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EMPLOYEE RETENTION AND JOB PERFORMANCE ATTRIBUTES IN PRIVATE INSTITUTIONS OF HIGHER EDUCATION

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Keywords: Career Development, Employee Engagement, Employee Retention, Job Performance, Work-Life Balance

Abstract. Higher education is no longer an alternative but a requirement. Private Higher Education Institutions (PHEIs) in Malaysia are a destination for both local and international students, in which the focus is on the creation of knowledge workers in the country. The number of PHEIs and student enrolment increases yearly as spaces in the public universities are scarce. For quality assurance, high staff turnover has always been a concern in PHEIs. Hence, this research explores the factors affecting job performance and employee engagement for both academic and non-academic staff. A quantitative, self-administered questionnaire was employed in this research. 200 respondents from the top ten PHEIs participated in this study. Career development, employee engagement, and work-life balance were found to have significant relationships with employee retention and job performance.

INTRODUCTION

Employees are the most important asset in any organisation. It determines the success of an organisation. Hence, understanding the antecedents of employee retention and job performance is essential. The strength of an organisation lies within the human resource department, i.e., to ensure the efficiency of its practices in selection, training, and employee motivation. A large portion of higher education institutions’ expenses is mainly spent on employees as its effectiveness is dependent on their efforts that go the extra mile (Garg & Rastogi, 2006). Human capital in Malaysia needs to be rapidly developed to meet the demands of a developed nation. The involvement of private higher education providers is vital as the student enrollment in public universities in Malaysia is scarce. Opportunities were given to the PHEIs to fill the gap and prepare for the country’s resources. According to the statistics reported by the Ministry of Higher Education of Malaysia, there were 541,629 students in 525 PHEIs as compared to 462,780 students in 20 public universities in the year 2010. Latest available statistics revealed that the current enrollment in higher education in public institutions of higher learning is 566,266 and 608,378 are from the private institutions of higher learning according to Ministry of Higher Education of Malaysia (2016) (Tapsir, 2016). Therefore, in order to create a world-class nation, high quality workforce in Higher Educational Institutions (HEIs) is a must, especially those who are in research and development, teaching, and student development. Therefore, there is a need for an effective organisational change to continually improve the performance with progressing goals and objectives. Job performance is one of the key areas in human resources (Derven, 1990). Every loss of dedicated employee can be crucial. Hence, having a positive organisational climate is important to retain valuable employees (Chew & Chan, 2008). Having a supportive human resources practices and organizational strategy would definitely help in firm’s performance (Becker & Gerhart, 1996). Factors such as career development, employee engagement, and work-life balance are factors that can have great influence on employees’ performance and retention. Many organizations are facing challenges in improving their employees’ job performance and, at the same time, working hard on employees’ retention. They believe that employees who can perform well are more committed to the organization. The longer the employee retention, the lesser the need for additional expenses to train new employees. Staff in all private higher education institutions can be grouped into academic staff and non-academic staff. Academic staff refers to lecturers and researchers whereas non-academic staff are those who are responsible for the major administrative roles that have significant contributions to the institutions. There are always researchers who study the turnover rate or retention of the academic staff in both public and private higher education institutions. However, there is limited study on staff retention.
for the non-academic staff. Besides academic staff, the organization should also focus on the retention and commitment of the non-academic staff for better job performance in the organization.

Reason being, satisfied and committed employees perform better. However, compared to academic staff, the non-academic staff has always been categorized as secondary staff in the higher education institution for both private and public institutions in Malaysia. Similar to any private sector, non-academic staff in higher education institutions is considered skilled employees due to their work nature, experiences, and the specialty that they possessed. For example, the non-academic staff who works in the examination division, will need to have specific knowledge on the examination matters for different levels, assessment methods, and the credit equivalence for local and international education institutions.

