

# Understanding the Causes and Consequences of Employee Attrition in Noida's Higher Education Sector

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**Abstract** - The importance of Educational Institutes in the social, economic, and technological advancement of any nation cannot be overstated. Due to their distinctive characteristics, Educational Institutes are anticipated to house a collection of highly specialized and skilled intellectuals. They function as repositories of information to support the development of the nation's workforce and fulfil the desires of the people for a just and compassionate society. At the heart of achieving University goals and objectives are the academic staff. Their roles are absolutely crucial, and the number, quality, and effectiveness of these staff members have a significant impact on university education, production function, and the broader society. Academic institutions must have a highly skilled and dedicated academic staff to guarantee long-term sustainability and quality. Higher education institutions rely heavily on the intellectual and creative abilities and dedication of their academic staff, more so than many other organizations. It is crucial to keep this highly knowledgeable staff on board. The paper will conduct a thorough examination of the issues surrounding employee retention and the factors contributing to employee attrition. It will then propose a course of action to address these issues and minimize their impact for the benefit of students, industries, and the nation as a whole.

**Keywords:** *Employee retention, employee attrition, Private institution, organizational culture*

## I. INTRODUCTION

The significance of institutions of higher learning in driving socio-economic and technological progress is widely acknowledged. These institutions ideally serve as hubs of knowledge, where intellectuals and faculty generate and share information. Universities play a crucial role in meeting the workforce requirements of a country and fostering a compassionate society. In order to achieve this objective, the faculty and staff play a crucial role. The impact on university education is influenced by factors such as quality, size, and effective capability. According to Armstrong (2009), there has been a significant shift in the way we view employees in organizations. Instead of just being seen as resources, they are now recognized as human capital, reflecting their knowledge, skills, and abilities, and ultimately, their value. First and foremost, universities rely heavily on the dedication and hard work of their faculty and staff. Therefore, it is crucial to maintain faculty and staff.

This issue has become increasingly important due to the rapid expansion of private institutions of higher learning in India over the past two decades. These institutions have emerged as a means to fulfil the growing demand for higher education. It is worth noting that higher education in India is currently grappling with the issue of faculty voluntary turnover, while private universities are experiencing a severe shortage of talented faculty.

There are concerns that this is having a negative effect on the quality of education. All educational institutions are required to adhere to the norms developed by the University Grants Commission in order to maintain a high standard of education. The challenges surrounding faculty retention are highly intricate and multifaceted. However, there is a growing national concern to address these issues for the benefit of universities and students. In a study conducted by Vasishtha (2009), it was noted that higher educational institutions are facing an increasing challenge of replacing talented employees and training new ones to be as productive as their predecessors. In a climate where the state is placing more importance on private education, the issue of maintaining a high-quality faculty becomes even more significant. Academic leaders are currently grappling with the significant challenge of finding and retaining talented and competitive faculty. Private institutions of higher learning offer an intriguing context for studying faculty retention from both sociological and human resource perspectives. Investigating this topic with a scientific approach holds significant importance. Academic leaders can benefit from understanding the important factors that contribute to retaining and cultivating a talented, academically skilled, and administratively minded staff.

Several theories have been proposed by scholars as the foundation for retention strategies in organizations, focusing on employee needs. Some of the most notable theories in this field include the Equity theory, Expectancy theory, and Herzberg's two-factor theory. It is important to have a comprehensive understanding of human resources and the various factors that impact them in the workplace.

