

## EMPLOYEE RETENTION AND SATISFACTION IN THE INDIAN EDUCATION SECTOR

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### **Abstract**

*The education sector is emerging as a nascent sector in India, offering a huge untapped market, with rapid growth in the number of schools, colleges, and universities. However, the quality of many Indian education institutions is a matter of serious concern. The excellence of an educational institution is driven primarily by the academic standards set by its faculty. Thus, attracting and retaining quality faculty with passion and commitment are major challenges for higher educational institutions, since some faculty tend to switch organizations frequently, disturbing/disrupting existing academic plans and operations. Therefore, it has become imperative for institutions to design and pursue effective HR policies/mechanisms to attract and retain the best faculty talent, so as to compete well in the market.*

*The primary objective of this study is to examine employee retention and satisfaction in the Indian education sector. The study was carried out at various educational institutions in India. The study examined the importance of different factors in the choice of career in the education sector, the importance of different retention factors in educational institutions, and the satisfaction of employees towards the work culture and job in educational institutions.*

*The results of the study suggest that the two most important attraction factors for employees to the education sector were passion to help others develop and passion to pursue research, while the two most important retention factors for employees in the education sector were challenging work environment and career growth opportunities.*

**Keywords:** *employee retention, employee satisfaction, Indian education sector.*

## Introduction

Education plays a major role in harnessing the abundant human resource available for India's emergent service-based, knowledge-driven economy. The importance of quality education in India was recognized by her founding fathers and leaders, so that due importance has always been given to acquisition, development, and retention of quality faculty in educational institutions at all levels, and particularly in institutions of higher education and technical education. The latter has particularly come into focus with India's growing importance in the global knowledge society.

The Indian education sector is divided into two major segments, core and non-core businesses. Schools, colleges, and higher education institutions fall in the core business segment, whereas vocational education institutions come under the non-core business segment. As per India Ratings, the Indian education sector has grown at a CAGR of 16.5% during 2005-12. The higher education segment was at 34.04% (US\$17.02 billion) of the total size in 2010 and grew by a CAGR of 18.13% during 2004-10. The overall market size of the Indian education sector in 2015 was estimated at US\$109.84 billion<sup>1</sup>.

Higher education in India has grown rapidly over the last three decades. However, according to Agarwal (2006), this growth in scale has not been complemented by an improvement in the quality of education. The growth of Indian higher education has largely been unplanned and fragmented, resulting in a large number of small, low-quality educational institutions at one extreme, and a very small number of highly competitive, high-quality educational institutions at the other extreme. There is a huge demand for upgradation of education as India is expected to have a surplus of 47 million people in the working age group by 2020. As a result, both the formal education sector (including primary, secondary, and tertiary/higher education), as well as informal sector (including coaching institutions, and vocational institutions), are witnessing rapid growth.<sup>2</sup>

There is a serious shortage of faculty in the higher education sector in India, and retention of faculty has been a major challenge for higher educational institutions. Further, several of the well-qualified candidates apply for jobs in the non-academic sector, and this has led to large-scale vacancies in higher education. The increase in number of faculty members leaving the profession of teaching and entering into non-academic jobs in the private sector is another source of concern. Also, a large proportion of IIT graduates chose not to be a part of the academic fraternity and often leave the country for brighter prospects (Younis, 2017).

## Literature Review

Employee retention is a well-studied area in the human resources literature. Studies have found evidence of a close link between employee satisfaction and employee retention (Anderson and Sullivan, 1993) and the importance of high employee involvement in enhancing employee retention (Arthur, 1994). Logan (2000) suggested that retention is driven by several key factors, which need to be managed equitably: organizational culture, communication, strategy, salary and benefits, flexible work schedule and career development systems. In cultivating a high-performance workforce, both assessment of employees to ensure the best fit to the job and the institution and assimilating them to ensure successful integration into the workplace, the culture of the organization and specific roles and responsibilities are equally important (Morgan, 2004). Organizations

are increasingly laying emphasis on initiatives that can be put in place to help it retain and nurture the talent (Pandit, 2007). Eyster et al (2008) suggested that job flexibility in conjunction with clear career growth and work-life balance options may be a vital incentive for employees of all categories.

