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Factors Affecting Employee Retention of a State University in Eastern Visayas, Philippines

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Abstract- A low employee retention rate is incredibly disruptive to the growth of an organization. The study examined the needs of employees of a State University in Eastern Visayas, Philippines to remain in the organization for the maximum amount of time. The study investigated the factors of employee retention of the said state university. A survey was conducted using a structured questionnaire among 218 employees randomly selected from the two campuses of a State University. Descriptive analysis was used to analyze the respondents' sociodemographic characteristics, employment profile, retention awareness, and willingness to stay in the university. Binary logistics regression was employed to identify the factors affecting employee retention of a state university in Eastern Visayas, Philippines. Results showed that out of the eight sociodemographic variables examined, only the employee's age significantly influenced job retention. This implies that as the employee gets older, he/she will likely remain or stay in the university. Regression results showed that workload, work flexibility, organizational culture, and leadership were significant factors of employee retention.

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I. Introduction

mployee retention is essential to the growth and stability of any organization. High turnover can significantly disrupt operations and lead to increased costs due to hiring delays, on boarding, and training of replacements. Employees are the backbone of organizations- they drive performance, deliver services, and ensure that goals are achieved. Retention, defined as an organization's ability to keep its employees for the longest possible time, depends on several factors such as benefits, workplace environment, leadership quality, flexible work arrangements, and opportunities for career development (Paulsen, 2021; Kaur, 2017). Talented employees are difficult to replace, and their loss negatively impacts productivity and organizational efficiency (Das & Baruah, 2013).

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In recent years, high employee turnover has become a pressing concern across various sectors, including state colleges and universities. These institutions are particularly affected, as they often employ non-regular staff such as job orders, contract workers, and part-time instructors. One state university in Eastern Visayas has experienced the loss of 159 non-regular employees between 2018 and 2023, including 51 Job Orders, 43 Contract of Service (COS) instructors, 44 COS non-teaching staff, and 21 part-time instructors. The lowest recorded retention rate was 89% in 2020, which falls below the generally acceptable range of 90.7% to 100% (Walker, 2023). These resignations were mostly voluntary, indicating the need for better retention strategies.

Despite the growing importance of this issue, there is a lack of research focused on employee retention in the context of Philippine state universities. Understanding the factors that influence employees to stay or leave is critical for improving retention policies. This study aims to investigate these factors to help state universities- particularly in Eastern Visayas- develop effective, employee-centered strategies that will encourage commitment and reduce turnover among non-regular personnel.

This study generally aimed to identify the factors that influence employee retention in a state university. Specifically, it sought to analyze the key determinants affecting their decision to stay or leave the organization, and propose effective strategies that the university can implement to achieve a higher employee retention rate based on the results of the analysis.

II. LITERATURE REVIEW

Employees are the cornerstone of organizational success, with human resource management playing a crucial role in ensuring their value, safety, and development (Imm, 2021; Garavan, 2007). Strategic HRM fosters effectiveness and adaptability, while hiring competent staff significantly influences outcomes (Cardona & Stevens, 2004; Sands, 2022). Employee retention, the ability to minimize staff turnover, is vital for organizational stability, especially in sectors like education, where negative labor turnover has been recorded (PSA, 2021). Teachers, being central to educational institutions, require careful recruitment

aligned with DepEd and CHED standards (Bulawat, 2020).

Several factors influence retention. Sociodemographic characteristics such as age, education, and alternative income sources employees' decisions to stay (Caredo et al., 2022; Medallion, 2020; Labraguea et al., 2018; Caringal-Go & Hechanova, 2018). Career development opportunities also reduce turnover, as employees who see growth potential show greater commitment (Salleh et al., 2020; Guzman et al., 2019; Kossivi et al., 2016). Compensation and benefits, including health care, housing, and educational aid, strongly influence retention (Diokno & Narbarte, 2020; Yamamoto, 2011; Igbal et al., 2017).

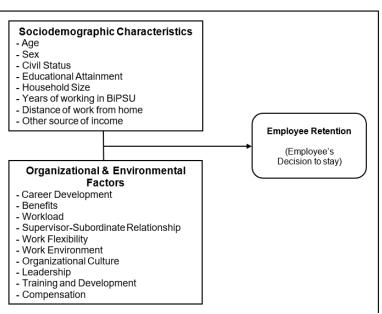
Workload negatively affects retention, with excessive demands leading to stress and dissatisfaction (Fahad et al., 2021; Ford & Jin, 2015). Positive superior-subordinate relationships enhance job satisfaction and reduce turnover (Biason, 2020; Mackenzie, 2012; Khan,

2021). Flexible work arrangements promote work-life balance and are especially valued by millennials (Guzman et al., 2019; Singh, 2019). A supportive working environment, coupled with recognition, boosts engagement and loyalty (Malinao & Agustin, 2023; Toling Jr. et al., 2021; Inda & Mishra, 2016).

