THE ROLE OF WORK VOLITION AND ORGANIZATIONAL COMMITMENT
IN THE RELATIONSHIP BETWEEN TOTAL REWARDS
AND EMPLOYEE RETENTION

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DEDICATION

I dedicate this dissertation to my beloved parents
ACKNOWLEDGEMENT

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ABSTRACT

In the last few decades, retention of employees has become a real issue in public and private organisations because of the openness and liberalisation of global economy. These organisations have implemented various reward oriented schemes to improve employees’ work effectiveness and efficiencies. The key purpose of these schemes is to retain valuable human capital and make employees more committed at the work place. A number of empirical studies and anecdotal evidences indicated employee retention is becoming a dilemma in private and public organisations particularly in the higher education sector. The study explored the phenomena of employee retention and total rewards by examining the mediating role of organisational commitment and job satisfaction. In addition, the moderating role of work volition between total rewards and job satisfaction was examined. This study employed quantitative methods for data collection and analysis. Based on multistage random sampling technique, a survey was conducted among faculty members of higher educational institutions in Pakistan. Approximately 289 completed questionnaires were received from the targeted population. Data checking, preparation, screening, normality, descriptive statistics, confirmatory factor analysis (CFA) and hypotheses were tested using Analysis of Moment Structures (AMOS-21). The key findings indicated that total reward has a significant impact on job satisfaction, organisational commitment and employee retention. These findings also showed that work volition significantly moderated the relationship between total reward and faculty member’s job satisfaction in the higher educational institutions. Theoretically, the research has implications in the existing state of knowledge by proposing a noble policy and practice for the higher education sector of Pakistan.
ABSTRAK

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CHAPTER 1

INTRODUCTION

1.1 Research Background

During past two decades, technological advancement and globalization caused drastic changes in the work environment. Despite the nature of the business, modern organizations are keen to retain their workforce to get competitive advantage over their rivals through skilled workforce (Harvey, 2009; Reiche, 2007; Holbeche, 2009, Kuruvilla and Ranganathan, 2010). Therefore, retaining employees has become the core strategic policy issue for organizational sustained growth and competitive advantage (Heinen and O’Neill, 2004, Bersin, 2008, Holbeche, 2009).

Previous studies highlight that organizations are facing enormous challenges of retaining skilled employees (Arthur, 1994, Budhwar and Mellahi, 2007, Drucker, 1999; Samuel and Chipunza, 2009; Price, 2003; Holland, et al., 2007). To overcome challenges such as organizational structure, culture, leadership styles and rewards etc. (Sheridan, 1992; Pamela, 2003) and to retain employees, organizations have implemented numerous human resource strategies and practices (Hom, Roberson, and Ellis, 2008; Kacmar, et al., 2006; Michaels, Jones, and Axelrod, 2001). One of such human resource practices is of rewards and benefits, which motivate employees to work and stay connected with one organization (Sweeney and McFarlin, 2005; Ozdemir, 2009; Wegge, et al., 2007; Mount, Ilies and Johnson, 2006; Armstrong and Murlis, 2004). These rewards and benefits are termed as total rewards that aim to maximize the combined effect of wide range of reward elements on motivation and commitment, and embraces all that employees value in their employment (Anku-

Total rewards include the traditional pay and benefits employees receive as part of their employment as well as other programs that help make the work experience more fulfilling such as work-life balance, career mobility and acknowledgement (Cao, et al. 2013; Durrani and Singh, 2011; Medcof and Rumpel, 2007). Research studies point out that employees in general and experienced employees in particular are motivated through non-financial rewards like work life balance, personnel appreciation, challenging tasks, special projects etc. (Jeffords et al., 1997; Hytter, 2007; Zahra, Irum, Mir and Chisti, 2013). Thus, organizations are engaged in developing innovative compensation packages that not only include financial benefits but also non-financial benefits to attract and retain employees (Gibson and Tesone, 2001; Muralidharan and Sundararaman, 2011; Zingheim and Schuster, 2005; Milkovich and Newman, 2008, Chen and Hsieh, 2006; Armstrong and Murlis, 2004). With the advent of industrial based economy to knowledge economy, the compensation packages have become tied to individual’s skills and capabilities rather than experience and span of service (Chen and Hsieh, 2006; Bates, 2004).

