



Munich Personal RePEc Archive

An Analysis of the Factors Affecting Turnover Intensions: Evidence from Private Sector Universities of Peshawar

Shah, Usman and Khan, Jangraiz

Elementary and Secondary Education, Khyber Pakhtunkhwa,
Elementary and Secondary Education, Khyber Pakhtunkhwa

1 August 2015

Online at <https://mpra.ub.uni-muenchen.de/67396/>

MPRA Paper No. 67396, posted 22 Oct 2015 17:23 UTC

An Analysis of the Factors Affecting Turnover Intentions: Evidence from Private Sector Universities of Peshawar

Usman SHAH¹ and Jangraiz KHAN²

Abstract

High rate of turnover is one of major problems relevant to human resource management in private sector universities in Pakistan. It is on one hand, depriving the universities from talented and qualified labour force, and on the other hand, affecting the education standard of these universities. The present study was carried out to explore the inter-relationship among the job satisfaction and turnover intentions and factors affecting them. Primary data was used for this purpose. The data was collected from a sample 150 employees of private sector universities of Peshawar. In the results, Job satisfaction and promotion opportunities appeared as significant factor affecting turnover intentions. It is recommended for the private sector universities on the basis of results of the study to give competitive salaries to the staff, increase promotion opportunities, improve leave policy, financial rewards, and make the system transparent and justified.

Key Words: Turnover Intentions, Private Sector Universities, Peshawar

JEL Classification: M100, M190, M520

1. Introduction

Nobody can deny the fact that higher education is an integral part of socio economic development of a country. Higher education needs highly qualified and talented faculty. If the faculty is not well trained and qualified, the standard of education will fall and due objectives will not be achieved. It is necessary for the university to have high quality and updated faculty to achieve higher standard of education. It has been noted in the private sector universities that mostly the faculty and non-faculty staff do not stay for longer period of time. There is high rate turnover and most of the employees have turnover intention. A trend can be seen in private sector organization that the employees rapidly change their jobs due to low salary and dissatisfaction about work, supervision, promotion, coworkers, work environment etc. According to Hugh and Feldman (1982), age, tenure, job satisfaction, and security of job influence the turnover.

Kaplan (2009) worked out the factors associated with the job satisfaction and turnover of physicians working at University of California and found that the satisfaction of the physicians was mainly associated with the perceptions of the work autonomy, work load, on the job conflicts or personal conflicts, salaries and the satisfaction of the community. Out of the total eight explanatory variables were found in deep relationship with the job satisfaction and turnover at university of California. In view of Yucel (2012), high satisfaction level of employs lead to better organizational commitment which in turn lowers the turnover of employs. The human resource management practices in the form of job autonomy, work environment and leadership behavior can show positive significant relationship with dependent variable job satisfaction (Hunjra, Chani, Aslam, Azam, & Rehman, 2010). Foon *et al* (2010) investigated the relationship among the organizational commitment, stress, level of job satisfaction and employees turnover intentions in area of petaling in Malaysia. The study took a convenient sampling technique and collected data from a sample of 120 respondents from the study area. The study used material of the questionnaire of Mowday, Steers & Porter (1979), & Mobley, Horner, & Hollingsworth (1978) for the variables of the study. Out of the total sample, 77.5% respondents were unmarried, 20% married and , 2.5% divorced. Moreover, the results show 70.8% of the respondents had moderate level of commitment, and 50% had high level of job stress. The respondents with moderate satisfaction level were 67.5% and 42.5% were having turnover intentions. Moreover, inverse relationship in organizational commitments

¹ Subject Specialist, Elementary and Secondary Education, Khyber Pakhtunkhwa, Pakistan.

² Elementary and Secondary Education, Khyber Pakhtunkhwa, Pakistan.

and employees turnover intention exists. Similarly, the study revealed inverse relationship between level of job satisfaction of employees and their turnover intentions.

In Pakistan, the share of private sector in education is increasing day by day. This trend prevails not only at elementary level but also at university level. Like the other sectors, private sector universities are also facing the problem of turnover. The present study is being conducted to know the major reasons for high turnover rate and dissatisfaction from job in private sector universities of Peshawar. The study is important in the sense because it will help in finding the reasons for high turnover and suggest remedies for out flow of talented and qualified staff from private sector universities.

