

A STUDY ON THE INFLUENCE OF MOTIVATIONAL FACTORS ON STAFF INTENTION TO LEAVE IN AN EDUCATIONAL INDUSTRY

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ABSTRACT

The staff turnover continues to challenge the educational industry. The influence of motivational factors on staff intention to leave was studied to determine why staff has the intention to leave. A quantitative research method i.e. survey was used to collect primary data from 131 staff from few colleges/universities in the educational industry. Most of the respondents are lecturers. Data was analyzed using descriptive statistics that is frequencies and mean score and quantitative statistics namely Pearson correlation. Evidence based on the Pearson correlation shows that the motivational variables i.e. compensation strategy($r = -0.6829$) was found to have a negative and significant relationship to staff intention to leave. Compensation strategy one of the important factor and has the moderate impact on intention to leave. Based on the evidence, the findings are discussed, implications are drawn and suggestions made to college/universities. The implications of this study are on HR practices, motivation on staff, individual and career development. It is recommended that organizations select the right and committed staff designed an attractive compensation strategy.

Keywords: Compensation strategy, intention to leave, motivation on staff.

CHAPTER ONE

Introduction

1.1 Background of the Study

Over the past decades, private universities and colleges continue to face the problem of staff turnover or “brain drain” (Khuo 1981). Malaysian universities and colleges may still face the problem of high staff turnover though no studies have examined the extent of staff turnover in Malaysia in recent years. Turnover when the staff leaves the institution to join in other institution but when they have the intention to leave, it should be examined detailed to understand the factors that influence them to pursue with the decision. That is the reason the study on staff is to be focused further. With the respect to study and intention to leave, few findings suggested that highly educated employees are those who frequently have more employment availability and they are the one more frequently tempted to leave their jobs (Cordes and Dougherty, 1993; Blankertz and Robinson, 1997; Todd and Deery-Schmitt, 1996). Organisational tenure is also negatively related to employees' intention to leave the organization. Retention of staff is a desirable goal. High staff turnover is expensive for the institutions. Stable, productive staff reduces the use of per diem temporary staff and reduces the time and money needed to recruit and orient new staff. The expense in human resources is also high. This proposed study, explores the aspect of **compensation strategy** (Chang, Du and Huang, 2006) one of the factor that influence the staff intention to leave in Educational industry per say. This study is gathered from a number of colleges/universities around Selangor with the total of **131 staff** involved.

1.2 Problem Statement

In order to fulfill those requirements staff needs to be committed to their job. This may result in the motivational factors that influence them to have the intention to leave the job. To get a clear picture on the situation, the researcher decides to study on the findings of the situation. This study is concerned with the motivation factors influence staff intention to leave in Educational industry. Although intention to leave has been a popular research topic, there has never been any published researched study specifically on the intention to leave of staff in the private education sector in Educational industry.

1.3 Objectives of the Study

The objectives are formed based on the research problem and they are formulated to achieve the main goal of this study which is to examine the motivation factor that influence staff intention to leave as follows:

1. to identify the perception pertaining to **compensation strategy** for the staff;
2. to identify staff perception on **intention to leave**;

3. to examine the relationship between to **compensation strategy and intention leave** in Educational industry

1.4 Research Questions

RQ 1: What is the perception of the staff on the **compensation strategy**?

RQ 2: Is there a relationship between **compensation strategy and staff intention to leave**?

1.5 Research Hypotheses

The scope of this research is limited to identify the relationships of staff **compensation strategy and intention to leave**. Therefore, one hypothesis will be tested:

H1 – There is a relationship between **compensation strategy** and intention to leave.

1.6 Significant of study

In particular, Oliver (1990) has linked the study of organizational commitment to a “black box” condition in which various individual and organizational factors determine commitment levels and in turn affect certain behaviours. By doing this study, the researcher could improve the compensation strategy, where it will help in reducing the intention to leave by the staff. Besides that, the researcher could also improve the current motivational factors by implementing the HR practices in Educational industry

Secondly by using a sample of staffs working in a private institution of a higher learning (PHEIs) as the context of study that offers interest insights on the management of knowledge workers. This context forced urgent investigation as private institutions of higher learning (PHEIs) are playing an important role to support Malaysia’s mission to be the important educational hub. Moreover, having the knowledge workers are the key source of competitive advantage for the knowledge economy (Drucker, 1999) and most importantly, committed staffs will assist the Malaysian Government to develop the quality human capital required by Malaysia. Hence, highly skilled professionals should not be managed as disposable productive resources but rather should be considered as human beings with specific needs and interests (Pare & Tremblay, 2007).

