

**EXPLORING THE FACTORS OF EMPLOYEE RETENTION AMONG THE
ACADEMIC STAFF IN BANGLADESH PRIVATE UNIVERSITIES**

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ABSTRACT

This study aimed to explore the factors which influence employee retention among the academic staff in Bangladesh private universities. This study adopted a qualitative method along with a convenience sampling method. Ten academic staffs from three different private universities of Bangladesh were selected as the sample of this study. Semi-structured interview was used as an instrument for the data collection. Data were analyzed through the coding method. Member checking technique was employed to check the validity and reliability of the data. The findings revealed that employee retention was dominantly influenced by compensation, followed by work life balance, employee empowerment as well as training and development facilities. Factors such as transportation facilities and preferable subject also emerged as influencing factors of employee retention. In conclusion, this study found six crucial factors which influenced the employee retention among the academic staff in Bangladesh private universities. Those factors are compensation, work life balance, employee empowerment, training and development facilities, transportation facilities and preferable subject. As the turnover rate of academic staffs in Bangladesh private universities is getting higher, this study will assist the management to retain the talented staff. Furthermore, this exploration study will assist the management of Bangladesh private universities to formulate an effective retention strategy by taking into account the emerging factors. This study suggests that management should design a fruitful compensation package, reduce the work load, empowered the academic staffs and arrange sufficient training and skills development programs to retain the existing academic staff.





MENEROKA FAKTOR PENGEKALAN PEKERJA DALAM KALANGAN STAF AKADEMIK DI UNIVERSITI SWASTA DI BANGLADESH

ABSTRAK

Kajian ini bertujuan untuk meneroka faktor-faktor yang mempengaruhi pengekalan pekerja dalam kalangan kakitangan akademik di universiti swasta di Bangladesh. Kajian ini menggunakan kaedah kualitatif bersama dengan kaedah pensampelan mudah. Sepuluh staf akademik dari tiga buah universiti swasta di Bangladesh telah dipilih sebagai sampel kajian. Temubual separa berstruktur telah digunakan sebagai instrumen bagi pengumpulan data. Data telah dianalisis melalui kaedah pengkodan. Teknik pemeriksaan ahli digunakan untuk memeriksa kesahan dan kebolehpercayaan data. Hasil kajian menunjukkan bahawa pengekalan pekerja secara dominannya dipengaruhi oleh pampasan, diikuti oleh keseimbangan kehidupan kerja, pemberdayaan pekerja serta kemudahan latihan dan pembangunan. Faktor seperti kemudahan pengangkutan dan subjek pilihan juga muncul sebagai faktor yang mempengaruhi pengekalan pekerja. Sebagai kesimpulan, kajian ini mendapati terdapat enam faktor penting yang mempengaruhi pengekalan pekerja dalam kalangan staf akademik di universiti swasta di Bangladesh. Faktor-faktor tersebut adalah pampasan, keseimbangan kehidupan kerja, pemberdayaan pekerja, kemudahan latihan dan pembangunan, kemudahan pengangkutan dan subjek pilihan. Oleh kerana kadar pusingganti kakitangan akademik di universiti swasta di Bangladesh semakin tinggi, kajian ini akan membantu pihak pengurusan untuk mengekalkan kakitangan yang berbakat. Tambahan lagi, kajian penerokaan ini akan membantu pihak pengurusan universiti swasta di Bangladesh untuk memformulasikan strategi pengekalan yang berkesan dengan mengambil kira faktor-faktor yang telah muncul. Kajian ini menunjukkan bahawa pihak pengurusan perlu merancang pakej pampasan yang bermanfaat, mengurangkan beban kerja, memperkasakan kakitangan akademik serta menyusun program latihan dan kemahiran yang mencukupi bagi mengekalkan kakitangan akademik yang sedia ada.



