Faculty retention in higher education institutions of Pakistan

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Abstract
In higher education institutions, which are considered as the hub of knowledge, the retention of knowledge-workers commonly called as faculty members has become a crucial issue. Based on the previous evidences this paper aims to investigate the impact of “pay satisfaction” and the “opportunities of learning and growth” on faculty retention in private higher education institutions of Pakistan. The study is quantitative in nature. Primary data was collected through field survey method from 200 fulltime faculty members. Pearson correlation and regression analysis were employed to examine the hypotheses of the study. Findings suggested that both of the independent variables have a significant impact on retention of faculty members whereas in higher education institutions ‘opportunities of learning and growth have a higher impact as compared to pay satisfaction on faculty retention. Study proposed that both retention factors are indispensable and can play a vital role in retaining the faculty members.

Negli istituti di istruzione superiore, che sono considerati la culla del sapere, il mantenimento/aggiornamento delle conoscenze da parte dei membri del corpo docente è diventato un tema cruciale. Basandosi su ricerche precedenti, il presente articolo si propone di analizzare l’impatto del livello di soddisfazione per la retribuzione ricevuta e delle opportunità di aggiornamento, apprendimento e crescita professionale sul mantenimento/sviluppo delle conoscenze da parte dei docenti negli istituti di istruzione superiore in Pakistan. Si tratta di uno studio di natura quantitativa, nella fattispecie di una ricerca sul campo che ha coinvolto un campione di 200 docenti a tempo pieno. Per esaminare l’ipotesi di studio, si è ricorso
alla correlazione di Pearson e all’analisi della regressione. I risultati suggeriscono che entrambe le variabili indipendenti hanno un impatto significativo sul mantenimento delle conoscenze da parte dei membri del corpo docente, sebbene le opportunità di aggiornamento, apprendimento e crescita professionale abbiano una influenza superiore rispetto alla soddisfazione per la remunerazione economica. Lo studio suggerisce come comunque entrambi i fattori risultino indispensabili e come occorra investire su entrambi per conservare un corpo docente adeguato al proprio ruolo.

**Keywords:** Higher education institutions; faculty retention; pay satisfaction; opportunities of learning and growth.

**Parole chiave:** Istituti di istruzione superiore; qualità corpo docente; soddisfazione per la retribuzione; opportunità di apprendimento e crescita.

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**Introduction**

Economy in the 21st century is the knowledge-based economy which is highly global, informative, technology-based and increasingly concerned with society and environment (Sanchez, 2003). Now the economy demands a responsive society in generating sufficient and competent workforce to meet the challenges of the changing world. In context of today’s global world the higher education plays a significant role in economic development of both developed and less developed countries (Echevarria, 2009). Its role is supposed to be more imperative and more aligned with the social and economic demands. Today a higher education institution is considered as a center of research, knowledge, change and excellence that is skilled in acquiring, generating and transferring knowledge to the society. To meet this challenge these institutions demands for intellectual human capital that may play a central role in developing them into a knowledge hub. Faculty serves this role by adding excellence through their cognitive ability (Wright, McMahan & McWilliams, 1994), and skills and knowledge (Storey, 1992). Moreover the faculty members possess a comprehensive knowledge about students learning and teaching hence their involvement with the students is crucial (Foley, 1996). A competent and committed faculty can contribute to the prosperous future of the students, the institutions and the economy as a whole.

Higher education in Pakistan had been seriously neglected until the establishment of higher education commission (HEC) in the year 2002 to develop and promote the higher education system of Pakistan. HEC regulates all the Higher education institutions which are mainly categorized as universities/degree awarding institutions (DAI’s) and the affiliated colleges. According to the updated statistical figure
According to Hyder & Reilly (2005) private sector universities and degree awarding institutions in Pakistan are offering handsome remuneration and good career path. This contention has attracted many individuals of high credentials. Further openings of new institutes have generated new employment opportunities in this sector. This growing employment trend in education sector (Hussain, 2005) has also promoted the competition among institutes to maintain their reputation and strategic position in this sector. For these higher education institutions the faculty is the most valuable human asset that can be a source of competitive advantage (Christopher & Kevin, 2003). Now education sector has also become a potential employment sector. Due to increasing employment opportunities in the higher education sector the retention of a competent faculty member has become crucial. Organizations that are not successful in retaining their employees may suffer on economic backgrounds as an employee may join a competitor or may directly enter into the competition (Day, 2000). Research show that the higher retention rate saves the time and cost accrued on staffing and training of new employees and it could be spent on employee performance improvement measures (Abbasi and Hollman, 2000). A high employee turnover also results in low efficiency (Morrow and McElroy, 2007), employee performance (WeiBo, Kaur & Zhi, 2010) and morale of employees (Ongori, 2007).