Equity Theory was developed by the renowned behavioural psychologist John S. Adams. Equity theory (1965) focuses

on individuals' perceptions of how they are treated in relation to others. According to the theory, employees strive to maintain a balance between what they put into their job (education, time, experience, commitment, and effort) and what they get out of it (promotion, recognition, and increased pay). This balance is compared to what other employees contribute and receive. When individuals are unable to find fairness within an organization, they may resort to taking different courses of action, such as deciding to leave the company. This theory has a significant advantage in that it acknowledges the importance of individual inputs such as education, experience, and effort in ensuring a sense of fairness. Furthermore, it demonstrates that individual employees are integral components of the broader system. This theory provides valuable insights into the factors that may impact the decision of academic staff to leave their positions. They continuously analyze the salaries of their peers in different universities and similar organizations to achieve a fair equilibrium between input and output. This, in turn, helps facilitate the movement of workers both within and outside of academia. A significant drawback of this theory is the subjective nature of the comparison process. Human nature has a tendency to distort inputs, particularly when it comes to effort. This can make comparisons subjective, as noted by Beardwell et al. (2007). The expectancy theory of Vroom (1964) is commonly applied in the study of turnover intentions. The foundation of expectancy theory lies in the belief that individuals have certain expectations when they join an organization. If these expectations are fulfilled, they are more likely to stay as members of the organization. Decisions to stay or leave an organization can be explained by examining relationships between structural, psychological, and environmental variables, as indicated by turnover and retentions frameworks developed from this theory. Empirical studies (Daly et.al., 2006) utilize a research model focused on employee intent to stay. This model is based on expectancy theory and incorporates various factors such as structural, psychological, and environmental variables. Structural variables encompass various aspects such as the work environment, level of autonomy, communication channels, fairness in resource distribution, and workload. Psychological factors encompass elements such as job satisfaction and organizational commitment, while environmental factors revolve around the availability of job opportunities.

In Herzberg's (1959) two factor theory, it is proposed that employees find motivation from within themselves rather than relying on external factors. Put simply, the drive to work comes from within and is fuelled by factors that are inherent to the job, such as the sense of accomplishment, acknowledgment, the nature of the work, the level of responsibility, opportunities for progress, and personal development. On the other hand, there are certain factors that can lead to employees having unsatisfying experiences. These factors are often caused by variables that are unrelated to the job, also known as extrinsic variables. This theory is applicable to this study as it acknowledges that employees have two distinct categories of needs that are

present within them, and it emphasizes the importance of addressing both of these needs.

## II. EMPLOYEE ATTRITION

Every country, regardless of its stage of development, requires a strong education system to foster growth in its industries and income sectors. An organized and evolving education system is crucial for the progress of any nation. An economy relies heavily on a strong education system that equips the next generation with the necessary skills and knowledge. Effective education systems and the successful transmission of educational values to students are crucial for cultivating intelligent minds and fostering national development. Having a strong faculty and well-maintained educational structure is crucial for a country. This ensures that the youth are equipped with the necessary knowledge to make valuable contributions to the country's development. In addition, the Indian economy has experienced significant liberalization and streamlining of business processes, resulting in a strong economic growth. This growth has particularly benefited the manufacturing and high-end service sectors, such as finance, telecommunication, and information technology. Consequently, the higher education sector has also witnessed substantial growth. Many private higher education institutions have entered the education sector to meet the growing demand, offering a wide range of courses and specializations. Currently, India is making efforts to establish itself as a globalized economy in fields that demand well-educated experts. As a result, the significance of higher education quality has been on the rise. The quality of the student experience in higher education is greatly influenced by the faculty's abilities as both educators and researchers. In this research, we aim to develop a strategy for institutions to prioritize initiatives that will help retain their valuable faculty members. These faculty members play a crucial role in student learning and are a valuable asset to the institutions.

