

Factors Influencing Employees' Intention to Stay or Leave: Evidence from Private Higher Educational Institutes in Maharashtra

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Abstract: Employee retention is a major challenge for private higher educational institutes, affecting academic quality and institutional stability. This study examines the organizational factors influencing employees' intention to stay or leave, focusing on both teaching and non-teaching staff. Data from 117 respondents were analysed using descriptive statistics, correlation, regression, and t-tests. Results show that leadership style, HR practices, compensation, and career development significantly impact retention, with leadership and HR practices being the strongest predictors. Differences were observed between academic and administrative staff, highlighting the need for tailored retention strategies. The findings emphasize the importance of a positive organizational climate and effective HR policies to enhance employee loyalty and reduce turnover.

Keywords: Employee Retention, Organizational Climate, Leadership Style, HR Practices, Career Development, Private Higher Educational Institutes

I. Introduction

Employee retention has become a pressing concern for private higher educational institutes, driven by increasing competition, higher employee expectations, and frequent turnover. Faculty members and administrative staff play a critical role in ensuring academic quality, institutional stability, and student success. When experienced employees leave, institutions face challenges such as disruption in teaching, loss of expertise, and increased recruitment and training costs. This makes it essential to understand the factors that influence whether employees choose to stay or leave.

Decisions regarding staying or leaving are shaped by multiple organizational and personal factors, including organizational climate, compensation, work environment, career growth opportunities, and individual expectations. A positive organizational climate fosters job satisfaction, commitment, and a sense of belonging, whereas a negative climate may lead to dissatisfaction and higher turnover intentions. In private higher educational institutes, these challenges are particularly pronounced due to heavy workloads, performance pressures, and limited growth opportunities. Despite their significance, empirical research exploring employees' intention to stay or leave in this sector especially at the regional level is limited. The current study seeks to identify and analyze the key factors affecting employee retention in private higher educational institutes, offering insights to guide effective retention strategies.

II. Literature Review

Investigated the role of job satisfaction in mediating effect of job satisfaction on the relationship between work-related stress, productivity, and turnover intentions in a private higher education institution. They found that stress increased turnover intentions, but higher job satisfaction mitigated this effect, highlighting satisfaction as a key protective factor, *Nizam, Jamal & Muhsin (2025)*. Explore how perceived organizational climate affects faculty retention in private colleges in China. They found that a positive climate directly increased faculty members' intention to stay, and favourable job conditions partially mediated this effect, promoting loyalty, *Chen H. & Wang H.P. (2025)*. The role of HR climate, trust, and organizational commitment in faculty retention. Their results indicated that a positive HR climate strengthened retention indirectly by fostering organizational trust and commitment, emphasizing the value of integrated HR practices, *Verma, S., & Kaur, G. (2024)*. Examined the impact of organizational climate on employee retention in technical education institutions. Their study revealed that open communication, transformational leadership, and a positive work culture significantly enhanced faculty and administrative staff's intention to stay. A supportive climate reduced turnover by improving job satisfaction, *Sasidhar & Iyer (2024)*. Factors affecting employees' intention to leave in Iraq's ICT sector. The study highlighted employee satisfaction, organizational commitment, work-life balance, compensation, and professional development as key determinants. Greater satisfaction and career growth opportunities were associated with lower turnover intention, *Mohammed D. T med et al. (2024)*. The impact of organizational culture on retention in India's IT services sector. Cultural traits such as involvement,

adaptability, mission alignment, and empowerment positively influenced employees' intention to stay. The study recommended incorporating culture-building initiatives into HR policies to strengthen commitment, *Silpa Mary John & Smita Kavatekar (2025)*. How ethical, emotional, and transformational leadership affects employees' quitting intention in Malaysia's manufacturing sector. All three leadership styles were negatively associated with turnover intentions, with transformational and emotional leadership having the strongest impact. Leadership quality was identified as a critical factor in retaining employees, *Mahmad, K., & Kamarul Zaman(2025)*. Examines the relationship between organizational climate and employee retention in private higher educational institutes (PHEIs). Through a mixed-methods approach, we analyze how various elements of organizational climate influence employees' decisions to stay or leave their positions. The findings reveal that supportive leadership, effective communication, and recognition significantly impact employee retention. Recommendations for improving organizational climate are discussed to aid PHEIs in retaining valuable talent, *Kawadkar and Gosavi (2025)*.