With the integration of market due to technological advancements such as information and communications technology, organizations are feeling the pinch of aggressive competition and are striving hard to remain sustainable and competitive (Hill, 1994; Singh and Singh, 2010). To attain the competitive position, organizations need to develop a winning combination of its resources that is financial, human and intangible resources (Chen., and Wang, 2010) and amongst the resources human capital are the most valuable asset of an organization (Armstrong, 2010). To attract this capital, organizations try to create a positive image in the minds of potential employees and to enhance the commitment levels of existing employees (Macey et al., 2009). Therefore, the role of organizational rewards is critical in defining the employee’s satisfaction and commitment with their organization.
Research has revealed that satisfaction and commitment are significantly related to each other. Employees who are satisfied are also committed to their work and organization (Noe et al., 2005; Becker, 1992; Williams and Hazer, 1986; Lee and Mitchell, 1994; Bolon, 1997; Benkhoff, 1997; Boles and Babin, 1996; Chuhtai and Zafar, 2006; Valle, Harris and Andrews, 2004). Similarly, rewards and commitment are found to be significantly related to each other. Researchers highlight that both financial and non-financial rewards are essential for employees’ commitment and retention but non-financial rewards have been found to have more close relationship with commitment than financial rewards (Goulet and Frank, 2002; Gould-Williams, 2004; Dick, 2011; Miao, Newman, Sun and Xu, 2013). Furthermore, it has been observed that when employees perceive that their organization is benefitting them with good rewards and recognition they reciprocate it with better outcomes and behaviors and have less turnover intentions (Grawe, Daugherty and McElroy, 2012; Najafi et al., 2011).

Like any other organizations, higher education institutions are also facing the challenge of retaining employees, especially academic staff (Ahmad, et al. 2015; Nawaz and Pangil, 2016). The internationalization of education has made higher education institutions competitive in their respective fields. Universities are looking for skilled staff with attractive reward packages. High quality academic staffs are the cornerstone of any successful educational institution, as these are the highest source of knowledge and awareness production institutions in the country (Khalid, Irshad, and Mahmood, 2012). Past studies highlight that academic staff focus more on their intrinsic satisfaction than on extrinsic satisfaction (Wu and Short, 1996; Place, 1997). However, research also emphasizes that both intrinsic and extrinsic satisfaction predict satisfaction of academic staff (Dvorak and Philips, 2001).

This study is motivated (inspired) from the previous studies to investigate the role of total rewards in attaining satisfaction and commitment of employees that would subsequently result in their retention in the context of higher education institutions. Oshagbemi (2003) has highlighted that there exist very few empirical studies in the international context that have been carried out on academic staff and their satisfaction with their work. Similarly, researchers also highlight the factors like
total rewards, and other organizational factors that are crucial for motivating academic staffs, which include not only raising their satisfaction levels but also their retention (Anku-Tsede and Kutin, 2013; Khalid et al., 2012; Mubarak, et al., 2012; Ghaffar et al., 2013).

1.2 Higher Education System in Pakistan

Higher education plays pivotal role in the development of any society and serves as a core factor in economic and social development of a country. Universities are serving for centuries developing potential professionals, businessmen, political leaders, religious and social scholars for the development of society (Mustard, 1998). Without a well-developed system of education, especially higher education, no country can develop socially and economically (Quddus, 1979).

Higher Education Commission of Pakistan is planning to develop Higher Education Institutions (HEIs). Till 2012 less than 20% of the faculty members were PhDs in HEIs of Pakistan, the aim is to triple the number till 2020 (HEC, 2013). Also Higher Education Commission (HEC) of Pakistan aims to develop the HE sector and plans to have at least 5 universities in top 300 universities of the world. As a result of various HEC initiatives, six Pakistani universities are now ranked among top 300 Asian universities while two Pakistani universities are now ranked among top 300 sciences and technology institutions of the world (HEC, 2013).