Employee retention in the education sector is also a well-studied area. Employee retention has become a major challenge across the education sector. Faculty in educational institutions are indispensable to society because they educate people in society, conduct research, and help in knowledge advancement (Coetzee and Rothman, 2002). The success of any educational institution is dependent on its intellectual capital and knowledge management and thus faculty retention is crucial for survival of the educational institution (Bogdanowicz and Bailey, 2002). According to Flegley (2006), competition and the lack of availability of highly skilled and talented teachers/professors with passion, make finding and retaining talented employees a major priority for educational institutions. According to Afenyo (2012), faculty retention has become a huge concern in the higher education domain because of an aged workforce and narrow prospects of recruitment of younger faculty, so that it is essential for organisations to streamline their human resources policies to attract and retain employees.

Giacometti (2005) identified work culture, compensation, job security, and brand value as the important factors leading to faculty retention. Khan et al (2010) found that the main reasons for faculty turnover included absence of scope for professional development, unfair compensation and rewards, lack of research and publication facilities and lack of support from the administrators at the educational institution.

### **Research Motivation**

Attracting, leveraging, developing, and nurturing quality employees are crucial for the survival and growth of any organization, including educational institutions. Though there was a reluctance earlier to exercise HR practices and policies in academic institutions, premier academic institutions have now realised that proper HR practices are essential to foster faculty loyalty and engagement, and ultimately retention. Presently, the most important challenge faced by academic institutions in India is that the acute shortage of qualified and competent faculty. Therefore, it is of utmost importance that institutions should design and pursue policies/mechanisms to attract and retain the best faculty talent.

The objective of the study is to examine employee retention and satisfaction in the Indian education sector, and to identify the factors that influence employees in education sector to remain in an organisation, and the strategies followed by different educational organisations to retain its faculty, by providing financial benefits, career opportunities, study leaves, retirement plans, and other allowances.

### **Research Design**

The primary objective of the study was to examine employee retention and satisfaction in the Indian education sector. The study was carried out at various Indian education institutions, viz. schools, colleges and universities, and applied to all employees of educational institutions, including teaching assistants, lecturers, assistant professors, professors, principals, and heads of departments. The data was collected through interviews and surveys using a structured questionnaire. The study was based on a sample of eighty-one respondents. The profile of the respondents was as follows. 56.8% of the respondents were women, and 43.2% were men. This perhaps reflects the greater prevalence of women in the education sector than men. 42.0% were in the age group 20

- 30 years, 34.6% were in the age group 30 - 40 years, and 23.5% were in the age group above 40 years. 50.6% of the respondents had less than 10 years experienced; 29.6% of the respondents had 10 - 20 years of experience, and 19.8% had experience of more than 20 years. Further, 25.3% of the respondents were school assistants or teachers, 43.9% were faculty in independent colleges, and 30.8% were faculty in universities. Also, 37.7% of the college/university faculty were lecturers/assistant professors, 41.6% were readers/associate professors, and 20.7% were professors; and 11.3% of the college/university faculty were heads of departments or principals.

The first aspect considered was that of factors affecting choice of career in the education sector. This was measured using a multiple-choice scale with fixed options, viz. passion to help others develop, passion to pursue research, working hours, salary, and holidays & leaves. The scale had a Cronbach alpha of 0.687, indicating moderate reliability.

The second aspect considered was that of retention factors. This was also measured using a multiple-choice scale with fixed options, viz. challenging work environment, career growth opportunities, benefits, salary, and management support. The scale had a Cronbach alpha of 0.743, indicating moderate reliability.

The third aspect considered was that of work culture in educational institutions. The work culture dimensions considered for the study included providing adequate resources on time, supporting academic & non-academic activities, promptly resolving work issues, and openness to feedback & suggestions. These work culture dimensions are important factors affecting employee retention, particularly in educational institutions, as discussed in the following. Educational institutions must provide adequate resources on time to their faculty; these include physical resources such as study materials, textbooks, classrooms, computers, and projectors, as well as 'soft' resources such as online resources, syllabuses, timetables, and so on. Educational institutions must also support academic and (some) non-academic activities of their faculty, including training/induction for new faculty, sending faculty for faculty development programs and conferences, sponsoring research projects, and so on; some non-academic activities must also be supported for institutional branding and CSR. Prompt resolution of work issues is another important factor, impacting the smooth operation of the institution, and the retention of faculty. Openness to feedback and suggestions will build trust, belongingness, and the right attitude among all the employees. The Cronbach alpha for the work culture scale was 0.793, indicating moderate reliability.

