

**THE INFLUENCE OF REWARDS (MONETARY AND NON-MONETARY) TOWARD
INTENTION TO LEAVE IN FINANCIAL INSTITUTIONS.**

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The influence of rewards (Monetary and Non-Monetary) toward intention to leave in
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DECLARATION

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ABSTRACT

The rewards package is one of the crucial factors to the organization to attract, retain and motivate their employees. Malaysia Financial and Banking Sector faced the high turnover rate which is 27.84%, compared to Malaysia turnover rate which is around 12 to 14 percent. Therefore, this study proposed to identify the relationships between rewards (monetary and non monetary) to intention to leave in Financial Institution in Klang Valley. The quantitative study through questionnaire was distributed to employees who has been employed for at least 2 years under financial institution. Descriptive and inferential statistics are used to analyze the research data. Research findings showed that there were moderate weak negative correlations between rewards and intention to leave. However, regression analyses revealed that monetary and non monetary rewards described almost 27% variances to intention to leave. Results suggest that the greater monetary and non monetary rewards the lower intention to leave among their employees.

ABSTRAK

Pakej ganjaran merupakan salah satu faktor penting kepada organisasi bagi menarik, mengekal dan memotivasikan pekerja-pekerja mereka. Sektor Perbankan dan Kewangan di Malaysia mengalami kadar lantik henti yang tinggi iaitu 27.84% berbanding kadar lantik henti di Malaysia iaitu 12 hingga 14 peratus (MEF, 2011). Oleh itu, kajian ini dijalankan bagi mengenalpasti hubungan antara ganjaran (kewangan dan bukan kewangan) ke atas niat untuk berhenti dalam institusi kewangan di Lembah Klang. Kajian secara kuantitatif iaitu edaran soal selidik ke atas semua kakitangan yang mempunyai sekurang-kurangnya dua (2) tahun pengalaman bekerja di institusi kewangan terpilih. Analisis diskriptif dan inferensial digunakan dalam menganalisis data kajian. Hasil kajian menunjukkan bahawa terdapat hubungan negatif yang sederhana lemah bagi ganjaran dan niat untuk berhenti. Manakala, analisis regresi menjelaskan bahawa faktor ganjaran kewangan dan bukan kewangan menggambarkan sebanyak 27% varian ke atas niat untuk berhenti. Keputusan kajian, mencadangkan bahawa majikan perlu meningkatkan pakej ganjaran bagi menurangkan niat untuk berhenti di kalangan pekerja di organisasi mereka.

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Brothers and sisters, always sticks in a bundle are unbreakable. NEVER. Once again, Let's get together and feel all right

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CHAPTER ONE (1)

INTRODUCTION

1.0 OVERVIEW

Every organization requires its employee to execute the business. It is like a backbone for every organization. Hence, it is important for the organization to keep their employee or to focus on employee retention to ensure that the organization is running on track. Generally, organization would retain its employees for a specified period to utilize their skills and competencies to execute or to accomplish the tasks.

Many organisations have recognized that employees are the most valuable asset and organizational improvement is recognized through people management and development (Accenture, 2001). One factor that has been highlighted is when the organisation failed to prioritise the important of employee retention which it able to contribute to talent cost (Eskildesn and Nussler, 2000). Managing employee effectively is equally important to ensure organization continues the battle in globalization arena.

Hiring an employee is only first step. Building, awareness of the important of employee retention is essential. According to Ucho and Mkavga (2012) in Mayer (1993), has described an intentions to leave as a sensible looking for job opportunities as alternative in another organisation. The assessment on the turnover intentions' background has been stressed-out

the intent to leave rather than actual turnover as the outcome variable. The decision is in advance whether to leave the organization or not before their physically exit.

The intention to leave from the current employment of position has a serious significances including turnover from the profession (Hellman, 1997). It has shown that it is a direct correlation with increased intention to leave as a significant predictor of actual turnover. By lowering their intention to leave there is a less likely chance they will leave. Understanding this connection can provide employers with solutions to intervene and lower an individual's intention to leave.

Employee turnover creates a cost that associated with replacing a worker, lost productivity, lost revenues from services or client exodus and other costs that are linked to developing effective strategies for reducing turnover. It may become a strategic enforcement rather than operational as the management should view from various perspective on how to rationalize it which able to tight it with the organization's objective (Schuler and Macmillan, 1984)

There are many interpretations, clarifications and definitions on intention to leave. Fishbein and Ajzen (1975) has clarified that by understanding the behavioral of intention to leave is tremendously important in preventing negative consequences of intention to leave. It has been demonstrated to be the main basic and predictors of the actual behavior of turnover. Therefore, in order to understand turnover, one must first understand the behavioral intentions. Maki tei-Tominagai and Akiko Miki (2009) has indicated that employees' intentions to leave are the greatest predictor of turnover. Refer to Alam and Mohammad (2009) cited from Purani and Sahadev (2007) and Weisberg (1994), Intention to leave is

defined as an employee's plan of intention to quit the present job and look forward to find another job in the near future.

The effect and impact of the turnover intention is actually on the organizational effectiveness and employee morale has remained the focus of organizational researchers in recent times (Chen et al, 2011; Kacmar et al, 2006); Sean et al, 2010 ;and Shaw et el, 2005). With reference to the unforeseen negative impact, the organisation superiors try to find a better way to manage their employees in order to retain valued human resources and sustain high performance (Ucho and Mkyaga, 2012) For example, the number of the employees who has left the organisation against the overall workforce numbers of employees. Normally, it will be presented in percentage amount.

To reduce the intention to leave, the commitment and encouragement involves taking measure to educate and communicate its employees. It is true as many employers have underestimated costs associated with turnover of key staffs (Ahlrichs, 2000). The cost of turnover will relate with the matters such as reference checks, security clearance, temporary worker costs, relocation costs, formal training costs and induction expenses (Kotzé and Roodt, 2005). The unseen costs that may incur such as missed deadlines, loss of organizational knowledge, lower morale, and client's negative perception of company image may also take place. The organization should aware that retention is more than recruitment, hence, they should aware when the employee have the intention to leave.

The costs associated with employee turnover can be included the loss of customers and business as usual as damaged morale. There are costs incurred in screening, verifying,

reference checks, interviewing and training the new employees. According to the American Management Association, the biggest cost on turnover is that of replacing an employee who leaves. According to Kaye and Evans (1990), this cost is calculated conservatively at 30% of an employee's annual salary and for those employees whose skills are in high demand, the cost can rise to two-thirds of their annual salary (Dibble, 1999). It can be ranged between 70% to 200% of salary (netswera, Rankhumise and Mavundla, 2005)

Turnover is of considerable interest to the nursing profession because of predictions of a worsening nursing shortage secondary to an aging nursing workforce (Goodin, 2003; O'Brien-Pallas, Duffield & Alksnis, 2004), and because of the recognized costs associated with replacing nurses. According to Jones (2005), It has been estimated that nurse turnover costs 1.2-1.3 times a nurses' salary (as cited by Peterson, 2009).

The impact can be substantial when employees leave an organization (either voluntarily or involuntarily) and the turnover has been directly linked to rising employee recruitment and training costs, low levels of employee morale, job satisfaction, and customers' perceptions of service quality (Gray et al., 2000).