The turnover rate for academic and non-academic staff in PHEIs in Klang Valley is high. Although there are no clear statistics to show the turnover rate among the employees in PHEIs, based on the job advertisements posted in the Jobstreet.com and other media, it shows that vacancies for both academic and non-academic positions in PHEIs within Klang Valley are abundant. It is hard to deny that the academic employees are always on the high demand as they have the expertise, knowledge, and skills required for any well-established PHEIs and public higher education institutions. This gives them more employment opportunities and indirectly encourages them to move from one institution to another, so long as their motivation needs are fulfilled.

However, the high turnover rate for non-academic staff in the HEIs is also a typical issue faced by the Human resources. The administrative tasks in the higher education institutions are so much different compared to the general administrative tasks in other industries. Getting a suitable replacement for the resigned employees is not always easy. Human resource managers need time and money to search for suitable incumbents to fill up these positions. Once a suitable candidate is found, organisations need to put in effort to train and also to retain them.

Research Objectives
The objectives of this study are as follows:
1. To identify the relationship between factors affecting employee retention (career development, employee engagement, work-life balance).
2. To identify the relationship between factors affecting job performance (career development, employee engagement, work-life balance).

LITERATURE REVIEW
Employee Retention
Employee retention refers to the ability to retain or measures taken to encourage employees to be with the organisation for the maximum duration. Hiring the right people for the job is essential, retaining them is even more important as many employers have underestimated the costs involved when key staff leave (Ahlrichs, 2000; Mursalin & Aisyah, 2017).

Employee retention in PHEIs is a major concern. The high turnover rate in PHEIs has impacted the quality and stability of the academic industry in Malaysia. This high turnover rate can cause public mistrust of the system and can encourage employees to leave the industry, and discourage them to enter the field (Horwitz, 1991). Some of the related turnover costs include background checks, employing temporary workers, training, and employee orientation expenses (Kotze & Roodt, 2005; Rehman, 2017; Yusof, Munap, Mohd, Hamid & Khir, 2017).

According to Stovel and Bontis (2002), employees are very important to any organisation as they are not easily replaced. Organisations that are understaffed or with less qualified employees will hinder their competitiveness in the industry (Rappaport, Bancroft, & Okum, 2003).

Work Environment and Employee Retention
Career Development
Career development refers to the lifelong process of developing skills and knowledge of an individual. Individuals who are proactive are always on the lookout to develop their own career. However, it is unfortunate that not all employees are proactive. As skills and knowledge are required for an employee to perform, organisations are stepping up to encourage employees to write their career development plans and explore with them on how to align their plans with the business goals. Hence, career development can be viewed individually focused or organisationally focused.

Career development is a form of human capital investment for both the employee and the organisation (Goldstein & Fort, 2002; Wentland, 2003). Therefore, budget invested on employee is an important factor in employee retention. The Human resource functions that deal with career-related roles can boost up the knowledge, skills, and the abilities of existing employees, and increase retention of good employees. Based on Vroom Theory, employees stay with the company to show their skills and capabilities to gain development opportunities in organisations. Therefore, it is hypothesised that,

H1a: Career advancement is positively related to employee retention.
**Employee Engagement**

Employee engagement was first introduced by Kahn (1990) who described it as harnessing employees to their work roles. While Schaufeli and Bakker (2004) defined it as a positive, rewarding, work-related state of mind that can be symbolized as vigour, dedication, and absorption. In a general term, employee engagement refers to how committed the employees are to their organization (National Business Research Institute, 2014). Employee engagement is vital to enable employees to go the extra mile. Many believe that employee engagement is the key to improve performance. When an employee is engaged, the employee will speak positively about the company with fellow colleagues, potential employees/candidates as well as customers. They will also have a higher sense of belongingness, motivation and put in more effort into their job.

H1b: Employee engagement is positively related to employee retention.