The fourth aspect considered was that of job satisfaction factors. The job satisfaction factors considered for the study included work-life balance, rewards & recognitions, and enthusiasm about job. According to the literature, these job satisfaction factors play an important role in employee retention, particularly in educational institutions. The Cronbach alpha for the job satisfaction scale was 0.721, indicating moderate reliability.

### Findings

The importance of different factors in the choice of career in the education sector is shown in Table 1 below.

**Table 1: importance of factors in the choice of career in the education sector**

Factors	overall	Gender		age group			experience		
		male	female	20-30y	30-40y	40+y	10-y	10-20y	20+y
passion to help others develop	72.84%	74.29%	71.74%	61.76%	71.43%	94.74%	58.54%	81.25%	91.67%
passion to pursue research	43.21%	65.71%	26.09%	32.35%	46.43%	57.89%	34.15%	45.83%	62.50%
working hours	25.93%	22.86%	28.26%	32.14%	29.41%	10.53%	29.27%	25.00%	18.75%
salary	14.81%	14.29%	15.22%	17.86%	17.65%	05.26%	19.51%	12.50%	06.25%
holidays and leaves	09.88%	08.57%	10.87%	20.59%	03.57%	00.00%	19.51%	00.00%	00.00%

The most prevalent reason for choosing the education sector was passion to help others develop, which increased significantly with age ( $\chi^2 = 9.1553$ ,  $p = 0.0103$ ) and with experience ( $\chi^2 = 7.7486$ ,  $p = 0.0208$ ). The next most prevalent reason was passion to pursue research, which was significantly higher for men than for women ( $\chi^2 = 12.7196$ ,  $p = 0.0004$ ), and which increased (but not significantly) with age and experience. Other reasons were less important: working hours, salary, and holidays & leaves, with decreasing importance with age and experience.

The importance of different retention factors in educational institutions is shown in Table 2.

**Table 2: retention factors in educational institutions**

Factors	overall	Gender		age group			experience		
		male	female	20-30y	30-40y	40+y	10-y	10-20y	20+y
challenging work environment	51.85%	45.71%	56.52%	29.41%	60.71%	78.95%	34.15%	56.25%	79.17%
career growth opportunities	46.91%	60.00%	36.96%	52.94%	47.37%	39.29%	56.25%	51.22%	33.33%
benefits	25.93%	34.29%	19.57%	29.41%	28.57%	15.79%	34.15%	31.25%	08.33%
salary	23.46%	20.00%	26.09%	32.14%	20.59%	15.79%	29.17%	24.39%	12.50%
management support	17.28%	20.00%	15.22%	21.43%	17.65%	10.53%	16.67%	17.07%	18.75%

The most important retention factor was a challenging work environment, increasing significantly with age ( $\chi^2 = 15.3897$ ,  $p = 0.0005$ ) and experience ( $\chi^2 = 9.9445$ ,  $p = 0.0069$ ). The second important retention factor was career growth opportunities, which was significantly higher for men than for women ( $\chi^2 = 4.2379$ ,  $p = 0.0395$ ), with decreasing importance with age and experience. The next most important retention

factors were benefits and salary, with decreasing importance with age and experience. The least important retention factor was management support.

The descriptive statistics of the work culture factors and the job satisfaction factors are shown in Table 3 below.

