



# AcE-Bs2022Cherating

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10<sup>th</sup> Asian Conference on Environment-Behaviour Studies  
Holiday Villa Beach Resort, Cherating, Malaysia, 08-09 Jun 2022



## University Administrators Retention: The moderating roles of organisational justice and generational diversity

Shariff Harun<sup>1</sup>, Ibrahim Ahmad<sup>2</sup>

<sup>1</sup> Faculty of Business and Management, Universiti Teknologi MARA, Kampus Puncak Alam, Selangor, Malaysia

<sup>2</sup> Royal College of Medicine Perak, Universiti Kuala Lumpur, Ipoh, Perak, Malaysia

shariffharun@uitm.edu.my, ibrahima@unikl.edu.my  
Tel: +603-32585007

### Abstract

Despite its wide acceptance as a theoretically important element in an organisation, organisational justice and generational diversity are neglected research areas, especially within the higher learning institutions context. Thus, this study intends to fill the knowledge gap by investigating the moderating roles of both variables towards the Malaysian Private Universities HRM practices and the administrator's retention. Two hundred seventy-two university administrators took part in the study, and empirically, the results obtained indicated that training, performance appraisal, selection, justice - management practices and distributive justice – reward are influential determinants of university administrators' retention.

Keywords: Organisational Justice; Generational Diversity; HRM Practices; University Administrators Retention

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DOI: <https://doi.org/10.21834/ebpj.v7i20.3451>

### 1.0 Introduction

The economic impact of the COVID-19 pandemic has adversely affected business resilience and caused businesses to put limited focus on employees' well-being which has led to high staff turnovers and low retention, thus, affecting the organisation's ability to stay competitive (Rangachari & Woods, 2020). However, with the positive 3.9 per cent economic growth in the fourth quarter of 2021, aided by labour market recovery, Malaysia's economic activities have shown continuous positive growth (Bank Negara Malaysia, 2022). As a result, the employment demand, especially in the services sector, remained high and recorded positive growth (Department of Statistics Malaysia, 2022). This scenario has led to a growing shortage of skilled workers in Southeast Asia countries, including Malaysia, thus creating a challenge in attracting and retaining talent (Mercer, 2022). Consequently, employee retention strategy has become a critical element in talent management and one of today's business strategies' most important agendas. It involves the organisation's efforts to integrate its strategy or systems to increase workplace productivity through the development of improved processes that attract, develop, retain and utilise the right employees who have the right skills and the needed ability to accomplish the organisation's current and future needs (Shahid et al., 2020). Thus, it is imperative for the higher learning institutions (HLIs) to understand the importance of retaining competent employees to survive the stiff market competition. Especially in today's competitive education landscape, where the ranking and status of a university are becoming predominant factors that attract students and sponsors.

Reviews of several turnover theories revealed four primary HRM practices attributes that could positively influence employee retention: training and development, performance appraisal, recruitment and selection, and compensation and benefits (Shariff et al., 2017).

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Subsequently, to achieve organisational prosperity, the elements of fairness and justice need to be in practice. According to Greenberg (1987b), HRM practices involve dealing with employees' perception of the fairness of each practice and process conducted by the organisation and the organisation's fairness in distributing related organisational outcomes to the employees. If employees perceive that the organisation's practices are fair, it will encourage them to work productively and harmoniously. Otherwise, conflict may occur, resulting in aggressive and hostile behaviour among the employees to restore justice. Unfortunately, the limited literature on organisational justice has restricted the HLLs' understanding of the importance of justice in the institution's work setting. Thus, the empirical evidence on the moderating effects of organisational justice on the relationship between HRM practices and employee retention is still impending. Hence, this study intends to further add to the HRM practices works of literature by adding the organisational justice factor as moderating factor.