2. Literature Review

This section reviews the literature relevant to the determinants of turnover intentions. Joarder , Sharif, & Ahmed (2011) carried out a study to examine the Human Resource Management practices prevailed in Bangladeshi Universities which can cause turnover intentions among the faculty staff of private sector universities. The study also took into account the role of affective role as a mediator. About 500 questionnaires were distributed among the faculty members of private sector universities of Bangladesh. Out the total distributed questions about 317 questionnaires were distributed. This means 57 percent of questionnaires were distributed. The study used Multiple Regression Techniques for analysis. The results found three out of six Human Resource Management practices significant and in inverse relationship with turnover intentions.

Ahmad & Adnan (2011) investigated the voluntary turnover of doctors in Public sector medical colleges and hospitals. In Pakistan, the public sector doctors are considered as backbone in provision of health facilities to public. They are main source of providing medical education. This is the reason the major concern for the government is deployment of doctors and other medical staff in public sector hospitals and colleges of medical education. Their turnover intention is a real loss for government. The study used a sample of 231 doctors for analysis. Availability of better job opportunities, lack of distributive justice, management problems, less salary, nature of work, and behavior of higher ups are major sources of job dissatisfaction and doctors' turnover.

Kitteruengcham (1997) investigated the effects of job satisfaction, and, organizational satisfaction and commitment, on the turnover rate in engineers working in public sector. The data was collected from 408 sampled engineers engaged in 16 organizations of public sector. Apart from other factors, the study also questioned the effects of expectation of self-efficacy, and pension of engineers turnover. The results show inverse relationship among the job satisfaction and commitment to organization and employees turn over.

Nor (2012) questioned the determinants of turnover intentions of operators towards the electrical and electronic sector industries. The study collected data from 800 sampled operators from electrical and electronic sector industries of Peninsular, Malaysia. No doubt the industrial sector grew at tremendous are in recent activities putting the economy on path of sustained economic growth nut at the same time, it becomes the responsibility of the management to stop the flow of talented and educated manpower from their industries particularly and from the economy as a whole. The results found skill variety, task identity and work feedback as significant determinants of turnover in the sector under study.

Adenguga, Titilola & Ayodele (2013) investigated the various aspects of organizational commitment and turnover intentions in private sector universities Nigeria. The study used survey technique for data collection. A sample of 600 employees was drawn from private sector universities of the study area. Analytical techniques correlation and multiple regressions were used for deriving results. The results showed a significant association various dimensions of explanatory variables over turnover intentions. Interestingly the variables like sex, marital status, education, nature of job and job duration are important determinants of turnover. These factors also predict organizational commitment. The study also find politics in organizations, and job satisfactions as factors significantly affecting turnover intentions of employees.

Ahmed, Shad, Mumtaz & Tanveer (2012) designed a study to unveil the relationship ethics prevailed in organizations and job satisfaction. Data dor this purpose was collected from a sample of 230

bank employees belonged to both public as well as private sector. The results obtained from the data analysis show that egoistic approach to ethics and job satisfaction are related but in opposite direction.

Mehboob & Niaz (2012) studied the existence of any possible relationship between the job satisfaction of employees and organizational citizenship behavior (OCB). The aim was to explore whether or not job satisfaction of employees is a predictor of organizational citizenship behavior in the study area. A sample of 84 faculty members was drawn from three business education institutes. Job satisfaction was computed on the basis of Extrinsic & Intrinsic factor of faculty members. The results indicated the existence of relationship between the job satisfaction of employees and organizational citizenship behavior but the relationship is little bit weak.

In short, the existing literature shows that many scholars conducted studies on job satisfaction and turnover intentions in different sectors; however, no one has so far investigated this relationship in private sector universities especially in Khyber Pakhtunkhwa. This has generated a gap in the existing literature. This study is an effort to fill this gap.

3. Data Set and Method

3.1. Population:

The population of the present study consists of seven private sector universities located in Peshawar district which is capital of Khyber Pakhtunkhwa province. The universities were selected on the basis of convenience and due the fact that these are the major private sector universities of Khyber Pakhtunkhwa. The universities are given in Table

3.2. Sample Size.

As discussed above, the present study is conducted to explore relationship among job satisfaction, turnover intention and the factor relevant to these two. There are 9 universities in private sector in Khyber Pakhtunkhwa. The present study is based on the data collected from private sector universities located in Peshawar. A sample of 150 respondents was drawn from private sector universities of Peshawar through convenient sampling technique.

3.3. Instrument

Questionnaires was used as an instrument for data collection in the present study. The questionnaire covered all relevant and important factors. It also covered the respondents' characteristics like age, sex, education, income, and distance from their accommodation. It was discussed with experts and pre tested. It was then distributed personally among 150 employees of Private Universities for data capturing.