1.7 Limitations of study

One of the limitations of the study is the financial constraint. This is because the study is done among the staff in Educational industry only and restricts the researcher to conduct the study further because it will involve few costs such as cost of travelling.

Second, this study used a convenient sample that is the staff in educational field which is easier to identify and access.

Finally is because of the time constraint given to complete on this study. The time given is limited as the duration to complete this study is only about four to five months. Therefore, it restricts the researcher to do further research as it will consume lots of time and involvement of higher cost.

1.8 Definitions of terms

There are many definitions from the researchers on the motivation factors that influence staff intention to leave in Educational industry.

Compensation

According to Dessler (2000), compensation refers to all forms of pay or rewards going to employees and arising from their employment. Compensation in the financial terms defines as the salary and wages you pay to your employees for the work they do. In the other hand, nonfinancial forms of compensation such as benefits can also be provided to attract and retain staff in an organisation.

Compensation can be one of the primary motivator for staff. Staff looks for jobs that not only suit their education background, experiences creativity and talents, but it indirectly compensates them where it can be both in terms of salary and other forms benefits. In the Human Resource field, compensation is one of the fastest changing fields’ practices, as organisations continue to investigate various ways of rewarding employees based on their performance.

Intention to Leave

A survey conducted by an international research firm recognized by Taylor Nelson Sofres (TNS) among 600 urban adults showed that job hopping is a phenomenon or a habit that employers have to contend with. The report showed that 58% of current Malaysians employees have worked for up to three companies in the past five years with 23% indicating their intention to change employers within the next coming years. Meanwhile, 74% of the younger employees or the fresh employees have changed employers over the past five years while 39% will change employers within the next two years. This report implies that organizations need to be more assertive and alert to strengthen employees’ job commitment.

CHAPTER TWO

REVIEW OF LITERATURE

2.1 Introduction

This chapter will discuss on the previous studies and theories related to employee motivation.

2.2 Previous Studies

2.2.1 The relationship between compensation strategy and intention to leave.

Research had found that in a salesperson's job, pay is an important component in satisfying them and has shown a significant predictor in their decision in the intention to quit job (McNeilly and Goldsmith, 1991). According to Porter and Steers (1973), the perceptions of pay equity will bring to the feelings of sense of satisfaction or dissatisfaction which in turn partially determines whether people will seek for new employment opportunities.

A research found in Africa, they indicated that if the salary has no changes for the employees and also in other benefits, it will highly contribute to workforce retention (Kober K, Van Damme W, 2006). It describe the same situation in a health sector in Uganda where, from the significant gap between salaries in Uganda, it seems being important for the compensation factors in order to avoid turnover and to reduce the intention to leave the health sector. From the research, they found that, the Catholic hospital database shows that the reason for the health workers leaving jobs in 2005 is due to low salary. In this case, the researcher suggested that to offer an affordable, immediate achievable compensation strategy so that the health care workers will absorb in the hospitals and will not leave (Kober and Damme, 2006).

According to Cloutier and Vilhuber, (2008), one of the key in HR perspectives that is used to affect the motivation and the performance of the employee is compensation. When the employee feels dissatisfied with the compensation strategy it will result in high turnover and will provokes the employee intention to leave that particular job or the company permanently. Hansen (2008) suggested that not the monetary alone worth in mentioning but employees are more attentive towards the non monetary rewards because it is more attractive and retention strategies focus on more than just financial compensation Kim, (2008).

Researchers', Park, et al, (1994) and Trevor, Barry, & Boudreau (1997) indentified that salary development had an effect on the employee's intention to leave the organisation. The salary growth effects the turnover when the salary given is high it will eventually gives a significant in reducing on employee turnover. There are some reasons for employee turnover in an organisation because of lack of recognition and lack of competitive compensation strategies offered to the employees (Abassi and Hollman 2000).

Providing lack rewards would be associated with the intention to leave (Bloom, et al, 1992). This is because in most local employment markets benefits and wages do not vary widely. The rewards may determine lower job satisfaction and intent to leave, but actually leaving for a higher pay or one with better benefits is unlikely motivates employees to leave.

As conclusion, compensation and benefits offered by organisation can be the prime factor for motivation and will provide job satisfaction among employees. Besides that, by providing a good and satisfied compensation to the employee it will directly motivate them to perform well and they will not seek for another better job. So as a result, pay is a form of motivation factor that will keep any staff loyal to the organization.