1.1 Problem statement

The developed country like Malaysia, organization tends to fulfill the employee's needs in their job by providing support to their motivational aspects, such as self-esteem, self-fulfillment and basic needs. However, the root of the issue will remain which is the reason for intention to leave.

As agreed that employees are the most valuable assets in each organizations which this idea has been spotted and supported by Sigler (1999). The author indicated that turnover is critical in each organization which they should be able to strive with others, being competitive advantage, and the loss of talented employees can be detrimental to operations. In a simple word, intention to leave is referred to an employee's set to resign from his / her current organisation. It is actually similar to the term of "turnover intention"; Nevertheless, it is intention to leave is distinct from defining actual turnover (Yoshimura, 2003). Specifically, it is also refers to the an individual's estimation with regard a possibility of leaving an organization in the near future (Mowday et al., 1982). According to Tett and Meyern (1993) in Cho, Johanson and Guchait (2009), intention to stay refers to employees' conscious and deliberate willingness to stay with the organization. Hence, the intention to leave has the definition vice-versa.

Hasselhorn H, Tackenberg P and Müller (2003) quoted from Clark (1998), the job satisfaction presence as powerful as the wages that influence the intention to leave and it is involved the unsatisfied employees. It is also can be termed as a proceed in which job dissatisfaction is the first step, followed by intention to leave, which finally, in some cases,

can result in actual turnover (as cited by Pia Tham (2006) in Mobley et al., (1978) and Bannister and Griffith (1986)). Tett and Meyer (1993) cited in Heydarian. and Abhar (2011), scientific finding has shown that the intention to leave is resulting from a sensible and reasoning decision the employee makes to leave the organization.

It has been an increment in turnover for the year of 2009 to 2010 by 0.08% (adjustment from 9.3% to 10.1%). 18.3% was the highest turnover recorded and commercial banks has contributed the largest numbers in turnover rate. It has impacted the productivity, quality and profitability due to the loss of knowledge and technical skills. (Hewitt Associates, 2009/2010).

Average Yearly Turnover Rate of Executives	
July 2010-June 2011 by Industry (%)	
Types of Industry	Annual average
Manufacturing	
Basic & Fabricated Metallic Products	23.88%
Electrical & Electronics	23.04%
Food & Beverage	17.88%
Petroleum/Chemical	7.08%
Pharmaceutical/Tolletries/Non Metallic/Mineral	9.6%
Plastic/Rubber	19.92%
Printing/Publishing/Paper/Timber/Wood Products	11.88%
Transport/Machinery Manufacturing	16.68%
Sub Total	18.84%
Non Manufacturing	
Assodations/Societies	33%
Banking/Finance/Insurance	12.12%
Business Services	15.72%
Holdings & Investment/Plantation	17.4%
Hotel/Restaurant	32.4%
IT/Communication	75.72%
Medical Services	19.8%
Professional/Consultancy/Education/Training	29.28%
Property/Construction	15.6%
Transport/Warehouse Services	26.88%
Wholesale/Retail/Trading	1.8%
Sub Total	22.44%
TOTAL	20.88%

Source: Malaysian Employers Federation (MEF)

Table 1.1: Summary of Malaysia’s Executive yearly average turnover rate.

As regard to Malaysia scenario, Malaysian Employers Federation (MEF) has reported that Malaysian companies are nearsighted attrition rate of between 9.6% and a phenomenal 75%, founded on its survey. It was conducted on focusing to position of Executive and this survey has been directed from June 2010 until July 2011.

From the findings, it has indicated that the turnover rate has been increased in the past year and foresees it will be increasing for the following years. The greater number of the turnover for industry in Malaysia is Information System and Technology which contributed 75.72% from its total employee strength. It followed by Banking/Finance/Insurance & Business

Services which hit 27.84%. As per market analysis on financial services sector, average turnover rate is between 12-14% (Towers Watson, 2011).

McKinsey (2008) has stated that talents as the crucial asset for each organization which grow in Malaysia. By looking in the next 20 years and it has been reinforced earlier by Governor of Central Bank of Malaysia (2007) on the critical need for Malaysian banks to develop their talent programs:

“The investment in human capital development is thus important for the future development and growth in the financial services sector. Building human capital has become much emphasized in today’s world. Successful banking institutions in the future will be increasingly dependent on intangible assets such as talent. As competition intensifies, the need for banking institutions to attract and retain the best skills and talents will become more urgent. Going forward, the availability of talents will become the pivotal factors determining the capacity for the industry to reinvent and transform. Banking institutions would need professionals with the requisite skills and expertise not only at the strategic and management level, but also at the technical and operational level. Successful institutions will be the ones which accord high priority to the continuous enhancement of human capital.” (Zeti Akhtar Aziz, Governor of the Central Bank of Malaysia)

The efforts have been taken place which the programme will train and educate the qualified graduates for immediate placement in banking and insurance institutions. It has been highlighted by Taing (2010) that current banking industries are facing the shortage of the talents since 2010. The program is able to help the organizations of facing the talents shortage

and acute of talents. The survey states that respondent appears to agree with the requirements and needs by each organizations to conduct the program.

It is become a major issue on to hire a right talent. The employees have different expectation towards the organization and will leave their current job for another if they felt their expectations are not meeting (Wong,2010). In fact, many employees consider this as a career advancement opportunity.

Since we will be focusing in financial institution in Malaysia, DDI report (2001) recent study has shown that to identify the gap and there are:

1. Two-thirds (67%) of organizations have formal measures in place to determine the effectiveness of retention efforts.
2. 2 percent of the cases, organizations track turnover, but other measures such as promotions (43%) and employee job satisfaction (42%) are popular indicators of success.
3. Less popular measures include employee morale (32%) and grievances (19%).

The purpose and intention of this research is to help the organisations to understand the needs of the talents and also to identify the intention to leave. It might seem a repetition and inculcating on those values which reflect on employees' turnover. To be more specific on this research, the focus is on Financial Institution in Malaysia which we foresee that the issue has been raise up especially when it has been corporatize.

It seems many employers and employees relate this into rewards when talents leave the organization. However, the majority of researches were focusing on tangible factor such as monetary features. It is still lack on exposure in examining the relationship of the non-monetary which may influence employee to retain and also may reflect the employee intention to leave. Using the rewards as independent variable which divided into two categories i.e monetary and non-monetary to strike the employee's mind whether to leave.

The turning point to focus on the non-monetary when there are an article in The Star newspaper has reported 2 young executives willing to sacrifice their current position which the offer were promised the individual for higher responsibility and decision making and also to have better flexible working hours and work life balance (Lisa Goh, 2011). On the another side of the same coin, it was mentioned that they willing to let go their good remuneration package, with high bonuses and good increment for less for better job and career opportunity. This is adverse that the non-monetary also play the important roles for the individual career plan. It suggests that there is an existence between non-monetary rewards and individual improved job performance (Wiscombe, 2002). They are agreed that by improving the job performance will lead into the career success.

