EFFECTIVENESS OF HUMAN RESOURCE MANAGEMENT PRACTICES ON FACULTY RETENTION IN HIGHER EDUCATION: AN EMPIRICAL STUDY IN MYSORE CITY

Nirmala. N*

Research Scholar, B. N. Bahadur Institute of Management Sciences, Manasagangotri, University of Mysore, Mysore, Karnataka, India

ABSTRACT

An effective human resource management practices can be the main factor for the success of a firm. HRM practices on business performance, namely training and development, teamwork, compensation/incentive, HR planning, performance appraisal, and employee security help firms' to improve business performance including employee's productivity, product quality and firm's flexibility. An effective human resource management practices, namely Empowerment, Training and development, Appraisal system, Compensation, are the main factor for the success of any organization in retaining people. In this paper an attempt is made to study how faculties regard the importance of their empowerment, equity of compensation, job design through training and expectancy toward effective performance management on their retention. The data were collected using the non probability, self administered questionnaire that consists of questions with 5-points Likert scales distributed to a sample of 50 individuals. By using a multiple regression analysis, it is found that, employee empowerment, training and development, compensation are significant to employee retention except appraisal system

KEYWORDS: Appraisal System, Compensation, Empowerment, Employee/faculty, Retention, Training and Development.

1. INTRODUCTION

Employees are the backbone of an organization. Hence, the retention of the employees is important in keeping the organization on track. In order to retain the best talents, strategies aimed at satisfying employee's needs are implemented, regardless of global companies or small-sized firms. Generally, the organization would retain their personnel for a specified period to utilize their skills and competencies to complete certain projects or execute tasks. In another word, we can understand it as employee retention where the scope of the task, is, however, often larger than a simple task and more preferably a job in the real world. Retaining the desirable employees is beneficial to an organization in gaining competitive advantage that cannot be substituted by other competitors in terms of producing high morale and satisfied coworkers who will provide better customer service and enhanced productivity, which subsequently resulting in sales generating, customer satisfaction, smooth management succession and improved organizational learning (M. Heathfield, 2005). An effective human resource management practices can be the main factor for the success of a firm *Stavrou-Costea (2005).* As supported by *Lee and Lee (2007)* HRM practices on business performance, namely training and development, teamwork, compensation/ incentive, HR planning, performance appraisal, and employee security help improve firms' business performance including employee's productivity, product quality and firm's flexibility.

2. RESEARCH OBJECTIVES

➢ To study the impact of empowerment, training, appraisal system, compensation on faculty retention.

➢ To measure the relative strength of each HRM practices on faculty retention

3. HYPOTHESES

Employee Empowerment:-

H0: There is no significant relationship between empowerment and Faculty retention.

H1: There is significant relationship between empowerment and Faculty retention

Employee Compensation:-

H0: There is no significant relationship between compensation and faculty retention.

H1: There is a significant relationship between compensation and faculty retention.

Employee Training:-

H0: There is no significant relationship between faculty training and faculty retention.

H1: There is a significant relationship between faculty training and faculty retention.

Appraisal System:-

H0: There is no significant relationship between appraisal system and faculty retention.

H1: There is a significant relationship between appraisal system and faculty retention.

4. RESEARCH METHODOLOGY

Data Collection:-

The research is based on both empirical and analytical studies. The study uses both primary and secondary data.

Primary Data:-

For the purpose of study, a well structured questionnaire was used as an instrument to collect the data.

Sample size & Sampling Technique:-

The sample size is 50. The respondents were chosen from different colleges in Mysore city. The convenience sampling technique has been adopted to collect the data.

6. DATA ANALYSIS & INTERPRETATION

i.   EMPOWERMENT

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.550a	.303	.272	1.01179

a. Predictors: (Constant), E-I make decision about implementation of new program in the institution

ANOVAb

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.215	1	10.215	9.978	.004a
	Residual	23.545	23	1.024		
	Total	33.760	24			

a. Predictors: (Constant), E-I make decision about implementation of new program in the institution

b. Dependent Variable: E-i have the opportunity to determine how I do the job

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.818	.528		3.441	.002
	E-I make decisions about the implementation of new program in the institution	.602	.191	.550	3.159	.004

a. Dependent Variable: E-i have the opportunity to determine how i do the job

Interpretation: - E=1.818+.602(I make decision about implementation of new program in the institution), Sig value=.004.H0 rejected and H1 accepted, there is significant relation between empowerment and faculty retention

ii. COMPENSATION

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.897a	.805	.797	.65095

a. Predictors: (Constant), C-My pay encourages me to improve the
quality of my work

ANOVAb					
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.254	1	40.254	94.998	.000a
	Residual	9.746	23	.424		
	Total	50.000	24			

a. Predictors: (Constant), C-My pay encourages me to improve the
quality of my workb. Dependent Variable: C-I am satisfied with the pay
that i receive

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.196	.279		.704	.489
	C-My pay encourages me to improve the quality of my work	.954	.098	.897	9.747	.000

a. Dependent Variable: C-I am satisfied with the pay that I receive

Interpretation: - C=.196+.954(My pay encourages me to improve the quality of my work), Sig value=.000.H0 rejected and H1 accepted, hence there is significant relation between compensation and faculty retention

iii. TRAINING AND DEVELOPMENT

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.592a	.350	.322	.87265
2	.701b	.491	.445	.78968

a. Predictors: (Constant), T-I am arranged with a mentor to facilitate career
planning

b. Predictors: (Constant), T-I am arranged with a mentor to facilitate career
planning, T-I am sent to extend higher qualification program

