Retention Challenges and Sustainable HRM Practices in Private Universities

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Abstract:

Employee retention has emerged as a critical strategic challenge for private universities, where competitive pressures, contractual employment, and evolving faculty expectations contribute to persistent attrition. Traditional retention mechanisms—largely focused on compensation and short-term incentives—have proven insufficient in addressing the complex and long-term nature of faculty turnover. This study examines employee retention challenges in private universities through the lens of **Sustainable Human Resource Management (HRM)** and explores how sustainable HRM practices contribute to enhanced employee satisfaction and retention intentions.

Using a mixed-method approach, primary data were collected from **285 teaching employees across 12 private universities in India**. Quantitative analysis, including correlation and exploratory factor analysis, was complemented by qualitative insights derived from open-ended responses. The findings indicate that retention challenges are strongly associated with non-financial factors such as leadership support, recognition, career development opportunities, role clarity, and work environment sustainability. Sustainable HRM practices addressing these dimensions significantly enhance employee satisfaction, which in turn mediates retention outcomes.

The study proposes a **Sustainable Academic HRM Framework** that integrates people-centric practices, long-term workforce planning, and supportive leadership to mitigate attrition risks. The paper contributes to the higher education HRM literature by empirically linking retention challenges with sustainable HRM practices in private universities and offers actionable recommendations for academic leaders and policymakers seeking to build stable and engaged academic workforces.

Keywords: Employee Retention, Sustainable HRM, Retention Challenges, Private Universities, Faculty Satisfaction, Academic Workforce Sustainability

Introduction: The rapid expansion of private universities has reshaped the higher education landscape in India, improving access and diversification while simultaneously intensifying human resource challenges—most notably, high levels of faculty attrition. Persistent employee turnover disrupts academic continuity, weakens institutional reputation, and adversely affects student learning outcomes.

Employee retention in higher education can no longer be treated as a short-term administrative issue; rather, it represents a strategic and sustainability-oriented HR challenge. Private universities operate under market-driven conditions characterised by performance pressures, contractual employment, and limited long-term security, making faculty retention particularly complex. Consequently, attrition is closely linked to how institutions design and implement long-term HR policies.

Recent scholarship identifies **Sustainable Human Resource Management (HRM)** as a promising framework for addressing retention challenges by integrating employee well-being, development, fairness, and organisational continuity. Unlike transactional HR approaches, sustainable HRM emphasises supportive leadership, continuous professional development, recognition, transparent communication, and sustained employee engagement.

Despite increasing conceptual interest, empirical evidence on sustainable HRM and employee retention within Indian private universities remains limited. Existing studies often examine isolated factors such as compensation or job satisfaction, without adopting an integrated sustainability-oriented perspective. This study addresses this gap by analysing key retention challenges and examining how sustainable HRM practices influence employee satisfaction and retention intentions.

This study contributes to the literature in three ways. First, it empirically examines faculty retention challenges in private universities through a sustainable HRM lens. Second, it establishes employee satisfaction as a mediating mechanism linking sustainable HRM practices to retention intentions. Third, it offers policy-relevant insights for higher education institutions seeking economically efficient and sustainable workforce strategies.

Objectives of the Study:

1. To examine the key challenges and retention-related issues contributing to employee attrition among teaching staff in private universities.
2. To assess the role of sustainable Human Resource Management (HRM) practices in addressing employee retention challenges in private higher education institutions.
3. To evaluate the mediating role of employee satisfaction in the relationship between sustainable HRM practices and employee retention intentions, and to propose a sustainable HRM framework for private universities.

Literature Review: Employee retention has gained increasing scholarly attention due to its direct implications for organisational stability, performance, and long-term sustainability. In knowledge-intensive sectors such as higher education, human capital represents a critical strategic resource, making employee attrition particularly costly for institutions (Barney, 1991). Private universities, operating under competitive and market-driven conditions, face persistent challenges in retaining qualified teaching staff, which adversely affects academic continuity and institutional reputation (Dee and Daly, 2007).

Early studies on employee retention predominantly focused on extrinsic factors such as compensation, benefits, and job security (Hom and Griffeth, 1995). However, recent research highlights the limited effectiveness of purely financial retention strategies, especially in academic environments where intrinsic motivation, professional identity, and career development play a central role (Allen et al., 2010). This shift has led to growing interest in **Sustainable Human Resource Management (HRM)** as a framework capable of addressing retention challenges from a long-term and holistic perspective.