The relationship between intention to leave and rewards is aligning with the purpose of this paper. Based on one survey conducted, it is positive correlation with the salary (reward) after the training and development stage has been accomplished. Deprived of increasing the pay to replicate the ability learnt with the related competencies, skillset and capabilities, it is not favourable (Anis et al, 2010). Recognition, authority and seek for more knowledge were a few reasons why people were leaving their current jobs (Hassan et al, 2011).

Therefore, this research is to identify the influence of rewards toward intention to leave in financial institutions. Is the rewards which implemented by the financial institutions able to attract the employee to stay? This research will help the employer to identify the best benefits to attract and attain the talents.

1.3 Research Questions

1. Is there any relationship between rewards (monetary) towards Intention to leave?
2. Is there any relationship between rewards (non-monetary) towards Intention to leave?

1.4 Research Objectives

This research challenges the organization on to find the best approach to retain its employees by improving the rewards system (monetary and non-monetary):

1. To identify the relationship between the monetary rewards and employee retention:
2. To identify the relationship between the non-monetary rewards and employee retention:

1.5 Scope of the Study

The scope of this study is focusing among of the employees in Financial institutions who have worked with minimum of two (2) years.

1.6 Significance of the Study

The advantage of this research is able to help the organization to disembark the best way to identify the intention to leave among the employees. This issue has been there for ages and many researches have been conducted to identify the gap. The studies will focus on the influence of the rewards system towards the intention to leave.

Thus, this study also able to furnish some information for future research and can be the good indicator for future employers on how to treat its employees. When those results have been identified and put in place, the employer may get the benefit especially the employee's loyalty.

1.6 Definition of Key Terms

Jargon in Human Resource:

1. Staff Retention

- a. Defined as *“the ability to hold onto those employees you want to keep, for longer than your competitors”* (Johnson, 2000 cited in Madiha. et al., 2009)

2. Rewards

- a. It refers to all of the monetary, non-monetary, and psychological payments that an organization provides for its employees. It presents all the tangible benefits and provisions an employee obtain as a part of “employment relationship” (Milkovich and Newman, 2004). It illustrate that “work rewards”

indicate the benefits, workers receive from their workplace and are considered the determinants of job commitment and satisfaction (Malhotra et al, 2007).

CHAPTER TWO (2)

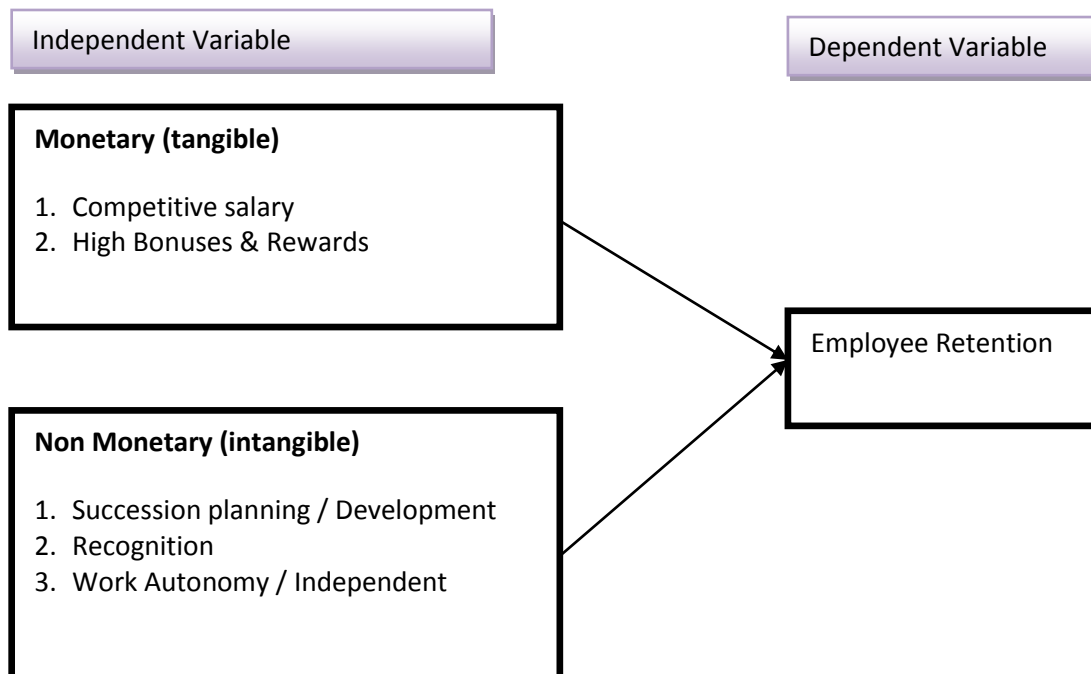
REVIEW OF LITERATURE

2.0 INTRODUCTION LITERTURE REVIEW

The focus point of this chapter is to elaborate the review and also the overview of the research topic. This able to carry the in depth information of the Rewards (Monetary and Non-monetary) and Intention to leave

The first section of this interval will emphasize on the definition and issues. In the end of this chapter, we may get and able to share the better understanding of the framework as well as hypothesis.

2.1 RESEARCH FRAMEWORK



Above are the research framework and its relationship.

2.2 Review of Related Literature

a) Rewards Management

Rewards has been discussed often as the organisation furnishes the employees by repay their word-hard and contribution which they are deserved it (Agarwal, 1998) . Noe (2008). Ng and Feldman (2007) claimed that the organizations that provide attractive extrinsic rewards such as pension's scheme and benefits exert strong embedding forces on long-tenured workers also discourage them to seek out for new employment opportunities. It can be divided into two categories which is extrinsic or intrinsic. It also can be in cash or something intangible like recognition (awarded as best employee of the year etc). With this, it able to motivate the employee for future positive behavior. In a corporate situation, rewards can take in a various order. It includes, cash bonuses, recognition awards, free merchandise and free trips. It is very important that the rewards have a lasting impression on the employee and it will continue to substantiate the employee's perception that they are valued (Silbert, 2005).

From the both side (employer and employee), reward is seen as very important especially for the job satisfaction. It able to fulfills the basic needs as well as helps to attain the higher level of achievement. Bokemeier and Lacy (1986) , by earning the salary, the employees able to identify their level of position and also to know how much they are gaining by dedicating their time, effort and skills in a job.

One of the main and key elements which able to avoid intention to leave are with offering the attractive remuneration. This offer able to satisfy employee's financial and material wishes and this also able to provide the employee's status (in social and community) and position of power in the organisation (Pfeffer, 1998; Woodruffe, 1999). There is also a great deal of

inter-individual difference in understanding the significance of financial rewards for employee retention.

An organization's reward system can affect the performance of the employee and their desire to remain employed (Bamberger & Meshoulam, 2000) Total reward is defined as "*all of the employer's available tools that may be used to attract, retain, motivate and satisfy employees*"

b) Monetary

Frank Shostak (2000) has defined a monetary is a cash and demand deposits with commercial banks and thrift institutions and government deposits with banks and the central bank. It also can be referred as tangible returns includes cash compensation such as bonus, increment, short term incentive, long term incentive and other benefits such as income protection , Allowance and others (Milkovich and Newman, 1993).

Monetary is considered as a dependent variable. Mostly, the organisation feels that monetary rewards play a bigger factor in influencing the individual intention to stay or to leave. Many organizations always dismiss the non-monetary rewards such as career path or promotion, succession planning and development, job security and last but not list is work autonomy.