**Work-life Balance**

This study looks at work-life balance from the viewpoint of an employee. It is referred to as the predicament in managing work responsibilities with personal or family duties (Lockwood, 2003). The most common practices of work-life balance programmes in Europe are part-time work, working hours with flexible start and finish times, break times, and telecommuting. Based on DuPont Work/Life Study 1995, 45% of the employees are more likely to go for the extra mile employees when there are work-life programmes in the companies and the employees are also less likely to feel overwhelmed. The study also shows that 60% of the employees feel that having a work-life balance is very important criterion to them for deciding on whether to stay with the organization or vice versa (Landauer, 1997; Lockwood, 2003). Therefore, it is hypothesized that,

H1c: Work-life balance is positively related to employee retention.

**Work Environment and Job Performance**

**Career Development**

As career development refers to the lifelong process of developing skills and knowledge of an employee, it is about getting to the best from an employee. Career development helps employees to drive their own careers. Hence, it is hypothesized that,

H2a: Career advancement is positively related to job performance.

**Employee Engagement**

Engaged employees possess positive emotions. They have fewer health complaints, higher ability to perform their job by gathering resources, and capability to infect others with their commitment. Hence, the following hypothesis:

H2b: Employee engagement is positively related to job performance.

**Work-life Balance**

Work-life balance is defined as one’s capability to meet both career’s and family’s needs/demands, including non-work tasks (Parkers & Langford, 2008). If individuals feel that they are gaining or benefitting from the work-life balance opportunities provided by the organization, they are likely to respond accordingly (Byrd, 2006). Hence, the following:

H2c: Work-life balance is positively related to job performance.

**Summary of Research Hypotheses**

Research hypothesis are summarized as follows:

H1a: Career development is positively related to employee retention.

H1b: Employee engagement is positively related to employee retention.

H1c: Work-life balance is positively related to employee retention.

H2a: Career advancement is positively related to job performance.

H2b: Employee engagement is positively related to job performance.

H2c: Work-life balance is positively related to job performance.

**Research Framework**

Research framework is depicted in Figure 1.
METHOD

Questionnaires were used in this study. The questionnaires were distributed to the employees from ten top PHEIs in Klang Valley area. The focus of this study is to identify the relationship between factors affecting employee retention (career development, employee engagement, work-life balance) and job performance and the mediating effect of employee retention among academic and non-academic staff in PHEIs in Malaysia. The unit of analysis is individual. A total of 400 survey questionnaire forms were distributed by hand and some were distributed through social media networking such as Facebook, Twitter, WhatsApp, and email. There were 200 completed questionnaires.

There were six sections in the questionnaire. Section A was on the demographic profile of the respondents. It consists of age, gender, marital status, academic qualification, the department in which the respondent is attached to, and respondent’s intention to recommend a friend to his/her organisation. Section B was used to measure the employee engagement, section C was to measure work-life balance, section D was about career development, section E measured job performance, and Section F was on employee retention.

There were five measurements selected from established sources in the questionnaire. These include measurements for employee engagement (Gallup’s G12 feedback system), measurement of work-life balance Work Interference with Personal Life (WIPL) scale developed by Fisher-McAuley, Stanton, Jolton and Gavin (2003) measurement for career development (The Total Rewards Professionals’ Career Development Survey-A Report by WorldatWork April, 2013), measurement of job performance (Bowra, Sharif, Saeed & Niazi, 2012) and measurement of employee retention (Ardyanfitri & Wahyuningtyas, 2016; Tiwari & Shrivistava, 2013).

Procedure

In this study, a questionnaire consisting of 77 items was used to collect data. The questions were in English, and Google form was also used for distribution purposes. The questionnaires were distributed to the respondents by hand and through social media such as Google Mail, Facebook, Yahoo Mail, and WhatsApp. The respondents were selected randomly from the top ten PHEIs in Klang Valley. They were given one to three days to answer and return the questionnaire. On average, it took around 30 minutes to complete the questionnaire. All respondents were assured that it is for academic purposes only and the responses given by them will be kept anonymous.

