Resource Management (HRM). Gearing to the emerging opportunities and staying in a competitive environment requires greater responsibility and strong element of professionalization in managing and developing human resources. All these require an understanding of the strategic dimension of various policies that have a bearing on human resource planning, development and management. In this new context, HRM has multiple goals. These include employee competency development, employee motivation and employee retention. In fact, retention is the top priority for all the management of the Institutes. Faculty Retention and Faculty Turnover will continue to be an important issue in the first decades of the 21st century. This stems from several important assumptions and conclusion about turnover:

1. All stakeholders underestimate the true cost of faculty turnover.
2. The causes of faculty turnover are not properly identified in most of the establishments.
3. The cause of turnover and its solutions are sometimes mismatched because of which desired results are not generated.
4. Many of the preventive measures are not that effective.

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5. Many establishments fail to identify and measure the monetary value on managing retention and the success of retention solutions.

**Background of the study:**

Human resource management (HRM) is the strategic and coherent approach of management and an organization’s most valued assets – the people working there who individually and collectively contribute to the achievements of the objectives of the businesses. Human resources are the total knowledge, education, skills, abilities, talents, aptitudes, values, attitudes as well as beliefs of the individual of an establishment. Integrating the concept of human resource with the management, HRM can be defined as the effective utilization of people at work and their relationship with the establishment in order to achieve the goals and strategies of the establishment. The terms “Human Resource Management” and “Human Resources” (HR) have largely replaced the term “personnel management” as a description of the processes involved in managing people in establishments. The HRM function and HRD profession have undergone tremendous change over the past 20-30 years. More recently, establishments consider the “HR Department” as playing a major role in staffing, training and helping to manage people so that the people and the establishment are performing at maximum capability in a highly fulfilling manner.

**Importance of Employee Retention**

Retention has emerged as the focus of much time and attention in recent years. In this situation, the biggest challenge for an establishment is to retain its workforce. In an intensely competitive environment, where HR managers are poaching from each other, establishments can either hold on to their employees tight or lose them to competition. Forgone are the days, when employees would stick to an employer for years for want of a better choice. Now, opportunities are abound. Employees today, are different. They are not the ones who don’t have good opportunities in hand. As soon as they feel dissatisfied with the current employees or the job, they switch over to the next job. It is the responsibility of the employer to retain their
best employees. Hiring knowledgeable people for the job is essential for an employer, but retention is even more important than hiring.

A strong retention strategy becomes a powerful recruitment tool. It is a known fact that retaining the best employees ensures satisfaction among the service receivers, satisfied colleagues and staff. Hence failing to retain an employee is a costly proposition for an establishment. Intelligent employers always realize the importance of retaining the best talent.

In today’s economy, everyone is a knowledge worker. Brain power has replaced brute power as the primary means for productivity. Intellectual capital has replaced financial capital as the key to competitive advantage. Institutes have recognized the importance of intellectual capital or talents to survive. Retention of the faculties and treating attrition troubles has never been so important to Institute. Identifying and retaining to achieve high retention has become the main motive of every employer. The key to faculty retention is founded on strong leadership and sound management practices. So the important factors in faculty retention process are:

- **Attractive Compensation package**

  Compensation constitutes the largest part of faculty retention process. The faculties always have high expectations regarding their compensation packages. Compensation packages vary from Institute to Institute.

- **Better growth opportunity**

  Growth and development are the integral part of every individual’s career. There are important factors in faculty growth and development.

- **Work Profile**

  The work profile on which the faculty is working should be in synchronization with his capabilities. It should not be too low or too high.

- **Personal growth and dream**
Faculties’ responsibilities in the Institute should help him achieve his personal goals also. Institutes can’t keep aside the individual goals of the faculty and foster Institute goals only. Every faculty’s priority is to work for him and later on comes the Institutes. If he is not satisfied with his growth, he will not be able to contribute in the Institutional growth.

- Training and Development

Faculties should be trained and given chance to improve and enhance their skills and knowledge. Some Institutes refuse to invest money in training. They claim that “training is too expensive”, “it is not in our budget”, “there is no time” or “if we train them, they will just leave”. But training and development programmes should be delivered with a relationship to the core culture.

- Proper support from management

Management should try to focus on its faculties and support them not only in their difficult times at work but also through the time of personal crisis. Management can support its faculties in a number of ways.

✓ By providing feedback
✓ By giving recognition and rewards
✓ By providing emotional support

- Proper Reward and Recognition

Showing the appreciation on regular basis is very important. Acknowledgement or appreciation for the work done by the faculty members increase their morale and motivational level. As recognition is the most cost effective motivator it can be given at any time. Recognition builds a strong Institute to faculty connections.

- Empowerment to Faculties
Faculties should be trusted, empowered to make decisions and act autonomously. They should be given the authority to act in the best interest of the Institute. People like to work in any organization where their opinions count. The higher a faculty involvement in decision making the higher will be the Institute’s retention level.

Several studies have been conducted in the past by the researchers of India and other countries concerning attributes of employee retention. On the basis of the nature of writings broadly two categories of literature study – Conceptual studies and empirical evidences have been conducted.

The main purpose of this study will help to tackle the employee retention problems in a creative manner. However, the objectives of the study are:-

1. To determine the factors than most significantly influence employees’ decision to remain employed at a particular organisation and possible reasons for choosing to leave.
2. To find out the alternatives to enhance or strengthen the employee retention policies.
3. To determine the cost implications vis-à-vis policy formulations and implementations.
4. To find out cost benefit grid tracking.