Faculty retention is yet a challenge in Pakistan and is one of the problems facing by the institutions (Siddiqui, 2010). This switching trend among educational institution has risen during last decade. Better emoluments from other institutions provide a base to switch the parent institution these days (Khan, 2011). Employees who have the feelings that they are underpaid or not receiving appropriate training or promotion are highly likely to quit the organization (Coff, 1996). Dockel, Basson & Coetzee (2006) have identified Compensation, training and development and promotion as the most important retention factors. Perhaps for faculty the need of learning and progression in the academic career has now become one of the prominent needs. HEC has been consistently focusing on faculty development.
and has also commensurate faculty career growth with faculty qualification. The higher education institutions are considered as knowledge creation hubs. Hence they are supposed to provide better opportunities for learning and growth to individuals than any other economic sector. Researches have proved a positive relationship between pay satisfaction and retention. However, the addition of opportunities of learning and growth may bring more comprehensive results. This study aims to investigate the impact of “pay satisfaction” and the “opportunities of learning and growth” on faculty preference to stay.

**Theoretical Background and Hypotheses Development**

Employee motivation theories are strongly emphasized by today’s management to satisfy employees in order to control absenteeism, turnover and retain a competent workforce. Employee’s intention to leave or stay not only depends on work factors but also on non-work factors (Moorhead & Griffin, 2009). Steers & Porter (1983) argued that the responsibility of creating an environment to develop employees rest on managers and a failure to do so will bring more frustration for employees that may result in low job satisfaction, low performance and a high turnover.

Motivated employee contributes in the achievement of organizational goal which is an important organizational concern. The level of motivation determines performance of an employee in conjunction with his ability and environmental concerns (Soebjakto & Ming, 2012). Previous researches conducted on faculty retention have contributed significantly to academic research and have provided a strong platform for future studies. Throughout the literature the most significant areas highlighted by majority of researchers are salary, rewards and satisfaction of faculty members (Hagedorn, 1996; Matier, 1990). Moreover, the issues within the broader areas of worklife and satisfaction were found having a significant, direct or indirect, impact on the intended turnover of faculty members (Rosser, 2004; Johnsrud & Heck, 1994; Smart, 1990).

The turnover behavior of faculty member varies according to respective disciplines that are prominent in particular in higher education institutions (Youn, 1992). Furthermore, the career opportunities in different industries, for a faculty member, are associated with the faculty academic discipline (Zhou & Volkwein, 2004). Faculty turnover can be involuntary e.g dismissal from institution or it may be voluntary like attrition and early retirement. Voluntary turnover had been concerned more for educational institutions. This might result in disruption and discontinuity of teaching, research and student mentoring. The organizations could also face serious financial problems as new recruitment process would take its time (Rosser, 2004). Moreover, faculty would go through formal orientation and socialization process to be able to actively play its role. Johnsrud & Heck (1994) ar-
argued that turnover is productive to the extent that it provides opportunity for new and fresh blood to join organizations with fresh and creative ideas. Cotton & Tuttle (1986) identified 26 retention variables (e.g. tenure, Compensation, education and age of employee) after a comprehensive review of 120 different studies on turnover. These variables were related to individual, the work itself and the working environment. According to Cotton & Tuttle (1986) the relationship between these variables and the behavior of employees to leave a job varies. This relationship variation is because of employee's population differences. Different behavior regarding turnover intention of employees were also associated with salary, advancement and promotion, the responsibility in a job and employee involvement through participation in decision making (Mobley, 1982; Steers & Mowday, 1981).