Sustainable HRM emphasises the integration of organisational objectives with employee well-being, fairness, and continuous development, rather than short-term efficiency alone (Ehnert, 2009; Kramar, 2014). From this perspective, employee retention is viewed as an outcome of ethical HR practices, supportive leadership, and long-term investment in human capital. Organisations adopting sustainable HRM practices are therefore more likely to achieve workforce stability and sustained performance (De Prins et al., 2014).

In the context of private universities, empirical evidence suggests that retention challenges are primarily driven by non-financial factors such as inadequate leadership support, unclear career progression, excessive workload, and lack of recognition (Bala, 2021; Verma and Bains, 2024). These factors negatively influence employee satisfaction and weaken organisational commitment, thereby increasing turnover intentions. Studies conducted in Indian private higher education institutions further indicate that ambiguity in promotion policies and limited professional development opportunities significantly contribute to faculty attrition (Kavidayal and Bhatt, 2021; Monga and Monga, 2018).

Sustainable HRM literature argues that such challenges can be mitigated through people-centric HR practices that emphasise participative leadership, transparent appraisal systems, continuous learning opportunities, and supportive work environments (Ehnert et al., 2016). These practices enhance employees' perceptions of fairness and long-term employability, fostering stronger psychological attachment to the institution and reducing turnover intentions.

Employee satisfaction has been widely recognised as a critical mechanism through which HR practices influence retention outcomes. Herzberg's (1959) Two-Factor Theory highlights the role of intrinsic motivators such as recognition, achievement, and growth in enhancing satisfaction and commitment. Similarly, Perceived Organisational Support theory posits that employees who feel valued and supported by their organisation are more likely to reciprocate through loyalty and continued association (Eisenberger et al., 1990). These theoretical perspectives underscore the mediating role of satisfaction in the relationship between HR practices and employee retention.

Recent empirical studies in higher education confirm this mediating effect. Bag (2022) demonstrates that employee satisfaction significantly mediates the relationship between HR practices and retention intentions in private colleges. Likewise, Bhatia and Williams (2023) find that leadership support and career development opportunities enhance job satisfaction, which in turn reduces turnover intentions among academic staff. These findings suggest that employee satisfaction is not merely an outcome of HR policies but a strategic variable through which sustainable HRM practices influence long-term retention.

Overall, the literature supports the integration of retention challenges and sustainable HRM practices into a unified analytical framework. Such an approach is particularly relevant for private universities seeking long-term workforce
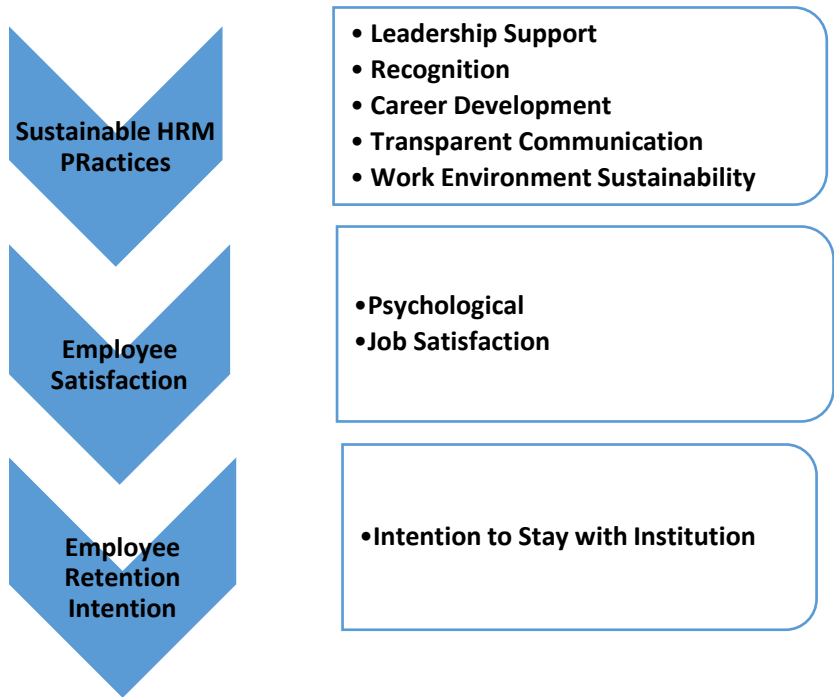
stability and institutional sustainability. By embedding sustainability principles into HR strategies and recognising employee satisfaction as a central mediating mechanism, private universities can adopt more resilient, ethical, and effective models of employee retention.