2.3 Theories Related to Motivational Factors

One of the theories which are well known on the factors that are related with the working environment in an organisation is the Frederick Herzberg (1966) theory. In this theory the two factors are the Herzberg's hygiene and motivational factors. The Hygiene factors or it is known also as the dissatisfies related with the working conditions, policies and administrative practices, salary and benefits, supervision, status, job security and on co workers. The motivators' factors or the satisfiers factor where most of the employee will enjoy this in their organisation such as the recognition, advancement in their job, growth, responsibilities and also on job challenge. Figure 2.1 explains, the Hygiene or "dissatisfies" factors must be present in the job before any motivator can be used to stimulate a person. Therefore, an employee cannot use any motivators until all the hygiene factors are met for instance factors such as the salary and benefit, supervision or job security. Some jobs are specifically related and will reflect some of the distinct things that people want from their work as opposed to the Maslow's Hierarchy of Needs which reflect all the needs only in a person's life.

Based on this model, Herzberg coined the term job enrichment, which is the process of redesigning work in order to build in motivators by increasing both the number of tasks that an employee performs and the control over those tasks. It is engaged with the design of jobs and the extension of job enlargement such as an increase in the number of tasks that an employee performs.

Figure 2.1 – Herzberg Two Factor Theory

Herzberg's Hygiene and Motivational Factors



Source: F. Herzberg. (1966). *Work and the Nature of Man*

2.4 Research framework

Referring to the research framework, (Figure 2.3) the independent variables from the motivational factors identified as the compensation strategy that influence the staff intention to leave in Educational industry. If the respondents feel that the compensation strategy is not satisfying their needs, then the intention of them leaving the job will be high.

According to Painter (1994), compensation was identified as an important predictor for the job, however Herzberg supported that salary will not create job satisfaction as it was the extrinsic factor of a job that will motivated them to leave the job. Thus, the inclusion of salary as an independent variable in this study will provide more insights into its impact on the intention to leave in Educational

Figure 2.3: Research Framework

Independent Variables

Compensation



H1

Dependent Variables

Intention to Leave

CHAPTER 3

METHODOLOGY

3.1 Introduction

This chapter outlines the methodology used in this research. The following issues are described: (a) Location of survey (b) the research design, (c) sample and respondents, (d) instrument and measurement, (e) data collection (f) pilot test and (g) data analysis in this chapter.

3.2 Location of survey

This research was conducted on colleges and universities around Klang Valley and Selangor. The researcher randomly selects few private colleges around this area and also few universities based on the convenient of the researcher.

3.3 Research design

According to Arabi (1993), research design is very important in a research because the research design can acts as a reference for future researcher to conduct research. A cross sectional survey method was used in this research. Questionnaires were conducted among the staff using electronic mail and also through personal approach to the staff. Data were collected within two weeks.

3.4 Population and Sampling

Population of this study is on the staff in Educational industry. There is total 150 samples were targeted but only 131 respondents has returned or gave the positive feedback on the research. This research was selected for this study using convenient sampling technique on voluntary basic.

3.5 Instrument and Measurement

The study contains on the instruments, as below:

1. The instrument used to measure compensation, designed by The Management of Illinois (2009) which consist 10 items. Each variable will be measured using 5 points response scales with anchors being (1) disagree (5) agree.
2. The instrument used to measure intention to leave, designed by Paige E. Miller (2007) which consist 10 items. Each variable will be measured using 5 points response scales with anchors being (1) disagree to (5) agree.

The research questionnaire was divided into 5 sections:

- Section A – Personal Information
- Section B – Compensation
- Section C – Intention to Leave

Variable	Source	No. of Items
1. Compensation	The Management of Illinois (2009)	10
2. Intention to Leave	Paige E. Miller (2007)	10

Each variable in the questionnaire was measured using five-point response scales, with anchors being (1) strongly disagree or never to (5) strongly agree.

3.6 Data collection

Before conducting the survey, special permission was obtained from the colleges and universities’ management authority. The questionnaire was collected using electronic mail and through personal approach. Follow up for electronic mail was used two weeks and through personal approach, questionnaires were collected on the same day.

3.7 Pilot test

The main purpose to conduct pilot test is to verify the reliability of the questionnaire. It also will help researcher to estimate how much time it takes to conduct one survey. The understanding of the questionnaire from the responds was analyzed and the further improvement was done before conduct actual survey. A number of 15 staff were involved in the pilot test.