A groundbreaking research on faculty retention was conducted by Smart (1990) to find the impact of various faculty retention factors in higher educational context. According to that study the economics, sociology and psychology are basically the foundation of all turnover behavior theories. Smart (1990) categorized the retention factors on the basis of individual, work and context factors and the satisfaction of employees as salary satisfaction, satisfaction with organization and career satisfaction. These different levels of satisfactions play a mediating role between retention factors and faculty intention to leave or stay in an institution. Other studies also identified gender, race, and marital status as important retention factors. It has been argued that the population from a particular gender or race would show different turnover behavior. Johnsrud & Heck (1994) stated that female faculty show more tendencies towards leaving an institution as compared to males. According to Johnsrud & Heck (1994) the individual perception plays an important role in faculty behavior towards leaving an institution. In a study by Barnes, Agago & Coombs (1998) male faculty was found more inclined not to only leave the institution but the entire academia. Smith (1979) argued that the opportunities for advancement inside the institution would lessen the importance of gender as a retention factor. Similarly, Smart (1990) distinguished the importance of gender as retention factor for tenured and non-tenured faculty members. It was argued that gender is not a retention factor for a non-tenured faculty member. According to Ehrenberg, Kasper & Rees (1990) full time female professors have a high tendency to switch a job. Mobley (1982) and Smart (1990) studied the turnover intentions in junior faculty and concluded that a high tendency to leave the institutions is found among junior faculty members. According to Ambrose, Huston & Norman (2005) the turnover ratio would vary among married faculty members as they are also responsible to look after their families. High turnover was observed in higher ranked faculty members by Ehrenberg et al. (1990). Pfeffer & Lawler (1980) observed a positive association between faculty retention and total year of professional experience. Production was identi-

fied as important factor related with faculty retention. Rosser (2004) argued that high performance lower down the job switching behavior among faculty members. Blackburn & Havighurst (1979) argued that a high interest in research is positively associated with faculty retention.

In study on faculty retention by Johnsrud & Heck (1994) it was identified that time pressure and overloading of work on a faculty member are associated with faculty turnover behavior. Similarly McGee & Ford (1987); Rosser (2004) stated that faculty participation and facilitation and support towards professional activities are important retention factors. Majority of the previous researches on retaining faculty concluded compensation as one of the most important retention factor. Still some argued that it is the most important retention factor only for non-tenure faculty (Smart, 1990).

Pay Satisfaction
Payment made to employees is necessary part of the total reward system of any organization. These payments include salary, salary add-ons and incentive payments such as bonuses and gain sharing (Pfeffer, 1998). Further more, payments may be variable and based on skills and knowledge (Nugroho, 2012). Milne (2007) suggested that a variable payment plan is important part of a complete reward system. Such reward systems play an important role to retain employees (Farris, 2000). It provides satisfaction for what they are receiving against their efforts. Higginbotham (1997) argued that a competitive compensation lessen the importance of other financial rewards in retaining employees. If the employee would perceive equity, this would result in employee satisfaction. Hence employee who is satisfied with his pay scale has low intention to leave the organization. Based on previous research evidence, we expect that:

H1. Pay satisfaction has a positive impact on Faculty Retention.

The Opportunities of Learning and Growth
One of the foremost requirements for continuous improvement in employee efficiency and effectiveness in any organization is advancement in skills, knowledge and abilities of employees. Learning may result in addition or modification in previous knowledge of employees. Hence employee can learn to perform and learn to behave. Individual learning involves five types of different capabilities that include verbal knowledge, intellectual skills, cognitive strategies, attitudes and mental skills (Corsini, 1987). The individual learning of all the members of the organization is the learning of the organization (Hedberg, 1981). According to Garvin, Edmondson & Gino (2008) learning organization is based on a supportive learning environment, concrete learning processes and a leadershhip that reinforces learning.
Learning may be through education, experience or observations (March, Sproull & Tamuz, 1991). According to Simon (1991) the learning of the individual depends on the previous knowledge of organizational members and the information available through organizational environment. Organizations may train and develop their employees to learn and meet the current and the future demands of the job. March et al. (1991) discussed the importance of experience in learning and they argued that such learning vary from organization to organization and time to time. Mody (1990) argued that there may be timely variations in learning sources of a firm in context to the changing industry and the goals of the firm. This opportunity of learning and growth may vary from organization to organization. However, it may be considered as the competitive factor in an organization to keep the retention rate high. Hence, we expect that:

H2. An opportunity of learning and growth has a positive impact on Faculty Retention.