The Government of Pakistan is making significant investments in developing institutional facilities, introducing new disciplines in cutting-edge and market based technologies, developing human resource including faculty, improving research facilities and student services, creating linkages with local and foreign universities and promoting university-industry interaction, amongst many others (HEC, 2014). HEC has been spearheading research in universities which has led to the creation and growth of indigenous knowledge in all academic fields. Universities in Pakistan have equally responded passionately to all the initiatives taken by HEC towards research and development and many projects have made their presence felt at national and
international forums. The activities of HEC for promotion of Research and Development (R&D) encompass capacity building of researchers and faculty, support to universities in promoting research, and commercialization of research (HEC, 2013). HEC implemented programs to attract foreign nationals, expatriate Pakistani scientists and engineers in academia, and professional organizations to come to Pakistan on short-term assignments (at least for one semester) at public/private sector universities and DAIs. The interaction between Pakistani universities and their foreign counterparts has opened avenues for future research collaboration and faculty exchanges. This program intends to provide an opportunity for sharing of expertise and knowledge by the public sector universities and degree awarding institutions with learned expatriates or foreign scholars from reputed universities/research organizations abroad.

Research and Development Division (R&D) has established 32 academic linkages of Pakistani universities with foreign universities in which researchers, faculty members, and PhD scholars from Pakistani public sector universities have been extended opportunities to work in collaboration with foreign scholars (HEC, 2013). HEC plans to increase the skill level of the employees of HEI in Pakistan through the capacity development programs and international collaboration, this result into culturally diverse HEIs. In 2014, the number of HEIs increased to 160 in total where 90 are public sector and 70 are private sector.

For higher education institutions, faculty is most valuable human asset that can be a source of competitive benefit. The growing employment trend has stimulated the competition among institutes to sustain their strategic position and reputation in this sector (Hussain, 2005). Higher education sector in Pakistan has become a potential employment sector and due to growing employment prospects in this sector the retention of experienced faculty members has become essential. The well-being of the university depends on its ability to recruit and retain a talented professional (Hagedorn, 2000).

In order to strengthen the overall higher education system, the government of Pakistan established Higher Education Commission (HEC) in 2002 to work towards
strengthening the universities in terms of research, teaching and faculty. The top priority of the commission after its establishment was to develop the existing faculty and recruit new skilled faculty to strengthen the universities so that they could share their contributions in the economic development of the country. HEC also initiated several measures to attract and retain skilled faculty such as developing compensatory packages. However, the focus of the efforts has been on the financial rewards to attract and retain the existing university academic staff (Mubarak et al., 2012).

The Higher Education Commission of Pakistan is planning to improve the ranking of Higher Education Institutions (HEIs). To date less than 20% of the faculty members in Pakistani HEIs hold PhDs, the aim is to triple the number before 2020 (HEC Pakistan, 2013). Also the Higher Education Commission (HEC) of Pakistan aims to develop the HE sector and plans to have at least 5 universities ranked within the top 300 universities of the world. As a result of various HEC initiatives, six Pakistani universities are now ranked among the top 300 Asian universities while two Pakistani universities are now ranked among the top 300 sciences and technology institutions of the world. However, these initiatives from HEC Pakistan are not adequate in order to achieve high levels of the HEIs quality standards. As a result still no Pakistani university could make it in top 500 ranked universities according to QS ranking (2015). This signals the existence of the issues in Pakistani HEIs. Human resource is the key element in bringing competitive advantage in the HEIs of Pakistan (Hussain, 2005). Thus, it is required to study the causes and consequences that affect skilled employee retention among HEIs of Pakistan.