Milkovich et al (1993) has indicated that monetary rewards can be referred as tangible returns includes cash compensation such as bonus, increment, short term incentive, long term

incentive and other benefits such as income protection, Allowance and others. It was mentioned above can be categorized merit-pay, market-based pay and profit-related pay:

- i. Merit-pay is a performance related payment. It is a quantum payment or rewards given to employees who have shown good performance, productive and talented employees that have performed well and shown increased contribution to the organization. Merit-pay can take several basic forms and examples of merit-pay are annual merit increment (annual increase based on individual performance rating that being measured), Performance Bonus (a one-time quantum payment that is also given to employees in accordance to their achievements and contributions) and direct compensation payment (This payment is more related to production environment, sales and real estate. Once they have achieved their target or more they will be rewarded in accordance to their achievements).
- ii. Market-based pay solely referred to base salary. Market based pay is salary payment that is paid to the employee for the value of the work does and competency level of an employee. The salary must also be at par or higher to the market value of the same job. However the market pay based pay must also be in line with the organization remuneration pay structure that is based on the organization pay philosophy.
- iii. Profit related pay is related to the profit sharing plans are based on predetermined economic sharing rules that define the split of gains between the company as a principal and the employee as an agent. This is normally known as employee share option scheme (ESOS), also known to certain organization as Long Term Incentive Plan.

- iv. Monetary rewards are given for a variety of reasons. The example of reasons are meeting sales goals, achieving quality, outstanding performance in a given situation or delivering a special project. Normally, monetary rewards that preferred by employees especially in the lower level category, is money in a form of bonus, trips paid for by the company, gifts from a rewards catalog or services such as cell phone or paid cable. Thus monetary rewards also refer to the financial inducement that organizations offer to employee in exchange for their contribution and recognition in influencing their productivity in the organization.

Based on previous findings that human resource management practices in rewards, job security, training & developments, supervisor support culture, work environment and organization justice can help to reduce absenteeism, employee retention and better quality work (Meyer and Allen, 1991; Solomon, 1992; Snell and Dean, 1992; Arthur, 1994; Snell and Youndt, 1995; MacDuffie, 1995; Delaney and Huselid, 1996; Ichniowski, Shaw and Prennushi, 1997).

There were a linkage between rewards and intention to leave (Watson Wyatt, 1999; Tower Perrin, 2003; Mercer, 2003) and furnish visions into what employees want to do, their words about the rewards and their feeling regarding the work and reward matters. It was also supported the assumption that well and broad implemented reward practices help in avoiding the intention to leave.

c) Non-Monetary

Non-monetary Rewards are rewards that are no monetary value attached. Example of non-monetary rewards are movie tickets, restaurant coupons, certificates, thanks from the bosses, flexible schedules, a day off, picnics, recognition of birthday and free lunches. Non-monetary rewards also refer to intangible returns or rational returns such as recognitions, status, employment securities and other.

According to Yap, Bove and Beverland (2009), non-monetary rewards refer to the identification of a job well done hence representing s non-financial means of appreciating and acknowledging of their employee contribution. Non-monetary reward focuses on the needs of people for recognition, achievement, responsibility, exposure and personal growth (White and Drucker, 2000). In this study only two elements of the non-monetary will be used. And they are recognition and exposure.

It is referred to any payment which does not involve to any direct payment. This is also includes job security, flexible hours and task enjoyment and friendships (Armstrong and Murlis, 2007)

d) Intention To Leave

Mobley et al (1978) has described a Intention to leave as a consideration in mindful and a deliberate desire to leave an organization within the near future and considered the last part of a sequence in the withdrawal cognition process (cited by Cho, Johanson and Guchait). Irvine and Evans (1995) has defined the turnover is considered a terminal action and intention to leave. It has a possibility for the worst consequences for both the individual and profession

(Harkson, Unterreiner, & Shepard, 1982). Intention to leave (individual) in the organisation, is when each employment has the intention and before they reach at the terminal level. Understanding this behavior may avoid their intention to leave and lower the turnover (Salvatori et al, 1992). Turnover refers to a voluntarily behave of separating or leaving the current employment (Bluedorn, 1982). The literature describes intention to leave as the behavioral intention of an individual to voluntarily leave a profession or organization (Coomber & Barriball, 2006; Mobley, Horner, & Hollingsworth, 1978; Steel & Ovalle, 1984). It has been further defined as a major predictor for the terminal action of actual turnover (Mobley, Horner, & Hollingsworth, 1978).

There is a signification relationship in turnover and intention to leave (Mobley, Horner, & Hollingsworth, 1978). Outcome has demonstrated this behavioral action intention to leave as a good assumption to turnover rather than job satisfaction, thinking of quitting, or intending to search. It also considered as a key and main antecedent to turnover. Alike research which has been conducted has similar results that able to support this model and has identified the significant correlations between intention to leave and turnover (Weisman, Alexander, & Chase, 1981).

Cited by Price (2001) and Thwala et al (2012) in Choi, Perumal and Ajagbe (2012)' turnover is defined as the "individual movement across the membership boundary of an Organization" Mobley et al (1978) has used a path-analysis. It is a model that examine the relationship between intention to leave on the turnover (cited by Michaels & Spector, 1982). Based on this model, the result has found and it was supported the model. It was also suggested that it is highly significant on these two (2) items. Research by (Steel & Ovalle, 1984) has found

that by using the meta-analysis, it verified that it is significant mean correlation between. Furthermore, intention to leave as defined as the subjective estimation of an individual regarding the probability of leaving an organization in the near future (Cho, Johanson & Guchait, 2009) cited by Boxteltilburg (2011).

Some researches has shown that intention to leave and the starting pay are interrelated and also there is a correlation between fringe benefits and individual qualifications. Cited by Heydarian and Abhar (2011), it found that the turnover is higher in organisation that practicing the less pay rather than the organisation or superiors is inexperienced and unfamiliar with the job (Larson and Lakin, 1999). It is also a correlation between fringe benefits and individual qualifications.

2.3 Previous Research Findings

Compared to younger workers, the older workers also less likely to feel satisfy with their new jobs in terms of pay and benefits (Mallinckrodt, 1990). Hence, they are less likely to leave their current employment due to fear of losing the attractive compensation. Moreover, the older workers are less likely to find quality replacement jobs as their younger colleagues do in the market (Feldman, Leana, & Bolino, 2002).

We may see that there are some factors have been observed that may influence the intention to leave. We may indicate major variables such as:

- ✓ Personal
 - Demographics
 - Job satisfaction,
- ✓ Management
 - Organizational commitment
 - Organizational engagement
- ✓ HRM practices such
 - Employee development
 - Performance management
 - Compensation.

As a result from the above findings, it has been identified the consistently similar to previous study which also stretch stronger evidence that Human Resource practices should be well managed. This is due to employees would reciprocate in the form of higher commitment and lower intention to quit (Nurita Juhdi et al., 2011).