3.4. Regression Model

Turnover Intention (TI) means the decision of an employ to quit a job. It is also defined as the ratio of the employs that left the organization and total number of employs in that organization in a particular period of time (Price, 1977). Rahman et al (2008), Khatri and Fern (2001), Sarminah (2006), and Korunka, Hoonakker, & Carayon (2005) found some kind of relationship between the Turnover Intention (TI) and job satisfaction level. Keeping in view the significance of TI for organizational development, it is being introduced as dependent variable³.

Job satisfaction and Turnover Intention are considered as two variables which can cause each other. The job Satisfaction in Turnover Intention Model (TIM) is being treated as explanatory variable.

Similarly, promotion opportunities/Career Ladder is another variable which is perceived to affect turnover intentions of workers of private sector universities. Good promotion system will not only make the stay of current working labour force longer but also attract more qualified and talented labour force.

³ Bushra (2012) used it as dependent variable in her regression model.

As it can be a significant factor of turnover intentions, therefore it is kept among the set of explanatory variables.

During the working hours, the faculty and non-faculty employs face many professional and personal problems which need to be discussed with the management. Similarly a number of work related problems also necessitates for contact with supervisor/manager. Therefore, Easy contact with Manager/Management has been included among the list of independent variables in Turnover Intentions Model (TIM).

The equation of the Turnover Intentions Model is given below.

$$TI = \beta_0 + \beta_1 JS + \beta_2 Pr + \beta_3 ECM + U_i \quad (2)$$

In equation (2)

TI =Turnover Intentions

JS =Job satisfaction

Pr =Promotion opportunities

ECM =Easy Contact with Management and U_i is a random term

More over in order to further robust the results, Chi Squares techniques has also been use.

4. Results and Discussion

4.1. Survey Results

4.1.1. Distribution of Respondents

The questionnaire was distributed among employs of private sector universities located in Peshawar. The respondents were diverse in the positions they held. The sample included employs of different grades from faculty and non-faculty staff. The sample included 129 faculty members of private universities in Peshawar while 21 employs were working on other positions. Out of total 10 respondents 111 were working in grade 18 as lecturers in different subjects while 18 were Assistant Professors in Grade 19. Similarly, 21 respondents were working in different grades between 11 and 17, and all of them were among non-teaching staff. As a whole one respondent was working in Grade 1, and 2 were in Grade 12. Similarly, 17 were in the range of Grade 14 to 17. Likewise, 111 respondents were working in Grade 18 and remaining in Grade 19.

4.1.2. Education Level of Respondents

As the study is relevant to higher education sector, it was therefore necessary to ask about their education level. If faculty is highly educated then good outcomes are expected and good returns for higher education. It is obligatory to know the education level of the faculty staff. It is important to note that most of the respondents were highly qualified. The education level of the respondents is given in the following Table II.

According to the results obtained from the results of the study, the highest qualification which the respondents had was Ph.D. The survey results show that 8 faculty members among the respondents were Ph. Ds. the second highest education level was M. Phil. Among the faculty members, 95 respondents held M. Phil degrees while in other staff 4 respondents were M. Phil. interestingly, 26 respondents among the faculty members attained M.A/M.Sc degrees. Out of total 21 non faculty respondents, 17 were M.A/M. Sc or less.

4.1.3. Gender Classification of respondents

Gender is considered as an important variable in socioeconomic studies. Therefore, the study also took into account this variable. The data was collected from employs of both sexes. This included 34 female respondents and 116 male respondents.

This variable is necessary to study because Khyber Pakhtunkhwa mainly consists of Pakhtun tribe where female employment is not considered good. However, the results obtained are encouraging so far female employment is concerned which is welcomed. The figure shows that the female respondents were comparatively less in number because the female working women are fewer in the study area.

4.1.4. Reasons for leaving the previous job

After asking the last job duration, the employ respondents from different private sector universities located in Peshawar were asked for reasons of quitting the last job. This was necessary to ask because, by removing these reasons, the level of job satisfaction can be increased and rate of turnover can be controlled. Among the possible reasons for quitting a job, salary is the most powerful reason. If the employs don't get a good and timely return of their hard work then the level of job satisfaction is expected to be low.

Human body can tolerate burden according to its capacity. If the burden exceeds this capacity, it will not only cause health problems but also affect the social economic system worsely. The employ may not feel easy if he is overburdened. Excessive work will also reduce his efficiency to work properly. Good relationship between the employ and employer also play a significant role in job satisfaction, reduction of turnover rate and organizational development. A worse relationship can lead to lower job satisfaction.