1.2.1 Current Issues in Higher Education Institution in Pakistan

The growth of higher education in Pakistan has been prolific since last two decade. It is evident that after emergence of HEC, universities and HEI are become a desired employment sector, where individuals with high credentials are applying by choice. Not only government but the private universities and DAI are also paying handsome remuneration and good career path align with the policies of HEC (Hyder
The growing employment trends in education sector also promote competition among faculty members to maintain their social and economic status (Hussain, 2005). This sense of emerging competitions among the faculty members and higher education institutions of Pakistan has led to the foundations of so many challenges. These challenges includes faculty teaching and research work load, job insecurity, low remuneration, work-life imbalance, resource constraints, lack of interaction with the industry, infringe benefits, training, etc. (Abbasi, et al., 2011; Haider, 2008; Memon, 2007; Shami and Hussain, 2006). Work load is an important issue among the faculty members working in different universities in Pakistan (Rasheed and Aslam, 2010; Manzoor., Usman., and Naseem, 2011; Abbasi, et al., 2011).

Concurrently, increased job capacity in the education sector has increased competition in the academia, as a result faculty members are doing postgraduate and doctorate studies in national and international universities to improve their professional qualification and skills (Husain, 2005). Likewise, faculty members are now taking an interest in research activities and hundreds of research output has been published nationally and internationally every year. Moreover, international collaborations of faculty and researcher also have been increased. Thus, research productivity of university has been increased exponentially due to the interest of faculty members in research activities. According to Smeenk et al., (2008), productivity is measured by research output and ability to deliver lectures. This sense of emerging competition in the higher education institutions of Pakistan led the foundations of so many challenges for the HEIs. Advanced scholarly competences and talents may create conflicts in organization. Higher academic performance, in terms of research output and teaching abilities during the year, brings higher monetary and nonmonetary outcome for the faculty members. This sense of emerging competition in the higher education institutions of Pakistan led the foundations of so many challenges for the HEIs. Higher intellectual capabilities and skills can lead to high employee turnover. Thus, consequently the employee retention became a real challenge for the Pakistani HEIs (Shoaib et al., 2009; Khan et al., 2011; Malik et al., 2010; Hassan et al., 2011). This provide rational for studying the employee retention in the HEIs of Pakistan.
1.3 Statement of the Problem

The role of higher education institutions in the development of human capital is essential for social, economic and technological development of a country. By their distinctive nature universities are projected to be a source of the most skilled and specialized intellectuals and serve as warehouse of knowledge for promoting the human capital requirements of the nation and hence for satisfying the aims of the people for a good and civilized society. Central to the appreciation of universities goals and objective are the academic staffs whose roles are essential for the quality and effectiveness of the university education (Jain, 2013; Mwadiani and Akpotu, 2002). Pienaar and Bester (2008) strongly argue that academic profession is vital to the functioning of any university and without committed and qualified academic staff; no educational institution can really certify quality and sustainability over long haul. Thus, universities are more dependent on creative and intellectual abilities and the commitment of academic staff.

Employee’s retention is one of the constructs that has been widely studied and still holds importance for those who work in organizations and who study them (Malik et al., 2010). Organizations are trying their best to create environment for employees where they feel satisfied, and be able to offer high pay for experiences and highly qualified employees so as to fill the key positions. This is because the number of employees to fill the key positions is very limited in the market, and this has created competition among organizations to get the talented employees. This scenario is similar in higher educational institutions that are always in search of experienced, qualified and skilled faculty members to enhance their image and prestige (Mubarak et al., 2012).

Since it is very difficult to find highly educated and experienced faculty to work within higher education sector, it is important to know what this sector could do to ensure that the existing employees continue working with the existing organization in this sector. Cao et al. (2013) argued that experienced and outstanding employees may leave an organization because they become underpaid, dissatisfied, unmotivated by the organizations mainly due to HR policies related to either
financial (e.g. attractive remuneration, retirement benefits, and medical facility) or non-financial (training and development, career opportunities, work-life balance, challenging tasks, and attractive organizational culture) policies. Thus, organizations try to enact policies in the form of total reward that would help them retain best employees for a longer period of time (Cao et al. 2013).