Subsequently, due to the diversity of the members in the workforce existing in today's organisation, the generational diversity effect, as postulated by the Generational Theory (Mannheim, 2013), is also included as the moderating variable. This will allow the study to look at the potential influence of generational diversity on workforce retention. Ostensibly, the HLL's inability to understand the generational diversities that exist in today's business environment might trigger intergenerational tensions that can cause turnover intention. Hence, understanding the differences between individuals in today's workforce can lead to better management practices. The limitation of literature on generational diversities within the Malaysian workforce context has created literature gap that needs to be addressed objectively. This study aims to investigate, elevate, and enhance the generalisations found in similar studies of generational differences conducted in or outside Malaysia and cross-validate the results to suit the Malaysian workforce scenario.

## 2.0 Literature Review

The organisational justice conception was first introduced by Greenberg (1987a, 1987b) to describe how the management of an organisation treats their employees and the corresponding outcomes from their employees concerning the treatments they receive from the management. Concerning this, the Equity Theory introduced by John Stacey Adams (1963, 1965) stands as the basis that forms the organisational justice concept. Succinctly, organisational justice is based on the notion that employees make judgments regarding equity or inequity by comparing matters such as pay and recognition with the inputs they provide, such as knowledge and efforts, with the contributions of others and the outcomes they receive. Therefore, the process of hiring new employees and rejecting others, and promoting several employees while demoting others, will trigger reactions from the members of the organisation. Employees' reactions, however, will depend on their perceptions of whether the processes are fairly conducted; it would then influence their behaviours and attitudes towards their work, institutions and administrators.

Bies (1987, 2005) and Greenberg (1987a, 1987b) reported that organisational justice is a comprehensive concept consisting of three primary constructs: distributive justice, procedural justice, and interactional justice. Hence, these constructs formed the organisational justice elements used as the moderating variables for this study. The distributive justice construct refers to the fairness in allocating organisational outcomes or rewards, such as salary, promotions, increments, bonuses, and pay raises, to the employees. On the other hand, procedural justice is related to the employees' observations and the fairness perceptions towards the organisational procedures, rules, and regulations used in determining various outcomes. Finally, interactional justice focuses on the management's treatment of their employees and the adequacy of how organisational formal decision-making processes are communicated to the employees.

Pertaining to generational diversity - the second moderating variable of this study, the central notion used in understanding the issue is based on the Generational Theory concepts introduced by Mannheim (1952). The theory highlighted that the generations or age group endows the individuals sharing a common location in the social and historical process, limiting them to a specific range of potential experiences and predisposing them to a certain characteristic mode of thought and experience. Thus, the principal fundamental value contributing to common generational characteristics makes each generation share similar traits, thinking, values, and beliefs. A generation can be defined by their birth years and the specific set of shared social and economic conditions that profoundly influence the group's development. Therefore, each generation is generally represented by the group of individuals who are born in the same period, typically two decades (Aminuddin, 2018). Concerning this, the statistical data produced by the Department of Statistics Malaysia (2022) indicated that the total Malaysian workforce population consisted of approximately 16.40 million people ranging from the age of 15 to 64 years old. It is a clear indication that currently, there are only three groups of generations in most of the companies in Malaysia. The separation of generations is based on these criteria: the Baby Boomers are born between 1946 to 1964, Generation X are born from 1965 to 1979, and Generation Y (Millennials) are born between 1980 to 2000. Coherently, the Silent Generations (born before 1946) are already retired, and Generation Z (born after 2000) would only be joining the middle-level management position category after 2022. The highlighted variables completed the study's theoretical framework, allowing the researcher to examine various possible aspects that might influence employee retention.

## 3.0 Methodology

This study utilises the descriptive research design, particularly the cross-sectional research approach, because it allows the researcher to target a more significant sample to obtain a faster response rate. Specifically, this study intends to examine the relationships between the three study constructs. Firstly, the relationship between HRM practices (recruitment and selection, training and development, performance appraisal, and compensation and benefits) and employee retention. Secondly is to examine the moderating effects of organisational justice on the relationship between HRM practices and employee retention. Third, the moderating effect of generational diversity on the relationships between HRM practices and employee retention.

