THE EFFECT OF HUMAN RESOURCE PRACTICES ON EMPLOYEE RETENTION AT INTEL

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UNIVERSITI UTARA MALAYSIA
2011
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I declare that this thesis has not been accepted for any degree and is concurrently submitted in candidature of any other degree.

I hereby declare that any valuable contributions and all resources have been used as an acknowledgement to this thesis research.

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ABSTRAK

ABSTRACT

The objective of this study was to examine the relationship between four factors of HR practices which are training and development, performance appraisal, financial/health benefit, selection and recruitment, and employee retention in Intel Technology Sdn. Bhd. The research instrument used to obtain data was questionnaire. A total of 186 questionnaires were randomly distributed to employees in Shared Services Center & Finance department of Intel Technology (M) Sdn. Bhd. However, only 152 respondents returned the completed questionnaires. Data was analysed by "Statistical Package for Social Science" (SPSS Window) Version 12.0. Correlation analysis was used to test the inter-correlation between the variables. Correlation result shows that all four variables of HR practices i.e training and development, performance appraisal, financial/health benefit and selection and recruitment were correlated with employee retention in the organization. However, in the multiple regression analysis, it was found that HR practices (training and development, performance appraisal, and financial/health benefit) were related to employee retention. Performance appraisal was the strongest predictor of employee retention, followed by training and development, and financial/health benefit. These findings show that the related factors should be given attention to retain employees in the organisation. Some suggestions have been offered for the organization and for future research.
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CHAPTER 1

INTRODUCTION

1.1 Introduction to the Study

During economic downturn organizations will look for opportunities to cut cost and one of the famous resolutions is retrenching employees. However, when the economy recovers the organizations will recruit employees to replace the positions left by the retrenched employees. This is the normal phenomenon happening in most organizations. Due to retrenchment, many organizations lost their talented/skillful employees. The talented employees are the assets of a company. However, some organizations are really looking into practices in retaining their employees.

Successful organizations realize that an effective employee retention strategy will help them sustain their leadership and growth in the marketplace. Good organizations make employee retention a core element of their talent management and organizational development strategy. Those that fail to make employee retention a priority are at risk of losing their top talented people to the competition.

It appears that organizations are concerned with retention and the need for new approaches to reducing employee intentions to quit. In the latest Workplace Forecast (Society for Human Resource Management 2006(a),
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REFERENCES


