

The Key Motivating Factors of Employee Retention : A Resource Based View

** Tahir Akhtar*

*** Ahmad Zahir*

**** Mohammad Ali Tareq*

***** Akbariah Mohd Mahdzir*

Abstract

The study explored how employees' retention act as a valuable resource for corporate governance to increase and sustain firm's performance. Phenomenological approach is used to collect information from a sample of 50 employees in the education sector. After conducting semi-structured interviews, six themes were developed by using various statements. The themes developed are the key motivating factors of employees' retention that create awareness among the managers and the board members to help them in making different strategies of retaining employees and using them as a valuable resource to achieve sustainable organizational development.

Key words : corporate governance, employees' retention, resource-based view (RBV) and sustainable organizational development

JEL Classification : D23, G30, J53, M21, M50

Paper Submission Date : February 8, 2016 ; **Paper sent back for Revision :** May 17, 2016 ; **Paper Acceptance Date :** December 7, 2016

A number of studies have been conducted on corporate governance and firms' performance in the context of shareholder and stakeholder perspective (Cadbury, 1992; Jamali, Safieddine, & Rabbath, 2008; Shleifer & Vishny, 1997), few studies took their attention to the resource-based view of corporate governance (Lopez, 2005; Naudé, 2009; Sun & Tse, 2009). Every firm needs resources to operate and survive. Among those resources, human resource is the most important one for high organizational performance (Goel & Banerjee, 2010; Naudé, 2009). In any organization, employees act as the back bone and they are the most influential element in the decision-making process (Lewis, Machold, Oxtoby, & Ahmed, 2004). Once they are motivated and satisfied, they work efficiently and the firm outperforms in the industry. The firm should be concerned about employee satisfaction to enhance firm performance (Maslow, 1943).

** Research Scholar*, Malaysia - Japan International Institute of Technology (MJIT), Universiti Teknologi Malaysia (UTM), Malaysia. E-mail : tahirakhtar01@gmail.com

*** Research Scholar*, COMSATS Institute of Information Technology, Abbottabad, Pakistan.

E-mail : ahmadzemails@gmail.com

**** Senior Lecturer*, Malaysia-Japan International Institute of Technology (MJIT), Universiti Teknologi Malaysia (UTM), Malaysia. E-mail : tareq.mjiit@gmail.com

***** Senior Lecturer*, Malaysia-Japan International Institute of Technology (MJIT), Universiti Teknologi Malaysia (UTM), Malaysia. E-mail : aminuddin@ic.utm.my

If the employees are competent and are permanent members of a firm, then they act as a valuable resource for the firm to gain sustainable development (Naudé, 2009). Employee retention is vital as it helps an organization to strengthen its image and reputation (Ogbonna & Lloyd, 2002; Peric, Mujacevic, & Simunic, 2011; Poulston, 2008 ; World Travel & Tourism Council, 2015). Enderwick (2011) argued that effective leadership as well as long-term vision can be achieved through retaining the employees in the organization. The challenges an organization faces now-a-days include employees retention, which can be overcome by collaboration of academia, business sector, and the government (Cavico & Mujtaba, 2010 ; Molian, 2012 ; Olson, 2010). As a result, employee retention is important for the firms to be successful in the industry.

Nagesh and Sherif (2010) also highlighted employee retention to be a challenge for organizations. They suggested that the best way to retain competent employees is to build a good relationship with them and to make a conducive environment for achieving organizational goals and objectives. Singh (2012) stated that with economic stabilization, employee retention is achievable once employees are equipped with the skills they need. Board of directors and the managers can play an important role in aligning the employees' rewards and bonuses to their performance and satisfying them to increase performance. It is important to explore whether the employees are satisfied and want to stay in the firm or not. The major concerns that the managements of firms have with regard to employee retention are : how the firm can make employees as a valuable resource to the firm ? How important is it to retain the employees to gain competitive advantage ? What are the key important factors of employee retention that a corporate governance mechanism should consider to gain competitive advantage?

Very few studies have focused on the retention of employees as a valuable resource to gain sustainable organizational development (Naudé, 2009). The owners of the firms need to manage and accumulate capital, which can be done by an active and competitive labour pool of managers and knowledge workers (Buhner, Rasheed, & Rosenstein, 1997; Smith, 2003). If a firm fails to retain its competent employees, it might lead to failure of the organization to perform well and stay competitive. Thus, it is important to identify the key factors that help a firm to retain the competent employees in order to gain competitive advantage and attain sustainable organizational development.

Simmons (2008) compared within-company success orientation (stakeholder view) and a personal career success orientation (shareholder view) in Japan to examine an institutional change by investigating the perceptions and expectations of an important stakeholder by conducting surveys with 488 respondents during 2005-2006 by using chain sampling. Naudé (2009) conducted surveys in the health sector in Australia and South Africa to find the effect of employee retention from a resource based view on the sustainable growth of the firm.

Vasquez (2004) conducted a qualitative phenomenological study on the hospitality sector by collecting data through semi structured interviews and found that creating a good working environment comprising rewards, management support, and incentive programs would lead to employee retention.

We conducted face to face interviews with the employees from the education sector focusing on the resource based view of employee retention and we tried to link these factors with corporate governance. The study also tries to create awareness among the managers and the board members on the importance of employee retention. Lastly, the study proposes an effective corporate governance mechanism to gain sustainable development.