3.8 Data Analysis

Researcher used the Statistical Package for Social Science (SPSS version 20.0 for window) to enter the data. The data were analyzed using both descriptive and inferential statistics. According to Zikmund (2000) stated that descriptive analysis designed used to transform raw data into a form that will make them easy to interpret and understand. Furthermore, descriptive statistics is used to obtain mean, mode, median, standard deviation and percentage will be used to discuss demographic respondents such as gender, race, age, marital status, educational level and number of year’s service. Inferential analysis namely Pearson Correlation was used for research hypothesis testing. Guilford rule of thumb was used to determine the strength of the correlation, refer to Table 3.1.

Table 3.1 Guilford rule of thumb

Value	Interpretation
0.1 – 0.3	Weak
0.4 – 0.6	Moderate
0.7 – 1.0	Strong

Source : Guildford J.P. & Frutcher P., 1973

CHAPTER FOUR

DATA ANALYSIS AND RESULTS

4.1 Introduction

In this chapter, the findings of the research are presented in four parts. The first part is a summary of demographic profile of the respondents. This is followed by the reliability test. The third part is the hypotheses testing which have postulated at earlier chapters. The final part is the summary of the chapter. The data collected were checked and analysed by using the statistical software named SPSS version 20.

4.2 Demographic Profile of Respondents

A total of 131 questionnaires were distributed where respondents comprised of mainly academicians and non academicians. The respondents had filled up the questionnaires completely or 100% had returned the questionnaires. From the statistics on the job designation had showed, there were 74.8% of the respondents are academicians whereby 18.3% respondents are non academicians.

As depicted in Table 4.1, there were more females staff compared to males which they were covered 61.8% from the overall percentage. This shows most of the colleges/universities recruits more female academicians compare to male academicians which comprises only 38.2% from the survey. In term of ethnicity, the respondents made up a total of 54.2% of Chinese, both 22.1% are Malays and Indians while the remaining 1.5% is respondents from other category. A study of staff intention to leave for this Chinese are the group of people that are very important not because they formed the majority but relatively these group are involved in the main influence for the college which can influence the majority students that studies in the college. In terms of educational background, the largest group fell into the degree level (63.4%) followed by the remaining 36.6% respondents are master holders. In table 4.1, there are two categories that differentiate on the faculty or department the respondents' reports to. For the academic position, they will be reporting to the faculty while the non academic will report to the department. The largest respondents are form the faculty of Faculty of Business 44.3% followed by 19.1% for the Faculty of Hospitality, 9.9 % from the Faculty of Engineering and the 9.2% are from the Faculty of Health Science. The table also explains on the non academic position, the highest are from the Librarian or the Assistant Librarian 9.2%, Administrator Officer 8%, both Marketing Officer and Secretary carries 2.3%, System Administrator 3.1% and the last falls in 1.5% as clerks. The total of 54 respondents have been working in the college for the less than 1 year, which comprises of 41.2% of the total population whereby 35 respondents have been working in the organisation between 2 to 3 years (26.7%), followed by 29 respondents (22.1 %) that worked between 1 – 2 years, 10 respondents worked for more than 10 years that comprises 7.6% and remaining 3 respondents have been working for 3 – 4 years (2.3%). Accumulated 131 sets of questionnaire were used for the data analysis and the summary of demographic profile of respondents is indicated in Table 4.1.

Table 4.1: Demographic profile

Categories	Frequency	Percentage of distribution (%)
Position		
Academic	98	74.8
Non Academic	34	25.9
Total	131	100
Gender		
Male	50	38.2
Female	81	61.8
Total	131	100
Race		
Malay	29	22.1
Chinese	71	54.2
Indian	29	22.1
Others	2	1.5
Total	131	100
Educational Background		
Degree	83	63.4
Master	48	36.6
Total	131	100
Faculty		
Faculty of Business	58	44.3
Faculty of Hospitality	25	19.1
Faculty of Health Science	12	9.2
Faculty of Engineering	13	9.9
Total	131	100
Department		
Administrator Office	1	8
Marketing Office	3	2.3
Clerk	2	1.5
Secretary	3	2.3
Librarian	12	9.2
System Administrator	4	3.1
Total	131	100
Duration		
Less than 1 year	54	41.2

1 – 2 years	29	22.1
2 – 3 years	35	26.7
3 – 4 years	3	2.3
More than 5 years	10	7.6
Total	131	100

4.3 Reliability Test

Reliability test was conducted in order to ascertain the internal validity and consistency of the items used for each variables. Cronbach’s alpha test was employed to determine variable reliability. Hair et al. (1998) suggests Cronbach’s Alpha values of more than 0.6 indicate high reliability. Based on this, any items with loading values of less than 0.5 would be omitted.