RESULTS AND DISCUSSION

During data collection, a total of 400 questionnaires were distributed. Out of 210 returned questionnaires, 10 were incomplete as the respondents have time constraint due to their busy schedule; unhappy with the number of questions, while some felt uneasy to answer the questionnaire. Therefore, those 10 incomplete questionnaires were not taken into consideration for data analysis. From the demographic data (Table 1), the majority of respondents are from the age group of 31-40 years old, 146 out of the total 200 respondents. The data also showed that there is more female working in educational institutions as compared to male, 68%. The majority of the respondents are married. Being in the academic industry, 91% of the respondents possess at least a Bachelor’s degree. Most of the respondents are lecturers 45.5%, followed by employees who are in the faculty office 39%. The 12-item scale developed i.e., Gallup n.d. (Crowley, 2013) was used to measure employee engagement in this study. According to Pavot, Diener, Colvin, and Sandvik (1991), the employee engagement scale has good internal consistency, with a Cronbach’s alpha coefficient of .909. In the current study, the Cronbach’s alpha coefficient was 0.909 (Table 2).
A seven-item scale developed by Fisher-McAuley et al. (2003) was used to measure work-life balance. The Work-Life Balance scale in this study has good internal consistency, as the Cronbach’s alpha coefficient reported is .822 (Table 2); whereas the 11-item scale developed by World bank (2013) was used to measure career development. The reliability test has proven that the career development scale has good internal consistency as the Cronbach’s alpha coefficient reported is 0.95 (Table 2).

The 19-item scale developed by Bowra et al. (2012) was being used to measure job performance in this study and it has good internal consistency. The Cronbach’s alpha coefficient reported was .885 (Table 2) and lastly, the 20-item scale developed by Tiwari and Shrivastava, (2013) was used to measure employee retention in this study which also has a good internal consistency. The Cronbach’s alpha coefficient reported was .928 (Table 2). Reliabilities above 0.80 are considered good (Sekaran, 2003). Therefore, the instruments used to measure each variable in this study are considered reliable.

### TABLE 1
Demographic Profiles of the Respondents

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Age</td>
<td>20-30 years old</td>
<td>34</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>31-40 years old</td>
<td>146</td>
<td>73</td>
</tr>
<tr>
<td></td>
<td>41-50 years old</td>
<td>15</td>
<td>17.5</td>
</tr>
<tr>
<td></td>
<td>51 years old and above</td>
<td>5</td>
<td>2.5</td>
</tr>
<tr>
<td></td>
<td>Sub Total</td>
<td>200</td>
<td>100</td>
</tr>
<tr>
<td>2. Gender</td>
<td>Male</td>
<td>64</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>136</td>
<td>68</td>
</tr>
<tr>
<td></td>
<td>Sub Total</td>
<td>200</td>
<td>100.0</td>
</tr>
<tr>
<td>3. Marital Status</td>
<td>Single</td>
<td>77</td>
<td>85</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>113</td>
<td>56.5</td>
</tr>
<tr>
<td></td>
<td>Divorced</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Widow/widower</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Sub Total</td>
<td>200</td>
<td>100.0</td>
</tr>
<tr>
<td>4. Qualification</td>
<td>SPM</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>Certificate/Diploma/Professional</td>
<td>18</td>
<td>9.0</td>
</tr>
<tr>
<td></td>
<td>Bachelor’s degree</td>
<td>83</td>
<td>41.5</td>
</tr>
<tr>
<td></td>
<td>Master’s degree and above</td>
<td>99</td>
<td>49.5</td>
</tr>
<tr>
<td></td>
<td>Sub Total</td>
<td>200</td>
<td>100.0</td>
</tr>
<tr>
<td>5. Department</td>
<td>Admission</td>
<td>11</td>
<td>5.5</td>
</tr>
<tr>
<td></td>
<td>Examination</td>
<td>3</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>IT</td>
<td>17</td>
<td>8.5</td>
</tr>
<tr>
<td></td>
<td>Faculty Office</td>
<td>17</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>91</td>
<td>45.5</td>
</tr>
<tr>
<td></td>
<td>Sub Total</td>
<td>200</td>
<td>100.0</td>
</tr>
<tr>
<td>6. Will you Recommend your friend to send in their job application to your organisation?</td>
<td>Definitely</td>
<td>34</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Probably</td>
<td>100</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Not sure</td>
<td>29</td>
<td>14.5</td>
</tr>
<tr>
<td></td>
<td>Possibly</td>
<td>34</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Definitely not</td>
<td>3</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>Sub Total</td>
<td>200</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Pearson product-moment correlation coefficient was used to test the relationship between career development, employee engagement, and work-life balance with employee retention and job performance. Preliminary analyses were performed and no violation assumption of normality, linearity, and homoscedasticity were found. Table 3 shows a summary of the relationship between factors affecting employee retention and job performance (career development, employee engagement, and work-life balance).