Literature Review

Different views and approaches to corporate governance have been developed and changed over the years. One of the views of corporate governance is about compliance, transparency, and accountability to shareholders to obtain economic objectives (Cadbury, 2000 ; Jamali et al., 2008 ; MacMillan, Money, Downing, & Hillenbrad, 2004). The purpose of this regulatory and prescriptive approach is to develop such a mechanism in which the managers' and the owners' interests can be aligned. This approach is used to control manager's behavior so that managers follow the rules and regulations to obtain firms' objectives. In addition to this approach, Jamali et al. (2008) gave a

broader view of corporate governance, which not only covers the interest of shareholders, but also includes the stakeholders and ensuring that the management is responsible to all the stakeholders. This holistic model is more descriptive on explaining both micro-internal and macro-external components (Young & Thyl, 2008).

In effective corporate governance, a variety of stakeholders, including the board of directors, top management, employees, customers, suppliers, financial firms, the community, and the government are encouraging boards to have an increased involvement in strategy formulation, decision making, and controlling (Jamali et al., 2008 ; Letza, Kirkbride, & Sun, 2004). This effective corporate governance argues that the company is responsible to all the important stakeholders, including corporate social responsibility, human-resource management, and organizational culture as the important components along with shareholders' and stakeholders' rights (Jamali et al., 2008).

There are different views and explanations about competitive advantage regarding corporate governance. A firm can get a competitive advantage by satisfying all its stakeholders. Clulow, Gertsman, and Barry (2003) and Lopez (2005) suggested resource-based view (RBV) as one of the tools for superior performance, competitive advantage, and the control of key resources and capabilities. The effective development and deployment of this resource-based view provides a unique group of elements to create and maintain a competitive advantage. The resource based view suggests that a company that holds and exploits resources and capabilities that are both unique and non-substitutable as well as valuable and rare will create and sustain competitive advantage and ongoing organizational development. Lopez (2005) and Sun and Tse (2009) added that the resource-based view shifted the attention from external market and industry factors, such as the explanation for a firm's competitive advantage to the internal resources and an intra-organizational explanation of competitive advantage of the firm. Among the major internal resources is the human resource that plays the most important role in the success of any organization, and for these reasons, employees' satisfaction is a must to gain competitive advantage and high employee retention.

In an organization, employee retention is vital to economic progression because a company needs to spend less time and money on training on existing employees than the new ones. Employee retention benefits an organization by boosting its image and reputation (Poulston, 2008). According to Singh (2012), both employee retention and economic stabilization are attainable if the employees are equipped with the skills they need. Govaerts, Kyndt, Dochy, and Baert (2011) stated that the commitment from top management or leadership to development of employees helps in retaining them. Now-a-days, employees have big aspirations and expectations for their own growth, so getting employees to stay requires more than motivation such as commitment to self-opportunity (Latukha, 2011). Literature has confirmed that an organization can form a stable workforce through effective employee preparation (Balan, 2012). The concepts of how employees are important for the firms in the corporate governance perspective are discussed one by one in the next section.

Corporate Governance and Employee Retention

Corporate governance is a broad area. Researchers have defined corporate governance in different ways. Some authors have suggested that protecting the rights of the shareholders is the core of corporate governance. For example, Shleifer and Vishny (1997) described corporate governance in the perspective, where they argued for the rights of shareholders since they are the major financiers of a firm. The concept of corporate governance has changed over time and shifted towards the rights of not only the shareholders, but also the stakeholders. Cadbury (1992) and Bhasa (2004) argued that an improved corporate governance mechanism results in safeguarding the interests of all the stakeholders in a market.

According to Morin and Jarrell (2001) and Letza, Kirkbride, and Sun (2004), corporate governance is a framework that controls and defends the welfare of different players in the market. According to them, players of the corporate governance mechanism consist of managers, customers and employees, stakeholders, shareholders,

CEOs, suppliers, and the board of directors. Mathiesen (2002) defined corporate governance as a mechanism used to encourage and motivate the management and the staff so that the value of a firm can be improved. He further added that the managers and the employees should be fairly compensated and treated for their efforts. So, in this way, the employees become major contributors who should be safeguarded through corporate governance mechanisms.

(1) Managements and Employees : Bartol, Tein, Matthews, and Martin (2005) documented that the firm can improve the value by following the principles of management, such as setting goals for the organization, the efficient production of goods and services, and achieving the goals by using both human and the non-human resources and technical and conceptual skills that can be used to maximize the profits. The best long run approach to good management is that the joint interests of all stakeholders should be kept in mind - in which a company should be seen as a coalition among various resources, including suppliers of equity, loans, labours, management, and technical expertise (Bhasa, 2004).

Effectiveness of management of a firm depends on controlling the operations by using advanced technology and competent employees. In order to motivate the employees, they are trained first and then given the right tasks, duties, and responsibilities. To make the job more challenging and interesting, the management rotates the jobs, which involves shifting the workers in a sequential order and by allocating a wider variety of tasks (Boxall & Steeneveld, 1999 ; Hatch & Dyer, 2004 ; Maslow, 1943). The firm's management can increase maximum output by taking care of the attitudes, values and beliefs of employees, which ultimately improve the value of a firm (Yan, 2005).

(2) Board of Directors : An organization's board is another important governance mechanism to incorporate corporate governance provisions in financial markets. The board safeguards the interest of the shareholders and stakeholders by creating more value for them as argued by Bhagat and Jefferis (2002) and Gompers et al. (2003). The value of a firm is improved when the board performs its fiduciary duties, such as monitoring the activities of management and selecting the staff for the firm. The members of a board should also be accountable to the shareholders (Anderson & Anthony, 1986 ; Nikomborirak, 2001 ; Vance, 1983). The board should have authority to protect shareholders, discipline poor performing managers and employees, and resolve conflicts between staff and shareholders (Fama & Jensen, 1983). Zahra and Pearce (1989) distinguished the two important roles of the board of directors. The first is to control the operations of the firm and activities of the CEO. The second job is to promote the organization by improving the image of the firm and maintaining the relationship between stakeholders (including employees) and firm's management.

