Effect of Human Resource Practices on Employees' Retention in a Private University of Pakistan

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Abstract

The purpose of this study is to find out the effect of Human Resource (HR) practices on employees' retention in a private university. One hundred faculty members including male and female, out of 400, were randomly selected to collect data. A structured questionnaire was used having Alpha value of 0.94 in the result of pilot testing. Regression analysis was applied to find out the effect of human resource practices on employees' retention. Results show that there is a significant effect of HR practices on employees' retention. It is suggested that educational institutions may re-think and improve their HR practices in order to retain the valuable employees. Further research about the topic may also be conducted at all level institutions.

Key words: Human Resource Practices, Employees' Retention

Introduction

Human resource practices are intentional in nature. These symbolize a vigorous supervision and organization that organizes the institution with professionals. Human resource practices from the substance subsidiary the way your institution's human investment will function on your behalf. For instance, human resource practices contain framing a system for determining and analyzing the effects of an exact member recompenses package. Supplementary instances contain the formation of a package to decrease work-associated harms, and building a structure to confirm service rules are followed.

Human resource practices are the means over which human resource employees can improve the guidance of the institutional employees. This happens over the preparation of emerging wide motivational programs and teaching developments, such as formulating arrangements to straight and support administration in carrying out ongoing performance reviews. Human resource practices similarly contain raising opportunities over which workers will have chances for progression. For example, the plan of a contrivance assisting consistent of workers' suggestions a chance for your

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staff members to develop to the management situations.

The Principles of HR practices in educational settings are explored as follows. The purpose of HR practices is like a moderator concerning the human resource management policies and human resource management results in educational institutions. Sivasubramaniam and Kroeck (1995) ruminate numerous perceptions on HRafter the perspective of appropriate otherwise incorporation. They recommend that several forms ofHRM maybe categorized for example having an interior or exteriorfit.Exteriorfitdescribes the human resource management for example a plannedincorporation,whileinteriorfit stays a model of performs. Someinvestigators have strainedto scrutinize which fit stays suitable.

The effects of HRM practices on professional performance were studied by Lee and Lee's (2007) which includes training and development, teamwork, HR planning, compensation or incentive, and performance evaluation. Moreover, the effects of HRM practices on professional act comprising worker's productivity, quality of the product and institution's tractability were also described in their study. To certify that an educational institution is able to realize the accomplishment through its people is the general purpose of HRM (Armstrong, 2009). In the literature of Human Resource Management practices, the use of innovative style, Human Resource Management practices considered to attain the high stages of the performance of worker, commitment and flexibility has been the mutual theme. This indicates that existing Human Resource practices have direct association to the performance issues and institutional policy making than existed example through earlier methods towards the employees' supervision (Bach & Sisson, 2000).

Investigation has revealed that study of Human Resource Management necessities a universal perception (Kochan, et al., 1992). It is significant to remind that across the Middle Eastern countries, the connections in attitudes towards the work and management practices occur, while considerable differences have been studied concerning nations of Middle East that cannot be clarified through the social aspects. Such as economic liberalization and market-driven forces which permit restrained institutions to contend with the universal institutions by emerging the innovative plans to upsurge the service progress. This caused in certain nations like Saudi Arabia and Egypt suffering employment safety attrition in community region, for example an institution have privatized, rationalized, and otherwiselocked(Budhwar&Mellahi, 2006).

It is claimed thatHR Practices are inseparably associated to the workers'insights of institutional provision and that two procedures strappingly affect aworkers' obligation to the educational institution. GreatobligationHRaccomplishments upsurge the institutional efficiency by prompting situations in which workers feel supplementary tangled in accomplishment of institution's aims, and are consequently extra probable to

work tougher to support educational institution in order to attain those aims (Arthur, 1994).