Having talent is what distinguishes individuals from one another. It is important to emphasize that talent is a rare and valuable resource that comes with a cost. Given its limited availability, it is crucial to effectively manage this resource. Management experts have described talent as individuals who possess the necessary potential and skills to effectively drive organizational transformation and change. These individuals are highly sought after in the market and their contributions to business are invaluable, directly impacting its strategic and competitive positioning. Every resource within the organization is crucial for its success. Out of all the resources in an organization, the human resource is absolutely vital. Efficiently managing human resources can greatly enhance the likelihood of achieving organizational success. An important aspect of nation-building lies within its educational institutions, encompassing classrooms, laboratories, libraries, and playing fields. Educational institutions play a crucial role in shaping the future of our country by producing skilled individuals and contributing to its overall development. They are responsible for fostering dynamism, resourcefulness, and intellectual

growth. The teacher plays a crucial role in the educational system, shaping individuals and contributing to the development of society. The growth of a nation is closely tied to the teachers and the education provided to its people. In this regard, the role of teachers becomes crucial in shaping society and driving transformative progress in the country's development. Ensuring the continued presence of this community within the educational system, particularly in individual institutes, is crucial for optimizing resource utilization and providing the best possible service to society by cultivating the future human-resource pool of the nation. The education system in India has seen significant improvements in recent years and is now considered one of the top systems globally. In addition to government initiatives, the contribution of private institutions in the development of the education industry in India is undeniable. Currently, the private education market in India is valued at \$68 billion. With the recent rise in the number of private colleges/institutes/universities offering professional education, there has been a growing demand for highly qualified professionals in the market. These institutes require a significant number of faculties for their curriculum development and academic delivery. Once again, the enticing opportunities in the corporate sector are attracting faculty members away from their academic careers and towards corporate jobs. This creates a gap at different levels in the current institutes that needs to be filled. The movement of faculty members from academia to the core industry, the need for additional faculty in existing institutes due to newly introduced courses, and the requirement for faculty in newly established colleges all contribute to a significant demand for faculty. The country is currently facing a faculty crisis, particularly in self-financed professional institutions, due to the high demand and low supply of qualified faculty. When it comes to research, faculty turnover can have a significant impact on the institute and its reputation, leading to increased costs, both direct and indirect. One of the main concerns for every institution is to maintain faculty attrition rates within acceptable levels. The foundation of any higher education institution rests on the calibre of its faculty, the quality of its infrastructure facilities, and the nurturing learning environment it provides. Due to the growing demand-supply gap, organizations are currently experiencing a significant competition for talent. In the same way that business and industry are realizing the importance of talent to meet society's new quality standards, the education field is also facing a leadership crisis. Although many higher education institutions excel at equipping students with the necessary skills for success in the professional world, it is evident that the administration of emerging technical and management institutions has struggled to treat their faculty members fairly and justly, resulting in a significant turnover of faculty.

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With the recent surge in the number of private colleges/institutes/universities offering professional education, there has been a noticeable increase in the demand for highly qualified professionals in the market. These institutes need a significant number of faculties to develop their curriculum and deliver academic content. Once again, the enticing opportunities in the corporate sector are attracting faculty members away from their academic careers and towards corporate jobs. This creates a gap at different levels within the current institutions that needs to be filled. The movement of faculty members from academia to the core industry, the need for additional faculty in existing institutes for newly introduced courses, and the demand for faculty in newly established colleges all contribute to a significant demand for faculty. The current situation of high demand and low supply is causing a faculty crisis in the country, particularly in self-financed professional institutions. Faculty turnover has a significant impact on the institute and its reputation, leading to increased costs, both direct and indirect. When an organization experiences a high rate of employee turnover, it results in additional expenses for recruiting, selecting, and training new employees. In addition, the lack of employee continuity can result in significant expenses for the company due to the need to constantly hire and train new staff. One of the challenges that can arise as a result of turnover is organizational productivity (Siong et al, 2006). When it comes to higher educational institutions, the cost of employee turnover is a significant concern. This is because the knowledge and competences of the human resources are crucial assets that directly impact the academic and research activities of the college. Quitting in the middle of the semester can have a significant impact, making it challenging for both the college and the students to find a suitable replacement and adjust to a new faculty member during the course.