A range of stakeholders, including employees and regulatory agencies, expect and encourage boards to have an increased participation in strategy preparation, decision making, and control. A part of the strategic role of board of directors and managers is to guarantee sustainable organizational development, creating and maintaining the competitive advantage of the company by using employees as a valuable resource (Jamali et al., 2008).

(3) Resource Based View (RBV) : Firms with a competitive advantage outperform the market. There are different views on the competitive advantage. This study focuses on the RBV of the firms and acknowledges that different views and explanations are inextricably linked. The RBV aims at basic imitability of a firm's resources, which means that the resources must be unique and the rivals must find it hard and/or expensive to imitate. Therefore, the RBV shifted the attention from external market and industry issues to the internal resources and an intra-organizational clarification as explanation for a firm's competitive advantage (Lopez, 2005 ; Sun & Tse, 2009).

According to Clulow et al. (2003), the RBV focuses on internal reasons for superior performance and competitive advantage. RBV explains that the possession of key resources and capabilities, and their effective development provide a unique group of elements to create and maintain a competitive advantage. They further

added that the resources need four characteristics namely value, rareness, inimitability, and non-substitutability in order to provide a sustainable competitive advantage. Resources meeting these criteria need to be invested in (attainable), upgraded (development), and deployed (optimal utilization) in the firm to achieve higher returns. Firms that possess and exploit resources and capabilities such as human capital that are both valuable and rare will attain a competitive advantage. In addition, if these resources and capabilities are also inimitable and non-substitutable, then the company will sustain this competitive advantage and enhance short and long-term performance.

The magnitude of a firm's competitive advantage is a function of its resources and capabilities. Firms with these resources and capabilities of great value will likely attain sizable competitive advantage. This concept is based upon the assumption that the firm is able to utilize those resources and capabilities optimally. The latent value of the resources and capabilities is made available to the company through its distinctive dynamic capabilities. The firm must demonstrate the ability to alter these resources and capabilities in such a way that the full potential is realized (Hatch & Dyer, 2004 ; Newbert, 2007).

Survival and success in a highly competitive, dynamic business environment combined with increasingly information-based, knowledge-driven, and service intensive economies requires speed, flexibility, and continuous renewal as essential capabilities. Skilled and motivated people are central to create and maintain competitive advantage and sustainable organizational development. Scarce knowledge and expertise drives new product development and relationships with clients. This study tries to link corporate governance to resources of the organization, specifically human resources, which are the employees of the firm and shows that how important it is for the firm to retain the employees as a valuable resource for consistent performance.

(4) A Valuable Resource : Now-a-days, firms need resources and capabilities to survive in rapidly changing environments over the short and long-term period. According to Clulow et al. (2003), firms need to acknowledge, acquire, develop, and retain the needed resources to ensure a competitive advantage and consistently outperform their rivals. In the context of RBV, employees are considered as a valuable resource contributing significantly to organizational effectiveness and thus viewed as a source of competitive advantage (Boxall, 1996 ; Boxall & Steeneveld, 1999 ; DeSaa-Perez & Garcia-Falcon, 2002 ; Hatch & Dyer, 2004).

In general, human resources are scarce in nature, especially those with knowledge and expertise in related fields and cannot be accumulated and stored for uses during need. On the other hand, capital can be accumulated at any time during the project and can be kept under reserve to be used when necessary. Thus, human resources should be managed in such a way that the firm does not lack workforce with adequate expertise. Barlett and Ghoshal (2002) documented that the employees are the closest to the customers, products, competitors, and technology. Firms hire employees and train them so that they can become expert in the related fields. When a firm acquires human capital from its rivals, it gains some knowledge on the competitors. On the other hand, when the employees leave a firm, that firm loses expert workforce, which might have a negative impact on the particular firm's competitive advantage. In the process of learning within a particular firm, the human resources become more firm-specific and less useful to rivals (Hatch & Dyer, 2004).

Khandekar and Sharma (2005) mentioned that the helpful knowledge of the employees developed over a period is valuable for the firm. In addition, applicable resources must fit the distinctive business model of the company as resources valued in one market or industry might not be equally valued in other sectors (Newbert, 2007; Sun & Tse, 2009). Competitive advantage gained through a firm's human capital may be sustained to achieve ongoing superiority in knowledge creation and cost reduction across numerous generations of products and over the life of a product. Human resource has become a source for both modifiable and implied knowledge. Organized knowledge can be expressed and thus be taken by rivals.

According to Hatch and Dyer (2004), human capital with knowledge and skills are important for corporate governance which must be achieved through recruitment and selection processes and then these employees are

developed and optimally utilized to increase firm specificity and decrease imitability, and at the end, the employees must be retained to contribute to sustainable competitive advantage.

The strategic vision and goals of a company to be efficient and competitive, which leads to survival can be achieved through employee competencies. Employees can create and implement ideas, plan tactics, recognize and organize other assets, create and maintain the value for the shareholders (Bridges & Harrison, 2003 ; Emerald, 2007 ; Ledwidge, 2007). Employee performance and human resource development have a large impact on shareholder value (Fenwick & Bierema, 2008). Satisfied employees can create value for the shareholders by leading to more satisfied customers and enhance the competitive advantage and sustainable organizational development. Bridges and Harrison (2003) and Simmons (2008) suggested that though human capital is less measurable and visible than financial capital, it forms the heart of a company.