Methodology
The population of this study was fulltime faculty members of private higher education institutions in Karachi. According to the last information provided by statistical information unit of Higher Education Commission of Pakistan (http://www.hec.gov.pk/) the total number of fulltime faculty members in private higher education institutions in Pakistan is 3963 and the total number of private higher education universities/DAI’s in Pakistan is 62. Out of these 62 institutions 23 are located in Karachi that constitutes 37% of the total private higher education institutions in Pakistan. Cluster sampling technique was used to select a sample size of 200 fulltime faculty members that was used for research analysis. Sampling technique was used in two stages. At the first stage 7 clusters of private higher education universities/DAI’s out of the total population of 23 were randomly selected. Later a sample of 200 fulltime faculty members was selected through simple random sampling.

Data was collected through survey of faculty members. A set of questionnaires was designed and distributed to 280 randomly selected faculty members using self-administered technique. This technique was chosen because data could be collected from the respondents within a shorter period of time. Out of 280 questionnaires 235 were returned. Out of these 235 returned questionnaires 35 were rejected due to incompleteness. The rest of the 200 questionnaires were used for further analysis. The population of this study was fulltime faculty members serving in the private higher educational institutions in Karachi.

The questionnaires were adopted and consisted of three sections. In the first section, respondents were asked to give demographic information. The second section contained 11 items on opportunities of learning and growth adopted from Watkins & Marsick (1997) and 3 items on pay satisfaction adopted from Heneman
& Schwab (1985). The last section contained 3 items that measured retention adopted form (McCloskey & McCain, 1987). The items were anchored on a Likert scale ranging from strongly disagree (coded 1) to strongly agree (coded 5).

**Results and Discussions**
The data was analyzed using inferential analysis (Pearson Correlation and Multiple-regression analysis).

**Reliability Testing**
According to Sekaran (2006) the acceptable Cronbach Alpha values are 0.60 and above. The items used in this study have the alpha score well above that score hence acceptable for further analysis. The Cronbach Alpha’s results for items are shown in table 1:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Number of Items</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay satisfaction</td>
<td>3</td>
<td>0.895</td>
</tr>
<tr>
<td>Opportunities of learning and growth</td>
<td>11</td>
<td>0.909</td>
</tr>
<tr>
<td>Faculty retention</td>
<td>3</td>
<td>0.864</td>
</tr>
</tbody>
</table>

**Correlation Analysis**
Table 2 shows the result of correlation analysis. Both variables “pay satisfaction” (correlation coefficient value .652) and “the opportunities of learning and growth” (correlation coefficient value .565) were found positively correlated with faculty retention.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Faculty Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Opportunities of Learning and Growth</td>
<td>.565</td>
</tr>
<tr>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>Pay Satisfaction</td>
<td>.652</td>
</tr>
<tr>
<td></td>
<td>.000</td>
</tr>
</tbody>
</table>

*Pearson Correlation Sig. (2-tailed).

**Regression Analysis**

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The result revealed that 93.5% (adjusted $R^2 = 0.935$) of the variance in faculty retention had been explained by “pay satisfaction” and “The opportunities of learning and growth”.