Similar is the case of HEIs in Pakistan, the major issue faced by higher education institutions is the retention of capable and skilled faculty in the fierce competition by other higher educational institutions and industry (Mahmood and Shafique, 2010, Mubarak, et al. 2012; Hyder and Reilly, 2005). However, with the opening of new higher educational institutions existing educational institutions in both private and public sector are facing tremendous challenge of not only retaining their competitive position but also retaining the existing faculty (Hussain, 2005; Mubarak et al., 2012). Availability of jobs with higher rewards and environment are suitable for career development. On the other hand, it brings a challenge for the HEIs to retain their talented employees as well and pushing HEIs to review their employee retaining strategies (Malik et al., 2010). The challenge of retaining employees for longer period of time requires organizations to create an environment, where employees are not only engaged but also to have the sense of job and career security (Chaminada, 2007). The previous researcher are agree on the importance retention of skilled employees in the organization (Cao et al. 2013; Malik et al., 2010; Chaminada, 2007; Mubarak et al., 2012; Jain, 2013; Mwadiani and Akpotu, 2002; Pienaar and Bester, 2008). However, little attention has been paid to address the factors that play primary role in employee retention in the organization. Although, some of the studies tried to investigate the underlying factors that affect the employee retention (Khan et al., 2011), but these efforts were to investigate the individual level link of these factors with employee retention and not focused on the holistic strategic approach to solve the issue. This pertain a clear gap in the literature to formulate and test a broader strategic perspective of the employee retention, especially in the case of Pakistani HEIs. Thus the current study attempts to fill this gap through investigating strategic approach to the employee retention in HEIs of Pakistan.
Studies have highlighted many factors that can influence employee intention to work with the HEIs or quit. According to Ali (2008) lecturers’ turnover in private colleges at Pakistan is more than 60% on average. This highlights the difficulty for the HEIs to retain their skilled employees. Furthermore, Ahmed et al. (2010) identified the pull and push factors for employee retention. They found that the demographic and socio-economic factors such as age, gender, salary, family related issues, children education and social status are the major contributors of the employee retention among the teachers in Pakistani HEIs. Noordin and Jusoff (2009) have highlighted that the societal expectations depend upon the successful running of education system relating to the involvement, effort and contribution of academic staff or their professional expertise. Mubarak et al. (2012) identified the employee satisfaction is the major factor that contribute to the employee retention in HEIs of Pakistan. Researchers have highlighted that a positive climate, which is depicted by the satisfaction level of employees, increases the overall productivity of the institutions of higher education faculty’s satisfaction in universities is important for employee retention (Ghaffar et al., 2013; Noordin and Jusoff, 2009; Baloch, 2009). Thus, these studies theoretically confirm the relationship between the employee job satisfaction and employee retention. However, limited efforts have been done to empirically test this relationship in the HEIs setting. Thus, the current study aims to investigate the relationship between employee job satisfaction and employee retention in HEIs of Pakistan to fill this gap.

It is also observed by the researchers that the satisfaction of employees depend on many factors like strategic rewards and employee level of commitment with organization (DeVaney., and Chen, 2003; Wegge et al., 2007; Baloch, 2009; Ozturk, 2009; Alam and Farid, 2011; Mumtaz et al. 2012; Khalid et al., 2012; Islam et al., 2012; Ghaffar et al., 2013; Siddiqui and Saba, 2013). Therefore, it is imperative to understand the behaviour and attitude of faculty to make them satisfy and increase their commitment levels that would help in retention. The past literature has looked at retention from various perspectives such as its relationship to rewards (Mulvey et al., 2002, Müller et al., 2009), relationship of rewards with employees job satisfaction and organizational commitment (Nawab et al., 2011, Danish and Usman, 2010, Malhotra et al., 2007), and their impact on employees retention (Anis
et al., 2011). There are only few studies that have been conducted on linkages between these factors in the context of higher education institutions in developing countries (Siddiqui and Saba, 2013; Ghaffar et al., 2013). Thus, the current study aims to investigate the relationship between the total rewards, employee job satisfaction, organizational commitment and retention.

