

Study of Employee Retention Rate in Self Financing Engineering Colleges of Kerala

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Abstract: *Employees are the backbone of any inprime institution. They should beprotected in an ambience which enhances their productivity and contributes to the growth of the institution. This study therefore aims to assess and analyze the Employee Retention Rate ^[1] in the Self FinancingEngineering Colleges throughout Kerala. An attempt is made to identify the various factors contributing to this state through an online survey among members of faculty holding different ranks in the Engineering Colleges of Kerala. The information thus gathered is filtered, categorized and analyzed with the help of Statistical tools ^[2]. This study revealed the lacunae in the present system which helped the management in construing strategic remedial measures in controlling the issues involved in the retention of employees.*

Keywords: *Employee Retention Rate, Self-FinancingEngineering Colleges*

I. Introduction

Educational institutions play a vital role in the moulding of the future professionals. The intellectual assets of our nation should be safeguarded lest it should lead to a brain drain. This is a very important aspect in the generation of a devoted work force who will lead the nation to further heights. Here comes the significance of educational institutions which imparts knowledge and value based learning. Success of any institution depends on the long term association it has with its employees. Hence the reference to employee retention which has proved beneficial both to the institution and the employee. Employees should therefore be nurtured in a milieu of happiness and self-esteem.

Most employees feel that their contribution is not fully appreciated; rather underestimated. When the disparity grows and a time comes when they succumb to the prospects extended to them from an extraneous source. In a transparent environment while employees get a sense of achievement and belongingness, the institution is benefited with a stronger, reliable workforce harboring bright new ideas for their growth. The objective of our study is to identify the best practices and strategies adopted by various institutions to enhance commitment and employee involvement.

II. Literature Review

Employee retention refers to policies and practices followed by institutions that help to prevent valuable employees from leaving their job. Hiring knowledgeable people for the job is essential for an employer. Retention of employees in Professional Colleges which includes Engineering, Architecture, Management, Medical etc is a serious concern [1]. Studies have shown that high employee turnover have grave implications for the quality, consistency and stability of academic centers. [2]High turnover can have detrimental effects on students and remaining staff members, who struggle to give and receive quality services when positions are vacated and then filled by inexperienced personnel[3].Moreover no attempt has been made with the findings of the empirical studies to concoct an pragmatic solution[4].

III. Objectives of the study

This study on Employee retention in Self Financing Engineering colleges across Kerala has the following objectives:

- To highlight the various factors which affect retention rate in an educational institution
- To explore the relation between various factors and job satisfaction

IV. Importance of the study

The academic staff plays a vital role in the success of all educational institutions. In today's competitive environment, managing the employees and meeting their demands is a herculean task. Many institutions face the risk of high employee turnover which results in the undermining of the quality of education. So the study aims to find the major factors that contribute to employee turnover. It was started by designing an online questionnaire which includes the following factors.

- Remuneration
- Environment
- Relationship with the superiors and peer groups
- Career growth
- Domiciliary predilection

Remuneration:

It plays the most deterrent factor in the employee retention aspect. Their expectations are high while the remuneration is frugal. A lucrative package should therefore be critical in retaining the employees. Remuneration includes salary, bonuses, benefits, vacations and entertainment. Salary in turn is comprised of the Basic Pay, Dearness allowance and other allowances namely leave, compensatory off, festival allowances etc. These incentives help retain employees in the institution's start up stage.

Salary reflects the level of expertise and experience an individual has. Timely revision of salary should be introduced to motivate the employees and thereby increase the productivity. And this increase should be based on the employee's performance and his/her contribution to the institution. We should be able to instill in them a sense of goodwill and honesty towards the institution.

Environment: People want to work for an institution which provides

- Appreciation for the work done
- Ample opportunities to grow
- A friendly and cooperative environment
- A feeling that the organization is a second home to the employee

Work environment in institution includes

- Culture
- Values
- Reputation
- Employee development and career growth
- Quality of the people
- Risk taking
- Acceptance of latest technologies
- Trust

The environment the employees envisage in an institution are:-

Learning and support:

Learning is a continuous process of inculcating newer development, improvements of existing ideas, certification, and scope for higher studies.

Support environment aims at provision of atmosphere conducive for evolving a work life balance comprising of flexible hours, recreation, vacations and wellness.