The unit of analysis for this study is the private university administrators from four top private universities in Malaysia who have minimally served their institution for at least one year and within the post of officer and above. Since it is impossible to obtain a comprehensive list of the population, a non-probability sampling technique, precisely the purposive sampling technique, was utilised as the sample selection method. Altogether, 279 responses were collected, but only 272 were accepted, coded and analysed. The remaining seven were excluded because they were incomplete or completed by respondents who did not meet the criteria. Data for this study were gathered using a survey questionnaire adapted from established instruments, and the components of the questionnaire are explained in Table 1 below.

Table 1. Questionnaire components

Sections	Components
Section A	Four dimensions of HRM practices using 20 items to measure the HRM practices relating to recruitment and selection, training and development, performance appraisal, and compensation and benefits were measured using the instruments developed by Delery and Doty (1996), Koch and McGrath (1996), and MacDuffie (1995).
Section B	Seven items measuring scales developed by Mowday et al. (1984) and Walsh et al. (1985) were used to measure employee retention. On the other hand, the measuring scale developed by Niehoff and Moorman (1993) was used to measure the organisational justice dimensions.
Section C	Demographic background.

### 4.0 Findings

This study utilises IBM Statistical Package for Social Sciences (SPSS) statistics software to analyse the data gathered from the survey. The demographic data of the participants are as tabulated in Table 2 below.

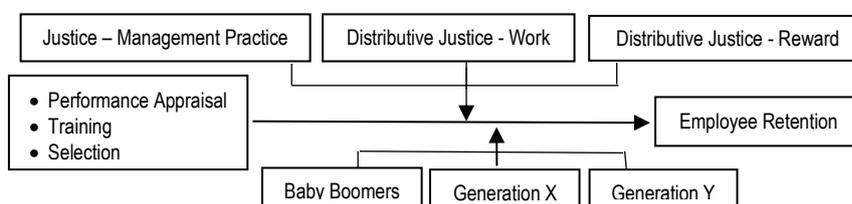
Table 2. Demographics data

No.	Categories of Demographic Variables	Frequencies	%
1.	Job Position		
	Executive	189	69.5
	Head of a department	2	0.8
	Librarian	1	0.4
	Manager	25	9.2
	Officer	53	19.5
	Registrar	1	0.4
	System analyst	1	0.4
2.	No. of years of working at the university		
	1 – 5 years	113	41.5
	6 – 10 years	75	27.6
	More than 10 years	84	30.9
3.	Gender		
	Male	137	50.4
	Female	135	49.6
4.	Range that fits the year participants are born		
	1946 – 1964	10	3.7
	1965 – 1979	86	31.6
	1980 – 2000	176	64.7

### 4.1 Factor analysis

Exploratory factor analysis was conducted to assess the validity of the items under HRM practices, generational diversity and employee retention. A principal component factor analysis with Kaiser Normalization varimax rotation method was used to determine the appropriateness and dimensionality of the factors. To sum up, the factor analyses conducted on the measures used in this study have resulted in a few findings. Firstly, the initial items relating to the HRM Practices dimensions were restructured from their original category because they did not load into the initial factor. The items were realigned into three new scales: performance appraisal, training, and selection. The factor analyses have also resulted in the re-categorisation and renaming of organisational justice constructs to Justice–Management Practice, Distributive Justice–Work, and Distributive Justice–Reward. Finally, the findings of the analyses also resulted in the retainment of the seven items measuring employee retention as per the original construct because the items were interrelated and shared common factors. Following the factor analysis results, Figure 2 embodies the revised research framework developed for the study.

