THE RELATIONSHIP BETWEEN RETENTION FACTORS AND CAREER COMMITMENT

A project paper submitted to the Graduate School, College of Business in partial fulfillment of the requirements for the degree Master of Human Resource Management

Universiti Utara Malaysia

By

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The main objective of this study is to examine the relationship between retention factors and career commitment. The five factors that measured retention were compensation, training and development, job characteristic, supervisor support and promotion.

Data were gathered through questionnaire survey of employee at ACM Sdn. Bhd. (n=253). Correlation and regression analysis were used to examine the relationship between retention factors and career commitment. The results indicated that compensation, training and development, job characteristic, supervisor support and promotion were positively correlated with career commitment. The multiple regression results suggest that compensation were the most important factors in influencing career commitment. The findings were discussed and recommendations for further research were also addressed.
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# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERMISSION TO USE</td>
<td>i</td>
</tr>
<tr>
<td>DISCLAIMER</td>
<td>ii</td>
</tr>
<tr>
<td>ABSTRAK</td>
<td>iii</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>iv</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENT</td>
<td>v</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td>vi</td>
</tr>
<tr>
<td>LIST OF TABLE</td>
<td>xi</td>
</tr>
<tr>
<td>LIST OF FIGURE</td>
<td>xiii</td>
</tr>
<tr>
<td>LIST OF ABBREVIATIONS</td>
<td>xiv</td>
</tr>
</tbody>
</table>

## CHAPTER 1: INTRODUCTION

1.1 Introduction 1

1.2 Problem Statement 5

1.3 Research Questions 7

1.4 Research Objectives 8

1.5 Significant of the Study 9

1.6 Organization of Thesis 9
# CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

2.2 Career Commitment

2.3 Retention Factors

2.4 Compensation
   2.4.1 Financial Rewards
   2.4.2 Benefit Packages

2.5 Training and Development

2.6 Job Characteristic
   2.6.1 Job Autonomy
   2.6.2 Skill Variety

2.7 Supervisor Support
   2.7.1 Recognition from Supervisor
   2.7.2 Feedback from Supervisor

2.8 Promotion

2.9 Relationship between Career Commitment and Retention Factors
   2.9.1 Career Commitment and Compensation
   2.9.2 Career Commitment and Training & Development
   2.9.3 Career Commitment and Job Characteristic
      2.9.3.1 Career Commitment and Job Autonomy
      2.9.3.2 Career Commitment and Skill Variety
   2.9.4 Career Commitment and Supervisor Support

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>10</td>
</tr>
<tr>
<td>2.2</td>
<td>10</td>
</tr>
<tr>
<td>2.3</td>
<td>13</td>
</tr>
<tr>
<td>2.4</td>
<td>16</td>
</tr>
<tr>
<td>2.4.1</td>
<td>16</td>
</tr>
<tr>
<td>2.4.2</td>
<td>19</td>
</tr>
<tr>
<td>2.5</td>
<td>22</td>
</tr>
<tr>
<td>2.6</td>
<td>24</td>
</tr>
<tr>
<td>2.6.1</td>
<td>25</td>
</tr>
<tr>
<td>2.6.2</td>
<td>27</td>
</tr>
<tr>
<td>2.7</td>
<td>28</td>
</tr>
<tr>
<td>2.7.1</td>
<td>31</td>
</tr>
<tr>
<td>2.7.2</td>
<td>32</td>
</tr>
<tr>
<td>2.8</td>
<td>33</td>
</tr>
<tr>
<td>2.9</td>
<td>34</td>
</tr>
<tr>
<td>2.9.1</td>
<td>34</td>
</tr>
<tr>
<td>2.9.2</td>
<td>36</td>
</tr>
<tr>
<td>2.9.3</td>
<td>38</td>
</tr>
<tr>
<td>2.9.3.1</td>
<td>38</td>
</tr>
<tr>
<td>2.9.3.2</td>
<td>39</td>
</tr>
<tr>
<td>2.9.4</td>
<td>40</td>
</tr>
</tbody>
</table>
CHAPTER 3: METHOD