The main method used in testing the connection concerning Human Resource Management and enactment has deliberated Human Resource Management for example a perfect set of implements (Delaney &Huselid, 1996), lightly considered 'Extraordinary Involvement , 'Extraordinary Performance' otherwise 'Extraordinary Commitment'. Extraordinary Commitment practicesupsurge institutional pledge through generating the settings wherever workers develop tremendously tangled in institution; hence they work tough to achieve the aims of institution (Youndt, 2000). This hints to higher productivity and lesser turnover.

High Commitment Practices has many advantages and several educational institutions know it because they return to the workers' requirements then also boost them to take the duty aimed at their professions, moreover they encourage the workers to work in means that eventually rate the institution (Combs et al., 2006).

High Commitment practices encourage the employees that they should accept upper ranks of duty for accomplishment of the objectives of an educational institution. Several academics have originated that the employee's levels of skill are increased by high commitment Human Resource Management practices, information, empowerment and motivation (D'Cruz& Noronha, 2011; Kochan& Osterman, 1994; Levine, 1995; Pfeffer, 1998). To increase motivation of employees in high involvement in educational institutions one justification is that worker is on focus of actions happening. To check the certification of this process whether it is successful or not, Human Resource units want to implement and develop the Human Resource practices that care staff to develop personality-managing and personality-programming (Lawler && Jenkins, 1992). It needs substantial asset in social investment. More practice of extraordinary commitment Human Resource practices is possibly had to great contribution or great commitment to effort performs as reported by the previous research that increases Employee Retention. Shaw et al., (1998) Similarly finds strong relationship concerning worker holding and productionin great obligation Human Resource methods.Up to now,for example renowned through the Legge (1998),greatobligationmethodhas primarily beenverifiedin the private educational institutions. HR Practices has an effect on the employee retention. HR practices promote the employee retention. Their study reveals that operativeHuman Resource Practicesmay decrease the workerturnover and also upsurge the retention in institution (MaqsoodHaider, et al., 2015).

Employee Retention in Educational Institutions/Organization

A supplementary exhaustive and current description of notion of Retention is 'to stop the harm of the proficient workers since exit the efficiency and productivity' (Chiboiwa, et al., 2010). The retention of the talented workers is a benefit to an institution because the staff' skills and knowledge are significant to an institution's

capability to be sparingly economical (Kyndt, et al., 2009). Though, there are several challenges in struggling to retain the competent staffs. HR managers can easily find that enticing and holding that the talent is problematic (Barney, 1991; Samuel & Chipunza, 2009). Brilliant and good workers are the talent of an institution. Retaining the brilliant/capableworkersis extremely significant aimed at lastingdevelopmentin addition tothe achievementof professional(Heathfield, 1995), howeverretention of the staff has turn into the key tricksuffering modern educational institutions.

Samuel and Chipunza (2009) focus that it is notmerely private sector,but the government sector istoofacing troublein holding the talented and trainedworkers. The leaders of the private sector state these evidences that retaining the significant employees of an institution ischallengingpartoftheir employment. Institutions are supplementary anxious about the retention of their workers as committed to leave is unsatisfactory on behalf ofthe staff and managers. Educational institutions mustendurecost ofemploying, and cost of losing, their staff; so, the institutions try to retain their present staff (Lockwood & Ansari, 1999).

Actually, this maintenance of the staff and their cherished expertise helps the institution to reserve their asset of the staff training, which reasons the lower loss of human wealth and vintages higher retaining. Given this, institutions should take the steps to hold the staff, to escape the undesirable turnover due to the low-job satisfaction, stress, insufficient benefits and insufficient working condition (Atif, et al., 2011). Some institutions use altered practices to maintain their staff, such as having benefit, development and training, competitive work environment etc. the retention of employees is the focal objective and the main anxiety for the most institutions.

Employee Retention Schemes

Modest technique to keep the workers is to upsurge the pleasure stages; yet it will merely operative if implemented appropriately (Denisi& Griffin, 2008). According to Mello (2010) the task lies in attempting the diverse worker requirements for example those are diverse. The programs of retention must run which report requirements of the workers that look expected to leave. Ongori (2007) maintains those approaches which reduce the degrees of turnover are related to difficulty: perhaps, turnover ensuing after ineffectual practices of assortment are not vulnerable to development.

