THE MEDIATING EFFECT OF JOB SATISFACTION ON THE RELATIONSHIP BETWEEN HR PRACTICES AND EMPLOYEE RETENTION AMONG GENERATION Y

By

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Thesis Submitted to

Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia,
in Fulfillment of the Requirement for the Master of Human Resource Management

2014
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ABSTRACT

The objective of the study was to examine the relationship between HR practices and employee retention among generation Y and job satisfaction as a mediating variable. The research done by a questionnaire that distributed to 200 respondents was selected using simple random sampling technique and 160 responded to the questionnaire. Data was analysed by “Statistical Package for Social Science Version 21”.

Employee retention among generation Y is an issue which has effected organizations until today. Many organizations have tried to understand the factors that contribute to employee retention among employees. Although many research have been showed the employee retention based on variables such as HR practices (compensation and benefits, training and development and working environment) and job satisfaction, the research conducted may be relevant due to lapse of time. Contemporary studies need to be conducted in order to understand the perception of the new generation of employees particularly among generation Y. New studies need to be conducted in order to understand the new way of thinking among employees especially the new generation and what are the dominant factors that can affected the employee retention among these employees.

The study also trying to understand the mediating effect of job satisfaction on the relationship between HR practices and employee retention among generation Y. From that, the study could give more contributions in terms of how job satisfaction could be important and affect the employee retention. Some recommendations have
been offered for the organization and practitioners and future research to be more complete and comprehensive.
ABSTRAK

Objektif kajian ini adalah untuk mengkaji hubungan di antara amalan pengurusan sumber manusia dan pengekalan pekerja di kalangan generasi Y dan kepuasan kerja sebagai pembolehubah pengantara. Kajian yang dilakukan oleh soal selidik yang diedarkan kepada 270 responden telah dipilih menggunakan teknik persampelan rawak mudah dan 160 maklum balas kepada soal selidik. Data dianalisis dengan "Pakej Statistik untuk Sains Sosial Versi 21".


Kajian ini juga cuba untuk memahami kesan pengantara kepuasan kerja kepada hubungan antara amalan sumber manusia dan pengekalan pekerja di kalangan generasi Y. Dari itu, kajian itu dapat memberikan lebih banyak sumbangan dari segi bagaimana kepuasan kerja boleh menjadi penting dan melaksanakan pengekalan pekerja. Beberapa cadangan telah ditawarkan untuk organisasi dan pengamal dan penyelidikan masa depan untuk menjadi lebih lengkap dan menyeluruh.
ACKNOWLEDGEMENT

Firstly, I would like to convey my gratitude to ALLAH S.W.T for giving me the strength and motivation to complete this dissertation. I would like also to thank the following people who has helped and support me, without the help and support I received from the following people I would never have completed this program:

My family members, whose unreserved support and encouragement the zeal and courage to face the seemingly insurmountable hurdles throughout the period of my academic struggles. My beloved parents, Haji Suhail bin Haji Azahari and Hajjah Sobiaha Bt Haji Salleh, my sisters and brother, Sabrani, Sobiroh, and Sabira, who have fully support so that I wouldn't give up, be positive and be motivated to complete this difficult task.

Special words of appreciation go to my supervisor, Dr. Subramaniam Sri Ramalu for his invaluable knowledge, efforts and time in provide me with the proper guidance, assistance and effortless support throughout the entire process. Finally, I would like to address a special thanks to the respondents who have contributed significantly by participating in the study and answering the questionnaires. And to all the lecturers and my friends (Abazazilah, Aini Wizana, Aliza, and Nur Amira) who have created an environment of support and encouragements throughout my course to strive in finishing this dissertation and through the course of my study in UUM.
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LIST OF ABBREVIATIONS

CB : Compensation and Benefits
ER : Employee Retention
HR : Human Resource
JS : Job Satisfaction
TD : Training and Development
UUM : University Utara Malaysia
WE : Working Environment
CHAPTER 1

1.1 Background of the Study

The Tenth Malaysian Plan (10th MP) had underlined the importance of maintaining the quality of human capital in achieving objective of the organizations and realize the vision of the country. This is because the quality of human capital is the backbone to define each country, in addition for economic growth. One of the focus of Tenth Malaysian Plan (10th MP) was to increase the number of high caliber graduates to continue their studies at a higher level in the important areas in line with the national development agenda. Thus, this will enable to develop top talent and to transform the country to become high income countries. The composition of high-skilled workers should be increased to at least 37 percent by 2015, to become a developed nation.

Employees represent a kind of valuable assets to their organizations. People who are working together and cooperating based on division labor in order to achieve a common purpose are defined as an organization (Wood et al. 1994). It is impossible for organization to achieve their objective or mission on their own. Retain employees will be one of the indicator to achieve competitive advantages. Organization with lower turnover could spend their money for other activities to retain valuable employees. There are several questions from the management that always discuss “why employee retention is so important” and how to retain employee and decrease turnover intention.
The contents of the thesis is for internal user only
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