From the results in Table 3, it shows that there is a moderate positive correlation between career development (.301) and employee engagement (.326) but a negative correlation between work-life balance (-.425) and employee retention. When there is a high level of work-life balance, employee retention appears to be reversed. Thus, hypotheses 1a and 1b were supported. Hypothesis 1c was rejected.

Based on the results (Table 3), it also indicated that there was a positive correlation between career development (0.316) and employee engagement (.254) but a negative correlation between work-life balance (-0.308) and job performance. Hence, hypotheses 2a and 2b were supported. Hypothesis 2c was rejected.

This research has been conducted in the PHEIs in Klang Valley area. The main objective of this research is to know how the three factors affect employee retention and job performance: career development, employee engagement, and work-life balance in PHEIs. Results showed that career development, employee engagement, and work-life balance has a significant relationship with employee retention and job performance. Therefore, when employees are given opportunities to develop their career, employees tend to stay in the organisation with higher job performance. Higher employee engagement also encourages employees to stay with better job performance.
based on co-operation and mutual understanding with their co-workers and supervisors. Hence, they are happy to perform in their job, too. For an individual who is eager for achievement, they normally have higher self-motivation in setting goals to fulfil their needs. They aim for promotional opportunities in their jobs. They urge for outcome on their achievement. They are highly motivated to perform their jobs; they perceive goal achievement as their reward and value it more than any financial rewards. So, for them, career development is their motive. If the opportunity for advancement is high, they will intend to stay longer and perform well in their jobs.

However, the outcome from this study that shows a moderate negative significant relationship between work-life balance with employee retention and job performance among the PHEIs cannot be overlooked. The targeted population are employees from private education industry (most of them are academicians). With such outcome, it might prove that employees may not see work-life balance practice in PHEIs as a contributing factor. Reason being, employees may be given flexible working hours, but at the same time, they are required to work over the weekends or may have evening classes for the academicians. Nevertheless, human resource practice such as providing facility like a nursery centre or child care centre at the workplace that allows their employees to visit their children during lunch break has successfully helped the staff to have less worry for their family life. For example, Tunku Abdul Rahman University College and Tunku Abdul Rahman University provide such facility for their employees.

Limitation of the Study
This study focuses on PHEIs in the Klang Valley though the majority of the top PHEIs located in this area.

CONCLUSION
The results of this study showed that factors affecting employee retention and job performance have significant relationship among the employees in PHEIs Malaysia. The literature defines retention as a continuous relationship between employees and their organisation. While turnover refers to the departure beyond organisational boundaries (Cascio, 1995). The benefits of retention are cost-saving on recruitment, training of new employees, improvement in productivity, better performance, and thus higher profits. In addition, this study has also examined the mediating effect of employee retention in understanding the job performance among the employees in PHEIs in Malaysia. However, there are other factors (besides career development, employee engagement, and work-life balance) that can also influence the employee retention and job performance among employees in PHEIs that need to be explored. This study had provided ideas about how factors affect employee retention and job performance in PHEIs in Malaysia.

REFERENCES


— This article does not have any appendix. —