The commitment and contribution of employees to the firm must be developed through training (Simmons, 2008). Malensek (2008) said that recruiting new employees and retaining existing employees, developing expertise, and organizing employees are crucial human resource management functions to enhance firms' performance. Retention of employees is a mixture of the effort of employers to retain desirable employees in the workforce that will lead to mutual satisfaction for both employees and employers. Frank, Finnegan, and Taylor (2004) argued that the employees seek to fulfill their own needs, and the employers seek to retain the satisfactory employees whose abilities suit the needs of the company.

It is clear from the literature that employees are the most important resource of a firm which should be satisfied to increase firm performance. The firms need to retain efficient employees and then develop them to generate and sustain competitive advantage in order to achieve sustainable organizational growth. Board of directors and the managers can play an important role to align employees' rewards and bonuses that will induce them to stay in the organization to develop their expertise. So, for these reasons, it is important to explore what are the key motivating factors of employee's retention which can be satisfied to retain them in the firm.

Methodology

(1) Description of Participants : Following Vasquez (2014) and Naudé (2009), the data for this study was gathered by conducting semi-structured interviews from 50 participants in three educational institutes of Malaysia for the period of three months from March - June 2015. An independent examiner purposively chooses persons as well as a place to explore or study the main phenomenon (Creswell, 2007). Purposive random sampling was used to gather and examine data from the participants. The sample included male and female staff consisting of academic staff, administrative support staff, accounting assistants, and office assistants. The sample percentage is shown in the Table 1, in which most of the respondents was academic staff (66%) because this study was conducted on the education sector. Three universities were selected to conduct the study [1]. The participants involved in the study were chosen on the following criteria :

- ✎ Be a permanent employee of the university for the last 8 years,
- ✎ Age should be more than 30 years,
- ✎ Willing to be interviewed.

Our focus was to explore the motivating factors for employee retention. For this reason, this study used qualitative method so that we can explore the phenomenon in depth (Naudé, 2009 ; Vasquez, 2014). The main

[1] The names of the universities are not mentioned in the paper to maintain privacy of the institutes. Further information on the universities can be attained from the authors upon request.

Table. 1 Sample Percentage

Participant	No of participants	Percentage of Total Participants
Males	32	64%
Females	18	36%
Total	50	100%
Academic Staff	33	66%
Academic support staff	5	10%
Administrative support staff	7	14%
Accounting Assistants	4	8%
Office Assistants	6	12%
Total	50	100%

purpose of the open-ended questions during face to face interviews was to allow the participants to have freedom to narrate on their own without the restrictions of prearranged categories. Description review emphasizes on interpreting the events and understanding intentions, beliefs, values, emotions, and meanings rather than explaining and predicting them. As argued by Neuman (2007) and Creswell (2007), the purpose of qualitative research is to relate and interpret the meaning of the information collected from personal views of participants, translated in words or images to themes or factors. They further added that exploratory, descriptive, or explanatory are the three goals of research; the purpose of exploratory goal is to provide definitive direction for the study based on formulated questions, and also, the exploratory research method provides room for creativity, openness, and flexibility to the participants and also helps the researchers to investigate all types of information. NVIVO is used in the study because it is an appropriate software to do the analysis of interviewees' data and helps the researchers put themes in an organized way (Bergin, 2011).

(2) Explanation of the Data Collection Process : Participants, who matched the criteria mentioned above, were initially contacted for participation. The willing members were given an explanation of the research under examination and then asked to participate. The members who willingly decided to participate were given convenient interviewing dates and meeting times. The data collection procedure was arranged in an ambient environment where the conversation took place among the participants and us. The participants were given a sincere welcome to make them feel calm and willing to share the requested information. For convenience, the respondents were questioned at their workplace, and then we went to meet them. Respondents were assured that their identities would be confidential and they received an explanation and the procedural protocol about the data collection. The confirmation created a relaxed environment for the participants to answer honestly. The creation of a friendly relationship with respondents led to openness and more collaboration from both sides (Clarke, 2006).

During the collection procedure, notes were taken and a voice recorder was used to capture the interview discussions. The examined data were brought back to the site and then presented to participants to ensure that we clearly understood what they meant during interviews. The interview questions were planned to connect with the primary question and phenomenon under research. We used an open-ended question format to interview the employees. The interviews were collected over a period of three months.

Themes Related to Employee Retention

Six major themes were developed first on the basis of information collected through interviews and then these themes were divided into sub themes to collect information in detail. The questions were asked from the

respondents in the context of those sub themes. The summary of the main themes that are extracted, regarding retention factors are:

Theme 1 : Friendly and Supportive Colleagues and Department Head.

Theme 2 : Effective Teamwork.

Theme 3 : Job Satisfaction.

Theme 4 : Attractive Package.

Theme 5 : Overall Environment and Atmosphere.

Theme 6 : Standard and Quality of Teachers' Care.

(1) Friendly and Supportive Colleagues and Department Head : First of all, the respondents were asked about the behaviour of their department head - like describe the behavior of the boss in the sense that, are they cooperative, caring, approachable, willing and able to work alongside? Describe how they treat you like : are they strict or friendly and supportive? Next, the respondents' relationship with the colleagues was found like : are the colleagues friendly, supportive, encouraging, and caring colleagues? What kind of relationship do you have with the colleagues?