The younger employees also were obviously having higher turnover intention rate compared to the then older employees. (Chan, 2010) has pointed out that in Malaysia, it is about 3.7 % are older employees which significant that recommendation to policymaker should solve this

appearance via provide training and practical, incentive, and motivation in order to increase their organizational commitments and job satisfaction.

These suggest a set of workplace norms and practices that might be taken as inviting employee engagement. Hytter (2007) found that the personal premises of loyalty, trust, commitment, and identification and attachment with the organisation have a direct influence the intention to leave. It demonstrated that workplace factors such as rewards, leadership style, career opportunities, the training and development of skills, physical working conditions, and the balance between professional and personal life have an indirect influence. Moreover, it has found that earning more money has only an indirect influence on employee retention; it is of influence when the job satisfaction of an employee is low (Tang et al., 2000).

Mehrasa and Abhar (2011) has identified that the senior manager and also the Human resource department can use the advantages of the relationships between such variables as organizational commitment, person-organization fit, job satisfaction, and work stress to decrease the intention to leave. Each individual factor such as age, gender and education are blocking variables since they cannot be manipulated. These individual factors may affect the intention to leave which leads to turnover which beyond the control of the organisation.

Deeproose (1994) has summaries that the effective reward management can support the organisation to accomplish its business objective by attracting and avoid the intention to leave.

Daisy et. al (2013) has concluded that there is an influence of employee reward, job satisfaction, job human resource policy on employee turnover. It was also provided strong evidence on the variable tested. They also recommended that the future research be directed towards investigation how variable like work/life balance, organisational commitment, supervisor support and work environment can influence employee retention. The other findings were only 7.4% respondents were agreed that their salary level is reason for them to stay. 23.5% were disagreeing and 7.4% were strong disagree. By these judgments, many author agreed that employees whose rewarded adequately tend to stay (Sutherland, 2004; Shoib et. Al. 2009).

Study from Suleiman and Mat Som (2013) has concluded that Malaysia Hospitality stakeholder should recognize that one of the factor will lead the employee turnover is low salaries. Ahmad, Toh and Bujang (2013) stressed-out employees would remain with the organisation longer if the non-monetary reward positively. It also should concern on any other benefits that may affect the intention to leave.

A study conducted by Drake International has listed out that competitive compensation and Non-monetary reward & recognition are two of the value in retention strategy. Salary, promotion, superior and the work itself were influenced to employee turnover (Rohani et al, 2012): Authors also suggested that sample of unit analysis should be in bigger number to overcome this issue as this outcome can't be generalize.

2.1 Hypothesis

H1: Intention to leave is influenced by monetary rewards?

H2: Intention to leave is influenced by non-monetary rewards?

Based on the above analysis questionnaire, we may conclude that independent variable has an influence the positive relationship with intention to leave (dependent variable). It has emerged as one of the dominant themes in management studies during past decade. The major contribution of this study is the examination of determinants of Employee Retention in Telecom Sector of Pakistan. Madiha Shoaib(2009) shows the relationship and also the intensity level of the determinants through which they impact on the intention to leave.

The result reveals the negative relationship of career development opportunities, supervisor support, working environment, rewards and work-life policies with intention to leave. Strategies and implications that can help Telecom sector of Pakistan in retaining their employees have also been discussed.

2.5 Conclusion

By referring to the conceptual and definition given for each variables, the researchers have shown, verified and it has showed the significant of both independent variables (monetary and non-monetary rewards) in ensuring the intention to leave. With reference to the definitions, its variables and the impacts, also the supports from the previous researches, it is strongly shows that the signification. The next chapters will do more exploration regarding this issue and discussions will be made to answer the hypotheses of the study.

CHAPTER THREE (3)

RESEARCH METHODOLOGY

3.1 Introduction

This chapter defines the methodology for this research. It will describe on the sample design, survey materials used in this study, procedure for collecting data and the research measures. By the end of this chapter, it will conclude with strategies for analyzing the data.

3.2 Research Design

Research methodology can be in the form of (1) quantitative. The proposed research design is quantitative research. Quantitative research design is able to help to response and react between the relationships among measured variables with the purpose of explaining, predicting, and controlling phenomena (Leedy & Ormrod, 2005). It is also will allow the researcher to make the trial and assessment on the relationship between the research variables (Kreuger & Neuman, 2006); and it is up keeping the research on the reliably determine if one hint and also the theory is better than the alternatives that it has (Anderson, Sweeney & Williams, 2000).

It has been mentioned that quantitative research will be used. It seems that it is more appropriate which it allow by taxing the association between variable by using statistical methods.

The approach of quantitative analysis has been adapted. The procedure of the quantitative analysis method in this study is selected based on the belief that the questions researched are

understood as social phenomena. This research is approached by using survey method using questionnaire to examine the relationship between independent and dependent variables. By using this technique in collecting the information, the objective is to define the relationship between the independent variable and dependent variable in total of population.

Arranging a study in a natural environment will create high external validity and the findings will be more robust, relevant and comprehensive (Hair, 2007) and Zikmund (2003). This has been ensured that this survey conducted in the unbiased arrangement, free and natural environment. For this survey, the data has been conducted and collected from the employees of the financial institutions. Set of questionnaires have been distributed and it has been set to be responded by target audience. The data were solely obtained from the questionnaire as no interviews with the respondent were conducted. With direct and simple type of questionnaire is able to assist the respondent to answer with-in the timeline.

Rewards in term of the monetary and non-monetary are the basis for the understanding on its influences on intention to leave. Consequently, it is relevant to use individual as a unit of analysis to test all the variables shown in the research framework.

By using the survey, the data to be analyzed as follows:

- i. That we use the questionnaires to all employees in Financial Institutional who has left or still with the organization.
- ii. We also conducted survey on the type of benefits (tangible & intangible offered to its employees.

iii. Based on the survey, we may use the correlation between rewards and intention to leave

This survey study is cross-sectional, where the data was collected at one point of time. A cross-sectional design is simple, inexpensive and allows for the collection of data in a relatively short period.

3.3 Population and Sampling Design

3.3.1 Population

Population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate, while sample is a subset of the population (Uma and Roger, 2009). The purpose of research, researcher has decided to choose the selected Financial Institutions due to limitation to obtain the 10,000 respondents. We have opted to do the sampling due to avoid bias in impact assessment. We also require speed, greater scope and reduce cost. The organisations were chosen due assessable for the respondents, able to response urgently and understand the needs and purpose of this study.

3.3.2 Sampling Size

Sampling process requires in this stage which it is important to determine and decide on the size. Since the population number is large, it is not practical to collect data from the whole population (Zikmund, 2003). Size is particularly of interest to this study because the

companies from which the study is drawn are distanctky are in thee “size” categories, small, medium and large. Therefore, for this study, the category of size of less than 500 respondents refer as small and medium populations (Nafukho, Graham and Muyia, 2009)

Hence, considering time and sot constraint, for this study is accepted the sample size of 200 and 1000 respondents. This is suggested by Alreck and Settle (1995).