In addition, research highlights that work volition plays an important role towards satisfaction and commitment of employees (Duffy, et al., 2013a; Duffy and Lent, 2009; Lent, et al. 2011). According to the Merriam Webster Dictionary, volition is defined as “the power of choosing or determining”. Haggard and Lau (2013) define volition in terms of internal motivation of an individual. So, it is suggested that employees who are valued at work may be satisfied with their work, even if that was not their first choice (Barkway, 2006). Therefore, Duffy et al. (2012a) describe work volition as the perceived capacity of an individual to make occupational choices despite constraints. Researchers are of the view that predictors of job satisfaction have been tested on well-educated individuals who had high levels of choice in selecting their career paths (Blustein, 2006; Diemer and Ali, 2009) but may be different for individuals with high and low levels of work volition (Duffy and Dik, 2009). However, all these studies have been conducted in the contexts of developed countries, and have taken different professions such as business, finance, information technology, computer engineering, education, medicine and research rather than the developing countries.

Work volition can be an important contributor towards satisfaction of employees. In the academic setting the construct has been checked against the sample of students and teachers to find out their career decision and academic satisfaction (Jadidian and Duffy, 2012; Duffy et al., 2012a; Duffy et al., 2012c). Researchers have pointed out that work volition should be measured against various intervention techniques that increases satisfaction level of individuals at work (Jadidian and Duffy, 2012; Duffy, et al., 2013b) or multivariate testing of the predictors that mediate to predict job satisfaction (Duffy, et al., 2013). Furthermore, Duffy, et al., (2012a,b) are of the opinion that the construct should be tested in various situations and settings. Thus, the present study investigates work volition in a
moderating capacity to check its influence on the relationship between total rewards and job satisfaction in academic setting.

Similarly, research that have been conducted on the topic in Pakistan have focused highly on the job satisfaction levels and commitment amongst the academic staff of both public and private sector higher educational institutions (Mubarak et al., 2012; Ghaffar et al., 2013; Siddiqui and Saba, 2013; Islam et al., 2012). However, there is a need of a research work that not only focuses on the job satisfaction and commitment but also look at the total rewards towards retention of academic staff by higher education institutions. Secondly, there is no study especially in the context of Pakistan that takes into account employees work volition when studying satisfaction or commitment and as researchers suggest that the construct of work volition should be tested in different situations and contexts. Thirdly, the variable of commitment has been studied extensively in a variety of situations and contexts and yet its importance cannot be negated in a developing country like Pakistan. According to a study, there is a high turnover rate of 8.4 percent among the teaching faculty associated with higher educational institution in Pakistan (Khwaja, et al., 2013). This presents an alarming situation for the universities. Researchers suggest that there is a need to study factors that lead to commitment among the professionals especially the influences of career choices (work volition) and work life policies in enhancing commitment and retention (Naqvi and Bashir, 2012).

Theoretically the current study is based on the social exchange theory. According to Markovsky et al. (1988), social exchange is the result of interactions between employee and social structures that might influence employee’s decision to quit the organizations. According to Cropanzano and Mitchell (2005), social exchanges theory is the most widely used theory in many disciplines and it is among the most influential conceptual paradigms for understanding workplace behavior. Thus, the implications of this theory in the cause of the current study are more relevant to determine the employee retention among academic staff of HEIs in Pakistan. In the light of the above arguments, this study is an attempt to fill the gap that exists in total rewards, job satisfaction, work volition, commitment and retention literature related to developing countries perspective and specifically in the context
of Pakistan. Secondly, this study would provide insights related to the issues and challenges that are faced by higher education institutions in the retention of capable employees and would be useful in recommending practical suggestions that could help institutions in retaining their employees.

1.4 Research Questions

These questions have been formulated that would guide the study.

i. Is there any relationship between total rewards and employees’ job satisfaction i.e. intrinsic satisfaction and extrinsic satisfaction)?

ii. Is there any relationship between total rewards and organizational commitment i.e. affective, normative and continuance commitment?

iii. Is there any relationship between total rewards and employee retention?

iv. Does job satisfaction mediate the relationship between total rewards and employees’ retention?

v. Does organizational commitment mediate the relationship between total rewards and employees’ retention?

vi. Does work volition moderate the relationship between total rewards and job satisfaction?