The administration is encountered by duty of recognizing explanations why workers leave, and enchanting the counteractive exploit. The alternative approach is to consider the difficulties of retaining through leaving consultations. These deliver a balanced outlook of the workplace and management also, and locate explanations on behalf of a worker resigning, that may not have gained now arranged-successful methods of worker interactions.

Capelli (1997) classifies a numeral of retaining approaches which ponder employment fair and also estimates the new payment plans, worker differences, job reshape, social links, job customization and the employing of the workers who do not expect to leave. Proposing prospective apostates prevailing, inside job chances are alternative implement for retention (Capelli, 1997; Luecke, 2002).Supplementary elements like the qualitative endowments, job contented analysis, compensation and stipend packages, administration and organization, career counseling and development, repetitious work schedule fluctuation, improved work situations and essentials not unswervingly connected with the work, and all increase worker retention degrees.

Still additional aspects to take into contemplation are the degree of monopolization and work policies of an institution, work commitment, suitable communication, and counseling for workers who need to permission, suitable leaving interviews, shorter work weeks, flexible working hours, worker participation, turnover policies and appreciation of workers.

Worker's aim to leave or stay is the best consistent process of forecasting tangible retention. Current readingsof Human Resource Management Practicesexplicate that little turnoverrates are related to workers'rehearseof containing the worker involvement, commendably evolving the workers and concrete announcement of the hire situations.Functional turnover (means that bad performers leave, but good performers stay) can help decrease the suboptimal institutional performance (Stovel&Bontis, 2002); though, intensification in rate of the turnover may tooinfluenceon output of institution. This can end in the loss of generosity, support and associations, and can even expose the neutrality of aims of institution.

Research objective of the study was to explore the effectof HR practices on employees'retention in a private university. Worth mentioning here is operational meaning of 'human resource practices' that is defined as the means through which the human resource employees can improve the guidance of the institutional employees. Whereas, employee retention is to stop the loss of the proficient workers to enhancethe efficiency and productivity (Chiboiwa, et al., 2010).

Methodology

This was a quantitative research conducted through survey method. A questionnaire was used to collect the data. The study was guided by the philosophy of positivist paradigm. The independent variable of the study is HR practices and dependent variable is employee retention. All the 400 faculty members of a private university of Lahore were the population of this study. Sample constituted the 100 (male and female) randomly selected faculty members.

Instrumentation

The purpose of the study is to find out the effectof HR Practices onemployees'retention in a private university. To achieve the aim of the study a questionnaire was used which was consisted on two sections including human resource practices and retention.The first section of the questionnaire includes the items measuring the HR practicesand was adapted from (Edgar &Geare, 2005). Second section covers the items on employees' wish to continue connected with their particular institutions.This section was adapted from the questionnaire developed by Mobley, Horner, and Hollingsworth (1978). Both parts of the questionnaire were designed to be responded on five point likert scale. Cooper and Schindler (2005) state that an investigator must ensure a pilot study of the data collection instrument before continuing through the research. An experimental or pilot test supports in recognizing difficulties in research method and data collecting methods.

A pilot study was carried out amongst research participants from target population to estimate survey questionnaire for understandability and readability. These research participants assisted to recognize the slight issues in language and grammar/spelling. The research instrument was pilot tested on 50 subjects. These respondents were selected outside the research sample from the population of the study. The reliability measured is shown in the table below.