Organizational culture- defined by values, ethics, and norms- also shapes retention. When employee values align with organizational culture, commitment increases (Batugal & Tindowen, 2019; Presbitero et al., 2015). However, some studies show mixed results on its impact (Murtiningsih, 2019). Leadership style is perhaps the most influential factor, with transformational leadership linked to reduced turnover intentions and greater employee engagement (Lacap, 2019; Malinao & Agustin, 2023; Mwita et al., 2018). Identifying effective leadership styles is essential to building a committed workforce and achieving organizational goals.

III. Framework

Table 1



IV. RESULTS AND DISCUSSION

Binary logistic regression analysis showed that the model was statistically significant (p=0.0001), indicating that the included variables effectively predict employees' willingness to stay at the university. Among the sociodemographic factors, only age had a significant influence, suggesting that older employees are more likely to stay, consistent with the findings of Medallion (2020), Usop et al. (2014), and Caringal-Go and Hechanova (2018).

Regarding organizational and environmental factors, workload, work flexibility, organizational culture, and leadership were found to significantly affect

employees' decision to remain in the university. A fair workload in relation to compensation encouraged retention, aligning with the studies of Fahad et al. (2021) and Ford and Jin (2015). Similarly, flexible work arrangements positively influenced employees' willingness to stay, as supported by Guzman et al. (2019), Singh (2019), and Medallion (2020). A positive perception of the university's culture also increased employees' desire to remain, echoing the findings of Batugal and Tindowen (2019) and Presbitero et al. (2015).

Lastly, effective leadership, especially in meeting organizational goals through action plans,

significantly contributed employee retention, to validating the results of Malinao and Agustin (2023) and Mwita et al. (2018). Overall, the results highlight that both individual and organizational factors play a crucial role in influencing employees' willingness to stay in the university.

Table 2: Regression Table

Variables	Coef.	Std. Err.	Z	p-value
Age	.2064	.07783	2.65	0.008
Sex_Male	.52641	.59607	0.88	0.377
Household Size	12169	.17193	-0.71	0.479
Civil Status	00341	.33993	-0.01	0.992
Educational Attainment	.35290	.93708	0.38	0.706
Years of Working	.23326	.17225	1.35	0.176
Distance	03038	.02511	-1.21	0.226
Other Source of Income	98317	.9058	-1.09	0.278
Career Development	58701	.59430	-0.99	0.323
Benefits	.04619	.46582	0.10	0.921
Workload	1.3919	.57354	2.43	0.015
Supervisor-Subordinate Relationship	5439	1.2034	-0.45	0.651
Work Flexibility	1.1234	.66693	1.68	0.092
Work Environment	29823	.92080	-0.32	0.746
Organizational Culture	2.0210	.71102	2.84	0.004
_ Leadership ₁	-1.799	1.4951	-1.20	0.229
Leadership ₂	1.2047	.73742	1.63	0.102
Training & Development	.05121	.11155	0.46	0.646
Compensation	00003	.00006	-0.57	0.572
*Cons	-5.5647	3.2709	-1.70	0.089

Loa Likelihood = -46.969147 Number of Observation = 115 LR chi (19) = 51.99 $Prob > Chi^2 = 0.0001$ Pseudo $R^2 = 0.3563$

V. Conclusion

The main findings of this study show that the age of the employee was the only sociodemographic variable that significantly affected employee retention. Thus, the older the employee gets, the more likely that he/she will likely stay and work in the university.

The major organizational and environmental factors that determined employees' decision to stay in the university were workload, work flexibility, organizational culture, and leadership. All four significant variables had a positive effect on employees' decision to stay in the university. Therefore, it is important for the university to provide employees with a favorable workload, flexible working schedule, positive organizational culture, and good leadership so that they will stay committed and loyal to the university.

VI. RECOMMENDATIONS

The study's overall finding reveals the positive possibilities of integrating specific retention strategies that will help the university retain talented employees and achieve maximum employee retention rate. Based on the findings of the study, the following are recommended:

The university should maintain positive/good culture (ethics, norms, values, attitudes, and beliefs) as it is proven to be a great consideration in employee retention.

- The university should maintain the giving of favorable workload commensurate to the employees' compensation as the workload was proven to be a great consideration to retain employees in the university.
- The university should revisit the flexible working schedule recently granted by the Civil Service Commission (CSC) so that employees will be given a chance to balance their work and family life.
- Leaders in the university should always be empowered and be the source of motivation for their subordinates to achieve the deliverables written in their respective action plans.
- 5. For future research, factors that were not included in the study, such as reward system and recognition, should be considered to provide additional significant recommendations for the welfare of employees and other stakeholders of the university.

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