1.5 Research Objectives

Based on the research background and problem statement, following objectives are outlined for the study:

i. To examine the relationship of total rewards with employees’ job satisfaction (i.e. intrinsic satisfaction and extrinsic satisfaction).

ii. To examine the relationship of total rewards with the organizational commitment (i.e. affective, normative and continuance commitment).

iii. To examine the relationship of total rewards with the employees’ retention.
iv. To examine the mediating role of job satisfaction the between relationship of total rewards and employees’ retention?

v. To examine the mediating role of organizational commitment between the relationship of total rewards and employees’ retention?

vi. To examine the moderating role of work volition between the relationship of total rewards and job satisfaction?

1.6 Purpose of the Study

The purpose of this study is to determine and investigate the effect of total rewards on the retention of faculty members in higher education institutions of Pakistan. The study examines the total rewards in the retention of employees. Furthermore, the present study also analyze the mediating roles of job satisfaction and organizational commitment on the retention of employees and moderating role of work volition in enhancing job satisfaction and retention of employees.

1.7 Significance of the Study

The significance of the present study stems from two perspectives – Theoretical and Managerial. From theoretical perspective the present study would add to the existing body of knowledge regarding the variables of the study. Further, it will add to the understanding of retention of employees especially in higher education institutions from the perspective of a developing country. Furthermore, the use of work volition as a moderator between total rewards and job satisfaction, commitment and employee retention would also contribute significantly to the body of knowledge. The inclusion of moderating variable of work volition is an important theoretical contribution towards retention of employees as it has been tested against job satisfaction in prior studies. As this is a new construct, therefore, the present study would enhance the role work volition plays in understanding the job satisfaction, commitment and retention of employees.
The model proposed could further be tested in various cultural contexts, and could be used in developing strategic organizational policies regarding total rewards for retaining capable individuals. Currently, in developing countries, organizations especially higher education institutions are facing challenges in retaining the academic staff in the face of industrial organizations that provide higher rewards and compensatory benefits to attract capable individuals. Thus, the present study would also try to recommend as to how total rewards can be used in attracting and retaining capable individuals that could enhance the overall effectiveness of these higher educational institutions.

From management perspective, the findings of this study (will be) or are valuable to higher education commission (HEC) of Pakistan, top management of HEIs, HR managers and practitioners to design their total reward policies within a strategic framework to retain the skilled and experienced human resources that are very much needed for the overall development of the educational institutions.

### 1.8 Scope of the Study

This study looks at the total rewards as practiced by the HEIs in Pakistan. The total rewards include both financial in terms of salary and fringe benefits and non-financial rewards in terms of promotional opportunities and career development, work environment, work-life balance, work content, working conditions, leadership and recognition. Organizational commitment is deconstructed into affective, normative and continuance commitments; while job satisfaction is limited to intrinsic and extrinsic dimensions. The dependent variable of employee retention and the moderator variable of work volition are considered as composite variables, and have not been deconstructed like other variables of the study. This is done to make the proposed model easy to understand and comprehend. Furthermore, the scope of the study is limited to private and public sector universities in Pakistan. According to HEC, there are 160 HEIs belonging to both public and private sector (HEC, 2014). Due to paucity of time and cost constraints not all of them can be taken.
1.9 Operational Definitions of the Variables

Following are the operational definition of variables for the current study.

1.9.1 Total Rewards

Rewards refer to all the benefits that employees get from their organizations (Herzberg, 1966; Mottaz, 1988), and are important determinants of employee job attitudes such as job satisfaction and organizational commitment (Herzberg, 1966; Steers and Porter, 1991). Reward refers to all systems of financial return, tangible and non-tangible benefits an employee receives as part of an employment affiliation (Bratton and Gold, 1994). Total rewards is an employee oriented remuneration design system encompassing the traditional rewards in the form of pay and fringe benefits and non-traditional rewards in the form of work-life balance, recognition, work environment, training and promotion opportunities etc. (Cao, et al., 2013). Thus, this research defines total rewards in terms of tangible and intangible benefits that accrue due to employment affiliation. For the current study scale to measure total rewards was adopted from Medcof and Rumpel (2007).