Table 1

Reliability of the Research Instrument Factors

Factors	Cronbach's Alpha Reliability
HR Practices	.816
Retention	.859
Overall	.837

Analysis and Interpretation of Data

Regression analysis was applied to find out effect of human resource practices on employees' retention. The histogram of the data displays an approximate normal distribution which is presented in Figure 1, while the P-P plot showed a linear relationship in Figure 2.
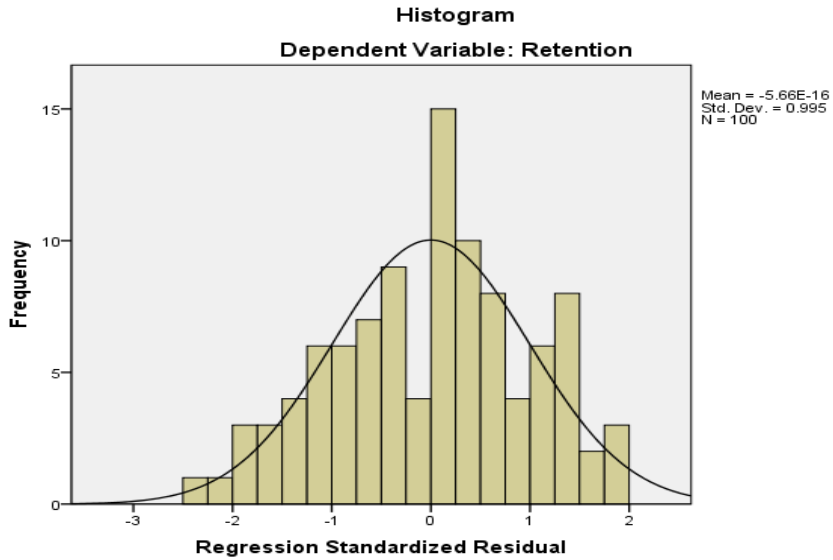
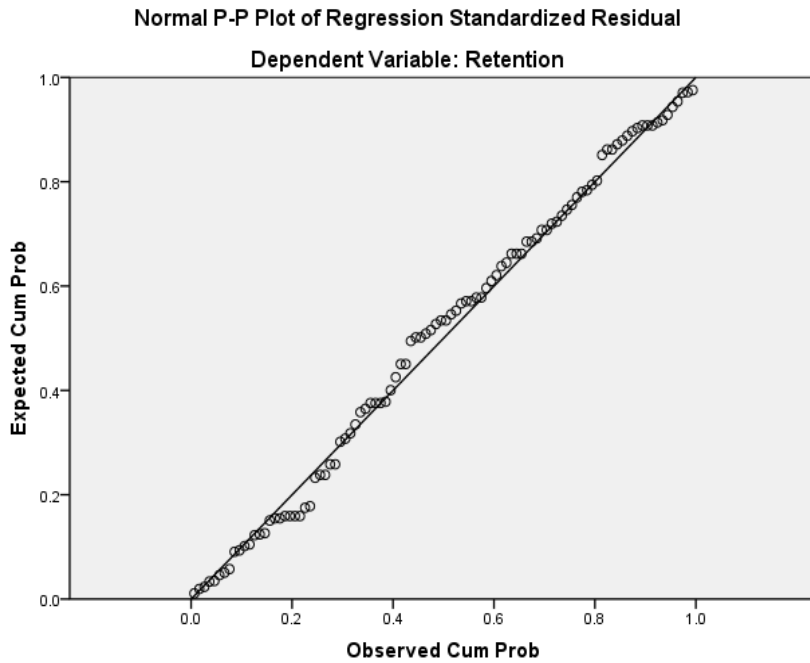*Figure -1   Histogram of Retention (Dependent Variable)*

Figure -2 Showing Linear Relationship

Research Question/Hypothesis

Is there any significant effect of HR practices on the employees' retention in a private university? In order to address this research question, its hypothesis, test values and interpretation/inference is presented below. The **null hypothesis** for this research question is: *There is no effect of HR practices on employees' retention in a private university.* And the **alternative hypothesis** is: *There is significant effect of HR practices on employees' retention in a private university.* In order to test the hypothesis, Linear Regression Analysis was performed and results gained are presented in Tables bellow:

Table 2

Relationship between HR Practices on Employee Retention in a Private University

R-Square	Adjusted R- Square	df	F	Sig
.110	.101	1	12.140	.000

Table 2 shows that the value of the *F-test (*F = 12.140)is significant at p<0.01 since Sig. =.000.This shows that there is statistically significant relationship between HR practices and employees' retention. These values also indicate that now linear regression analysis can be performed – as there is significant relationship between the two variables.