Name of the Banks that involved in this study (Respondents)

- AmBank (M) Berhad
- CIMB Bank Berhad
- Bank Simpanan Nasional
- Citibank Berhad
- HSBC Bank Malaysia Berhad
- Hong Leong Bank Berhad
- Malayan Banking Berhad
- OCBC Bank (Malaysia) Berhad
- Public Bank Berhad
- RHB Bank Berhad
- Standard Chartered Bank Malaysia Berhad
- Al Rajhi Banking & Investment Corporation (M) Berhad
- Bank Islam Malaysia Berhad

- Bank Muamalat Malaysia Berhad
- CIMB Islamic Bank Berhad
- Kuwait Finance House (Malaysia) Berhad

Due to retention purpose, the researcher has decided to distribute 370 questionnaires to the only those who in the service more than 2 year. Besides, Hair et al., (2007) argued that a large sample size is needed to be able to generalize to the whole population.

3.3.3 Sampling Technique

As the group has been identified, the cluster sampling cluster sampling, it occurs when the researcher requires to produce a more efficient probability sample in terms of monetary and/or time resources. In its place of sampling individual units, which might be geographically spread over great distances, the researcher samples groups (clusters) that occur naturally in the population, such as neighborhoods or schools or hospitals. (Teddlie and Fen Yu, 2007). The target group is ion Klang Valley only.

Finally, the purposive has been identified since the total sample is scattered. Hence, it might seem as a difficulty to classify as random. It is also to ease the researcher to find the target respondents which has in the organisation at least for 2 years. Purposive sampling techniques are largely used in qualitative studies it has been well-defined as selecting units (e.g. age, group, type etc) and must be based on specific purposes associated with responding the research study's questions. It also further defined by Maxwell (1997) as a type of sampling in

which, *“particular settings, persons, or events are deliberately selected for the important information they can provide that cannot be gotten as well from other choices”*

3.4 Operational Definitions and Measurements

3.4.1 Monetary

Monetary Rewards can be referred as tangible returns includes cash compensation such as bonus, increment, short term incentive, long term incentive and other benefits such as income protection, Allowance and others (Milkovich, George Newman, 1993)

3.4.2 Non-Monetary

Non-monetary rewards are rewards that are no monetary value attached. Example of non-monetary rewards are movie tickets, restaurant coupons, certificates, thanks from the bosses, flexible schedules, a day off, picnics, recognition of birthday and free lunches.

Non-monetary rewards also refer to intangible returns or rational returns such as recognitions, status, employment securities and other (Yap, Bove and Beverland, 2009). It refers to the identification of a job well done hence representing s non-financial means of appreciating and acknowledging of their employee contribution.

3.4.3 Intention to leave

Often, intention to leave is used as a substitution for employee turnover. Purposely, for this research, often use intent to leave as a substitution for turnover. Price (1977), cited in Liew and Kaur (2008) has developed a model of turnover which proposes that intention to leave is influenced by personal characteristics, role related characteristics, facility characteristics, turnover opportunities, and job characteristics.

Enjoyment and positive emotions in work had subsequently lowered intention to quit their jobs (Sherman, 1989; Connolly & Viswesvaran, 2000), quoted in Liew and Kaur (2008).

3.5 Measurement of instrument

3.5.1 Layout of the questionnaire

The questionnaire consists of four (4) sections namely demographic profile, Monetary Rewards, Non-monetary Rewards and Intention to leave.

Section A:

This section contains nine (9) questions which include demographic background of the respondents consisting of Gender, Race, Age, Marital Status, Current Position, Length of service, Years in current position, Type of organization and function of current job.

Section B:

This information is necessary to show that the sample is representative and to ensure that generalizations to the wider population of firms and employees can be made.

Section B contains ten (10) questions to measure the independent variables on Monetary Rewards. The dimension of this section is broken down into two (2) sub-dimensions as indicated below:

- Salary, Bonus & Reward –consist of ten (10) questions

Section C:

Section C, is another independent variable to measure non-monetary rewards. There are thirteen (13) questions which focusing on non-monetary rewards.

Section D:

It contains thirteen (13) questions to measure the intention to leave on dependent variable

3.5.2 Measurement of rewards

Monetary reward is independent variable. The measurements were adopted from Wan Abdul Razak (2011) and from this measurement have come out of two (2) dimensions as below:

- i. Monetary
- ii. Non-Monetary

Monetary is defined as a tangible takings from any work done, meanwhile Non-Monetary is described as intangible rewards such as recognitions from any work done.

The measurement was identified to financial institutions employees with regard to their pull and push factors of staying power.

Variable	Dimensi ons	Operational definition	Items	Authors
Rewards	Monetary	Monetary Rewards can be referred as tangible returns includes cash compensation such as bonus, increment, short term incentive, long term incentive and other benefits such as income protection, allowance and others	<ol style="list-style-type: none"> 1. I receive a worth basic salary 2. My cost of living adjustment is sufficient enough to support my living 3. I feel my current salary is commensurate to my job 4. My current salary reflects the market trend 5. My take home pay is reasonable 6. receive merit increment that reflect my productivity and 	Wan Mohd Noor (2011).

			<p>contribution in the organization</p> <p>7. My performance bonus reflects my productivity in organization</p> <p>8. My performance bonus reflects my job quality in organization</p> <p>9. There are many types of incentives offered by my organization that motivate my productivity</p> <p>10. Allowance is paid according to my entitlement</p>	
	Non – Monetary	Non-monetary rewards also refer to intangible returns or rational returns such as recognitions, status, employment securities and other. It refers to the identification of a job well done hence representing s non-	<p>1. I get the recognition I deserve when I do a good job</p> <p>2. I have an opportunity for advancement to higher level jobs</p> <p>3. I always clear on</p>	Wan Mohd Noor (2011).

		<p>financial means of appreciating and acknowledging of their employee contribution.</p>	<p>what are my duties and responsibilities</p> <p>4. I feel that I have chances of getting ahead on this job</p> <p>5. I know that there are many opportunities to advance within the company</p> <p>6. The feeling of satisfaction in every accomplishment I get from the job</p> <p>7. I receive recognition for my job accomplishment and contribution</p> <p>8. Promotions and transfers are made fairly</p> <p>9. I have a good understanding of my potential career moves in the company</p> <p>10. I have the opportunity to</p>	
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			<p>grow and learn new things and skill</p> <p>11. I received good learning opportunity</p> <p>12. The challenging task given by the organization can improve my job quality</p> <p>13. Recognition and motivation helps to improve my productivity</p>	
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3.5.3 Measure of Intention to leave

Intention to leave is dependent. The measurements were adopted from Boxtel (2011). The measurement was identified to Financial Institutions' employees with regard to their retention plan.

Variable	Dimensions	Operational definition	Items	Authors
Intention to leave	NA	Intention to leave as a consideration in mindful and a	<p>1. Often considered leaving current job?</p> <p>2. Current job does</p>	Jeske (2011)

		<p>deliberate desire to leave an organization within the near future and considered the last part of a sequence in the withdrawal cognition process</p>	<p>not satisfying my personal needs?</p> <p>3. My personal values at work compromised?</p> <p>4. I will accept another job at the same compensation level should it be offered to me?</p> <p>5. Does not look forward to another day at work?</p> <p>6. Do other responsibilities prevent you from quitting your job?</p> <p>7. Benefits associated with your current job prevent you from quitting?</p> <p>8. "Fear of the unknown," prevent you from quitting?</p> <p>9. Do thoughts of quitting your job cross your mind?</p> <p>10. Would not be very happy to spend the rest of my career</p>	
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			<p>with this department</p> <p>11. Does not feel like “part of the family” in my department</p> <p>12. This organisation does not deserves my loyalty</p> <p>13. Do not feel any obligation to remain with my current employer</p>	
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A questionnaire is a pre-formulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives (Uma and Roger, 2009). In addition, the questionnaires are an efficient data collection mechanism when the researcher knows exactly what is required and how to measure the variables of interest.