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.362	.486		2.802	.010
	T-I am arranged with a mentor to facilitate career planning	.713	.203	.592	3.522	.002
2	(Constant)	.507	.560		.905	.376
	T-I am arranged with a mentor to facilitate career planning	.553	.194	.459	2.843	.009
	T-I am sent to extend higher qualification program	.428	.173	.398	2.467	.022

a. Dependent Variable: T-I have received sufficient training at institutions to do my job effectively

Interpretation: - T=.507+.553(I am arranged with a mentor to facilitate career planning), Sig value=.009 and +.428 (I am sent to extend higher qualification program) Sig value=.022.H0 rejected and H1 accepted, hence there is significant relation between Training and Development and faculty retention

iv.APPRAISAL SYSTEM

.ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.618	4	1.155	1.201	.341a
	Residual	19.222	20	.961		
	Total	23.840	24			

a. Predictors: (Constant), A5 THE PERFORMANCE RATING IS HELP FUL TO IDENTIFY MY STRENGTH AND WEAKNESSES, A 2 IAM REGULARLY GIVEN FEEDBACK ON MY JOB PERFORMANCE, A 3 I AM SATISFIED WITH EXISTING PERFORMANCE SYSTEM, A 4 THE PERFORMANCE RATINGS WERE DONE PERIODICALLY

b. Dependent Variable: A 1 THE QUALITY OF MU WORK IS AN IMPORTANT FACTOR IN EVALUATINGMY JOB PERFORMANCE

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.322	.868		2.674	.015
	A 2 I AM REGULARLY GIVEN FEEDBACK ON MY JOB PERFORMANCE	.258	.254	.252	1.016	.322
	A 3 I AM SATISFIED WITH EXISTING PERFORMANCE SYSTEM	.027	.276	.032	.099	.922
	A 4 THE PERFORMANCE RATINGS WERE DONE PERIODICALLY	.112	.298	.130	.375	.712
	A5 THE PERFORMANCE RATING IS HELPFUL TO IDENTIFY MY STRENGTH AND WEAKNESSES	.157	.196	.171	.802	.432
a. Dependent Variable: A 1 THE QUALITY OF MU WORK IS AN IMPORTANT FACTOR IN EVALUATING MY JOB PERFORMANCE						

Interpretation: - A=**2.322**+.258(I am regularly given feedback on my job performance),

Sig value=.322)

+.027(I am satisfied with existing performance system)

Sig value=.922)

+.112(The performance ratings were done periodically)

Sig value=.712)

+.157(The performance rating is helpful to identify my strengths

and weaknesses) Sig value=.432

Hence H0 accepted and H1 rejected, there is no significant relation between appraisal system and faculty retention.

Therefore

Retention =f [E, C, T, A]

R=1.818+.196+.507+2.322

Faculty retention has a significant relation between Empowerment, Compensation, Training and development but there is no relation between Appraisal systems.

7. CONCLUSION

As what the study has shown, there is a significant relationship between the factors of empowerment, compensation and training on University lecturer's retention. However, the factor of the appraisal is not so significantly related to employee retention as founded for this study. This reflects the major finding of this study on how different culture might have different expectation on determining their employment satisfaction and retention. Prior to the result, the study provides empirical evidence that supports all the above independent variables to be significantly affecting the employee retention. Most of the researchers agree with these statements as shown in the literature review by providing all the empirical evidence from each study's result. Hence, the formulated hypotheses are constructed according to these researchers' fundamental findings as foundation, and awaited to be tested in later stages through this study's result.

After establishing firm and reasonable design instrument, primary data is gathered from the targeted respondent, i.e. lecturers in University of Y to implement these data into SPSS software to process meaningful information. Eventually the appraisal system is the only independent variable not been supported by this study. As conclusion, the whole study successfully identifies that empowerment, compensation and training is a fundamental consideration for University lecturers' retention decision; while appraisal is less fundamental to lecturers' consideration as this can be attributed to the Asian culture characteristic of higher authority conformity.

REFERENCES

1) *Ahlrichs, N.S. (2000). Competing for talent. Key recruitment and retention strategies for becoming an employer of choice: Palo Alto, CA: Davies-Black Publishing.*

2) *Bamberger & Meshoulam, 2000, MacDuffie, 1995)International Journal of Contemporary Hospitality Management*

3) *Dr. Yasar F. Jarrar and Professor Mohamed Zairi. (2010). Employee Empowerment- A UKSurvey of Trends and Best Practices. Research Paper: RP—ECBPM/ 0032.Retrieved 12July 2011 f*

4) *Gruman & Saks (2011). Performance management and employee engagement. Human Resource Management Review 21 (2011) 123–13*

5) *Huselid, M. A., Beatty, R. W., & Becker, B. E. 2005. "A players" or "A positions?" The strategic logic of workforce management. Harvard Business Review, December: 110-117.*

6) *Kaye B. and Jordan-Evans, S. (2001). Retaining key employees. Public Management, 1,6-11.*

7) *Kotzé, K. & Roodt, G. (2005) Factors that affect the retention of managerial and specialiststaff: An exploratory study of an Employee Commitment Model. SA Journal of Human Resource Management, 3(2), 48-55*

8) *Meaghan Stovel, Nick Bontis (2002), Voluntary turnover: knowledge management-friendor foe? J.intellect. Cap. 3 (3): 303-322*

9) *Rappaport, A., Bancroft, E., & Okum, L. (2003). The aging workforce raises new talent management issues ffor employers. Journal of Organizational Excellence, 23, 55-66.*

10) *Osborne, J. (2002). Components of empowerment and how they differentially relate to employee job satisfaction, organizational commitment, and intent to leave the job.Vanderbilt University. UMI Pro Quest Digital Dissertations No. AAT 3061216.*