

# How to Retain the ‘Core- Employees’ Through HR Practices? An Empirical Study of Public & Private Sector Universities of Khyber Pakhtunkhwa (KP), Pakistan

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## Abstract

This study investigates the influence and effectiveness of Human Resource Management Practices which will help organization to sustain the “core-employees”. Employee retention is one of the challenges facing many business organizations today. This empirical study examined the current Human Resource Management practices in Higher education institution of Khyber Pakhtunkhwa. In particular, the study identifies those elements of HRM, which strongly influence the “Core-employees” to stay in the organization, because organizations inclination now days depend on upon knowledge base human capital and due to the emergence of new Public & Private sector universities in Khyber Pakhtunkhwa, most of the universities are facing employees turnover. In this study employee of both Public & Private sector universities of Khyber Pakhtunkhwa is targeted, in order to extract information regarding HRM practices that which factor significantly influence these core employees to stay in the organization. For this study One hundred and thirty participants were selected from thirteen Public and Private sectors universities of Khyber Pakhtunkhwa. Through stratified random sampling method. The constructs of the study were measured using five-point Likert rating scale.

**Keywords:** Employees Retention, HRM Practices, Core employees, Reward and Recognition, Compensation.

## 1. Background

There is a common proverb that “individuals are our most vital asset” (Birla, 2012). At workplaces, one of the crucial factors for the organization to achieve organizational performance and enhanced productivity is to follow a process in which their own people are handled in a way, through which they can enhance and mentor their own skills (Parmenter, 2015). To introduce new products, gain new technology, and cope up with demographic changes today most of the Organizations ceaselessly struggle to gain essential inclination: most of the organizations facing global competition, under constant pressure to step up the pace, and at the meantime, they must make an effort to employ trends towards society that is based on information and services (Van der Wal, 2014). Due to this riotous and challenging business environment, one of the hurdles that confront the business organizations is the retaining of core employees (Mou, 2013). Organizations and business inclination now days depend on upon knowledge base human capital and this human capital plays an important role in organization affectivity and productivity. An organization can face the loss of critical skills; precious human capital and institutional memory due to employee’s turnover (Azzone, 2012). For an organization to progress in the right direction, the information and skills in their employees’ heads and hands are a noteworthy part of an organization. Because of turnover of critical employees, organizations not only lose the knowledge which these core employees possess but also face scarcity in organization productivity. Industry strength and weaknesses, because products and their customers are known to these core or High-performance employees (Olagunju, 2014).

The management literature supports the development of core competencies because it results in upsurge of organizational performance and effectiveness (Akhtar and Khan, 2011). So there for it is necessary to retain

and value these core employees, in order to get competitive advantage (Lepak and Snell, 2002). Strategic staffing is considered an important feature in many organizations in order to retain highly talented core employees for the future survival of organization Al Ariss *et al* (2014). Employees' quitting the organization is expensive, since employee leaving an organization means, that organization has lost investment in talent expansion and also increase in the budget of recruiting and understanding new talent (Arthur 2012). In many Organizations the relationships between employees and management are the outcomes of their HR policies and practices or organization may purely formulate those practices that compact with the ongoing problems (Cornelissen, 2014). From the knowledge and review of the existing literature, it is observed that today those organizations are on the path of success, who shares a true and basic philosophy of valuing and spending on their employees (Gubler, 2011). For achieving and gaining viable advantage several research studies have shown that human resource management system plays a vital role (Armstrong and Taylor 2014). Going with this viewpoint, it is noticed that one of the equally & most vital matter for organization is to retain their critical core employees (Mowday, *et al.* 2013). Retention is considered to be the basic issue and many organization continues to resist with it, no serious efforts has been done to overcome this problem and many organization and businesses still depends on wages increase, bonuses, and perks to prevent turnover (Pfeffer and Sutton, 2013). In effect, retention is a premeditated issue & more organizations are now becoming more conscious of dealing with this issue to gain competitive advantage in the industry (Nauwankas , 2013).

### *1.1 Purpose of the current study*

The basic intention of this study is to seek & explore the existing HR practices and its association with the retention of core employees in Higher education sectors in Khyber Pakhtunkhwa. Along with this, the study aims to recognize those elements of HR practices, which strongly influence the decision for core employees to stay in the organization.