The answers which we received from the respondents are as follows :

- ✍ “I think they are supportive at times.”
- ✍ “Teaching is different from some other profession in which I think support of the colleagues and seniors is not as much important. But it always sounds good when you have support from your colleagues and seniors.”
- ✍ “Teaching is not about fighting, it's about your own performance. We have had very less communication among us, but have positive environment among us.”
- ✍ “I have worked with other hard working staff who try to support one another.”
- ✍ “I found that the staff as a whole is very encouraging and caring people.”
- ✍ “I have built relationships with the management and staff and share trust and respect with them.”
- ✍ “My colleagues at the department level are motivating, friendly, and supportive.”
- ✍ “Here, the more experienced teachers and the staff are great at teaching us.”

Naudé (2009) found similar findings in the health sector in Australia and South Africa, while Vasquez (2004) found these findings in the hospitality sector in South Florida.

The sub themes extracted are:

- ✍ Effective and supportive boss.
- ✍ Friendly, supportive, encouraging, and caring colleagues.
- ✍ Good relationships, formed friendships, mutual respect, and trust.
- ✍ Caring, approachable managers/boss willing and able to work alongside employees.

(2) Effective Teamwork : Teamwork is one of the important factors for employees' retention. Here, the respondents were asked about whether they wanted to do work alone or as a team? In the groups, how they felt - whether the teamwork was effective or not? If anyone has individual contributions in the teamwork, whether they valued and recognized it or not?

The answers we got from the respondents are :

- ✍ “I am enjoying to do team jobs or working together, I really love to do so, like auditing, teacher monitoring, election, student activities in which we are involved. But when you have so many tasks to do at the same time, then you get a bit disturbed.”
- ✍ “I have found that the university values and recognizes teamwork and the contributions by different members.”
- ✍ “All the staff members work as a team and support each other according to their work load.”
- ✍ “We all work as a team in the departments and the team spirit is great.”
- ✍ “As a team, we just learn from each other and improve our skills.”

The overall response from the participants shows that most of them considered teamwork as an important factor for staying in the university. Milliman, Ferguson, Trickett, and Condemi (1999) also found that healthy work ethics can be achieved by making workers enthusiastic by using teamwork and spirituality. Employees have big aspirations and hopes for their own growth, and teamwork is one of the factors that helps in the overall development of employees’ skills, confidence, and variety of knowledge (Latukha, 2011).

The sub themes extracted from the interviews are:

- ✍ Effective teamwork ; team spirit.
- ✍ Equity in teams.
- ✍ Individual contributions valued and recognized.

(3) Job Satisfaction : Bhasa (2004) stated that job satisfaction and organizational commitment are already adopted by some firms. This study has also found job satisfaction as one of the key motivational and retention factors, but here, the employees are more concerned about the workload and stress they get from their jobs. The participants were asked about the satisfaction level at their current job. If they got an opportunity to work in another organization, whether they were going to avail that or not?

The answers of the respondents are as follows :

- ✍ “I am not satisfied because of stress.”
- ✍ “Actually, I am feeling more stressed in my job because of my extra work burden.”
- ✍ “In my current position, I don't have flexibility to work the hours to suit my personal circumstances.”
- ✍ “I have some extra tasks to do other than teaching, which gives me a lot of stress and disturbs me mentally.”
- ✍ “I am flexible with respect to leaves and the workplace.”
- ✍ “We have a variety of duties.”
- ✍ “We have a motivating and challenging job - no two days here are the same.”
- ✍ “I will be able to develop a variety of skills and become confident in this area.”
- ✍ “We have learning opportunities and development because of a large operating department.”

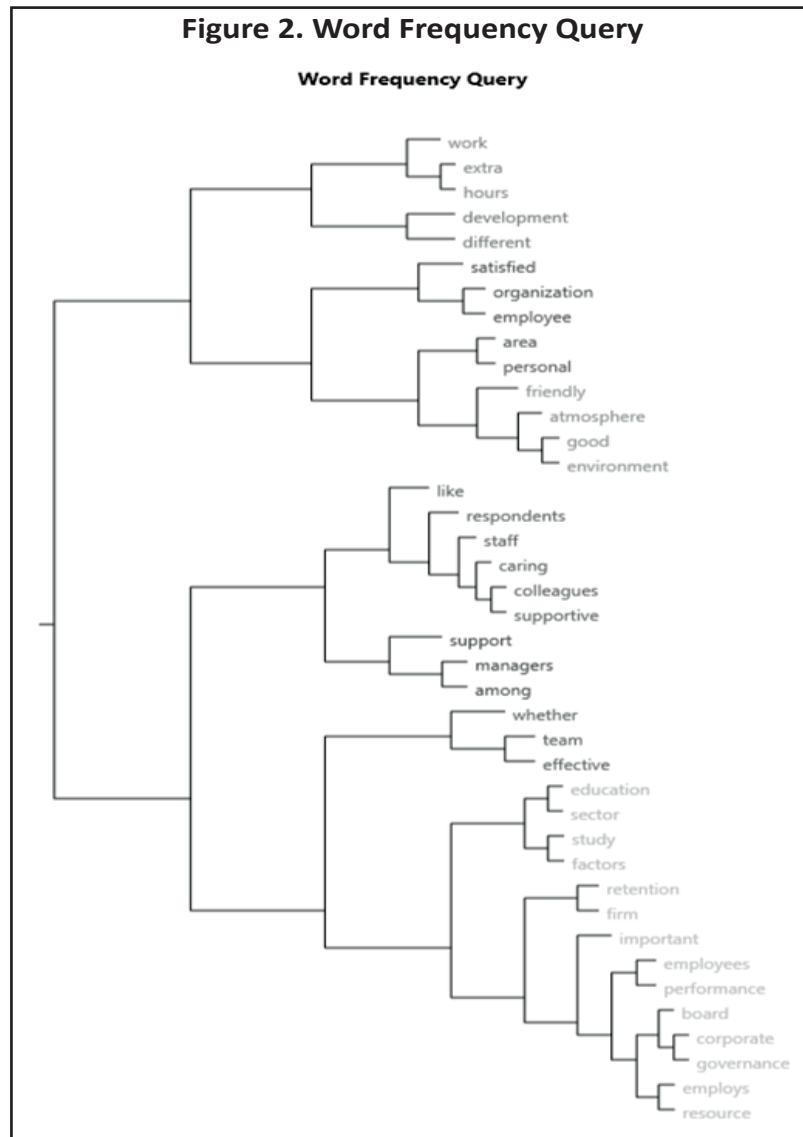
The sub themes extracted are:

- ✍ Stress.
- ✍ Work burden.