Fig. 2: Research framework



#### 4.2 The influence of HRM practices on employee retention

Regarding the evaluation of the university’s administrator on HRM practices (performance appraisal, training, and selection), the regression results showed a significant effect,  $F(3, 268) = 25.95, p < .000$ . It indicates that the inclusion of HRM practices variables improved the model significantly.  $R^2$  was .23, indicating that the inclusion of the HRM practices variable in the model explained an additional variance of 23%, respectively. Looking at the individual interactions, the results indicated that Training ( $\beta = .30, p < .001$ ) had the most impact on employee retention, followed by Performance Appraisal ( $\beta = .21, p < .001$ ). Selection was not significant in influencing employee retention. It is apparent that training – the ability to provide extensive training programmes that could prepare staff for the required skills for future career development, significantly influenced the university administrator’s retention ( $\beta = .30, p < .001$ ). Subsequently, Performance Appraisal – the university’s ability to utilise a reliable and objective evaluation process, formal feedback procedures, and support system, also significantly influenced the university administrator’s retention ( $\beta = .21, p < .001$ ). Finally, selection did not affect the university administrator’s retention. Table 3 summarises the regression analysis results obtained.

Table 3. The influence of HRM practices on university administrator’s retention

Predictors	Std. $\beta$
Performance Appraisal	.21**
Training	.30**
Selection	.06
$R^2$	.23
F	25.95
Significance F	.00**

Note: \* $p < .01$ ; \*\* $p < .001$

#### 4.3 The moderating effect of organisational justice and generational diversity on the relationship between HRM practices and employee retention

The results revealed that only justice-management practice and distributive justice-reward significantly moderate the relationships between HRM practices and employee retention. Table 4 clearly shows the  $R^2$  change of .03, indicating that the inclusion of interaction terms between HRM practices and the justice-management practice variable produced a significant increment of 3% ( $F(7, 264) = 24.21, p = .000$ ) to the effect. However, out of the three HRM practices variables, only the inclusion of justice management practice in the selection process was seen as having a significant impact on employee retention ( $\beta = 1.11, p < 0.01$ ).

Table 4. The influence of justice-management practice on the relationship between HRM practices and employee retention

	Model 1 Std. $\beta$	Model 2 Std. $\beta$	Model 3 Std. $\beta$
<b>Step 1:</b>			
Performance Appraisal	.21**	-.03	-.13
Training	.30**	.16*	.42
Selection	.06	-.03	-.73**
<b>Step 2:</b>			
Justice		.52**	.05
<b>Step 3:</b>			
PA x Justice – Management Practice			.16
Training x Justice – Management Practice			-.42
Selection x Justice – Management Practice			1.11**
$R^2$	.23	.36	.39
Adjusted $R^2$	.22	.35	.38
$R^2$ Change	.23	.14	.03
F Change	25.95	56.54	4.40
Significance F Change	.00**	.00**	.01*
Durbin-Watson			1.75

Note: \* $p < .01$ ; \*\* $p < .001$

Subsequently, the justice-reward results highlighted in Table 5 below also indicated a significant  $R^2$  change of .05, indicating that the inclusion of the interaction terms between HRM practices and distributive justice-reward variables produced a significant increment of 5% ( $F(7, 263) = 22.35, p = .000$ ) in employee retention. Pertaining to the effect of individual practices, the results also revealed that the inclusion of distributive justice – reward in the performance appraisal ( $\beta = 0.91, p < 0.05$ ) and selection ( $\beta = -0.83, p < 0.01$ ) process will have a significant influence on employee retention.