The outcome of this research will have a positive impact on the organization, because the required result will help in establishing and maintaining effective HRM retention programs. For the organizations employee's retention is a highly important strategic tool. Because using it a strategic tool, it helps the organization to select those human resources who will become devoted to their organization and also enhance the employers' ability to maintain, motivated and vastly skill employees.

### *1.2 Problem Statement*

In a modern competing world, now a day's organizations rely upon competent and talented employees, but in many cases due to the arrival of new public and private universities in the education sector in Khyber Pakhtunkhwa, most of the universities faces high turnover. To address this problem thesis will try:

*"To identify the causes of high employee's retention in public and private sectors universities of Khyber Pakhtunkhwa and to determine those factors that positively contribute towards it"*

### *1.3 Objectives*

The specific objectives' of this study are:

1. To find the impact of compensation on turnover intention.
2. To investigate the effect of Rewards and Recognition on turnover intention.
3. To determine that perceived investment in employee training and career development has impact on employee's turnover intention.

### *1.4 Research Questions*

1. The increase in the progressive HR practices has the negative association with the employee's retentions.
2. How the quality R&D keeps the employees motivated to stay in the organization?
3. The impact of 'Compensation' on the decision of employees to stay with the organization?
4. Measure the impact of T&D over the employees' decisions to stay?

## **2. Literature Review**

### *2.1 Core employees*

Core employees are well distinct by American researchers (Lepak and Snell, 1999) stating their skill and knowledge as a foundation of active and competitive value to the organizations. Owing to their high distinctiveness, they are allied to basic processes developed internally and assembled over time; this distinctiveness might be the result of tacit knowledge possessed by these core employees. Core employees are mostly considered as permanent workers (Wilkin, 2013). The awareness, skill, experience and commitment of core employees are necessary for the success of the organization. Core employees forming the primary labor market binds together an organization.

## 2.2 Human Resource Management factors influencing Retention

Maintaining a high-quality human workforce, it is pivotal for the firms to have better HR systems. Previous studies show that the attaining of best quality work and achievement of better financial performance for the organization, can be achieved by following and implementing progressive HRM practices such as T&D, Reward sharing & Compensation, studies reveal that these practices can lead to reducing or maintain employees turnover and absenteeism (Krishnaveni, 2008).

Regarding these three variables, one might argue that reward and recognition, compensation and employees training and development are known indicators of employee's retention. But this study looks at the role of HRM practices i.e. reward and recognition, compensation and training and development separately .it will highlight the importance and preference of each practice.

## 2.3 Training and Career Development

According to Hong, Hao *et al.*(2012) "Training is defined as the systematic acquisition and development of the knowledge, skills, and attitude required by employees to adequately perform an assigned job or task to boost performance in the job environment. Training should impart new knowledge and skills if the training is relevant and meet employee and organizational needs, efficiently and effectively designed and delivered". While development refers to the evaluation of employees personality, maintaining and improving relationships and abilities that contribute to helping employees to perform effectively their future job. As development is considered future-oriented it involves those learning techniques that are not essentially associated with the employees' current job (Lange, 2014). Later (Cabrera and Cabrera, 2005) found that the training and development are highly considered and recognized as an important part of HR practices. In order to gain organizational goal and fulfill proficiency gap in effective and result-oriented manner, the required Training programs play a vital role and successful training programs upshot in increased employee's satisfaction, organization's production; & reduce job turnover.

The most organization considers training as an investment in human capital. Training begins, once new employees get familiar with their work, the new and updated learning techniques (training) increase employees job skills (Noe, 2010). Employees are offered training program's according to their required specific skills , training is also given to employees in order to remove their discrepancies and improve their performance ; while on the other hand in order to avail future abilities, employees are offered or given developmental programs. Improving interpersonal communication, technological know-how, improving basic literacy and problem-solving techniques can be improved or shaped through Skill development (Iqbal and Khan, 2011).

In the success of organization, training plays an important role (Gould, 2009). The levels and consistency in training and employees turnover are inversely related: the decrease in the amount of training will result in higher level of employees turn over. This prospect is based on an argument that higher the investment on training, the longer the employee will stay with the firm. A recent study by Mohamud (2014) indicated that those organizations have low turn-over, who spent 59% of training time in formal training, in contrast, those organizations are facing high turn-over who spent 18%.For instance, poor job performance maybe because of the scarcity of proper training, which results in higher job turnover. Those Organizations, which have pragmatic perceptive regarding the fundamental nature of training, will have high success ratio and less job turnover (Thompson, 2015).