Higgins and Green (2005), has specify mentioned that by obtaining the right questions at the right time to the right person are the most important step. If it is fail, it might lead to unclear decisions about what research to include and how to summarise it.

3.6 Data Collection Procedure

As per note in sampling technique, a group has been identified, which the employees of Financial Institutions. Since the sample is scattered and target is to those who has at least 2 years, it seems a difficulty to gather randomly. This is as suggested by Maxwell (1997) since sampling in which, ‘‘particular settings, persons, or events are deliberately selected for the important information they can provide that cannot be gotten as well from other choices’.

The questionnaire was used as the main instrument to collect data from the respondents. The advantage of using questionnaire includes the relatively low cost, no interview bias, no prior arrangements are needed and the facts of anonymity among respondents (Schermerhorn, Hunt & Osborn, 2000).

In administrating the questionnaires, there are several ways of it such as self-administered, postal, telephone, internet or fax. Though, every approach has its own strength and also limitations. Since this is the factor to be considered, the research should be identified the right method to be used. Among them are researcher’s preference, cost, time constraints, potential response rate and many other important criteria to a study (Frazer & Lawley, 2000). This study used the personally administered; personally administered questionnaires have several advantages. The researcher has a Human Resource group and obtained their help and assistance to distribute the questionnaire to its territory (Bank)

Personally administered questionnaire approach of data collection provides a high response rate, reduces interviewer bias and gives the benefits of mutual personal contact (Oppenheim,

2000). It also permits the researcher to provide necessary explanations to clarify doubts or to put additional necessary information to the respondents as well as it allows the researcher to collect all completed questionnaires within a short period of time (Hayes, 2000; Sekaran, 2003).

Once the questionnaire being piloted, the final data was composed from all the financial institutions. As such, the set of questionnaire were not pre-numbered for identification. Additionally, the cover letter for the questionnaire indicated the guarantee that individual responses will not be communicated to anybody within or outside the organizations. The summary data from the total responses from all respondents will be published, so that no information could be traced back to any particular respondent.

3.7 Pilot Test

A pilot test is a scientific type investigation in terms of a newly developed test's validity and reliability in regards to its intended purpose. The process of conducting a pilot test involves administering the test to a small group of the test's target audience and then evaluating the information that is obtained from the pilot test. The test developers are then required to make any necessary revisions to the new test and therefore are responsible for fixing any problems that exist with the test performance as discovered from conducting the pilot test (McIntire & Miller, 2007).

For this study, 50 respondents have been selected to be in the pilot test. The purpose of the pilot test as mentioned earlier is to test the reliability of the questionnaire. Due to the fact that

the purpose of the pilot test is to determine how well the new test performs, it is essential that the pilot test be administered in a similar situation to the one that the test will actually be utilized in. Because of this, the researcher needs to choose a group of people who closely resemble or are even directly part of the target audience that the test will be used for. When conducting a pilot test, the test the researcher needs to make sure that the examinees fully understand that they are participating in a research study and therefore, that the results of the test will be used for research purposes only.

There were no changes required to the questionnaire

3.8 Technique of Data Analysis

Data analysis is a body of methods that help to describe facts, detect patterns, develop explanations, and test hypotheses (Joel, 1996). Through data analysis, the researcher is able to inspect, clean, transform, and modeling the data collected with the goal of highlighting the useful information relates with the issues been investigated, suggesting conclusion and using the outcomes from the data analysis to be used in the decision making.

Data collected through the survey were analyzed using SPSS (version 19) program for Windows. Prior to primary analyses, the data were examined for data entry accuracy, outliers, and distributional properties. Among the analyses that will be used in this study are reliability analysis, factor analysis, correlation analysis, and regression analysis.

3.9 Factor Analysis

It is significant that in data analysis is to comprehend the dimensionality of variables in the proposed relationship in empirical research (Hair, Anderson, Tatham, & William 1998). Factor analysis allows the researcher to reduce the complexity of data and represent a lot of relationships in a simpler form. Therefore, factor analysis will be carried out to establish the interrelationships of variables that belong together and to summarize the information in a larger number of correlated variables into a smaller number of factors that are not correlated with each other of monetary factor, non-monetary factor and employee retention.

In other words, the results obtained from the process of data analysis will be used by the researcher to find the right answer to answer his or her question, discovered the important pattern in the data through the correlation analysis and regression analysis, and helped the researcher to communicate the results with the biggest possible impact.

3.10 Correlation Analysis

Correlation analysis is a statistical method used to explain the strength and direction of the linear relationship between two variables (Pallant and Manual 2001). It will used to assess the strength and significant of relationship between the variables in the correlation's degree.

1 or -1 is the ideal correlation to show that value of one variable can be determined accurately by knowing the value of other variable. It is important to identify the strength of the

relationship between the variables in this study, the correlation technique will be used to understand the direction of the relationship and amount of correlation between that dimensions of independent variables (monetary and non-monetary) and dependent variable (Employee retention).

Additionally, in order to interpret the value between 0 (no relationship) and 1 (perfect relationship), Cohen's (1988) suggestion will be followed. When the value of r is between+ 0.1 to + 0.29, the relationship is said to be small. The relationship is considered medium when r value is between+ 0.30 to + 0.49, and the strength is large when r value is between+ 0.50 and above.

3.11 Regression Analysis

Multiple regression analysis is a statistical technique that can be used to analyze the relationship between a single dependent (criterion) variable and several independent (predictor) variables.

The objective of multiple regression analysis is to use the independent variable whose values are known to predict the single dependent value selected by the researcher. Each independent variable is weighted by the regression analysis procedure to ensure maximal prediction from the set of independent variables.

The set of weighted independent variables forms the regression variate, linear combination of the independent variables that best predicts the dependent variable (Hair et al, 2010). Moreover, multiple regressions are important because it can forecast future outcomes. The purpose of performing a multiple regression is to determine the predictive power of the independent variables (in this study, job demands-resources) toward the dependent variable (work engagement). For mediating variable (job satisfaction) and moderating variable (trust) hierarchical regression analysis will be used.

3.12 Conclusions

This chapter has explained the research design, elements of methods and also the strategy for this study. It is also define on how the instruments used in data collection, criteria for the selection of respondents, development of the questionnaire, and collection of the research materials and also procedure of the survey.

This chapter also briefly explains the adoption of several analyses such as correlation and regression analysis to test the research hypotheses. The results and the finding of the study are reported in Chapter 4.

CHAPTER FOUR (4)

RESULTS

4.0 INTRODUCTION

This chapter intends to provide and present the findings of the study. The first section emphasizes the data reliability and screening. The second segment shows the demographic analysis. The final section of this chapter offers a report which responds to the research objectives.