What the employees aspires for himself in his relationship with the institution are:

Work profile:

It should be conforming to his capabilities. The profile should be evenly matched.

Personal growth and dreams:

Besides bringing accolades to the institution the employee should also be rewarded with a feeling of self-esteem in the knowledge that he also has been instrumental in the glory achieved by the institution.

Training and Development:

The training given to the employees should be such that he gets the full benefits of it to glean his capabilities. He should feel that management had been candid in their conduct towards him. Institutions sometimes are prone to mistaken notion that the employees after acquiring expertise might leave the institution for better prospects. Therefore they should not yield to this temptation and not limit the employee's access to the resources on which the institution's success depends. Individual's performance reviews, meetings, employee's satisfaction surveys, development of good rapport with employees are factors towards building a reliable and effective work force.

Relationship of Employees with the peers and management

The interaction between the management and employee is a key factor in employee retention program. The management shall be able to provide an ambience of systematic work culture, personal and professional camaraderie. The hierarchy should be a subtle blend of professionalism and discipline. This will lead to a lasting relation where the employee shows their allegiance to the institution as a spontaneous response. Bitterness among the employees and arguments leads to anguish, attrition and retaliations. This tendency should be curbed in the beginning itself by providing a supportive work culture where everyone feels like peers.

Career growth

A factor of utmost importance in improving in employee retention is in delineating an explicit and succinct career path. The prospects of career up gradation and future growth in the institution will help the employees to set goals and design ways to achieve it.

The management can provide a launching pad for their skills to be recognized by offering them sound career development plan. This in itself can be achieved by holding seminars, Faculty Development Programmes (FDP), workshops, hosting of conferences at National and International levels. The employee involvement should be sealed by delegating members of faculty to hold responsible positions.

Domiciliary predilection

Many employees prefer to work near their residence. This is due to their easiness in availing facilities like transportation, emergency medical care, educational institutions and such basic amenities.

V. Research Methodology

Research Design:

The research design indicates the type of research methodology under taken to collect the information for the study. The researcher used both descriptive and analytical type of research design for his research study. The main objective of using descriptive research is to describe the state of affairs as it exists at present. It mainly involves surveys and fact finding enquiries of different kinds. The researcher used descriptive research to identify the factors that helps to retain employee. The researcher also used analytical research design to analyze the existing facts from the data collected from the employees occupying different positions like Professors, Associate Professors, and Assistant Professors of different Engineering colleges.

In this study an Online Questionnaire was designed which aims to identify the factors that lead to employee turnover in Engineering Colleges across Kerala. The data is analyzed using SPSS (Statistical Package for the Social Sciences), a statistical tool. The information after analysis helped us in drawing conclusions and providing recommendations to the top management in taking strategic decisions relating to employee retention.

Employee Retention Strategies

The basic practices which should be kept in mind in the employee retention strategies are:

1. Hire the right people in the first place.

2. Empower the employees: Give the employees the authority to get things done.
3. Make employees realize that they are the most valuable asset of the organization.
4. Have faith in them, trust and respect them
5. Provide them information and knowledge.
6. Keep providing them feedback on their performance.
7. Recognize and appreciate their achievements.
8. Keep their morale high.
9. Create an environment where the employees want to work and have fun.

Area of study:

The area of study is confined to employees of different Engineering colleges across Kerala.

Research instrument:

The Structured questionnaire is used as the research instrument for the study.

Questionnaire Design:

The questionnaire framed for the research study is a structured questionnaire in which all the questions are predetermined before conducting the survey. The form of question is of both closed and open type.

The scales used to evaluate questions are:

- Dichotomous scale (Yes or No)
- Like 5 point scale (Highly satisfied, satisfied, Neither Satisfied nor dissatisfied, Dissatisfied, Highly dissatisfied)
- Category scale (Multiple items)

The questionnaire for the research was framed in a clear manner such that it enables the respondents to understand and answer the question easily. The questionnaire was designed in such a way that the questions are short and simple and is arranged in a logical manner.

Procedure

The researcher conveniently selected academic staff members at different Engineering Colleges in Kerala from which participants were drawn. An online survey was conducted to gather information for the study. Data analysis and interpretation were done using statistical tools.

Data Collection Method

Data is collected from the respondents through Online structured questionnaire.