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LIST OF ABBREVIATIONS

| | |
|------|--|
| BBA | Bachelor of Business Administration |
| CIPD | Chartered Institute of Personnel and Development |
| HRM | Human Resource Management |
| HESA | Higher Education Statistics Agency |
| MA | Masters of Arts |
| MIT | Massachusetts Institute of Technology |
| MSc | Masters of Science |
| PhD | Doctor of Philosophy |
| TT | Traditional Turnover |
| UGC | University Grand Commission |
| US | United States |
| USA | United states of America |



CHAPTER 1

INTRODUCTION



1.1 Introduction

This chapter is about a brief introduction of employee retention in higher educational organizations in Bangladesh and several factors which are working behind this. It has discussed about the meaning and concept of employee retention and followed by an overview on the current scenario of employee retention in higher educational organizations as well as in Bangladesh private universities, which is the chosen sector for this study. This chapter also highlighted the problem statements, objectives of this study, research question and the significance of the study. Finally, this chapter is concluded with a brief discussion regarding the limitation of this study along with the operational definition of the chosen topic.





1.2 Background of the Study

Employee retention can be defined as the ability of an organization to retain its own or existing employee. According to Chaminade (2007), retention is a voluntary activity of an organization to create such an environment where they can retain their employees for a longer period of time. It is the inverse of turnover (Harvard Business Essentials, 2002). Those turnovers can be voluntary or involuntary. Furthermore, Eeden & Dave (2014) denoted that there is a significant converse relationship between employee retention and employee turnover. Eeden & Dave (2014) also mentioned that not only the retention rate of an organization increased but also turnover rate decreased when majority numbers of the staffs remain in the same organisations.



According to Rarford (2013), people management strategy can ensure a higher employee retention rate by maintaining a cordial relationship between the employee and the organization. This strategy is consist of several crucial factors such as reward and recognition programs, supervisor support towards the employee, job satisfaction and career developing opportunities as well (Rarford, 2013). However, Kyndt et al. (2009) argued that it is essential for an organization to implement an appropriate retention strategy as employees are the most crucial resources who ensure the viability and sustainability of an organisation for a short-term and long-term period. Employee retention is beneficial and fruitful. Such as Arnold (2005) opined that several researchers have found that retained employees are more productive as they always concentrate on their own work. If an organization fails to retain their employees, the situation can be hostile for the organization (Dey & Subhendu, 2009).





On the other hand, Covey (2016) suggested that always treat your employees the same way as you usually deal with your best customers. These employees are the main key to the success of any organization. They positively contribute their best effort to achieve the organization's mission, vision and objectives. The most experienced employee is the most valuable asset for an organization. Therefore, it is essential to retain such kind of experienced employees as they are the key to success. Armstrong (2006) denoted that retention of such experienced employees usually provides an extra advantage in competitive globalization and assists to achieve the organizational goals and objectives. Nevertheless, Bersin (2015) argued that employee turnover and retention strategies should be tested again as the issues of employee retention have raised again with the change of today's economy.



On the contrary, comparing employees with the engine, Rossi (2018) demonstrated that employees are the engine of an organization where the products are the body of that organization. As body runs by the engine, similarly organization continue its proceeding by their employees. This is universal for every organization whether it's a large or a small one because if a turnover occurs both the large and small organization can face similar problems. Such as Cardy & Lengnick-Hall (2011) illustrated that if the best workers of an organization are not retained then that organization can be affected negatively at its each level. Therefore, now-a-days concentrating on the employee turnover and retention issues is being prominent aspect for the organizations. However, Rossi (2018) argued that it is not only sufficient to employ talented people but also necessary to retain those employees. Most of the organizations are concerned about their best performers and always want to retain those employees who have the key knowledge and effectiveness for the institute. Every





organization should retain their best performers as they are the assets of an organization (Greenberg & Sweeney, 2010).

However, an employee can seek employment anywhere depends on his opportunity and willingness (Rousseau & Shperling, 2003). An appropriate employee management strategy can retain the quality employees. To create an effective employee management strategy, it is required to understand the retention factors properly that how those factors are influencing employees' intentions to stay and leave. Such as Chan & Morrison (2008) mentioned that always the same factors will not influence employee's intention to stay or leave the organization, it may be different varying to the person's mentality and demand. However, retaining experienced employees is not an easy task rather it is a big challenge for the organization as it can be hurdle to the organisational success.