Similarly, fewer benefits can be another possible cause of job dissatisfaction. Therefore, keeping these reasons the respondents were asked to disclose the major reason for leaving the previous job. They were given six options, low salary, excessive work burden, worse relationship with employer, less financial benefits, no job earlier and other reasons. The results obtained are given in fig II.

4.1.5. Choosing the Same Job Again

During the survey the respondent employs of private sector universities were asked if they get an opportunity to start a job, whether they will again join the same job. This was asked to know the job satisfaction level of the employs. They were given five options to state their opinion. The options included strongly disagree, disagree, neutral, agree, and strongly agree. According to the results 28% of the employs strongly disagreed/disagreed the statement that they will rejoin the same organization. 27.3% of total employs remained neutral and did not show their agreement or disagreement. Moreover, 30.7 % of the employs agreed the statement that if they are given a chance, they will again join the same department/organization.

Similarly, 14% of the employ respondents strongly showed their consent for rejoining the job if they are given an opportunity which shows that they were highly satisfied from their job. This shows that 27.3 % remained neutral and out of the remaining respondents, majority of respondents (44.7%) seemed satisfied of their current job. The results are shown in the Table III.

4.1.6. Looking for other Job

Turnover intentions arises due to job dissatisfaction, less financial/non financial benefits, leave problems, over burden, less interesting job structure and many many other reasons. 4.7 percent of respondents strongly disagree the statement , "I am looking for opportunities in other organizations". 12 percent disagree it and 24.7 percent remained silent. Similarly, 25.3 percent of the employs agree the statement which shows their turnover intentions. Interestingly, 33.3 percent of the respondents strongly agree the statement that they are thinking of opportunities in some other organization. In other words,

58.6 percent of respondents appeared as the employs having turnover intention with more or less intensity. The results are displayed in the Table IV.

4.1.7. Leaving Job

When a person is not satisfied from his job in one way or other way, then may definitely think about leaving that job. The respondents were asked to express their views regarding the statement, “I often think of leaving this job”. 10 respondents strongly agreed the statement and 33 disagreed it. However 38 out of total respondents remained silent. Similarly, 38 employs agree the statement and 31 employs strongly agree the statement that they often think about leaving this job.

4.2. Regression Results

In Turnover Intentions Model (TIM), Turnover Intentions is a dependent variable while Job Satisfaction (JS), Promotion opportunities (Pr) and Easy Contact with Management/Supervisor (ECM) are among the set of explanatory variables.

The regression results derived through the method of Ordinary Least Squares (OLS) method show Job Satisfaction (JS) to be a significant determinant of Turnover. The coefficient of JS is -.265. The negative sign of the coefficient indicates the inverse relationship between the TI and JS. If the satisfaction level of employs regarding their job is high, the turnover intention will be low. On other hand if the level of JS is low, the turnover intention will be higher. The value of the coefficient of JS is comparatively low which shows the strength of relationship. Moreover, the variable is statistically significant at 1% level of significance.

A promotion opportunity is another explanatory variable of the Turnover Intentions Model (TIM). It appeared as a statistically significant variable with coefficient -.172. The negative sign of coefficient show inverse relationship between ‘Pr’ and TI. If in the structure opportunities, sufficient opportunities are provided for promotion, it will increase the level of job satisfaction among the employs of the private sector universities of Peshawar. This will result in lower Turnover Intentions. The finding is logical in nature. The result is significant at 5% level of significance.

Easy contact of employs with the management is another explanatory variable of Turnover Intentions Model. The results of the regression model show that the variable ECM has inverse relationship with the turnover intentions. The coefficient bears negative sign as expected but it is statistically insignificant.

5. Conclusion

This paper focused on the factors affecting turnover intension of employees in private sector universities in Peshawar. It is concluded on the basis of results of study that Turnover intentions is inversely related with the job satisfaction. Moreover, promotion opportunities are another significant determinant of Turnover Intentions with negative sign which shows its inverse relationship with Turnover Intentions (TI). Similarly, easy contact with management inversely affects TI but he result is insignificant. The survey results show low salary, worse relationship with the employer, extensive work load and fewer benefits are also causing the turnover in the selected universities.