#### *A. Factors Affecting Employee Attrition In Higher Education Institutions of Noida*

- *Individual factors*
  - a. Ambition and career aspirations
  - b. Mobility influenced by parental and family dynamics
  - c. Factors related to personality
- *Organizational Factors*
  - a. Absence of challenges
  - b. Limited learning opportunities
  - c. Boss's working style
  - d. Unclear roles
  - e. Role stress
  - f. Limited independence
  - g. Work culture

- h. Growth and career development
- i. Compensation packages
- Others
  - a. Colleagues
  - b. Setting

The following lists the reasons and the ways to fix them:

#### A. Irrational hike of time bound activities

Organizations striving for exponential growth often push their employees to their limits in order to gain a competitive edge. That is when individuals who have formed a strong connection to a particular cause start to feel uneasy. There is a significant emphasis on achieving outcomes, without taking into account the well-being of the staff. Employees often find time-bound activities to be impractical, which can lead to a high turnover rate. Occasionally, organizations overlook the importance of going the extra mile, which can have a significant impact on the wear and tear of the system. The insurance sector with foreign equity in India is a prime illustration of this, where stability is a major concern due to excessive work pressure. To overcome this unexpected situation, it is crucial to build trust with the employees and guide them towards completing the task. Simply put, management should strive to persuade everyone with confidence to buy into their plans. This enhances employee morale and instils credibility in the cause. Once employees take ownership of a task, they can achieve remarkable results.

#### B. Slow System

When there is a clear misalignment with the organization's philosophy, and individuals who are responsible for moving the system forward intentionally delay activities and hinder progress, it creates a sense of suffocation among people. This disrupts the workflow, and proactive professionals are expected to adapt their pace to the sluggish system, which they find incredibly challenging. This disparity in wavelengths leads to an acceleration of separation, highlighting the inequality. Several public sector undertakings in India promote a slow and inefficient system, which leaves little room for ambitious individuals to thrive.

When organizations hire professionals, it is important for them to consider the desired pace of progress. Later on, requesting professionals to proceed cautiously with the system is what creates a divide between the two parties. It is crucial for organizations to clearly define tasks and set deadlines for their completion. Efficient and agile systems fully utilize the expertise and engagement of employees, ensuring their satisfaction and promoting operational stability.

#### C. Unclear Aims

Some organizations lack clarity in terms of their intended accomplishments. Their mission and vision, leading to goals are completely unclear. It is challenging to find a clear path to achieve our goals. This creates confusion among all levels, leaving even the team leader unsure of how to provide clear guidance. If this situation continues, frustrations will spread throughout the system and people will want to leave the system to maintain their health and well-being. Many private technical and management institutes seem to lack a clear sense of direction and purpose in their operations. It is crucial for organizations to have clearly defined mission and vision statements. Short term goals should be clear and free from any ambiguity. The path towards achieving our goals should be well lit and free of any obstacles. It is important for everyone in the system to understand their role in order to achieve our goals. An organization should keep in mind four steps to achieve success: Strategize with intention. Approach your preparations with a sense of reverence and mindfulness. Move forward with a positive mindset. Keep pushing forward.

#### D. Biased Work Culture

Encouraging bias has consistently proven to be detrimental to many organizations. It is worth noting that in many organizations, management often neglects to address legitimate employee concerns, leading to growing frustration among the staff. Some employees are being encouraged to gather system information and share it with management. The information is considered to be valuable and unbiased. Informers are highly regarded for their loyalty. They serve as the management's eyes and ears. Employees are being evaluated based on their academic credentials and industry experience, categorizing them as either valuable or ineffective. Employees who feel undervalued are being publicly criticized in the name of transparency in the system. This unusual situation undermines the system and creates a sense of despair that permeates the entire system. The situation worsens when the supposedly loyal soldiers of the organization begin criticizing the decisions and actions of their superiors. In such an unusual situation, employees are affected by the unhealthy environment and choose to leave the system without causing a disturbance. India is home to numerous closely knit organizations that may lack professionalism. These small organizations can be found across various industries in the country. Organizations must adopt an open and transparent policy that values and respects all individuals within it. The management needs to adopt a more forward-thinking approach and put in the necessary effort to develop a team of highly talented and skilled professionals who can significantly contribute to the success of the organization. Every issue should be evaluated based on its own merits, and it is crucial for each person to consider themselves as significant and unique. Professionals in leadership roles must focus on cultivating employee loyalty and dedication to the organization's mission, rather than prioritizing the acquisition of superficial knowledge about individuals. Put simply,

professionals should not be treated in an unprofessional manner.