On the other hand, organizations may achieve a competitive advantage over their competitors by recruiting skilled employees but recruiting an employee is not only time-consuming but also a matter of investment as well. Such as Finnegan (2010) stated that for recruiting a new employee, organizations need to invest in several steps which starts with the advertisements for the job vacancies and ends with the selection process and so on. There are several studies which have stated that direct replacement of an employee could cost 50-60% of his annual salary (Allen, 2018). On the contrary, Allen, Phillip & James (2010) argued that though there is no particular method available for find out the actual costs of employee turnover but still reducing the employee turnover





rate can decrease the sales growth, productivity and decrease the employee morale as well.

Though scholars have different opinions regarding the turnover attrition and employee retention but they all agree in one point that turnover is expensive and creates a negative impact on the organizations' mission and vision. As the process of recruiting is quite expensive and time-consuming, that's why every organization should take employee retention as a top priority for their own benefits. Usually, an employee never decides to resign from a company or institute for a single reason, several factors work behind the resignation. Such as Davies (2001) revealed that when an employee usually leave the job, multiple factors work behind this, such as work environment, job satisfaction or having better opportunities from other companies or institutions. However, for a better understanding of those key factors of employee retention, it is also necessary to understand the employee turnover and the factors which are influencing employee turnover as well (Radford, 2013).

According to Hartel & Fujimoto (2010), employee turnover occurs when an employee decides to discontinue their roles from their current organizations. This decision can be either voluntary or involuntary, it depends on the employee. When an employee leaves the job through the resignation or need to leave the job for the retirement then it is called voluntary turnover and when organizations terminate an employee or bound an employee to leave the job then it is called involuntary turnover (Allen, Bryant & Vardaman, 2010). According to Moynihan & Pandey (2007), employee turnover is like a loss of memory for an organization. It is really difficult to





find out the actual reason for employee turnover as every employee has their own set of motivational attributes. Such as Rossi (2018) denoted that while some employees are influenced by the financial incentives, then some may be influenced by the appreciation, freedom in the work or work challenge.

As turnover rate increases due to the several systemic problems, therefore, it is important for the organizations to understand the main cause behind this, how an employee can be loyal and being productive for the institutes. Authority should stay supportive for their employees rather than disallowing them. Such as Kundu & Lata (2017) stated that managements' engagement with the employees usually play a vital role to predict the employee's turnover intentions. It means an understanding between the employees and employers is an important factor. When employers pay attention to employees' needs then employees will automatically respond towards them. However, satisfied and engaged employees feel more free to stay with the current employer while unsatisfied and disengaged employees are not (Kundu & Lata, 2017). Therefore, to set up a best quality retention program, a company or institute should focus on the retention factors relevant to their employees and apply a strategy according to those factors.

On the other hand, though Bangladesh is a developing country but still there is a fair amount of educational organizations those who are providing higher education. As Bangladesh is an overpopulated country, besides the public universities, private universities are also providing higher education respectively. Private universities in Bangladesh have started its journey on 1992, under the "Private University Act 1992" (Mannan, 2009). The main goal of the private universities was to ensure higher





education for every student as there was a very limited seat in the public universities. Another goal was preventing the outflow of foreign currency by stopping the students those who are going foreign countries for higher studies. According to University Grand Commission (UGC) Bangladesh, there are 40 public universities and 101 private universities those who are providing higher education in Bangladesh. Annual Report of UGC (2016) has stated that there are 15571 teachers are working in private universities in Bangladesh. Though this sector is growing day by day, still it is facing high turnover problems (Akhter, Muniruddin, & Sogra, 2008). They also mentioned that faculty turnover rate is alarming in many private universities in Bangladesh.