Table 4.2 below summarized the Cronbach’s Alpha score for each variable used for the research. From the table presented above, it is clearly stated that all the variables used in this research were reliable since it obtained the Cronbach’s Alpha more than 0.7.

Table 4.2: Summary of Cronbach’s Alpha Reliability Analysis

Variables	No. of Items	Cronbach’s Alpha
Intention to leave	10	0.740
Compensation Strategy	10	0.781

4.4. Descriptive Analysis of the Independent Variables.

Descriptive statistics were used to describe survey data that include mean and standard deviation to answer Objective 1. The mean and standard deviations value indicate the perception of respondents pertaining to Compensation Strategy.

4.4.1 Objective 1- To identify the perception pertaining to **compensation strategy** for the staff.

Table 4.3, shows the number of responses mean and standard deviation of the questionnaire item of staff perception of compensation strategy in Educational industry As rated by respondents, item 8 “The management has an insurance and medical plan for all” was the highest mean score of 4.00 and the second highest mean score 3.93 item 9 “The college reimburse the cost of training professional development”. The average mean score 3.20 indicates that on the whole staff perceive that in the Education industry it provides a moderately attractive compensation strategy.

Table 4.3: Compensation Strategy – Mean & Standard Deviation

Survey Instruments	Mean	Average Mean	Std. Deviation	Average Std. Deviation
1. There is a consistent and equitable system of rewards in my college.	3.20	3.20	0.941	0.934
2. The reward scheme budgeted for the financial year is honoured.	2.93		0.883	
3. I am satisfied with the reward system offered by the college.	3.13		0.639	
4. I will continue to work in this college because of the compensation given.	2.66		1.112	
5. I understand the reward system practiced and it is communicated to all the staff in the college.	3.33		1.175	
6. The staff are rewarded every year in the college.	2.86		1.060	
4. I am satisfied with the rewards that I receive for my job	3.13		0.833	
5. The management has an insurance and medical plan for all.	4.00		0.755	
6. The college reimburse the cost of training professional development.	3.53		1.060	
7. I am satisfied with the compensation and benefits provided by the college.	3.26		0.883	

4.4.2 Objective 2 - To identify staff perception on intention to leave.

Based on the mean score and using an indicator as can be seen in Table 4.6 where the perceptions has been divided into 3 levels from the scale 1-5, for example the 3 levels are categories as follow $(5-1)/3=1.333$ therefore the range for each level is 1.333 The details for the categories refer to Table 4.6.

Table 4.6: Indicator of level of staff intention to leave

Value	Interpretation
1 – 2.33	Low
2.34 – 3.66	Moderate
3.67 – 5.00	High

Table 4.7, shows the number of responses mean and standard deviation of the questionnaire item of staff perception on intention to leave in Educational industry As rated by respondents, item 6 (Deciding to stay or leave my position is not a main issue for me at this point of time.), was the highest mean score of 3.80 and the second highest mean score 3.33 item 4 (I do not have any idea how much longer I will stay.). Based on the indicator level from Table 4.6, the means score 2.83 intention to leave shows the intention to leave is at the moderate level.

Table 4.7: Staff Intention to Leave

Survey Instruments	Mean	Average Mean	Std. Deviation	Average Std. Deviation
1. I plan to stay in my position.	3.20	2.83	0.676	0.892
2. I intend to leave the college for better prospects.	2.80		0.941	
3. If I get another job offer tomorrow, I would consider.	3.26		1.279	
4. I do not have any idea how much longer I will stay.	3.33		1.046	
5. I doubt as to whether or not I want to stay in this college.	2.33		0.816	
6. Deciding to stay or leave my position is not a main issue for me at this point of time.	3.80		0.676	
7. I know whether or not I will be leaving this college within short time.	2.66		1.046	
8. Recently, I have been seriously thinking about looking for a new job.	2.20		0.941	
9. I have no intentions of leaving my present position.	1.86		0.833	
10. I plan to leave this position shortly.	3.20		0.670	

4.4.3 Objective 3 - To examine the relationship between compensation among staff and intention to leave in Educational Industry

The analysis used Pearson Correlation statistics to determine there is a relationship between the compensation strategy, with the intention to leave. Based on the Table 4.8, the results of Pearson Correlation analysis shows there is a negative and significant correlation between compensation strategy and intention to leave, where $r = -0.6829^{**}$ $p < 0.05$. It means that the more positive staff perceives the compensation strategy provided by the colleges/universities is the less likelihood for them to leave. Based on the Guildford rule of thumb the strength of the correlation for compensation strategy and intention to leave ($r=-.628$) is moderate therefore the hypotheses 1 that state there is a relationship between compensation strategy and intention to leave is accepted.