- ↳ Promotions.
- ↳ Working in specialty area.
- ↳ Job provides professional fulfillment.
- ↳ Ongoing professional development opportunities.
- ↳ Opportunities for new challenges and innovation.

(4) Attractive Salary Package : Employee retention is highly influenced by the compensation packages and bonus (Gupta & Shaw, 2014). Employees seek reward and recognition on a consistent basis (Kennedy & Daim, 2010). When organizations are paying for the extra work load, then it is good, but when employees' work is underpaid, they feel stress. The respondents responded in the way that they were not satisfied with their level of salary compared to the work load. Sometimes, extra benefits to the workers such as subsidies in the form of child care, study, and work areas always motivate them to be a part of the university, but the respondents ranked these things the lowest.

- ↳ “To me, it's not as much important.”
- ↳ “But some considered these as an important factor.”



Some other questions like “University subsidized social events, e.g. Eid and anniversary parties, etc.” were also the part of interviews. These findings are consistent with the findings of Casey and Warlin (2001), who found that if the employees are compensated well for their work, dedication, and efforts, then their chances of retention increase.

The sub themes extracted are:

- ✎ Competitive salary, benefits (pension fund, leaves).
- ✎ Subsidies (child care, parking, study).
- ✎ Flexible hours, work areas.

(5) Overall Environment and Atmosphere : Developing a pleasant working atmosphere and caring for the employees is the key to employee retention (Karthi & Devi, 2012). Similarly, in this study, we have found that good physical environment, personal and friendly atmosphere, type (private or public), and size (small or big) of

the university also affects employee retention. The general answer we got is like : “We have all these facilities and we are satisfied with them.”

The sub themes extracted are:

- ✍ Good physical environment and area.
- ✍ Personal and friendly atmosphere.
- ✍ Subsidized events ; personal touch.

(6) Standard and Quality of Teachers' Care : As this study is conducted on the education sector, it is important to include the specific factors related to the education sector. This study attempted to cover all factors like up-to-date computer labs and library, online databases, private office rooms, facilities in lecture rooms, student focus, high ethics and values, and excellent discipline & control. This is one the most interesting factor which has been ignored in most of the studies covering the education sectors. Naudé (2009) found in the health sector that adequate and up-to-date equipment and supplies are an important part of quality of employees’ care. This factor is also related to the budget of those institutions.

The sub themes extracted are :

- ✍ Up-to-date equipment and supplies.
- ✍ Student focus, high ethics and values.
- ✍ Excellent discipline and control.
- ✍ Excellent reputation; accreditation.

The results from the NVIVO on word frequency query are shown in Figures 1 and 2. The figures show the forty most frequently used words in the study.

Discussion and Conclusion

In order to retain employees in firms, organizations have to motivate them by providing them with the environment in which they can grow in the future. In most cases, employees stayed at the university because it provided long term career opportunities to them - like training programs, opportunities to adapt to new challenges and innovation, varieties of departmental activities, graduate support programs, and informal mentoring and coaching.

Based on the feedback from the participants, this study provides an insight on the retention factors from the point of view of employees within a particular context. The findings suggest that there are both controllable and non-controllable factors related to retention of employees. The second key finding shows that although some of the retention factors are related to economic factors, other factors are related to intangible aspects, such as respect, equality in teams, opportunity to take up challenges, and development. Improved interpersonal relationships combined with effective management, leadership, and human resource practices are found to be effective strategies in encouraging employee retention. Within the holistic perspective of effective corporate governance and the RBV of competitive advantage, it has been found that the employee acts as a valuable resource to gain competitive advantage for sustainable growth of the organization. Therefore, it is crucial to retain these quality employees in a firm to increase firm performance.

Research Implications

The role and the responsibilities of board of directors and the managers are complex with a diverse range of views.

The main aim of this study is to provide knowledge to the corporate governance mechanism about employee retention and to use the same as a valuable resource. The findings are expected to raise awareness among board members, directors, and managers regarding the importance of retaining employees as a resource to create and to maintain competitive advantage and sustainable organizational development. Secondly, it will provide a summary on how these insights can be used to develop strategies to increase retention of employees within an effective corporate governance and sustainable organizational development framework.

Limitations of the Study and Scope for Further Research

The scope of this study is limited to the education sector, where the academic staffs are more inclined to work more independently with responsibilities. The findings from this study might not be well-suited for the factors of employee retention for business corporations where the employees are following the standard operating procedures (SOPs) of the organizations. Future researchers can extend this research to other sectors with larger sample size to check the other related factors of employee retention.