Table 3
Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.967</td>
<td>.935</td>
<td>.935</td>
<td>.87669</td>
</tr>
</tbody>
</table>

Table 4
ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>2196.154</td>
<td>2</td>
<td>1098.077</td>
<td>1428.705</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>152.179</td>
<td>198</td>
<td>.769</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2348.333</td>
<td>200</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 5
Coefficients Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>Opportunities of Learning and Growth</td>
<td>.534</td>
<td>.057</td>
<td>.535</td>
<td>9.426</td>
</tr>
<tr>
<td>Pay Satisfaction</td>
<td>.488</td>
<td>.062</td>
<td>.445</td>
<td>7.850</td>
</tr>
</tbody>
</table>

Both “pay satisfaction” (p-value .000) and “the opportunities of learning and growth” (p-value .000) were found significant in explaining faculty retention. Among two independent variables “the opportunities of learning and growth” was found to be the most significant factor in explaining faculty retention (Beta = 0.534). According to estimated model a positive and significant impact of the independent variables was empirically obtained.

The normality of the regression standardized residual was assessed by statistical tests Kolmogorov-Smirnov and Shapiro-Wilk.

Table 6

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Tests of Normality

<table>
<thead>
<tr>
<th>Kolmogorov-Smirnov</th>
<th>Shapiro-Wilk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statistic df Sig.</td>
<td>Statistic df Sig.</td>
</tr>
<tr>
<td>Standardized Residual</td>
<td>0.038 200 .200</td>
</tr>
</tbody>
</table>

The chosen alpha level was 0.05 and the p-values were found to be 0.20 (Kolmogorov-Smirnov) and 0.694 (Shapiro-Wilk). Both values were found greater than 0.05 which showed that the data was normally distributed.

Hypotheses Assessment

The results highlighted that both “Pay satisfaction” and “Opportunities of learning and growth” positively and significantly impact faculty retention. The obtained results further confirms the findings of previous researchers by identifying pay, learning and growth as important retention factors in higher education institutions as well. Moreover the analysis identified “opportunities of learning and growth” as a more significant factor in higher education as compared to “pay satisfaction”. Hence for retaining faculty in higher education institutions it is indispensable to have a learning environment that provides opportunities to enhance professional knowledge, skills and qualification for self and career development. Moreover, a justified pay should necessarily be the part of total reward system in higher educational institutions.

Table 7
Summary of Hypotheses

<table>
<thead>
<tr>
<th>Hypotheses statement</th>
<th>Unstandardized Coefficient (B)</th>
<th>T</th>
<th>Sig. level</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H1:</strong> “Pay Satisfaction” has a positive impact on “Faculty Retention”</td>
<td>.488</td>
<td>7.850</td>
<td>.000</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>H2:</strong> “The opportunities of learning and growth” has a positive impact on “Faculty Retention”</td>
<td>.534</td>
<td>9.426</td>
<td>.000</td>
<td>Accepted</td>
</tr>
</tbody>
</table>
Conclusion
The rising demand of education and a contention of having a higher degree for better jobs encourage investors to open private sector degree awarding institutes and universities. Moreover, inspiring academic policies, funding for research and schedule of a compensation package from higher education commission motivates individuals to join the academia as a profession of their choice. The pay policies as defined by the Higher Education Commission (HEC) are comparably better than other sector salary. Hence it has been noticed that many industry professionals are also switching to the academia. On the other hand most of the private sector Degree Awarding Institute (DAI) or universities compensation packages are not matched with the pay structure as defined by the HEC. This ignorance creates a gap and slightly better emolument became the cause of switching parent institute or university. Hence turnover becomes very high. However pay dissatisfaction is not the major cause of turnover in higher education institutions. Research showed that the institutes or universities who are providing better opportunities for learning and growth in terms of teaching and research may more attract and retain faculty. The faculty members are opt for better remuneration however sometimes they may ignore it if their parent organization substantially contributes in their learning. The results showed the significant relationship of the pay satisfaction and opportunities of learning and growth with faculty retention, hence the model presented in the study is the significant predictor of retention among faculty members. Further the statistics showed that ‘opportunities of learning and growth’ has contributed in the model more significantly hence can be a better retention strategy in today’s knowledge-based environment. The study proposed that educational sector organizations should provide learning and growth opportunities to their faculty members and may use it as a tool for retention. Moreover, policies should be drafted aligned with retention strategy. The institute and universities may get benefit from the results, presented in the study, and may increase their retention rate by implementing proper practices of pay satisfaction and opportunities of learning and growth.

References


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