Furthermore, Mannan (2009) observed that in comparison to the public universities the attrition rate of faculty members in private universities is much higher. An article was published by Jalil M. (2009) in a national daily newspaper in Bangladesh based on human resource management in private universities in Bangladesh. He stated that while academic turnover in public universities ranges between 2% to 3% then in private universities it rises up 16% to 17% or sometimes the rate goes more than higher. It has been found from the literature that this sector highly facing the problem of higher turnover rate. Retention of the existing employee can be a wise solution for this problem. Therefore, the researcher has chosen this sector for this study.





1.3 Problem Statement

According to Naris & Ukpere (2010), educational organizations depend on their employees' skills, knowledge, and abilities to provide quality services and to achieve the mission and vision of the organizations. Furthermore, Robyn (2012) illustrated that as educational institute's strength lies on its human capital, therefore, retention of the skilled employee becomes a major concern for the higher educational sector. However, an effective management can reduce the high rates of employee turnover easily. Employee turnover always interrupts the working flow of an organization. When an employee leaves his job, it creates more pressure on the remaining team member as they have to do their ex-colleague's work also. Ultimately it is an institute's loss as they are getting less output compare to their requirement. Therefore, the researcher has decided to explore the factors which can improve employee retention to avoid the employee turnover for this sector.

On the contrary, educational organisations in Bangladesh especially private universities need more expert and experienced employees to fulfil the increasing demand for this sector (Masum et al., 2015). In this kind of institute, the major challenge is to retain its valuable employee as they switch their job very often. Such as Ashraf (2009) revealed that faculty members of private universities in Bangladesh frequently switch their job and now it has become a prime headache for this sector. On the other hand, Joarder & Sharif (2011) found that faculty turnover rate in Bangladesh private universities varies from 10% to 19% per year where it varies only 2% to 3% for public universities. They also considered this rate as high and mentioned that it can create





effects on the quality of education in those institutions. As employee turnover now becomes a prime headache for private universities in Bangladesh therefore, it is crucial for the management to focus on the retention program to solve those problems.

Though this industry has faced huge problems but still there are very few studies published regarding those issues in Bangladesh. Such as Joarder & Sharif (2011) denoted that it is unfortunate as there are limited research initiatives to address faculty turnover issues in private universities in the context of Bangladesh. On the other hand, Masum et al. (2015) argued that several private universities of Bangladesh are facing severe turnover of skilled academics. Additionally, Rahman et al. (2016) also mentioned about the high faculty member turnover rate in Bangladesh private universities in their study. However, Sultana et al. (2017) argued that when turnover leads a huge loss for the organization and retention can prevent this but still in Bangladesh employers are not that much concern about the factors responsible for employee retention. They also mentioned that retention policy should not be the same for different types of organizations, like private universities' retention policy should be different from private bank or IT sectors. Therefore, the researcher has decided to conduct the present study on the private universities in Bangladesh.

Several scholars have discussed about the huge turnover rate in private universities in Bangladesh as well as its effect in the organizations such as high cost, waste of time and money to recruit new employee in their studies. While an effective retention program can change the scenario of this turnover, but still employers are not much concern about the retention factors, moreover there is a lack of research in the





context of Bangladesh private universities. Such as Habib et al. (2018) observed that very few researches have been conducted related to turnover and retention in Bangladesh so far. On the other hand, Sultana et al. (2017) opined that unfortunately finding the factors of employee retention for different types of organizations are rare in Bangladesh and the methods imparted on those researches are not up to the mark as well.

Therefore, the researcher has chosen the educational sector for the current study. This study was conducted based on one research question that what are those factors influencing employee retention among the academic staffs in Bangladesh private universities and its answers to fill in the research gap in Bangladesh private universities.



1.4 Research Objective

- To explore the factors affecting the employee retention among the academic staffs in Bangladesh private universities.





1.5 Research Question

This research is concerned with the retention factors affecting the academic staffs of the private universities of Bangladesh. Therefore, to fulfil the research objective, the following research question has been designed for this research which is given below:

- **What are those factors affecting employee retention among the academic staffs in Bangladesh private universities?**
 - This question's aim is to explore the factors which are influencing employee retention among the academic staffs in Bangladesh private universities.