Methodology – Research Design & Tools:

Based on extensive review of literature and research objectives, three null hypotheses (Ho₁ to Ho₃) were framed. The hypotheses were developed to measure the overall difference in perceptions of various groups of faculties on various dimensions of faculty retention attributes. This has been done with the expectations that will help in designing group specific management intervention for retention of the faculties.

The null hypotheses considered for the study are as follows:

Ho₁ : Significant differences do not exist in the perception regarding faculty retention attributes in the institutes among faculties of different hierarchical levels.
Ho$_2$ : Significant differences do not exist in the perception regarding faculty retention attributes in the institutes among faculties of different age groups.

Ho$_3$: Significant differences do not exist in the perception regarding faculty retention attributes in (IISWBM, West Bengal) scenario among faculties of different categories

Research Design

For ascertaining views and opinions of the faculties in Institutes descriptive surveys are used. These kinds of surveys are often required to understand the behavior and perception of faculties as regards motivation, job satisfaction and engagement. A review of earlier research and literature is important to determine what kind of questions are to be included even in these surveys. For achieving maximum validity of survey information (data) collected by asking questions, the precise wording of questions is crucial.

Questionnaire Development

The need for developing a questionnaire was felt in order to collect the primary data which was very much essential to understand the current perception of faculties working in West Bengal so as to ascertain their perception on faculty retention policies in their institutes. Now, in order to identify the significant variables to be included in the questionnaire which drive the faculty retention process a through survey of literature was done. The studies covered under the review of literature for this purpose was HRD Score Card 2500, Best Employer Surveys, Psychological and Social Instruments and other research conducted in this field as well as discussions with few select faculties of reputed institutes.

Determining the sample size

The number of elements to be included in the study is called the sample size. The following table gives an idea about the sample sizes used in research studies.

Table : Sample sizes used in Research Studies
Type of study | Minimum Size
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Problem Identification Research | 500
Problem Solving Research | 200

Overall Analysis

The questionnaire administered in this survey is divided into two sections. The Section I of the questionnaire is meant for measuring the perception of the faculties while the section II has been prepared to map their belief regarding various attributes of faculty retention. The mean scores of each variable in Section I of the instrument could theoretically range from 1 to 5. For analyzing in the best possible way, the mean scores of the Section I have been converted and ranked as per merit as that the influencing factors can easily be recognized. The total mean of each item has been worked out using MS Excel package.

The data collected through the Section I of the questionnaire have been grouped under five categories namely; pay structure and compensation, institute image, scope for growth and development, reward and recognition and quality of life. The mean scores of “pay structure and compensation” have been ranked. All the factors are contributing to pay structure and compensation (as perceived by faculties) to make its overall score 63.54 which is above the theoretical average (i.e. 50% of maximum obtainable score). The most important factor influencing the faculties in the WB scenario is found to be “Excellent Perquisites” (Mean = 3.33) while the least important factor is found is found to be the “Market Competitive Salary” (Mean=3.03). Under institute image, the factor that is contributing most is found to be “High Reputation in the Society” (Mean=3.67) while the factor perceived by the people in West Bengal context as least contributing is found to be “Management by Capable Leaders” (Mean=3.34). “Mentoring and coaching the juniors” is the most important factor explored in the survey (Mean=3.35) to be contributing to build a positive perception among people regarding scope for growth and development. However, it has also been found that there is a considerable lack of “High opportunities” for career Advancements” (Mean=3.09) that contribute negatively to the overall scope for growth and development.

Summary of Hypothesis Testing using Standard Normal Variate “Z”

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During the phase of research design based on extensive review of literature and the research objectives, three null hypotheses (HO₁ to HO₃) were framed. As segmentation based on demographic categories, levels of employment and the Institute in which the faculties are working; all are important attributes for faculties to remain retained, hence hypotheses were developed to measure the overall difference in perceptions of various groups of faculties on various dimensions of faculty retention attributes. This has been done with the expectations that it will help in designing group specific management intervention for retention of the faculties.

The null hypotheses considered for the study are as follows:

HO₁: Significant differences do not exist in the perception regarding faculty retention attributes among faculties of different hierarchical levels.

HO₂: Significant differences do not exist in the perception regarding faculty retention attributes among faculties of different age group.

HO₃: Significant differences do not exist in the perception regarding faculty retention attributes among faculties of different genders.

The three hypotheses of the study i.e. HO₁, HO₂, HO₃ were tested using the standard normal variate “Z”. Z test enables us to test the hypotheses in case of two samples only. The results of the testing of the hypotheses using the standard normal variate “Z” shows that the highest number of significant differences are observed among the faculties perceptions and beliefs on the basis of the Institutes they belong to. This is because irrespective of the position of the faculties in the hierarchy, age or gender impacts their perceptions and beliefs more than any other factor (as per the survey results).
Conclusion:

The aim of the present study is to bring insights form management implications for bringing proactive retention strategy which helps in reducing faculty turnover. Retention plan strategies should be different for different levels of faculties, because their roles are different; their needs are different; what motivates them are different and what makes them leave are different. Based on the study it has been seen that dimensions of satisfaction and motivation are significantly different for faculties on the basis of hierarchy, age, gender. Then, the factor model revealed that irrespective of demographic and other characteristics there are five factors which contribute to the sustenance of the faculties in the Institute. Thus based on the findings, it can be said that if the Institutional policies will be based on the needs of the faculties as narrated by the above findings whether position specific, age specific, gender specific then the faculties will be motivated and retained in the Indian Context.

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