Conceptual Framework: Sustainable HRM and Retention

Independent Variable: Sustainable HRM Practices
(Leadership support, recognition, career development, transparent communication, work environment sustainability)

Mediating Variable: Employee Satisfaction

Dependent Variable: Employee Retention Intentions

Sustainable HRM PRactices
- Leadership Support
- Recognition
- Career Development
- Transparent Communication
- Work Environment Sustainability

Employee Satisfaction
- Psychological
- Job Satisfaction

Employee Retention Intention
- Intention to Stay with Institution

Framework Structure

The proposed conceptual framework is grounded in the Sustainable Human Resource Management (HRM) perspective, which emphasises long-term alignment between organisational objectives and employee well-being. In private universities, retention challenges extend beyond financial considerations and are strongly influenced by leadership support, recognition, career development, transparent communication, and a sustainable work environment. These sustainable HRM practices shape employees' perceptions of fairness and organisational support, thereby enhancing employee satisfaction. Drawing on Herzberg's Two-Factor Theory and Perceived Organisational Support theory, the framework positions employee satisfaction as a key mediating mechanism through which sustainable HRM practices influence retention intentions. Satisfied employees are more likely to develop psychological attachment and commitment to their institution, reducing turnover intentions. By integrating sustainable HRM practices, employee satisfaction, and retention intentions into a unified model, the framework provides a theoretically sound and empirically testable explanation of employee retention in private universities, offering valuable insights for both academic research and institutional HR policy. From an efficiency perspective, sustainable HRM practices reduce attrition-related transaction and replacement costs.

Hypotheses:

- H1: Retention-related challenges (such as leadership support, career growth opportunities, recognition, and work environment) have a significant negative relationship with employee retention intentions in private universities.

- H2: Sustainable HRM practices have a significant positive effect on employee retention intentions in private universities.

- H3: Employee satisfaction mediates the relationship between sustainable HRM practices and retention intentions in private universities.

Methodology:

1. **Research Design:** This study adopts a **mixed-method research design**, combining quantitative and qualitative approaches to provide a comprehensive understanding of employee retention challenges and sustainable HRM practices in private universities. The quantitative component forms the core of the analysis and is used to test the proposed hypotheses and mediation relationships, while qualitative insights from open-ended responses complement the statistical findings by capturing contextual nuances of faculty experiences.

2. **Sample and Data Collection:** Primary data were collected from **285 teaching employees** working in **12 private universities in India**. The sample included faculty members from diverse academic disciplines and designations, ensuring adequate representation of the private higher education sector. A **non-probability purposive sampling technique** was employed, as the study specifically targeted teaching staff with sufficient exposure to institutional HR practices. Data were gathered using a **structured questionnaire** administered both online and in person.

3. **Measurement of Variables:** All constructs were measured using **multi-item scales** adapted from established literature and contextualised to the higher education environment. Responses were recorded on a **five-point Likert scale** ranging from 1 (*strongly disagree*) to 5 (*strongly agree*).

- **Sustainable HRM Practices** were operationalised as a multidimensional construct encompassing leadership support, recognition, career development, transparent communication, and work environment sustainability.

- **Employee Satisfaction** captured faculty members' overall evaluative and emotional responses to institutional HR practices.

- **Employee Retention Intentions** reflected respondents' intention to remain with their current institution over the foreseeable future.

4. **Data Analysis Techniques:** Data analysis was conducted in multiple stages. First, **descriptive statistics** were used to summarise respondent characteristics and overall perceptions. Second, **reliability analysis** using Cronbach's alpha was performed to assess internal consistency of the measurement scales. Third, **exploratory factor analysis (EFA)** was employed to examine construct validity and confirm the underlying factor structure of sustainable HRM practices.