Table 4.8: Relationship between compensation strategy, and Intention to leave – Pearson Correlation

		ITL2	Compensation
ITL2	Pearson Correlation	1	-.682**
	Sig. (2-tailed)		.000
Compensation	Pearson Correlation	-.682**	1
	Sig. (2-tailed)	.000	

4.6 Summary

A demographic finding on respondents has been discussed at the earlier part of this chapter. Next, Cronbach's Coefficient Alpha is used to test the reliability of the newly construct research framework. Then, the study conducted a hypotheses testing were preceded. The result revealed that H1 hypotheses accepted that gives impact to intention to leave.

CHAPTER FIVE

DISCUSSION AND CONCLUSION

5.1 Introduction

This chapter will present the discussion of the overall findings from the quantitative data.

5.2 Summary of main findings

The main aim of this research was to study the influence of motivational factors on staff intention to leave Educational industry. This was a quantitative research where the objectives were to:

1. to identify the perception pertaining to compensation strategy for the staff;
2. to identify staff perception on intention to leave;
3. to examine the impact of motivational factors on intention to leave.

Based on the above objectives the following is the summary of the findings:

Finding 1: Staff's Perception on Compensation strategy

The mean and standard deviation of the questionnaire item of staff perception of compensation strategy in Educational industry The highest mean score of 4.00 and the second highest mean score 3.93 while the average mean score 3.20 indicates that on the whole staff perceive provides a moderately attractive compensation strategy.

Finding 2: Staff perception on intention to leave

Staff perception on intention to leave in educational industry shows the highest mean score of 3.80 and the second highest mean score 3.33. Based on the indicator level from Table 4.6, the means score 2.83 intention to leave shows the intention to leave is at the moderate level.

Finding 3: The relationship between compensation strategy and intention to leave.

The relationship on the compensation strategy, and intention to leave shows there is a negative and significant correlation between compensation strategy where R value shows -0.6829(**) and intention to leave. Based on Guildford rule of thumb, the strength of correlation compensation strategy is at the moderate level.

5.3 Discussion

The results from the correlations shows there is a negative and significant correlation between compensation strategy where r value shows -0.6829(**) and intention to leave. Based on Guildford rule of thumb, the strength of correlation of compensation strategy is at the moderate level. Further discussion and interpretation of the findings is stated below:

5.3.1 Compensation Strategy and Intention to Leave

This study identified compensation strategy as one of the most important factors that influence staff intention to leave. Compensation strategy correlation to intention to leave was moderate and significant ($r = -.682^{**}$, $p < 0.01$). The salary growth effects the turnover when the salary given is high it will eventually gives a significant in reducing on employee turnover. According to Cloutier and Vilhuber, (2008), Cardoso and Monfardini, (2008), one of the key in HR perspectives that is used to affect the motivation and the performance of the employee is compensation. When the employee feels dissatisfied with the compensation strategy it will result in high turnover and will provokes the employee intention to leave that particular job or the company permanently. Hansen (2008) suggested that not the monetary alone worth in mentioning but employees are more attentive towards the non monetary rewards because it is more attractive and retention strategies focus on more than just financial compensation Kim, (2008).

A research found in Africa, they indicated that if the salary has no changes for the employees and also in other benefits, it will highly contribute to workforce retention (Kober K, Van Damme W, 2006). It describe the same situation in a health sector in Uganda where, from the significant gap between salaries in Uganda, it seems being important for the compensation factors in order to avoid turnover and to reduce the intention to leave the health sector. From the research, they found that, the Catholic hospital database shows that the reason for the health workers leaving jobs in 2005 is due to low salary. In this case, the researcher suggested that to offer an affordable, immediate achievable compensation strategy so that the health care workers will absorb in the hospitals and will not leave (Kober K, Van Damme W, 2006).