III. Problem Statement

While prior research has examined factors such as organizational climate, job satisfaction, leadership, and HR practices, there remains a gap in region-specific, integrated studies focusing on private higher educational institutes. Much of the literature emphasizes IT and manufacturing sectors, focuses more on turnover intentions than intentions to stay, and seldom compares academic and administrative staff. This highlights the need for a comprehensive study examining multiple organizational factors to better understand employee retention in private higher educational institutes.

IV. Objectives

1. To identify key organizational factors influencing employees' intention to stay or leave in private higher educational institutes.
2. To assess the impact of compensation and career development opportunities on retention decisions.
3. To examine the role of leadership style and HR practices in employee's intention to stay or leave.
4. To compare the factors influencing retention between academic and administrative staff.

V. Hypotheses

- H1: Organizational factors have a significant relationship with employee's intention to stay or leave.
- H2: Compensation and career development significantly impact employee's intention to stay or leave.
- H3: Leadership style and HR practices significantly influences employees' intention to stay or leave.
- H4: Academic and administrative staff differ significantly regarding factors influencing their intention to stay or leave.

VI. Research Methodology

This study adopts a descriptive and analytical research design to explore the factors influencing employees' intention to stay or leave in private higher educational institutes. The research is empirical and primarily based on primary data. The target population includes teaching and non-teaching staff, and a stratified random sampling technique was employed to ensure representation of both groups. A total of 117 respondents were selected. Data were collected using a structured questionnaire capturing demographic information and statements related to compensation, career development, leadership style, HR practices, and intention to stay. Responses were measured on a five-point Likert scale. Secondary data were obtained from journals, books, and research reports. The collected data were analysed using descriptive statistics, correlation, regression, and t-tests through statistical software.

VII. Data Analysis and Interpretation

The data collected from teaching and non-teaching staff of private higher educational institutes were analysed using appropriate statistical tools to examine the factors influencing employees' intention to stay or leave.

Table 1: Demographic Profile of the Respondents

| Demographic Factors | | No. of Respondents | Percentage (%) |
|---------------------|--------------|--------------------|----------------|
| Gender | Male | 72 | 61.5 |
| | Female | 45 | 38.5 |
| | Total | 117 | 100 |
| Age | 31–40 years | 46 | 39.3 |

| | | | |
|-------------|--------------------------|------------|------------|
| | 41–50 years | 32 | 27.4 |
| | Above 50 years | 29 | 24.8 |
| | Total | 117 | 100 |
| Designation | Teaching Staff (Faculty) | 65 | 55.6 |
| | Non-Teaching Staff | 52 | 44.4 |
| | Total | 117 | 100 |
| Experience | Less than 5 years | 34 | 29.1 |
| | 5–10 years | 49 | 41.9 |
| | 11–15 years | 21 | 17.9 |
| | Above 15 years | 13 | 11.1 |
| | Total | 117 | 100 |

Above table presents the demographic profile of the respondents involved in the study. The sample consists of a higher proportion of male employees (61.5%) compared to females (38.5%). Most respondents belong to the 31–40 years age group (39.3%), followed by those aged 41–50 years (27.4%), indicating that the workforce is largely composed of mid-career and experienced employees. In terms of designation, teaching staff (55.6%) slightly outnumber non-teaching staff (44.4%), ensuring representation of both academic and administrative perspectives. Regarding work experience, the majority of respondents have 5–10 years of experience (41.9%), followed by employees with less than five years of experience (29.1%), suggesting that the sample includes both relatively new and moderately experienced staff. Overall, the demographic composition reflects a balanced and relevant sample for examining factors influencing employees' intention to stay or leave in private higher educational institutes.

Table 2: Descriptive Statistics of Study Variables

| Variables | Mean | Standard Deviation |
|--------------------|------|--------------------|
| Compensation | 3.62 | 0.74 |
| Career Development | 3.58 | 0.81 |
| Leadership Style | 3.71 | 0.69 |
| HR Practices | 3.66 | 0.76 |
| Intention to Stay | 3.64 | 0.72 |

Table indicates that employees generally agree that organizational factors influence their intention to stay, as all mean values are above 3.5. Leadership style shows the highest mean (3.71), highlighting its strong role in retention, followed by HR practices (3.66). Compensation and career development have comparatively lower mean values, suggesting some dissatisfaction with pay and growth opportunities. Overall, the results show fairly consistent responses among employees.