   To test the hypothesised relationships, **correlation and regression analyses** were conducted. The mediating role of employee satisfaction in the relationship between sustainable HRM practices and employee retention intentions was examined using **regression-based mediation analysis**, following established procedures recommended in the literature. This approach enabled assessment of both direct and indirect effects, ensuring robust testing of the conceptual framework.

5. **Methodological Rigor**: Common method bias was minimised through procedural remedies, including assured respondent anonymity and careful item wording. The combination of quantitative testing and qualitative insights enhanced the validity and explanatory depth of the findings, making the results both statistically robust and contextually meaningful.

Key Findings: The findings reveal that employee attrition in private universities is primarily driven by non-monetary challenges such as weak leadership engagement, limited career progression, insufficient recognition, and lack of institutional support. Sustainable HRM practices addressing these issues demonstrate a strong positive relationship with employee satisfaction. Employee satisfaction, in turn, significantly predicts retention intentions, confirming its mediating role.

Discussion: The findings reinforce the view that employee retention in private universities cannot be effectively managed through short-term or purely financial interventions. Instead, retention outcomes are shaped by structural and behavioural

factors embedded within institutional HR systems. Consistent with the Sustainable Human Resource Management (HRM) perspective, challenges such as inadequate leadership support, limited career progression, and insufficient recognition significantly weaken employee satisfaction and increase attrition intentions.

From a theoretical standpoint, the study extends Sustainable HRM literature by empirically validating its relevance in market-driven higher education contexts. While prior research has largely advanced conceptual arguments, this study demonstrates that sustainable HRM practices enhance retention intentions primarily through improved employee satisfaction. The mediating role of satisfaction aligns with Herzberg's Two-Factor Theory and Perceived Organisational Support theory, underscoring the importance of intrinsic motivation and perceived fairness in retention decisions.

The findings also contribute to the economics of human capital by highlighting the inefficiency of neglecting non-financial retention drivers. High attrition generates recurring recruitment and training costs and disrupts academic productivity, whereas sustainable HRM practices operate as long-term investments that support workforce stability. In this context, private universities that adopt sustainability-oriented HR strategies are better positioned to mitigate retention risks, strengthen organisational commitment, and ensure institutional continuity.

Limitations and Future Research: This study has certain limitations that should be acknowledged. First, the data were collected from teaching employees of private universities, which may limit the generalisability of the findings to public universities or other educational contexts. Second, the cross-sectional research design restricts the ability to draw causal inferences between sustainable HRM practices, employee satisfaction, and retention intentions. Third, the study relies on self-reported responses, which may be subject to common method bias.

Future research may address these limitations by employing longitudinal research designs to examine retention dynamics over time and by extending the framework to public universities or cross-country contexts. Further studies could also incorporate additional mediating or moderating variables, such as organisational commitment or leadership styles, to deepen understanding of retention mechanisms.

Recommendations:

- Institutionalise sustainable HRM policies focused on long-term faculty development

- Strengthen leadership accountability and supportive management practices

- Implement transparent promotion and appraisal systems

- Develop continuous feedback and recognition mechanisms

Conclusion: This study set out to examine employee retention challenges in private universities and to assess the role of Sustainable HRM practices in addressing these challenges. The findings clearly indicate that retention is not merely an outcome of compensation or job security, but rather a function of how institutions design and implement long-term, people-centric HR systems. Sustainable HRM practices significantly enhance employee satisfaction, which in turn mediates retention intentions among teaching staff.

By empirically validating the mediating role of employee satisfaction, this study advances existing retention literature and positions satisfaction as a strategic mechanism through which sustainable HRM practices influence long-term workforce stability. The proposed Sustainable HRM framework offers a practical blueprint for private universities seeking to balance economic efficiency with employee well-being and organisational sustainability.

From a managerial and policy perspective, the study highlights the need for private universities to move beyond short-term retention tactics and adopt holistic HR strategies that prioritise leadership quality, career development, and institutional support. Such an approach not only reduces attrition costs but also strengthens academic performance and institutional resilience.

In conclusion, employee retention in private universities should be viewed as a sustainability issue rather than a transactional HR problem. Institutions that invest in sustainable HRM practices are more likely to achieve stable, committed, and high-performing academic workforces, thereby securing their long-term competitive and educational outcomes.

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