Contrary to these findings and investigations, regarding positive impact of (T & D) on turnover, some of the researchers are of the view that (T&D) affect organizational commitment and job satisfaction, which in result change or affect staff retention (Garavan *et al.*,2012). According to study conducted by Attia, *et al* (2005).they assume that most of the organizations try to lessen job turnover through the stipulation of training programs to its constituent and find training programs as ways to broaden employees' skills and techniques. While according to Veum (1997), his research regarding the impact of training on new recruits reveal weak evidence, that training lessens job turnover. Another investigation carried out by (Elias, 1994) state that training does not provide help in lessening the job turnover. Likewise Batt, (2002) establishes that there is no significant and considerable relationship between job turnover and required training programs. (Pietersen and Oni, 2014) revealed that contribution and implementation of training program alone had no considerable effect on employee retention or job turnover, & (Fosfuri, *et al.* 2001) concluded that available training practices do not have any major effect on job mobility.

According to the findings of Rouleau *et al.* (2012) states that those individuals are more likely to leave the organization, which are more contented and have access to training programs. One probable cause for this action could be that individuals attend training programs to increase their job mobility & employment opportunity. On the other hand, (Morey 2014) recommended that there is an association between job turnover & the availability of training programs, but the exact scenery of this association is blurred.

#### 2.4 Employees Reward & Recognition

According to a study by Cravens and Oliver (2006), the Reward plays an important role in sustaining of employees. When employee achievement is acknowledged, his motivation level improves. As long as employee's hard work and inputs are acknowledged and valued, they will stay with the organization (Branham, 2012). According to the talent management programs, employers are more blinders towards using of rewards. To distinguish the rewards of the top performer it is progressively more pivotal for the organization to effectively use their reward budget (Loudon and Carter, 2013).

Some researchers emphasize on the issue of recognition and consider it the most important tool for employee motivation. Giving distinctiveness to their employees and giving meaningful and productive tasks (Crawford, LePine, *et al.* 2010). Recognition is articulated in two ways. The primary type of judgment, what we referred to the 'benefit judgment', which is defined by supervisory personnel, clients or subordinates, and addresses the social, economic and technical benefits of the employee's work. And the second type of judgment is The 'beauty judgment', which is mainly issued by peers, who are in a better position than anyone else to judge the quality of work performed and the effort put in by the person. While passing the judgments, this group of people distinguishes the person performance according to his performance at his workplace. Better performers are rewarded with special benefits, which include bonuses, pay premiums. Stock options (Hoag and Orfield, 2012). One of the common factor that affects employees' satisfaction & their likeliness to quit organization was dissatisfaction with rewards & recognition (Ramlall, 2004). Finally, by giving consideration to employee job satisfaction and low retention, through reward and recognition, it also has a positive impact on organizational productivity and high performance (Mowday, *et al* 2013).

#### 2.5 Compensation

Compensation is not only in the form of money but also in non-cash form. Benefits, such as pension, life and health insurance, and retirement plans, and allowances that include company cars or subsidized transportation, represent a significant pay element in many large firms (Deo, 2014). Gary Dessler in his book Human Resource Management defines compensation in these words "Employee compensation refers to all forms of pay going to employees and arising from their employment." The phrase 'all forms of pay' in the definition does not include non-financial benefits, but all the direct and indirect financial compensations (Gupta 2014). Many studies have revealed that employee working position in the organization and the length of his employment usually resolute employee wages in the organization. Most of the studies have enlightened with proof that one of the HR factor i.e. compensation plays an important role in employee's retention (Clegg *et al.* 2006). A study conducted by DiPietro and Condly (2007), explores that in employees turnover intentions, results in improved work environment & non-financial compensation play an important part. If there is no proper compensation planning, the organizations are in danger of creating or will result in an unsatisfied working environment. According to the investigation carried out by (Collier and Esteban, 2007) discover that employees' commitment to organization relies on organizations compensation policies. Compensation "is the most critical issue when it comes to attracting and keeping talent" (Das, 2002). A fair remuneration or compensation is the foundation stone and agreement between employers and employees. money can influence behavior that's the fundamental hypothesis, what the researchers now a day's anticipate (Bhattacharjee, 2012). Furthermore, compensation promotes on-the-job learning and consider as a structure lump of learning organizations (Tsai, Yen *et al.* 2007).