#### *E. Insufficient Training*

Many organizations fail to prioritize the development of their employees' skills through regular training programs necessary for achieving goals. They believe it is an unnecessary expense, and people should be focused on their responsibilities. In order for professionals to effectively execute larger plans for organizations, it is crucial that they receive proper training. This poses a challenge for the organization. However, there are two approaches to overcoming challenges. Make adjustments to either the difficulties or the skills of employees in order to align with the requirements. Employees who encounter challenges often choose to leave the system as soon as they can. Training and development of employees in unorganized sectors in India is severely lacking in investment. Success can be achieved by carefully considering your actions and then taking decisive steps to follow through. According to experts, the level of preparation today has a direct impact on tomorrow's achievements.

#### *F. Motivation Driven by Fear*

Some organizations believe that individuals thrive when faced with high levels of pressure and job insecurity. According to one perspective, this element of fear plays a crucial role in bringing out the best in individuals. Restricting the individuality of employees will not lead to favourable outcomes. Leaders who effectively distribute authority and responsibility based on individual competencies can expedite processes and facilitate quicker decision-making. It gives individuals the ability to empower others who then report to them.

#### *G. Evaluating Professional Value*

At times, organizations unintentionally overlook the true potential of their employees, leading to discontent among all levels. This occurs as a result of a lack of enthusiasm for delving into the depths of human potential and attempting to handle matters with outdated and conservative notions. Only leaders with a keen eye can recognize talent within the system and harness its full potential. Harnessing one's potential is incredibly invigorating and rejuvenating. One of the most disheartening experiences in a professional setting is the sense of being unappreciated and overlooked. It is essential for every organization to conduct human resource accounting of its employees and regularly update its records. Tasks and challenges should be determined and assigned to individuals based on their academic background, experience, and areas of interest, in order to establish a meritocracy within the organization.

#### *H. A Culture Characterized as Hostility*

Organizations often encourage a culture where unprofessional language and angry outbursts are tolerated. Any misdemeanour can have a negative impact on the self-esteem or self-pride of employees. Occasionally, employees who have been deeply wounded by hurtful words hastily submit their resignation and fail to follow through with the necessary steps for resolving outstanding matters. Negative publicity spread through word of mouth can significantly damage the reputation of an organization. Respected organizations prioritize the use of gentle and calm language while ensuring timely fulfilment of client commitments. In order to accomplish a task, it is unnecessary to rely on the use of vulgar language. Many industries in India are now embracing this culture, which warrants a fresh evaluation. Even during challenging situations, it is important to maintain a professional and respectful environment within the organization. This does not provide a satisfactory resolution to the issues at hand. It is crucial to handle departing employees with great care, and management should strive to be exceptionally kind in order to establish a reputation as an employee-friendly organization. By incorporating small gestures of kindness, an organization can become highly desirable to potential employees.

### III. CONCLUSION

Organizations grappling with the challenge of high attrition rates must recognize that offering higher salaries and prestigious industry names are not the sole determining factors for employees to leave their current organization. There are numerous reasons. Organizations must prioritize checking and maintaining system hygiene to ensure employee trust remains intact. Unstable human resource can be a disadvantage for organizations and should be addressed by identifying and fixing any weaknesses. These steps will certainly help alleviate the pain of saying goodbye and being apart. This is how a win-win situation can be achieved for both organizations and employees.

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