Hotel industry in Kuching, Sarawak used as a case study. Information gathered from seven employees involving in the in-depth interviews showed that the hotels generally used fixed salary system plus variable pay for example productivity, performance and/or profitability to reward their employees. Specifically, some hotels in the industry have not used similar approaches to design the type, level and/or amount of pay. These differences are strongly influenced by the owners' interests, external hotel factors such as competitors' pay and internal hotel factors and the ability to pay. In order to achieve hotel strategy and goals, management teams have allowed their employees to involve in the design and administration of pay systems. For instance, employees' views, comments and suggestions are sought by hotel management as an input to establish the goals, level and structure of compensation system. Although such participation styles are practiced widely, majority employees feels that the type

of pay that they receive does not meet their level of expectations, as well as the pays are not consistently and sufficiently explained in organizations. These conditions made the employees' feelings of injustice, thus lead to increased negative personal outcomes, such as decrease job satisfaction and they had an intention to find another job.

5.4 Implications

Staff intention to leave are becoming more complex and challenging in the education context. To motivate and to sustain the staff in the workplace is a question to be answered. Based on this study, the compensation strategy is mainly to look into consideration. To keep the staff in the college, the management must be technically competent and for the longer term, adaptability and flexibility that includes ability of satisfying the needs and willingness to change are also important. The findings of this study that compensation strategy is the factors influence the staff intention to leave as follows:

5.4.1 Implications on Human Resource Practices.

This study also reveals the implications on human resource practices. Special compensation system can be developed to the staff based on their competency level. A higher percentage of compensation would be tied to competency in the management rather to market driven connectivity. Specialised compensation strategies that include competency requirements have the effect of attracting and retaining staff in a workplace (Fawcett, Rhoads, & Burnah, 2004). The human resource functions faces many challenges related to employee turnover and creating practices that will be consistently applied in different parts in an organisation while also incorporating local practices and cultures plus communicating consistently. Without standardized assessment, selection, development, and compensation practices to select the right people plus develop and motivate them with HR plans that are aligned to corporate objectives, organizations cannot face the challenges if they want create a satisfied working environment. Compensation and other HR programs and practices should look into seriously.

A recent report from Hewitt Associates highlighted that consideration need to be given to compensation pay practices. Multinationals need to focus on the effectiveness of a competitive compensation package that is fair and attractive to motivate the staff and companies can conduct their own compensation survey.

5.4.2 Implication on Motivation of Staff.

This study also reveals that motivation is important for staff in order to keep them in the college. To overcome the challenges of more complex jobs and feeling undervalue, staff must be motivated to accept the college situation. Motivation includes motivation to work diligently, satisfied, perseverance and taking initiative. This is consistent with study published by Frederick Herzberg found that staff will be motivated if the hygiene factor is being satisfied. Without being motivated, staff performance can be low and result in leaving the college.

5.4.3 Implication on Individual

The implications to individuals for this path suggest that managers and employees may need to participate in career path activities and work with organizations to increase satisfaction and commitment in their careers and career paths (Goulet & Singh, 2002). The outcome of career success for individuals may include defining the pathway to the goal and believing the goal is attainable (Argyris, 1970). The career paths are associated with intrinsic and extrinsic rewards (Adamson, 1997; Callanan, 2003) that lead to attitudes and behaviors including job satisfaction, career commitment, and performance. Thus, employees need to work with organizations to ensure individual motivational factors are aligned with work behaviors in an effort to continue career resilience (London, 1983) and to maintain the motivation to increase performance (Day & Allen, 2002; London, 1983, London & Mone, 1987). Additionally, individuals need to perceive that the benefits of increased performance exceed the costs of accepting the organization signal (Spence, 1973) in an effort to obtain more appealing job opportunities to sustain membership in the current organization (Sehgal, 1983).

Individuals need to participate in career path activities and work with organizations to develop and design programs that will ensure individual success. This success is defined as job satisfaction, career commitment, and performance. More specifically, employees need to work with organizations to ensure individual motivational factors are aligned with work behaviours in an effort to be motivated to continue to increase performance (Day & Allen, 2002; London, 1983, London & Mone, 1987). Additionally, individuals need to decide whether the benefits of the signal (Spence, 1973) to maintain increased performance are greater than the costs.

5.5 Conclusion

Results of the study confirmed that compensation strategy has a moderate negative relationship with staff intention to leave. In colleges, just as in other organizations, committed staffs are the organizations' invaluable assets. Knowing this, administrators and management should put an effort to make their staff satisfied. Once satisfied, staff would in return contribute more to the college, helping it to achieve its objectives. The research has also identified three factors that contribute significantly toward staff intention to leave, compensation strategy is important factor in determining the staff intention to leave Educational industry. Thus, these factors need to be given due attention by management. Promotional opportunities should be perceived as fair and rewarding, while workload assigned should be on par with the staff competencies and remuneration scale.