#### 2.6 Employees Turnover

Cognizant and purposeful determination to quit organization or firm is said to be the turnover intention. The required Policies and practices, that organization uses to prevent valuable employees from quitting their job refers to Employee retention. For the utmost time organizations persuade employees to remain in the organization by taking some critical steps (Schuttler, 2009). It is essential for the employer to hire knowledgeable people in the organization. Retention is even more important than hiring new knowledgeable employees. Because the amount of cost related to turn over of key staff (Ratna and Chawla, 2012). Employees turnover overheads can come up with issues such as induction expenses, advertisements of job, test and interview procedures, reference checks, safety issues, provisional worker expenses, rearrangement costs, & formal training expenses (Buck, 2013). Other concealed costs such as clients negative image about the organization, lesser moral of employees, and above all, the loss of precious organizational knowledge.

That's the reason that many organizations today try their best to maintain top talent at their workplace. To make certain that employee's turnover always remains low; Managers have to put a lot of effort, because top employees are critical to organization success (Senge, 2014). Many studies have attempted to answer this question that "what enforce people's intention to quit", up till now; studies shows that there has steadiness in answering this question. So why individuals leave their existing post and move to other institute or organization, there might be several reasons for that. Studies show that employees' turnover may result due to, too much

pressure of doing job tasks, and employees job dissatisfaction (Firth *et al*, 2004).

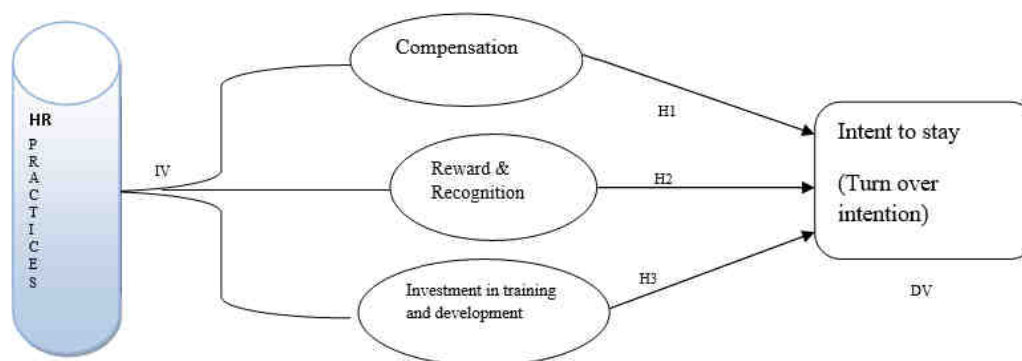


Figure 1: Conceptual frame work of the current study

### 2.7 Hypotheses of the study

*H1: There is a significant positive relationship between employees Compensation & employee's turnover intention*

- H1a: There is a significant positive relationship between employees Compensation & Employees turnover intention in public sector universities.
- H1b: There is a significant positive relationship between employees Compensation & Employees turnover intention in private sector universities.

*H2: There is a significant positive relationship between Reward & employee's turnover intention.*

- H2a: There is a significant positive relationship between Reward & Employee's turnover intentions in public sector universities.
- H2b: There is a significant positive relationship between Reward & Employee's turnover intentions in private sector universities

*H3: There is a significant positive relationship between employee's Training & Development and employee's turnover intention.*

- H3a: There is a significant positive relationship between employee's Training & Development and employee's turnover intention in public sector universities.
- H3b: There is a significant positive relationship between employee's Training & Development and employee's turnover intention in private sector universities.

*H4: The impact of HRM practices has same and equal across public and private sector universities.*

### 3. Methodology and Measures

To test the hypotheses of this study, a cross-sectional survey questionnaire was administered in 13 teaching staff of public and private sector universities of Khyber Pakhtunkhwa. The questionnaire used in the study was already validated from the literature, however, its reliability was tested which was 0.82 which is considered a good reliability statistics (Gaitte, *et al*. 2000). The constructs of the study were measured using five-point Likert rating scale. For this study One hundred and thirty participants were selected from thirteen public and private sectors universities of Khyber Pakhtunkhwa. Through stratified random sampling method. Only 105(80.76%) questionnaire was returned, out of which five were incomplete, so the final sample for this study was 100 questionnaires. The required primary data which was selected through the questionnaire filled by the participants, that initial data were entered into SPSS version 16.0. The demographic information of the respondents in terms of percentage includes the respondents Gender, Age, Qualification, and Designation. Current position and his/her working experience in current institutions.