References

- Anderson, C., & Anthony, R. (1986). *The new corporate directors*. New York : John Wiley and Sons.
- Balán, J. (2012). Research universities in Latin America: The challenges of growth and institutional diversity. *Social Research*, 79 (3), 741-786.
- Barlett, C. A., & Ghoshal, S. (2002). Building competitive advantage through people. *MIT Sloan Management Review*, 43 (2), 34 - 41.
- Bartol, K., Tein, M., Matthews, G., & Martin, D. (2005). *A Pacific rim focus*. Sydney : McGraw Hill Irwin.
- Bergin, M. (2011). NVIVO 8 and consistency in data analysis: Reflecting on the use of a qualitative data analysis program. *Nurse Researcher*, 18 (3), 6-12.
- Bhagat, S., & Jefferis, R. (2002). *The econometrics of corporate governance studies*. Cambridge : MIT Press.
- Bhasa, M. P. (2004). Global corporate governance: Debates and challenges. *Corporate Governance*, 4 (2), 5-17.
- Boxall, P. (1996). The strategic HRM debate and the resource-based view of the firm. *Human Resource Management*, 6 (3), 59-75.
- Boxall, P., & Steeneveld, M. (1999). Human resource strategy and competitive advantage : A longitudinal study of engineering consultancies. *Journal of Management Studies*, 36 (3), 443 - 463.
- Bridges, S., & Harrison, J. K. (2003). Employee perceptions of stakeholder focus and commitment to the organization. *Journal of Managerial Issues*, 15 (4), 498-509.
- Buhner, R., Rasheed, A., & Rosenstein, J. (1997). Corporate restructuring patterns in the U.S. and Germany : A comparative empirical investigation. *Management International Review*, 37 (4), 319-338.
- Cadbury. (1992). *The Cadbury Committee Reports: Financial aspects of corporate governance*. London : Burgess Science Press.

- Cadbury. (2000). The corporate governance agenda. *Journal of Corporate Governance, Practice Based Papers*, 8 (2), 7-15.
- Casey, T. F., & Warlin, K. (2001). Retention and customer satisfaction. *Compensation and Benefits Review*, 33 (1), 27-31.
- Cavico, F. J., & Mujtaba, B. G. (2010). An assessment of business schools' student retention, accreditation, and faculty scholarship challenges. *Contemporary Issues in Education Research*, 3 (1), 107-118.
- Clarke, A. (2006). Qualitative interviewing: Encountering ethical issues and challenges. *Nurse Researcher*, 13 (4), 19-29.
- Clulow, V., Gertsman, J., & Barry, C. (2003). The resource-based view and sustainable competitive advantage: The case of a financial services firm. *Journal of European Industrial Training*, 27 (5), 220 - 232.
- Creswell, J. W. (2007). *Qualitative inquiry & research design: Choosing among five approaches* (2nd ed.). Thousand Oaks, CA: Sage.
- DeSaa-Perez, P., & Garcia-Falcon, J. (2002). A resource based view and organizational capabilities development. *International Journal of HRM*, 13 (1), 123-140.
- Emerald. (2007). Be structured in managing talent. Don't leave sustainable competitive advantage to chance. *Development and Learning in Organizations*, 21 (3), 31-34.
- Enderwick, P. (2011). Acquiring overseas market knowledge: A comparison of strategies of expatriate and immigrant employees. *Journal of Asia Business Studies*, 5 (1), 77-97.
- Fama, E., & Jensen, M. (1983). Separation of ownership and control. *Journal of Law and Economics*, 26 (2), 301-325.
- Fenwick, T., & Bierema, L. (2008). Corporate social responsibility: Issues for human resource development professionals. *International Journal of Training and Development*, 12 (1), 24-25.
- Frank, D. F., Finnegan, P. R., & Taylor, R. C. (2004). The race for talent: Retaining and engaging workers in the 21st century. *Human Resource Planning*, 27 (3), 12-25.
- Goel, P., & Banerjee, S. (2010). An analysis of human resource accounting in some IT companies. *Prabandhan : Indian Journal of Management*, 3 (9), 27-35. DOI: 10.17010/pijom/2010/v3i9/61222
- Gompers, P., Ishii, J., & Metrick, A. (2003). Corporate governance and equity prices. *Quarterly Journal of Economics*, 118 (1), 107-155.
- Govaerts, N., Kyndt, E., Dochy, F., & Baert, H. (2011). Influence of learning and working climate on the retention of talented employees. *Journal of Workplace Learning*, 23 (1), 35-55.
- Gupta, N., & Shaw, J. D. (2014). Employee compensation: The neglected area of HRM research. *Human Resource Management Review*, 24 (1), 1-4.
- Hatch, N. W., & Dyer, J. H. (2004). Human capital and learning as a source of sustainable competitive advantage. *Strategic Management Journal*, 25 (2), 1155-1178.
- Holtom, B. C., Mitchell, T. R., & Lee, T. (2006). Increasing human and social capital by applying job embeddedness theory. *Organizational Dynamics*, 35 (4), 316 - 331.
- Jamali, D., Safieddine, A. M., & Rabbath, M. (2008). Corporate governance and corporate social responsibility synergies and interrelationships. *Corporate Governance: An International Review Journal*, 16 (50), 443-459.