5.6 Recommendations

To be successful, the key factor is selecting the right candidate and organizations must motivate and support the staff and support strategies should continue and this will increase motivation and decrease incidents of staff intention leaving. Organizations are encouraged to select the right candidates with both job fit and organization fit, train the candidates in job related skills and cultural differences and motivate them through compensation and support programs. International human resource practitioners emphasized selecting and training staff on their respective area. The recommendations to organizations are elaborated below:

5.6.1 Selection of right and committed staff.

The key success factor is selecting the right person for the job and the first recommendation is that the selection of employees for their assigned position should involve much more than selecting the person with the right skills sets. Several factors must be

considered when selecting staff, including relational skills, ability to adapt to cultures, commitments and personality traits. When selecting candidates for lecturers for instance, the college can focus their selection on candidates who fit the key dimensions. Organization fit and job fit are important and based on this study, job knowledge and motivation must be the main criteria that people are selected for global postings which is consistent with a study by Webb and Wright (1996) which stated that ninety percent of the time organizations select employees on the basis of their expertise. However, as stated by Tung (1987), instead of selecting solely on the basis of their competence, consideration should also be given to the various traits especially relational skills and adaptability that will enable the staff to adapt and form relationships. Staff with job knowledge and strong flexibility and adaptability can increase the chances of success and this includes emotional stability, self confidence and ability to handle stress. Adaptability screening and personality tests are recommended as they can be utilized to further ensure success of staff (Dessler, 2009). Personality tests can further increase the chances of success. As stated by Caliguri (2000), personality characteristics of openness and social ability are important and emotional stability and ability to manage stress enables staff to cope with their new environment. Staff who are emotionally stable and with high stress management abilities are able to work effectively when under stress and will be able to work for a longer duration in the workplace.

5.6.2 Designing an attractive compensation strategy

Compensation strategy is to give the right rewards for the right employee behaviors. Compensation is an important motivator when you reward achievement of the desired organizational results. It is said "that money is a powerful source of motivation." But it is also said that salary increase can only motivate until the next pay increase is due. Achievement of the desired behaviors is important in order to enhance your organization's effectiveness. In turn, this increases the possibility of success.

Compensation strategy can reinforce the organizational culture that you desire. This is an enabling organizational culture under which pay is linked to performance. There are two types of rewards that can be introduced by the college such as, monetary and non-monetary. Monetary rewards include salary, bonus, commissions, medical and health benefits, holidays, and retirement benefits. Among the non-monetary rewards are meaningful and challenging works, recognition and career advancement, safe and healthy working environment, and fair treatment. The college can also think of increasing the pay based on employee's length of time spent on the job. (Dessler, 2010). This is seniority-based pay that is a good motivator in employee retention and also on their performance-based pay is intended to motivate employees to perform better. Such a plan is becoming more common whereby the manager and employee agree on the job goals and performance criteria at the beginning of a specified period, usually at the beginning of the year. The effect of this as a motivator can vary from time to time and from situation to situation.

According to Robbins (2010), pay can be increases based on job-related skills and knowledge. This is intended to motivate the staff to gain additional skills, acquire new competencies and knowledge. Under this method, the pay for the staff for the job they are-doing, their job title or seniority. This is competency-based pay.

Compensation strategy can also be considered by implementing a policy whereby employees are given salary increases when the college can afford to give them, in arrears. This ensures that good performers will continue to perform. They know that they will get what is due to them. In order to ensure that this is done properly, ensure that the annual performance appraisal is done as usual.

Giving salary increase to an under-performer is not justified. There are organizations who have implemented a policy that employees who are in the last five percent of the performance bracket will have to go.

The college can also introduce by size of merit increase where this usually consists of payment in respect of performance level. A merit increase that is perceived as significant by staff can motivate them to perform better.

5.6.3 Combination of qualitative and quantitative research using larger samples.

Quantitative measures are standardized and can be measured more easily but may not be flexible enough. Qualitative research can provide researchers with more accurate findings but analysis can be more difficult. Qualitative research approach is more flexible and can permit the researcher to study certain topics in depth (Patton, 1990). A combination of quantitative and qualitative research can provide more depth. In addition, an increase in the sample size to further study success of staff in terms of different institutional, performance and completion of the staff can provide more accurate results.

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