### 4. Data analysis and Results

The descriptive findings conclude the following trends in the demographic analysis of the sample as shown in the table 1 below.

**Table 1: Respondent's demographic information.**

| Category                | Classification      | Frequency | Percentage |
|-------------------------|---------------------|-----------|------------|
| Gender                  | Male                | 86        | 86%        |
|                         | Female              | 14        | 14%        |
| Respondents designation | Lecturers           | 65        | 65%        |
|                         | Assistant Professor | 21        | 21%        |
|                         | Associate Professor | 9         | 9%         |
|                         | Professor           | 5         | 5%         |
| Qualification           | MBA                 | 28        | 28%        |
|                         | MS/MPHIL            | 43        | 43%        |
|                         | PhD                 | 29        | 29%        |
| Current position        | Contract            | 35        | 35%        |
|                         | Permanent           | 65        | 65%        |

The male participants out of 100 respondents were 86 (86%), and the female respondents were 14 out of 100, which makes (14%) of the total study. Among the total participants, there were 65 lecturers(65%),21 Assistant professors(21%),9 Associate professors(9%),and 5 professors(5%) of different public and private sector universities. In 100 participants, there were 60 respondents (60%) who are having working experience less than 5years, and those who's working experience in their respective institution lies in the range from 6-10 years were 26 participants (26%) there were 9 persons (9%)who have worked in the institutions and having working experience for 11-15 years, 5 respondents (5%) were those who have worked for the institution and having working experience more than 16years.of the 100 respondents, 35 persons(35%) were having contract position and 65 persons(65%) having permanent status. Regarding the participant's qualification, of the 100 respondents 28 persons (28%) were having MBA, 43 participants (43%) having MS/Phil degree and 29 respondents (29%) having Ph.D. degree.

**Table 2: Empirical results of Public Sector Universities.**

| variables  | Coefficients | SE    | t-stat | p value |
|------------|--------------|-------|--------|---------|
| (Constant) | 0.347        | 0.188 | 1.845  | 0.07    |
| COM        | 0.26         | 0.129 | 2.024  | 0.048   |
| RWD        | 0.264        | 0.145 | 1.821  | 0.074   |
| T & D      | 0.313        | 0.088 | 3.547  | 0.001   |
| R square   | 0.741        |       |        |         |
| F-Stat     | 38.156       |       |        |         |

The above table 2 shows the value of R-square, which is 0.741.which means that 74% of the dependent variable of retention can be explained by its 3 independent variable i.e. reward, employees compensation and employees training and development. It also shows that 26% (100%-74%) of DV of retention is explained by other factors Table above determines the satisfactory result. This means that p-value is less than 0.05, and at 95% confidence level. There are 3 independent variables in this study (Compensation, reward and recognition, training and development).our alternate hypotheses were, that this three variable has an association with employees turnover intention(DV).Statistically if  $p < 0.05$ ,then Alternate hypotheses will be accepted. But here result shows that value of reward and recognition is (.074) has highly insignificant that is  $p > 0.05$  at 95% confidence interval. So statistically, in this case, H2a will be rejected and other two hypotheses that are H1a and H3a will be accepted.

**Table 3: Empirical results for Private sector universities.**

| variables  | coefficients | SE    | t-stat | p value |
|------------|--------------|-------|--------|---------|
| (Constant) | 0.021        | 0.271 | 0.078  | 0.938   |
| COM        | 0.085        | 0.166 | 0.514  | 0.611   |
| RWD        | 0.594        | 0.214 | 2.77   | 0.009   |
| TCD        | 0.336        | 0.137 | 2.457  | 0.019   |
| R square   | 0.676        |       |        |         |
| F-Stat     | 36.104       |       |        |         |

The above table 3 summarizes private sector university analysis; the above model shows the value of R-

square, which is 0.676. which means that 67% of the dependent variable of retention can be explained by its 3 independent variable i.e. reward , employees compensation and employees training and development. It also shows that 33 % (100%-67%) of DV of retention is explained by other factors.

The table above determines satisfactory result of private sector universities. As the significance level of the model is not over than 0.05. Thus, a model that used in this research is satisfactorily good. There are 3 independent variables in this study(compensation, reward and recognition and training and development).our alternate hypotheses state that this three variable has an association with employees turnover intention(DV).Statistically if  $p < 0.05$ , then Alternate hypotheses will be accepted. The above model shows that value of compensation is (.611) which is highly insignificant that is  $p > 0.05$  at 95% confidence interval. So statistically in this case H1b will be rejected and other two hypotheses that are H2b and H3b will be accepted having a value of (.019) and (.009). which is less than 0.05.