Data Analysis and Interpretation

After all the questionnaires had been returned, it was important that mass data collected should then be reduced to a format suitable for analysis. The respondents' responses were then coded according to the emerging themes. The data were analyzed by using statistical Tools.

Statistical Tools and Techniques

SPSS

SPSS is software for editing and analyzing data. These data may come from basically any imaginable source: a customer database, scientific research, or even the server log files of a website. SPSS can open all file formats that are commonly used for structured data such as Excel, plain text files and relational (SQL) databases.

SPSS Statistics is a software package used for statistical analysis. The software name originally stood for Statistical Package for the Social Sciences (SPSS). Companion products in the same family are used for survey authoring and deployment (IBM SPSS Data Collection), data mining (IBM SPSS Modeler), text analytics, and collaboration and deployment (batch and automated scoring services).

SPSS for Windows has the same general look a feel of most other programmes for Windows. Virtually anything statistic that you wish to perform can be accomplished in combination with pointing and clicking on

the menus and various interactive dialog boxes. You may have noted that the examples in the Howell textbook are performed/analyzed via code. That is, SPSS, like many other packages, can be accessed by programming short scripts, instead of pointing and clicking.

ANOVA (ANalysis Of Variance) is used to compare differences of means among more than 2 groups. It does this by looking at variation in the data and where that variation is found (hence its name). Specifically, ANOVA compares the amount of variation between groups with the amount of variation within groups. It can be used for both observational and experimental studies.

VI. Results and Discussions

Case 1 (GrossSalary, Worklocation, Opinion, TotalYearsofExperience)

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. Change	F
1	.615 ^a	.379	.334	3.562	.379	8.531	4	56	.000	

a. Predictors: (Constant), GrossSalary, Worklocation, Opinion, TotalYearsofExperience

b. Dependent Variable: ServiceintheCurrentInstitution

Adjusted R square is measured which shows over fitness of the model, rest is an error term. In this case adjusted R square is 0.379 which shows modest fitness of the model i.e. Gross salary, Opinion, TotalYearsofExperience Work location as an independent variable, ServiceintheCurrentInstitution as dependent variable rest of the independent variables has insignificant relationship with employee's retention.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	433.040	4	108.260	8.531	.000 ^b
	Residual	710.632	56	12.690		
	Total	1143.672	60			

a. Dependent Variable: Service in the Current Institution

b. Predictors: (Constant), GrossSalary, Worklocation, Opinion, TotalYearsofExperience

From the table of ANOVA we can conclude that regression proportion is very much low as compared to residual which states that there are some other variables which can predict employee's retention except any other variables; but the model is significant at 0.000 levels.

Case 2

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. Change	F
1	.558 ^a	.311	.275	3.718	.311	8.574	3	57	.000	

a. Predictors: (Constant), GrossSalary, Worklocation, TotalYearsofExperience

b. Dependent Variable: Service in the Current Institution

Adjusted R square is measured which shows over fitness of the model, rest is an error term. In this case adjusted R square is 0.311 which shows modest fitness of the model i.e. Gross salary, Total Years of Experience, Work location as an independent variable, Service in the Current Institution as dependent variable rest of the independent variables has insignificant relationship with employee's retention.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	355.630	3	118.543	8.574	.000 ^b
	Residual	788.042	57	13.825		
	Total	1143.672	60			

- a. Dependent Variable: ServiceintheCurrentInstitution
 b. Predictors: (Constant), GrossSalary, Worklocation, TotalYearsofExperience

From the table of ANOVA we can conclude that regression proportion is very much low as compared to residual which states that there are some other variables which can predict employee's retention except any other variables; but the model is significant at 0.000 levels.

Case 3

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.490 ^a	.240	.214	3.870	.240	9.172	2	58	.000

- a. Predictors: (Constant), Worklocation, GrossSalary
 b. Dependent Variable: Service in the Current Institution

Adjusted R square is measured which shows over fitness of the model, rest is an error term. In this case adjusted R square is 0.240 which shows modest fitness of the model i.e. Gross salary and Work location as an independent variable, Service in the Current Institution as dependent variable rest of the independent variables has insignificant relationship with employee's retention.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	274.800	2	137.400	9.172	.000 ^b
	Residual	868.872	58	14.981		
	Total	1143.672	60			

- a. Dependent Variable : Service in the Current Institution
 b. Predictors: (Constant), Worklocation, GrossSalary

From the table of ANOVA we can conclude that regression proportion is very much low as compared to residual which states that there are some other variables which can predict employee's retention except any other variables; but the model is significant at 0.000 levels.