Table I List of Private Sector Universities

S.No	Name of the University
1	Iqra University
2	City University of Science and Information Technology, Peshawar
3	CECOS University of Information Technology & Emerging Sciences, Peshawar
4	Sarhad University of Science and Information Technology, Peshawar

5	Absyn University
6	Qurtaba University of Science & Information Technology
7	ICMS

Source: Higher Education Commission of Pakistan

Table II: Education Level of Respondents

Grades	Position Held		Total
	Faculty	Non Faculty	
FA/FSc	0	03	03
BA/BSc	0	03	03
MA/MSc	26	11	37
MS/Mphil	95	04	99
PhD	08	0	08
Total	129	21	150

Source: Field Survey

Table III: If I am given Opportunity to Start a Job Again, I will Choose

the Same Job Again?

Option of Scale	Frequency	Percentage
strongly Disagree	8	5.3
Disagree	34	22.7
Neutral	41	27.3
Agree	46	30.7
Strongly Agree	21	14.0
Total	150	100.0

Source: Field Survey

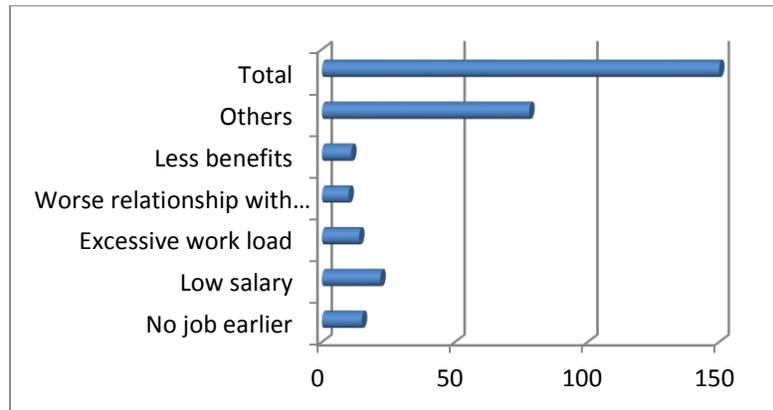
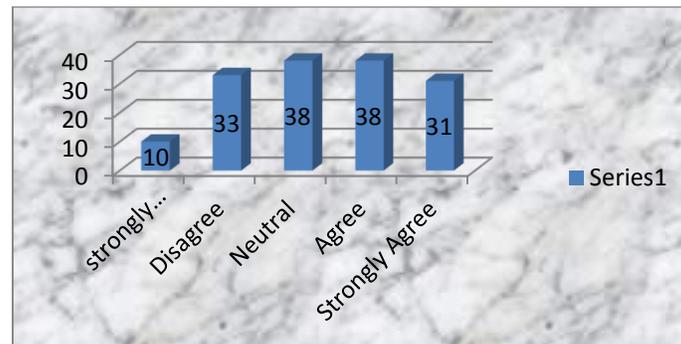
Table IV: I am looking for opportunities in other organizations.

Option of Scale	Frequency	Percentage
Strongly Disagree	7	4.7
Disagree	18	12.0
Neutral	37	24.7
Agree	38	25.3
Strongly Agree	50	33.3
Total	150	100.0

Source: Field Survey

Table V: Regression Results of the Turnover Intentions Model

Turnover Intentions (Dependent Variable)				
Variable	Coefficient	St. Error	T	Prob
Constant	5.127	.384	13.357	.000
JS	-.265	.088	-2.994	.003
Pr	-.172	.087	-1.977	.050
ECM	-.011	.078	-.136	.892

Fig I Reasons for leaving the previous job**Figure II I often think of leaving this job**

References

- Ahmad, T., & A. Riaz. (2011). Factors Affecting Turn-Over Intentions of Doctors in Public Sector Medical Colleges and Hospitals. *Interdisciplinary, Journal of Research in Business*, 1 (10), 57- 66. <http://idjrb.com/articlepdf/idjrb10n1p7.pdf>
- Ahmed, B., I. Shad, R. Mumtaz & Z. Tanveer. (2012). Organizational ethics and job satisfaction: Evidence from Pakistan. *African Journal of Business Management*, 6 (8), 2966-2973. DOI: 10.5897/AJBM11.2107
- Adenguga R. A., Titilola.F,A., & K. O. Ayodele1. (2013). Organizational Commitment and Turnover Intention among Private Universities' Employees in Ogun State, Nigeria. *Open Journal of Education*, 1 (2), 31-36. Doi.10.12966/oje.05.04.2013.
- Bushra, A., (2012). Job Satisfaction and Women's Turnover Intentions in Pakistan's Public Universities. *The Lahore Journal of Business*, 1 (1), 59-77. <http://www.lahoreschoolofeconomics.edu.pk/businessjournals/V1issue1/04%20Bushra%20ED.pdf>
- Hugh, A. J., & Feldman, D.C. (1982). A multivariate analysis of the determinants of job turnover. *Journal of Applied Psychology*, 67(3), 350-360. Doi.apa.org/journals/apl/67/3/350.pdf
- Hunjra, A. I., Chani, M. I., Aslam, S., Azam, M., & Rehman, K. U. (2010). Factors effecting job satisfaction of employees in Pakistani banking sector. *African Journal of Business Management*, 4(10), 2157-2163.