**Table 4: Mean Comparison of public and private sector universities.**

| variables  | Coefficients | SE    | t- stat | p value |
|------------|--------------|-------|---------|---------|
| (Constant) | 0.265        | 0.148 | 1.789   | 0.077   |
| COM        | 0.191        | 0.096 | 1.992   | 0.049   |
| RWD        | 0.373        | 0.114 | 3.269   | 0.002   |
| T & D      | 0.322        | 0.071 | 4.521   | 0.000   |
| R square   | 0.696        |       |         |         |
| F-Stat     | 73.311       |       |         |         |

The above model describes the value of R-square, which is 0.696. which means that 69% of the dependent variable of retention can be explained by its 3 independent variable i.e. reward and recognition, employees compensation and employees training and development. It also shows that 31 % (100%-69%) of DV of retention is explained by other factors. The result from the ANOVAs analysis shows that the model is satisfactory fit. The table shows that all three independent variable i.e. compensation, reward and recognition training and development are highly significant.

The above result shows that maximum value of beta points that, which independent variable is mostly inclined or the most significant variable towards (DV). From the table above, the (IV) reward and recognition have the maximum beta value of 0.383, this mean that the independent variable of reward and recognition has a stronger effect toward the retention, if compare to others (IV), both at public and private sector universities. This model also proves our fourth hypotheses that HRM factors entail differs in public and private universities. So there for H4 is supported. **5. Discussions and Conclusion**

*H1: There is a significant positive relationship between employees Compensation & employee's turnover intention*

From the above findings, it is concluded that the (IV) i.e. employees compensation have a positive and significant relationship between (DV) i.e. employees retention. The derived value 0.049 designate that compensation is positively and significantly associated with retention ( $p < 0.05$ ). Therefore, H1 is supported.

From the literature, it is observed that fair and reasonable compensation system is critical to attracting and retain top competent employees. If employees get good salary and compensation they get a feeling that they are appreciated by the concerned organization for their work which they perform (Hong, *et al.* 2012). As a result, they are aggravated to perform better for their organization. When they feel that their work is valued they tend to stay in the organization. In employees view compensation is not only the achievement of advantages and benefit they receive for their work, but it also imitates their accomplishments (Ali, 2009).

*H2: There is a significant positive relationship between Reward & employee's turnover intention.*

From the hypotheses testing, concluded that the (IV) i.e. reward and recognition have the positive and significant relationship between (DV) i.e. employees retention. The derived value 0.002 designates rewards and recognition is positively and significantly associated with retention ( $p < 0.05$ ). Therefore, H2 is supported.

Some researchers emphasize on the issue of recognition and consider it as most important tool for employee motivation (Mathauer and Imhoff, 2006) giving distinctiveness to their employees and giving meaningful and productive tasks. (Scott and Davis 2015) certainly, giving recognition to employees help them in personal development and foster vibrant industrial relation .it is also establish from the previous research that employee recognition is important for employees intellectual strength. In fact, Cummings (2011) found that to be deficient in employee's recognition, it represent the second-largest risk factor because of which employees face psychological distress in the workplace.

*H3: There is significant relationship between employee's Training & Development and employee's turnover intention.*

From the above findings, it is concluded that the (IV) i.e. employees training and development have a positive

and significant relationship between (DV) i.e. employees retention. The derived value 0.00 designate that investment in employees training and development is positively and significantly associated with retention and its p-value is 0.00 ( $p < 0.05$ ). Therefore, H3 is supported.

In order to increase the capability to solve problems, which employees face during their work, job-related training plays an important role (McQuaid and Lindsay, 2005). Once employees get confidence and motivation to do their task and perform well, it will result in employees' job commitment and will have a negative effect on the turnover rate. In order to keep employees updated & confident to current task or operations, the organization should provide suitable and appropriate training & development programs.

All the way through training, employees are capable of working with more commitment and they require little supervision (Ahlfors, 2011). A study released by APTA (American Public Transportation Association), it recommended that associations must arrange adequate training program for workers maturity to hold employees. Thus, it shows that employee training & development is imperative and critical for holding workers in any organization (Association, 2009).