Table 3: Correlation between Organizational Factors and Intention to Stay

| Variables | Correlation Coefficient (r) |
|--------------------|-----------------------------|
| Compensation | 0.52 |
| Career Development | 0.56 |
| Leadership Style | 0.61 |
| HR Practices | 0.58 |

Above table shows the relationship between organizational factors and employees' intention to stay. All the correlation coefficients are positive and significant, indicating that improvements in organizational factors are associated with a higher intention to stay among employees. Leadership style has the strongest correlation ($r = 0.61$), followed by HR practices ($r = 0.58$), career development ($r = 0.56$) and compensation ($r = 0.52$). This suggests that supportive leadership and effective HR practices play a major role in retaining employees. Since all organizational factors show a significant positive relationship with employees' intention to stay, Hypothesis H1 is accepted.

Table 4: Regression Analysis – Impact of Compensation and Career Development

| Variables | β Value | t Value | Sig. |
|--------------------|---------------|---------|------|
| Compensation | 0.31 | 3.82 | 0.00 |
| Career Development | 0.36 | 4.41 | 0.00 |

Table presents the results of regression analysis examining the impact of compensation and career development on employees' intention to stay. Both variables show positive and statistically significant effects, as their significance values are less than 0.05. Career development ($\beta = 0.36$) has a slightly stronger influence than compensation ($\beta = 0.31$), indicating that growth opportunities play a key role in retention decisions. The model explains 47% of the variation in employees' intention to stay ($R^2 = 0.47$), and the F-value confirms that the model is statistically significant. Therefore, Hypothesis H2 is accepted, showing that compensation and career development significantly influence employees' intention to stay or leave.

Table 5: Regression Analysis – Effect of Leadership Style & HR Practices

| Variable | β Value | t Value | Sig. |
|------------------|---------------|---------|------|
| Leadership Style | 0.43 | 5.96 | 0.00 |
| HR Practices | 0.41 | 5.12 | 0.00 |

The regression results show that both leadership style ($\beta = 0.43$, $t = 5.96$, $p < 0.001$) and HR practices ($\beta = 0.41$, $t = 5.12$, $p < 0.001$) have a significant positive effect on employees' intention to stay. The model explains 39% of the variance ($R^2 = 0.39$), confirming that effective leadership and strong HR practices play a crucial role in employee retention. Hence, Hypothesis H3 is accepted, confirming that leadership style has a significant effect on employees' intention to stay or leave.

Table 6: Independent Sample t-Test – Teaching V/s Non-Teaching Staff

| Variables | Mean (Teaching) | Mean (Non-Teaching) | t Value | Sig. |
|--------------------|-----------------|---------------------|---------|-------|
| Compensation | 3.54 | 3.72 | -2.18 | 0.031 |
| Career Development | 3.76 | 3.36 | 3.64 | 0.001 |
| Leadership Style | 3.82 | 3.58 | 2.91 | 0.004 |
| HR Practices | 3.61 | 3.72 | -1.99 | 0.048 |

Table presents the results of the independent sample t-test comparing teaching and non-teaching staff regarding factors influencing their intention to stay or leave. The results indicate significant differences between the two groups in all variables ($p < 0.05$). Teaching staff report higher mean scores for career development (3.76) and leadership style (3.82), suggesting they value growth opportunities and supportive leadership more than non-teaching staff. In contrast, non-teaching staff show higher means for compensation (3.72) and HR practices (3.72), indicating that pay and organizational policies are more important for their retention.

These findings confirm Hypothesis H5, showing that the factors influencing intention to stay differ between teaching and non-teaching staff, highlighting the need for tailored retention strategies for each group.

VIII. Conclusion

The study examined the factors influencing employees' intention to stay or leave in private higher educational institutes, focusing on both teaching and non-teaching staff. The findings indicate that organizational factors such as compensation, career development opportunities, leadership style, and HR practices significantly affect employee retention. Among these, leadership style and HR practices have the strongest impact, highlighting the importance of supportive leadership, fair HR policies, and a positive organizational climate in fostering employee loyalty.

Descriptive statistics showed that employees generally perceive these factors positively, though slightly lower satisfaction was reported regarding compensation and career growth opportunities. Correlation and regression analyses confirmed that these factors are significant predictors of intention to stay, while the t-test revealed differences between teaching and non-teaching staff: teaching staff value career development and leadership more, whereas non-teaching staff place higher importance on compensation and HR practices.

Overall, the study concludes that private higher educational institutes can improve employee retention by strengthening leadership, enhancing HR practices, providing growth opportunities, and customizing retention strategies to meet the specific needs of both academic and administrative staff. Addressing these factors can reduce turnover, improve institutional stability, and enhance overall organizational performance.

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