Table 3

Effect of HR practices on Employees' Retention

Variables	B	SE	B	T	P
Retention	4.593	.286		16.038	.000
HR Practices	.423	.121	.332	3.484	.001

Table 3 highlights that HR practices have stronger and statistically significant effect on employees' retention because beta value isβ^ = .423, t=3.484, and p<.01. The null hypothesis is rejected; hence the alternative hypothesis is accepted. This means that HR practices have significant effect on employees' retention. It can be inferred that if institutions want to retain their employees they need to make the HR practices attractive to their employees.

Discussion

The results of the study are discussed with reference to organizational and societal culture because culture has significant influence upon conceptions and practices (Amin, 2012). With reference to the interpretations of practices, Shah (2009:5) stresses the significance of local situation by arguing that "in spite of emerging similarities of policies, structures, and legal provisions across the world [or regions], local societal structures, patterns of behaviour, cultural traditions, belief systems, and organisational

conventions influence how concepts are translated into practices". The research is done in the Pakistani context, and society is mainly Muslim and according to Shah (2009:9) "religious ideology guides the discourses and practices in all fields". Moreover, Hofstede, (1991) pointed out that high power distance and high collectiveness are the main characteristics of Pakistani societal culture. Because of these societal characteristics employees once start job in any institution, they develop their association/friendship with other colleagues and prefer to be in the same institution, although sometimes they have differences with the management and sometimes they are offered job with more salary from other institutions. This is very helpful for the institutions to retain the employees through providing environment conducive for camaraderie. Moreover, HR practices such as to retain the employees in their jobs needs to be developed and exercised keeping in view the local context and culture.

This study highlights that HR practices have significant effect on employees' retention. Keeping in view this finding, it is suggested that if institutions want to retain the employees they need to focus the non-monetary rewards more as compared to monetary rewards because, as mentioned above, Pakistani society is collectivist and employees prefer non-monetary rewards such as appreciation, acknowledgement certificates, clap for them in formal ceremonies and shoulder pat by the head (House *et al*., 2004). This will not only help to retain the employees, it will also help the institutions to get the work from employees beyond office hours without monetary rewards, enhance the employees motivation and job satisfaction - which will in return help to retain the employees. Overall, it is suggested that HR management should develop their HR practices keeping in view the local organizational setting and societal culture in order to retain the employees in the same institution.

Conclusion

The results highlight that there is statistically significant relationship between HR practices and employees' retention. The results further point out that HR practices have significant effect on employees' retention. It can, therefore, be inferred that if institutions want to retain their employees they need to make the HR practices attractive to their employees. These findings are supported by various researchers such as Maqsood, et al. (2015). The present study which finds out the Relationship between HR practices and employee retention in a private university is an important effort in Pakistani context. Researcher believes that findings of this study would add an important facet to the existing body of knowledge in the field with reference to Pakistani organizational context. Since,the majority of the empirical studies which is related to the relationship between HR practices and employee retentionare from Western World and from United Arab Emirates.

Recommendations

On the basis of the findings andconclusions drawn above, following suggestions have been made:

1. For understanding, interpretation and implication of the phenomenon under study, more evidence is needed through conducting studies at university level and other levels such as college and school through incorporate the qualitative approach and using multi methods of data collection from various sources involving departmental heads and HR department employees.
2. The results of the present study indicate the effect of HR practices on employee retention; it is therefore suggested that educational institutions may re-think and improve their HR practices in order to retain the valuable employees. This will not only save the institutional finance but may also enhance the performance of the institution.

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