Case 4

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.530 ^a	.281	.256	3.765	.281	11.340	2	58	.000

- a. Predictors: (Constant), Total Years of Experience, GrossSalary
 b. Dependent Variable: Service in the Current Institution

Adjusted R square is measured which shows over fitness of the model, rest is an error term. In this case adjusted R square is 0.281 which shows modest fitness of the model i.e. Gross salary and Total Years of Experience as an independent variable, Service in the Current Institution as dependent variable rest of the independent variables has insignificant relationship with employee's retention.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	321.497	2	160.748	11.340	.000 ^b
	Residual	822.175	58	14.175		
	Total	1143.672	60			

a. Dependent Variable: Service in the Current Institution

b. Predictors: (Constant), TotalYearsofExperience, GrossSalary

From the table of ANOVA we can conclude that regression proportion is very much low as compared to residual which states that there are some other variables which can predict employee's retention except any other variables; but the model is significant at 0.000 levels.

Case 5

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.524 ^a	.275	.250	3.782	.275	10.982	2	58	.000

a. Predictors: (Constant), Worklocation, Total Years of Experience

b. Dependent Variable: Service in the Current Institution

Adjusted R square is measured which shows over fitness of the model, rest is an error term. In this case adjusted R square is 0.275 which shows modest fitness of the model i.e. Total Years of Experience and Work location as an independent variable, Service in the Current Institution as dependent variable rest of the independent variables has insignificant relationship with employee's retention.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	314.146	2	157.073	10.982	.000 ^b
	Residual	829.526	58	14.302		
	Total	1143.672	60			

a. Dependent Variable: Service in the Current Institution

b. Predictors: (Constant), Worklocation, Total Years of Experience

From the table of ANOVA we can conclude that regression proportion is very much low as compared to residual which states that there are some other variables which can predict employee's retention except any other variables; but the model is significant at 0.000 levels.

Summary of the analysis using SPSS

Sl. No	Variables	R Square	Sig. F Change
1	GrossSalary, Worklocation, Opinion, TotalYearsofExperience	.379	.000 ^b
2	GrossSalary, Worklocation, TotalYearsofExperience	.311	.000 ^b
3	Worklocation, GrossSalary	.240	.000 ^b
4	TotalYearsofExperience, GrossSalary	.281	.000 ^b
5	Worklocation, Total Years of Experience	.275	.000 ^b

ANOVA table states the goodness of fit. The above model is found to be fit.

Recommendations to the Management

With respect to the analysis it was found that Salary is an important factor in determining employee turnover ratio.

- (1) Experienced employees are the real assets of an institution.

- (2) Work location preference also contributes a lot in retaining employees in the current institution. Flexible working hours and proximity to work place is the main factor which attracts the employees.
- (3) If the employee's opinion are considered by the higher authorities they feel they are part of the decision making process. This tends to increase their confidence level and motivates them to work more for the institution.
- (4) Other than salary perks if the employees are provided additional benefits which includes the ones that helps in advancing their career also contributes to a small extent in retaining employees.

VII. Conclusion

This study has revealed a notable lacuna which has been adversely affecting employee retention. The factors identified are Salary, Experience, Work location preference, appreciation of the employee's suggestion and their involvement in the policy making which in the long run create a lasting relationship with the institution.

VIII. Limitations of the Study

1. The findings of the study are subjected to bias and prejudice of the respondents.
2. Area of the study is confined to the employees in Engineering colleges only.
3. The findings of the study are solely based on the information provided by the respondents.
4. The accuracy of findings is limited by the accuracy of statistical tools used for analysis.

IX. Future Scope of the Study

The study is limited to a small segment viz the Engineering Colleges in Kerala. To be more authentic we have to extend the survey to include larger sections such as Medical, Law, Arts and Science, Management and many other disciplines all over India. To unravel further probable constraints that may contribute to employee retention and the pattern of interaction an elaborate survey should be formulated. Further modalities of predictive and analytical tools like data mining can be incorporated for getting more accurate predictions and predilection.

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Appendices

The sample questionnaire prepared included the following categories