Table 5. The influence of distributive justice - reward on the relationship between HRM practices and employee retention

	Model 1 Std. $\beta$	Model 2 Std. $\beta$	Model 3 Std. $\beta$
<b>Step 1:</b>			
Performance Appraisal	.23***	.17**	-.29
Training	.30***	.23***	-.19
Selection	.06	-.01	.50**
<b>Step 2:</b>			
Distributive Justice - Reward		.34***	-.14
<b>Step 3:</b>			
PA x Distributive Justice - Reward			.91*
Training x Distributive Justice - Reward			.63

Selection x Distributive Justice - Reward			- .83**
$R^2$	.23	.33	.38
Adjusted $R^2$	.22	.32	.36
$R^2$ Change	.23	.10	.05
F Change	26.95	37.59	6.37
Significance F Change	.00***	.00***	.00***
Durbin-Watson			1.90

Note: \* $p < .05$ ; \*\* $p < .01$ ; \*\*\* $p < .001$

The analyses conducted on all three generational diversity variables (baby boomers, generation X, and Generation Y) however, indicated that generational diversity did not significantly moderate the relationships between HRM practices and employee retention.

## 5.0 Discussion

The theoretical relationships suggested in the research framework are empirically supported. This study provided evidence that training is the most influential factor in university administrators' retention. Performance appraisal was indicated as the second important factor. In contrast, selection was reported to have no significant influence on the university administrator's retention. Thus, the study has empirically provided evidence of the independent effects of HRM practices - training and performance appraisal on the university administrator's retention.

This research has also built a new structure of relationships between HRM practices, justice-management practice, distributive justice-reward and the university administrator's retention. It demonstrated the direct and indirect effects of justice-management practice and distributive justice-reward in influencing the relationship between selection and performance appraisal and employee retention. The study provides clear evidence of the importance of HLIs in implementing suitable HRM practices to create a positive environment for their university administrators. Eventually, employee retention will be enhanced if these practices are fairly managed.

Pertaining to the second moderating variable, it was found that generational diversity did not have any significant effect on the relationship between HRM practices and employee retention. The results showed clear evidence that the differences between the generations are not the most important part that needs to be tackled by the HLIs. More importantly, it is how the HLIs can integrate these differences to become a common need, which will allow them to set aside the generational differences of the university administrators for the betterment of the universities.

## 6.0 Conclusion & Recommendations

This study offers significant contributions to the existing works on HRM practices, organisational justice, and generational diversity literature, especially their impact on the retention of university administrators. This study is also original in that it proposes a longitudinal study of the relationships between HRM practices and employee retention, specifically in the education sector. As shown in this study, there are significant relationships between the factors such as training and performance appraisal in influencing the retention of university administrators. However, selection was not significantly related in influencing the university administrator's retention.

Consequently, this study has also given specific emphasis in studying the moderating effects of organisational justice dimensions on the study variables. Thus, through the moderating effects of organisational justice, this study found that to entice university administrators to stay longer with their respective institutions, the HLIs must be perceived as fair in job decisions and the distribution of pay and rewards. The reported results may further strengthen the understanding of HLIs management on the need to implement justice in their training, selection and performance appraisal processes because it directly influences university administrators. Thus, proper and fair reward schemes and approaches relevant to the personal needs of the university administrators will foster a positive work environment, thus, encouraging them to remain with their institutions.

Nonetheless, generational diversity was found to have no significant effects on improving the university administrator's retention. The study found that HLIs need to handle their staff with dignity and respect to promote intergenerational harmony in the workplace despite generational differences. In achieving their organisational objectives, HLIs should focus on efforts and strategies to better integrate the generations into one harmonious group rather than finding the disharmony's issues and cause. The HLIs' ability to understand the differences that exist among the generations will assist the university in changing the way the management communicates with each generation to build mutual trust and respect between both parties.

To this end, the proposed framework was substantially validated based on the results and findings obtained through the statistical tests conducted. Therefore, empirically, it can be concluded that HRM practices (training, performance appraisal, and selection) and organisational justice (justice-management practice and distributive justice-reward) are influential university administrators' retention factors.

## Acknowledgements

Financial support received under the Fundamental Research Grant Scheme (FRGS/1/2019/SS01/UITM/02/5) provided by the Ministry of Higher Education (MOHE), Malaysia, is gratefully acknowledged.