3.1 Introduction 43
3.2 Research Design 43
3.3 Research Framework 44
3.4 Hypotheses 45
3.5 Instrumentation 45
  3.5.1 Career Commitment 46
  3.5.2 Development of Retention Factors Measurement Scale 48
    3.5.2.1 Compensation 48
    3.5.2.2 Training and Development 50
    3.5.2.3 Job Characteristic 51
    3.5.2.4 Supervisor Support 52
    3.5.2.5 Promotion 54
3.6 Sampling Design 55
3.7 Data Collection 55
3.8 Data Analysis 56
  3.8.1 Mahalanobis Distance 57
  3.8.2 Normality Assessment of Items 58
  3.8.3 Factor Analysis 59
    3.8.3.1 Retention Factors 59
CHAPTER 4: FINDINGS

4.1 Introduction

4.2 Profiles of Respondents

4.3 Correlation Analysis

4.3.1 Retention Factors and Career Commitment

4.3.2 Descriptive Statistic of Variable

4.4 Multiple Regression Analysis

4.4.1 Compensation, Training and Development, Job Characteristic, Supervisor Support, Promotion and Career Commitment

4.5 ANOVA Analysis

4.5.1 Education Level and Career Commitment

4.6 Conclusions

CHAPTER 5: DISCUSSIONS, RECOMMENDATIONS AND CONCLUSION

5.1 Discussions

5.2 The Relationship between Retention Factors and Career Commitment

5.2.1 The Relationship between Compensation and Career Commitment
5.2.2 The Relationship between Training and Development and Career Commitment 72

5.2.3 The Relationship between Job Characteristic and Career Commitment 73

5.2.4 The Relationship between Supervisor Support and Career Commitment 73

5.2.5 The Relationship between Promotion and Career Commitment 74

5.3 Limitation of the Study 75

5.4 Recommendations 76

5.5 Conclusions 77

REFERENCES

APPENDICES
LIST OF TABLES

Table 3.1  The description of questionnaire’s section 46
Table 3.2  Operational Definition and Items for Career Commitment 47
Table 3.3  Operational Definition and Items for Compensation 49
Table 3.4  Operational Definition and Items for Training and Development 50
Table 3.5  Operational Definition and Items for Job Characteristic 51
Table 3.6  Operational Definition and Items for Supervisor Support 53
Table 3.7  Operational Definition and Items for Promotion 54
Table 3.8  The Percentage of Variance for Factor 1, 2, 3, 4, and 5 60
Table 3.9  The Results of Reliability Analysis 61
Table 4.1  Respondents Demographic Characteristic 64
Table 4.2  Summary of Hypothesis Testing 65
Table 4.3  Descriptive statistic, scale reliability, and correlation of retention factors and career commitment 66
Table 4.4  Multiple Regressions Results of Retention Factor 67
Table 4.5  The Results of ANOVA Analysis between Education Level and Career Commitment 68
LIST OF FIGURES

Figure 3.1 Research Framework 44
# LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description of Abbreviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACM</td>
<td>Asian Composite Manufacturing</td>
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<tr>
<td>SPSS</td>
<td>Statistical Package for Social Science</td>
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<tr>
<td>KMO</td>
<td>Kaiser-Mayer Olkin</td>
</tr>
<tr>
<td>VARIMAX</td>
<td>Varian Maximum</td>
</tr>
</tbody>
</table>
CHAPTER 1
INTRODUCTION

1.1 Introduction

A question several researchers and those managers and supervisors in organizations may ask is “why should retention of employees be important?” Employee retention and why employees turnover are two most important topics in organizational research. When retention rates are low, extra time and money are spent on recruiting, selecting, and training new employees that could have been spent on other activities like performance improvement or career development of employees (Abbasi and Hollman, 2000; Arkin, 1997; Muchinsky, 1997; Sightler and Adams, 1999). Additionally, with low retention levels organizations may experience a decrease in performance, efficiency, and morale, and an increase in the disorder of social networks, group cohesion, and communication (Sightler and Adams, 1999). As Day (2000) argued, if companies cannot retain their employees, “the economic results could be devastating for an organization. A substantial amount of value could potentially end up employed by a competitor, or . . . become the competition”.

Furthermore, for organizations, the high cost of recruitment and selection (Pfeffer, 1998), the lag and productivity loss during the assimilation period (Davies, 2001), the likely loss of business opportunity (McCallum, 1988; Walker, 2001), poor customer relationship (Clarke, 2001; Messmer, 2000), and hidden cost of loss productivity (Das, 2002) have
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REFERENCES