- Joarder, M. H. R., M. Y. Sharif, & K. Ahmed. (2011). Mediating Role of Affective Commitment in HRM Practices and Turnover Intention Relationship: A Study in a Developing Context. *Business and Economics Research Journal*, 2 (4), 135-158
- Kaplan, D., (2009). Determinants of job satisfaction and turnover among physicians. A Dissertation submitted to San Jose State University In Partial Fulfillment of the Requirements for the Degree Master of Science. http://scholarworks.sjsu.edu/cgi/viewcontent.cgi?article=4969&context=etd_theses
- Khatri, N., & Fern, C. T. (2001). Explaining employee turnover in an Asian context. *Human Resource Management Journal*, 11 (1), 54-74. DOI: 10.1111/j.1748-8583.2001.tb00032.x
- Kitteruengcharn, N., (1997). Impacts of Job and Organizational Satisfaction and Commitment on Turnover Intentions in Thai Public Sector Engineers. A thesis submitted to Concordea University Canada for partial fulfillment of the degree of Master of Science in Administration. <http://www.collectionscanada.gc.ca/obj/s4/f2/dsk2/ftp03/MQ39968.pdf>
- Korunka, C., Hoonakker, P.L.T. & Carayon, P. (2005). A Universal Turnover Model for the IT Work Force - A Replication Study. *Human Factors in Organizational Design and Management - VIII*
- Mehboob, F., & N.A. Bhutto. (2012). Job Satisfaction as a Predictor of Organizational Citizenship Behavior : A Study of Faculty Members at Business Institutes. *Interdisciplinary Journal of Contemporary Research in Business, Institute of Interdisciplinary Business Research*, 3 (9) <http://www.journal-archieves14.webs.com/1447-1455.pdf>
- Mobley, W.H., S.O. Horner, & A.T. Hollingsworth. (1978). An evaluation of precursors of hospital employee turnover. *Journal of Applied Psychology*, 63 (4), 408-414. <http://psycnet.apa.org/index.cfm?fa=buy.optionToBuy&id=1979-09964-001>
- Mowday, R.T., Steers, R.M., & Porter, L.W. (1979). The measurement of organizational Commitment, *Journal of Vocational Behaviour*, 14, 224-247. [http://dx.doi.org/10.1016/0001-8791\(79\)90072-1](http://dx.doi.org/10.1016/0001-8791(79)90072-1)
- Nor, N.N.B.M. (2012). Turnover Intention: An Examination of Job Characteristics and Transactional Leadership Style Among operators in electrical and electronics Sub-sector. Thesis Submitted to Othman Yeop Abdullah Graduate School of Business Universiti Utara Malaysia in Fulfilment of the Requirement for the Degree of Master of Science (Management).
- Price, J.L. (1977). The study of turnover. 1st edition, Iowa state university press, IA 10-25 <http://www.jstor.org/stable/2392571>
- Rahman A, S. M. M. Raza Naqvi & M. Ismail Ramay (2008). Measuring Turnover Intention: A Study of IT Professionals in Pakistan: *International Review of Business Research Papers*, 4 (3), 45-55 <http://www.bizresearchpapers.com/Paper5.pdf>
- Sarminah S. (2006). The Contribution of Demographic variables: Job Characteristics and Job Satisfaction on Turnover Intentions. *Journal of International Management Studies*, 1(1) <http://www.jimsjournal.org/1.pdf>
- Yin-Fah, B.C., Y. S. Foon & S. Osman. (2010). An Exploratory Study on Turnover Intention among Private Sector Employees. *International Journal of Business and Management*, 5 (8). DOI: 10.5539/ijbm.v5n8p57
- Yucel, I. (2011). Examining the Relationships among Job Satisfaction, Organizational Commitment, and Turnover Intention: An Empirical Study. *International Journal of Business and Management*, 7 (20). <http://www.ccsenet.org/journal/index.php/ijbm/article/view/19107>