- Karthi, R., & Devi, P. J. (2012). A study on employee retention in leading multinational automobile sector in India. *International Journal of Management Research and Reviews*, 2 (9), 1474-1482.
- Kennedy, E., & Daim, T. U. (2010). A strategy to assist management in workforce engagement and employee retention in the high tech engineering environment. *Evaluation and Program Planning*, 33 (4), 468 - 476.
- Khandekar, A., & Sharma, A. (2005). Managing human resource capabilities for competitive advantage. *Education and Training*, 47(8/9), 628 - 638.
- Latukha, M. (2011). To stay or leave: Motives behind the decisions of graduate programs' trainee in European and Russian companies. *Journal for East European Management Studies*, 16 (2), 140-161.
- Ledwidge, J. (2007). Corporate social responsibility: The risks and opportunities for HR; integrating human and social values into the strategic and operational fabric. *Human Resource Management International Digest*, 15 (6), 27- 30.
- Letza, S., Kirkbride, J., & Sun, X. (2004). Shareholding versus stakeholding: A critical review of corporate governance. *Corporate Governance*, 12 (3), 242-262.
- Lewis, T. J., Machold, S., Oxtoby, D., & Ahmed, P. K. (2004). Employee roles in governance : Contrasting the UK & German experience. *Corporate Governance*, 4 (4), 16-28.
- Lopez, S. V. (2005). Competitive advantage and strategy formulation. The key role of dynamic capabilities. *Management Decision*, 43 (5), 661-669.
- Lowery, C. M., Beadles, N. A., & Krilowicz, T. J. (2002). Note son the relationship among job satisfaction, organizational commitment and organizational citizenship behavior. *Psychological Reports*, 91 (2), 607-617.
- MacMillan, K., Money, K., Downing, S., & Hillenbrad, C. (2004). Giving your organization SPIRIT: An overview and call to action for directors on issues of corporate governance, corporate reputation and corporate responsibility. *Journal of General Management*, 30 (2), 15-42.
- Malensek, L. (2008). Win the battle to retain good employees. *Pennsylvania CPA Journal*, 79 (2), 12-14.
- Maslow, A. H. (1943). A theory of human motivation. *Psychological Review*, 50 (4), 394 -395.
- Mathiesen. (2002). *Encyclopedia of corporate governance*. Retrieved from www.encycogov.com
- Milliman, J., Ferguson, J., Trickett, & Condemi, B. (1999). Spirit and community at Southwest Airlines: An investigation of a spiritual values-based model. *Journal of Organizational Change Management*, 12 (3), 221-233.
- Molian, D. (2012). Entrepreneurial value creation: Are business schools playing their full part? *Journal of Strategic Management Education*, 8 (4), 233-252.
- Morin, R. A., & Jarrell, S. L. (2001). *Driving shareholder value, value-building techniques for creating shareholder wealth*. New York : McGraw-Hill.
- Nagesh, P., & Sherif, A. M. (2010). Retention of employees in the manufacturing company - A case study. *Prabandhan : Indian Journal of Management*, 3 (9), 18-16. DOI: 10.17010/pijom/2010/v3i9/61221
- Naudé, M. (2009). Corporate governance, sustainable organizational development and employees as a valuable resource. *Corporate Ownership & Control*, 7 (2), 160 -172.

- Neuman, L. W. (2007). *Basics of social research: Qualitative and quantitative approaches* (2nd ed.). Boston, MA : Pearson.
- Newbert, S. L. (2007). Empirical research on the resource-based view of the firm: An assessment and suggestions for future research. *Strategic Management Journal*, 28 (7), 121-146.
- Nikomborirak, D. (2001). An assessment of the role of board of directors in building good corporate governance : The case of Thailand. *The Third Asian Round Table on Corporate Governance*. Thailand Development Research Institute, Bangkok. April 7, 2001.
- Ogbonna, E., & Lloyd, C. H. (2002). Managing organizational culture: Insights from the hospitality industry. *Human Resource Management Journal*, 12 (1), 33-53.
- Olson, E. G. (2010). Supply chain opportunity in an uncertain economic recovery. *Supply Chain Management*, 15 (6), 488-492.
- Peric, J., Mujacevic, E., & Simunic, M. (2011). International financial institution investments in tourism and hospitality. *Journal of International Business and Cultural Studies*, 3 (1), 1-17.
- Poulston, J. (2008). Hospitality workplace problems and poor training: A close relationship. *International Journal of Contemporary Hospitality Management*, 20 (4), 412-427.
- Shleifer, A., & Vishny, R. (1997). A survey of corporate governance. *Journal of Finance*, 52 (2), 737-783.
- Simmons, J. (2008). Employee significance within stakeholder-accountable performance management systems. *The TQM Journal*, 20 (5), 463 - 475.
- Singh, S. (2012). Developing e-skills for competitiveness, growth and employment in the 21st century. *International Journal of Development Issues*, 11 (1), 37-59.
- Smith, H. J. (2003). The shareholders vs. stakeholders debate. *MIT Sloan Management Review*, 44 (4), 85-90.
- Sun, M., & Tse, E. (2009). The resource-based view of competitive advantage in two-sided markets. *Journal of Management Studies*, 46 (1), 45-64.
- Vance, S. (1983). *Corporate leadership: Boards, directors and strategy*. New York : McGraw - Hill.
- Vasquez, D. (2004). Employee retention for economic stabilization: A qualitative phenomenological study in the hospitality sector. *International Journal of Management, Economics and Social Sciences*, 3 (1), 1-17.
- World Travel and Tourism Council. (2015). *Travel & tourism : Economic impact 2015. Dominican Republic*. Retrieved from <https://www.wttc.org/-/media/files/reports/economic%20impact%20research/countries%202015/dominicanrepublic2015.pdf>
- Yan, Y. (2005). *Foreign investment and corporate governance in China*. Great Britain : Palgrave Macmillian.
- Young, S., & Thyl, V. (2008). A holistic model of corporate governance: A new research framework. *Corporate Governance: An International Review Journal*, 8 (1), 94 -108.
- Zahra, S., & Pearce, J. (1989). Boards of directors and corporate financial performance: A review and integrative model. *Journal of Management Studies*, 15 (2), 291-324.