*H4: The impact of HRM practices implies differs across public and private sector universities*

However, this study is carried out in both public and private sector universities faculty members. The study shows some interesting facts. The HR practices which are tested here, that is employees' Compensation. Reward and recognition and employees training and development. Regarding public sector universities, one of the independent variable that is reward and recognition, which is not positively associated with the retention of core employees, our findings suggest that the teaching staff of public sector universities in Khyber Pakhtunkhwa appears not to be motivated by reward and recognition.

This may be due to the organization culture and policies, According to Roberts (2005) that there are 3 types of rewards and recognition. One is verbal praise which is done by the supervisor and other leaders. The other two are salary increase & gifts certificates. The required increase in salary shows an employee's performance over the year, effectively achieving their tasks and responsibilities, and the gifts certificates were for local stores, restaurants or movie tickets for their outstanding teamwork and taking extra responsibility for completing the given tasks. But giving these types of privileges to the employees, it needs fair rules and regulation and free from favoritism. Some organizations have exhibit feature of discrimination and bias acts which have damaged their representation and aggravated employees to move into the new organization. According to Boxall and Purcell (2011), The HR personnel should play an important role to ensure fair handling of all employees needs and wants? Depending on the level of work and work quality, HR personnel must ensure proper salary and wages structure, which is fair and systematic and work out to plan reward system which in result ropes organization norms and culture of equity.

While our research regarding faculty members of private sector universities, our research findings shows that, that one of the independent variables that are employee compensation is negatively associated with employee's retention, one of the reasons for this could be that most of the private sector universities are located in developing areas, and employers give much preference to rewards and recognition instead of compensation. Because in private sector universities job security depends on upon achievements of tasks and getting recognition. Most of the private sectors universities have a centralized system, some of the factors in private sector universities that affect the retention of employees is management style they have to adopt and lack empowerment to the employees. A significant feature in satisfying the needs of employees is to offer them with a job design & job description they are satisfied with. The compensation system should also be fair, as designate by research participants. This means that there should be a salary scale that shows that one is paid according to one's job performance. Therefore, there is a need to design or create effective compensation strategy, in order to compensate the employees. For intelligence –incentive organization like education institution, it is necessary to design an effective compensation program. Because knowledgeable and proficient employees are the core resources to the organization (Lovelock, 2011).

### *5.1 Implication of the current study*

This research investigates how employees recognize the importance of employee compensation, reward and recognition and employee training and development and their characteristics when they make assessment or decision to stay in an organization. Now a day's these aspects and characteristics are critical and essential HR tools that are often been used by most of the organization to assist their strategic management. Based on the statistical findings, the given end result shows a close association between these (IV) & employee retention. Therefore, the heads of the organization must be responsive to the needs of employees in learning new skills & knowledge through training and development, aspiration for recognition and competitive compensation.

The results of the study assume that, in the context of these aspects, if an organization fulfills employee satisfaction, there is a high possibility that the retention rate would improve in that organization. Moreover, this research exposes the prospect for the organization to influence these three aspects of HRM to attract and gain



potential talents. By creating a good reputation, the organization will straightforwardly become favorites among the workers. In order to increase productivity and gain high value, the organization must have skills to motivate its employees' in a coordinated manner.

## 6. Conclusion

As far as what the current investigation has shown, that there is overall significant association, between the factors of training and development, reward and recognition and employees compensation on employees retention of public and private sector universities. The factor of reward and recognition is not significantly related to employee's retention in public sector universities, and factor of compensation is not significantly associated with employee's retention at private sector universities, this depicts the major findings of this research, that how different demographic changes which have an impact on employee's expectations regarding job satisfaction & retention.

But at the end ,by comparing and getting the mean comparison of public and private sector universities, the current study give pragmatic evidence that independent variables significantly affecting the employee retention. Most of the social scientist are of the same opinion with this proclamation as given in literature review by providing all the pragmatic verification, that these factors are positively associated towards employee's retention. Therefore, the device hypotheses are established according to these researchers' original findings as the foundation and waited to be experienced and tested in later stages through this current study's result.

As the conclusion, the overall research productively recognizes that training and development, reward and recognition and compensation are the critical and fundamental concern for universities teaching staff retention decision. While reward and recognition are less fundamental to teaching staff in the public sector, on the other hand, compensation is perceived as less fundamental to the teaching staff at private sector universities. This consideration and variation can be attributed to different organization culture and policies.

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