1.9.2 Employee’s Retention

Retention is a voluntary move by an organization to create an environment which sustains employees for a longer period of time (Chaminade, 2007). According to Samuel and Chipunza (2009), the main purpose of retention is to prevent the loss of competent employees from leaving an organization as this could have an adverse effect on profitability and productivity. Thus, for the present study employee retention is defined in terms of organizational strategies that are enacted to retain employees in the organization for a longer period of time.
1.9.3 Job Satisfaction

Armstrong (2010) refers to job satisfaction as the degree to which an employee’s feels positively or negatively about his or her job. Hoppock (1935), mentioned job satisfaction as being any number of psychological, physiological and environmental circumstances which lead an individual to express his/her satisfaction with their work. Job satisfaction could be used as measure of pleasure an employee has with the organization. For the present study, job satisfaction is defined in terms of how is an employee’s feeling towards his/her job.

1.9.4 Organizational Commitment

Organizational commitment is an employee’s orientation toward the organization in terms of their loyalty to, identification with, and involvement in the organization (Robbins and Coulter, 2005). This employee commitment is demonstrated by the employee’s willingness to be involved with the vision, mission, and values of the organization in which they work. For the present study organizational commitment is taken as employees’ feelings towards their organization that compels them to engage in the well-being of the organization.

1.9.5 Work Volition

Duffy et al. (2012a) describe work volition as the perceived capacity of an individual to make occupational choices despite constraints. Haggard and Lau (2013) define volition in terms of internal motivation of an individual. Thus, for the present study work volition is taken as an internal motivation that compels an individual to work or seek employment in the face of employment constraints.
1.10 Organization of Thesis

This thesis is divided into five (05) chapters as shown in Figure 1-1. While the introductory chapter sets out the scene of this research and points to the general area of this research, the chapter also describes the research questions, research process and the contributions this research will make.

Chapter 2 reviews the literature on total rewards, employees’ retention, job satisfaction, organizational commitment, and work volition. Then on the basis of literature reviewed the gaps are identified and to fill these gaps a set of hypotheses are proposed which will guide the empirical research that is presented in chapter 3.

Chapter 3 provides the research methodology, which is adopted to analyze the link between the research variables. The chapter proposes quantitative analysis techniques to examine the effects of total rewards on employees’ retention using job satisfaction and organizational commitment as mediators and work volition as moderator between total rewards and job satisfaction.

Chapter 4 presents the descriptive analysis of the survey questionnaire and analyzes the data by using the updated version of SPSS, Structural Equation Modeling (SEM) using AMOS 21. The chapter presents the results relation to the hypothesis developed in chapter 2. While each chapter has a quite independent approach towards the subject matter, chapter 2, 3 and 4 relate to each other by offering to the same set of hypothesis.

Chapter 5 synthesizes the various findings and triangulate the results against each other. This chapter also presents the central implications (theoretical and managerial) that this study has for theory, policy, and management. Finally it addresses the limitations of this research and points to future avenues of research that might help to overcome them.
Figure 1.1 Organization of the Thesis
1.11 Summary

Retaining capable and skilled employees is a challenging task for the organizations in today’s knowledge economy. Organizations especially the higher educational institutions are always in search of highly skilled and capable individuals that could provide them an edge over other institutions. Furthermore, these employees could help educational institutions to contribute towards the national development both in terms of economic development as well as societal development. Thus, organizations adopt strategies and policies in the form of total rewards that could help them attract and retain such individuals.

The present chapter has highlighted some of the issues in the form of problem statement. The chapter also presented research objectives and research questions that would guide the study along with the scope and significance of the study. In the end, operational definitions of the major variables of the study are given.
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