**Table 3: work culture factors and job satisfaction factors in educational institutions**

Factors		over all	gender		age			experience		
			male	female	20-30y	30-40y	40+y	10-y	10-20y	20+y
The institution provides adequate resources on time	mean	1.62	1.53	1.69	1.79	1.61	1.31	1.72	1.60	1.46
	st.dev.	0.87	0.81	0.90	0.91	0.91	0.59	0.95	0.95	0.59
The institution supports academic and non-academic activities	mean	1.74	1.71	1.76	1.88	1.68	1.59	1.81	1.73	1.62
	st.dev.	0.81	0.69	0.90	0.94	0.72	0.68	0.92	0.70	0.65
The institution promptly resolves work issues	mean	1.77	1.73	1.79	1.90	1.75	1.56*	1.84	1.77	1.57
	st.dev.	0.66	0.60	0.72	0.71	0.63	0.51	0.71	0.62	0.60
The institution is open to feedback and suggestions	mean	1.72	1.74	1.69	1.84	1.66	1.58*	1.77	1.72	1.56
	st.dev.	0.66	0.66	0.68	0.78	0.64	0.61	0.77	0.61	0.68
Work-Life Balance	mean	1.86	1.83	1.89	2.03	1.82	1.63*	1.98	1.79	1.69
	st.dev.	0.74	0.66	0.80	0.72	0.77	0.68	0.72	0.83	0.60
Rewards & Recognition	mean	1.75	1.77	1.74	1.94	1.74	1.54*	1.83	1.71	1.63
	st.dev.	0.70	0.73	0.68	0.69	0.73	0.64	0.70	0.69	0.72
Enthusiastic about Job	mean	1.94	1.71*	2.11	2.03	2.00	1.79	2.00	1.98	1.75
	st.dev.	0.91	0.71	1.01	0.94	0.88	0.92	0.98	0.99	0.58

Most of the respondents were satisfied with the work culture in their institutions, particularly in terms of providing adequate resources on time and being open to feedback & suggestions. There was no significant difference between men and women employees with respect to the work culture factors. There was significantly higher satisfaction with respect to resolution of work issues ( $F = 9.3209$ ,  $p = 0.0002$ ) and openness to feedback and suggestions ( $F = 3.4761$ ,  $p = 0.0358$ ) with age. There was no significant increase in satisfaction with respect to the work culture factors across age groups.

Most of the respondents were satisfied with the work-life balance, rewards & recognition, and nature of their jobs, and were highly motivated and enthusiastic about

their job. There was no significant difference between men and women employees with respect to the job satisfaction factors except for enthusiasm about their job - men employees were significantly more enthusiastic about their jobs than women employees ( $t = 1.9726$ ,  $p = 0.0260$ ). There was significantly higher satisfaction with respect to work-life balance ( $F = 6.8706$ ,  $p = 0.0017$ ) and rewards and recognition ( $F = 6.1062$ ,  $p = 0.0034$ ) with age. There was no significant increase in satisfaction with respect to the job satisfaction factors across age groups.

## Discussion

The results of the study suggest that the two most important attraction factors for employees to the education sector were passion to help others develop and passion to pursue research, while the two most important retention factors for employees in the education sector were challenging work environment and career growth opportunities.

Passion to help others develop is a necessary quality for employees in educational institutions to develop commitment to their profession, and many educational institutions try to assess candidates accordingly. The results of the study suggest that the passion to help others develop increases with age/maturity and experience. This is perhaps one reason why more experienced candidates are preferred when recruiting employees in educational institutions.

Passion to pursue research is also emerging as a necessary quality for employees in educational institutions. The results of the study suggest that men employees expressed a higher level of passion in pursuing research than women employees. This could reflect the difficulty that women employees face in balancing their professional life with their personal life, leaving them very little time for research.

In the educational institution setting, a challenging work environment would reflect high quality educational standards and the competitive dynamics of the education sector. The results of the study suggest that the importance of challenging work environment as a retention factor increases with age/maturity and experience. A challenging work environment forces employees in educational institutions to constantly update their knowledge and pedagogic skills and to contribute to knowledge creation by regularly pursuing research. The results of the study further suggest that satisfaction with work culture factors and job satisfaction factors increases with age/experience. Thus, the older, more experienced employees in educational institutions tend to remain with institutions for a longer period of time.

However, perhaps the most important aspect of a challenging work environment is the students. With greater exposure and access to the latest knowledge and technology, students can provide a very dynamic learning environment that can help improve education quality standards. Thus, recruiting students with the appropriate attitudes is crucial in fostering a challenging work environment.

Career growth opportunities are another important retention factor for employees in educational institutions. The results of the study suggest that career growth opportunities are more important for men employees than for women employees. This suggests that there may be a latent 'glass-ceiling effect' in the education sector, but this would need to be examined in greater depth.

There are several limitations inherent in the study. The sample size for the study is relatively small, so that the sample may not be representative and so the results may not be generalisable. Also, the study considers only certain work culture factors and job satisfaction factors. A wider set of factors should be considered in order to first identify which factors are most relevant and important for employee retention in the education sector, and then to identify differences with respect to gender, age, and experience.

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