1.6 Significance of this study



Policy makers especially Human Resource Management of Higher Educational Organizations will be benefited from this study as it will assist them in terms of their regulatory framework design and focus on how to monitor employee retention. Besides this, this study can be fruitful for all the Higher Educational Organizations including both the government and private universities in Bangladesh to take their right decision regarding employee retention.

Moreover, this study can be effective to the management of the Higher Educational Organizations as it will assist them to rearrange their employee retention strategies based on the factors exploring by this study which are influencing employee





retention the most. It will also assist the upcoming organizations or an institute in Educational sector to build a strong employee retention strategies for them.

The finding of this study is also valuable for the employees who are working in Higher Educational Organizations as it can assist them to understand the value of employee retention for an organization. From this study, they can find out the factors which are influencing them as well as their colleagues to leave the organization or stay in the same organizations.

As specific studies on Bangladesh Higher Educational Organizations are limited (Habib et al., 2018) therefore, this study can be a guideline for the researchers those who are interested to do their research on Higher Educational Organizations in Bangladesh. From this study, they can gather information, data and findings on employee retention in Bangladesh Higher Educational Organizations.

Not only in Higher Educational Organizations, but specific studies on employee retention in any other sectors in Bangladesh is also limited and are not up to the mark (Sultana et al., 2017) therefore, this research paper will assist the researcher those who are interested to do their research in another sector as well.





1.7 Limitation of the study

The main limitation of this study is that it has conducted on only three private universities from Bangladesh. On the other hand, the sample was chosen from the young academic staffs only. Furthermore, all the respondents of this study were young lecturers from three different private universities of Bangladesh. However, lecturers working experience were between 2-5 years in the academic field only. Therefore, it was difficult to explore the factors due to the less working experience of lecturers.

1.8 Operational Definition



Employee Retention: According to Raja & Kumar (2016), employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Furthermore, Liang et al. (2015) opined that employee retention also can be referred to the policies or practices of a particular organization or company applies to the prevention of leaving of scared employees. It is an allude to the capability of an institution to perpetuate its employees. An endeavour by a business or institute to continue a working atmosphere which supports current staff to remain standing with the organization. Employee retention can be a portrait by a simple statistic such as retention rate of 80% usually indicates that an organization kept 80% of its employees in an accustomed period.





Employee Turnover: According to Habib et al. (2018) employee turnover is technically and mathematically defined as the ratio of the number of workers that had to be replaced in a given time period to the average number of workers. Furthermore, Chartered Institute of Personnel and Development, CIPD (2014) demonstrated that “Employee turnover refers to the proportion of employees who leave an organization over a set period (often on a year-on-year basis), expressed as a percentage of total workforce numbers”. Basically, it can be described as the leaving employee’s number or percentage from an organization and are replaced by the new employees.

Academic Staff: According to Higher Education Statistics Agency, HESA (2009), academic staffs are those academic professionals who are responsible for planning, directing and undertaking academic teaching and research within higher educational institutions. They also included vice-chancellors, medical practitioners, dentists, veterinarians and other health care professionals as academic staffs who undertake lecturing or research activities. The principal activity of academic staff is instruction or research. Therefore, academic staff is that person whose primary assignment is instruction, research, or public service.

1.9 Conclusion

This chapter has provided a synopsis of the thesis by highlighting some of the previous research on employee retention. In doing so, the chapter briefly stated how this thesis





will contribute to the broader literature on employee retention in higher educational organizations in Bangladesh, both theoretically and practically. However, the drive of this study is to explore the factors which are affecting the employee retention among the academic staffs in Bangladesh private universities. The chapter also reflected on the challenges that the higher educational organizations has faced and how those challenges served as the instigating factor for this research. As the study proceeds, the next chapter has discussed on the literature review regarding the research topic to provide an insight to the topic of the research and to enable the readers for the better understanding about the factors that affect employee retention.