4.1 Response Rate

370 questionnaires have been circulated and distributed based on the target respondents. 295 have given their co-operation and returned their feedback which contributed 79.73% response rate. There is no incomplete nor not properly filled by the respondent.

Since there are no incomplete response, no bias error and all useable, the response rate of 80% accomplished in this study is believed to be satisfactory.

4.2 Reliability Test

Reliability test is vital to know the accuracy and consistency of the responses gathered from respondents (Hair, 2007). It clarifies the internal consistency, reliability and validity of the instrument which we can use to measure all the variables.

Indeed all alpha values are higher than .90. Consequently, all the variables are well thought-out to be strongly reliable and accepted. This is justified by Hair et al (2006), who proposed that the Cronbach's alpha value less than .60 considers to be poor, range between .60 to .70 considers being moderate, in between .70 to .80 is believed to be good, in between .80 to .90 believed to be very good and .90 and more than .90 values consider to be excellent. The results of the reliability of each variable are indicated in table 4.1.

Table 4.1: Reliability Analysis – Cronbach's Alpha

Variables	No. of Items	Alpha values
Intention to Leave	13	.900
Monetary Reward	10	.929
Non-Monetary Reward	13	.927

4.3 Data Screening

Data screening is essential to improve the statistical method in the data analysis (Tabachnick & Fidell, 2007).

4.3.1 Normality Test

Normality test establish whether data is well structured by the normal distribution. Normality of all the variables is examined based on the normal distribution histogram P-P and Q-Q Plots. Coakes and Steed (2003) proposed that data distribution appears whether linear or straight line on the foundation of normal probability plot. Following tables and figures will show the normality of the data.

The results outcome shows the data scores and the it often that the despondence are not focus on specific area. The deviation from the cuts could perhaps cause by the respondent's response to the items in the questionnaire. Because of the differences in respondents' answers to the same question in the questionnaire may possibly affect the tabulation of data not to be in solid strata.

The chart specifies that the Normality test base on the factors while the result presented in the table was conducted to the total items in the benefits and intention to leave elements.

4.3.2 Normal P-P Plots

Table 4.2: Case Processing Summary of P-P Plot

Case Processing Summary

	MR	NM	IL
Series or Sequence Length	295	295	295
Number of Missing User-Missing	0	0	0
Values in the Plot System-Missing	0	0	0

Table 4.3: Estimated Distribution Parameters of P-P Plot

Estimated Distribution Parameters

	MR	NM	IL
Normal Distribution Location	35.82	46.66	36.14
Normal Distribution Scale	6.942	7.634	8.703

Figure 4.1: Normal P-P Plot of Intention to Leave

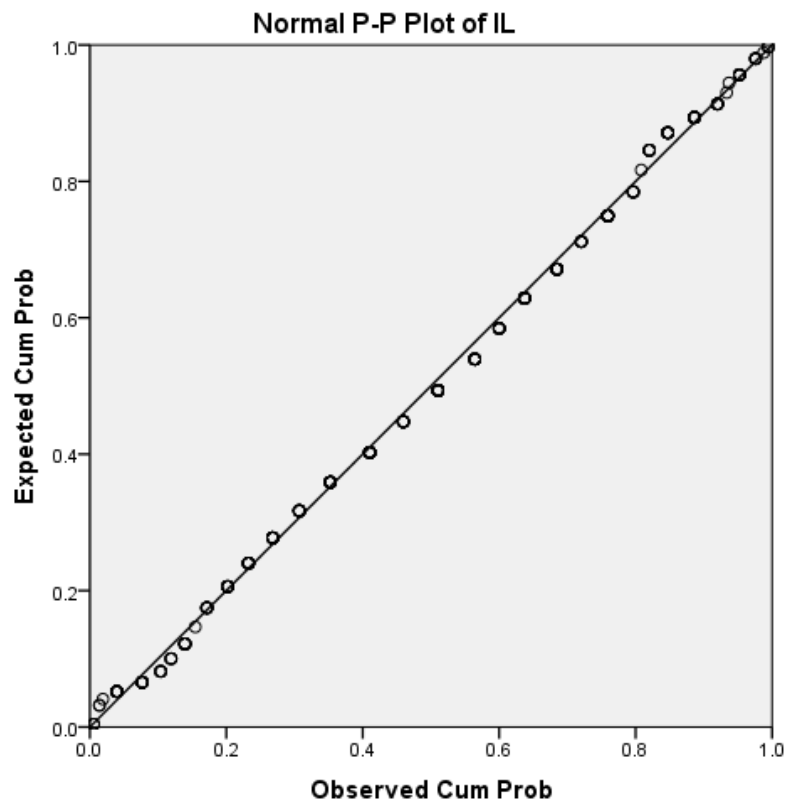


Figure 4.2: Detrended Normal P-P Plot of Intention to Leave

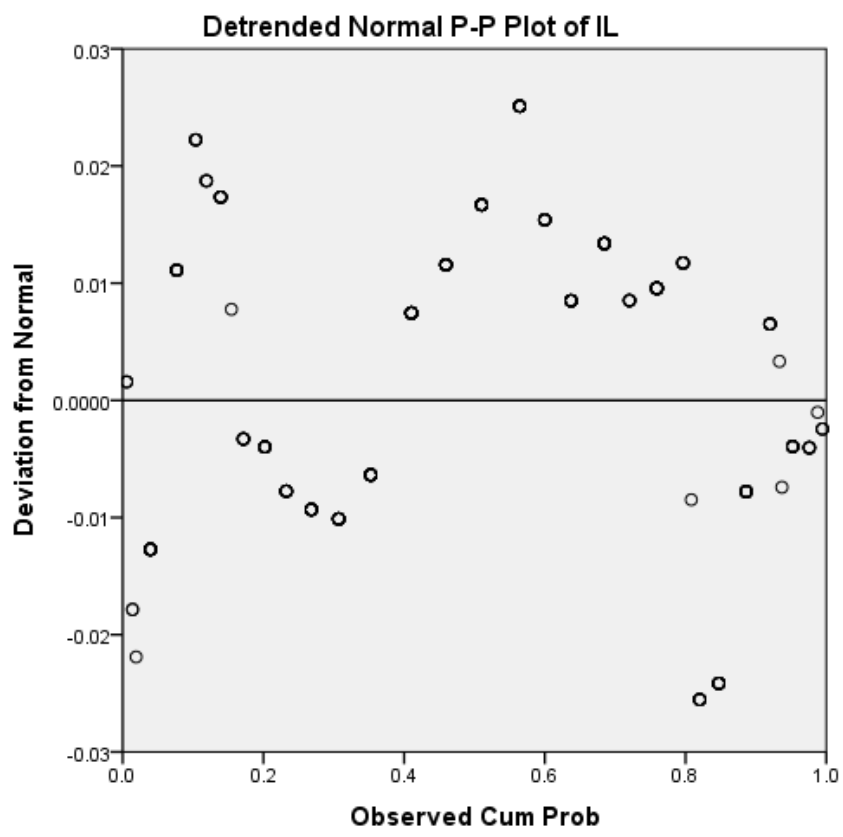


Figure 4.3: Normal P-P Plot of Monetary Reward

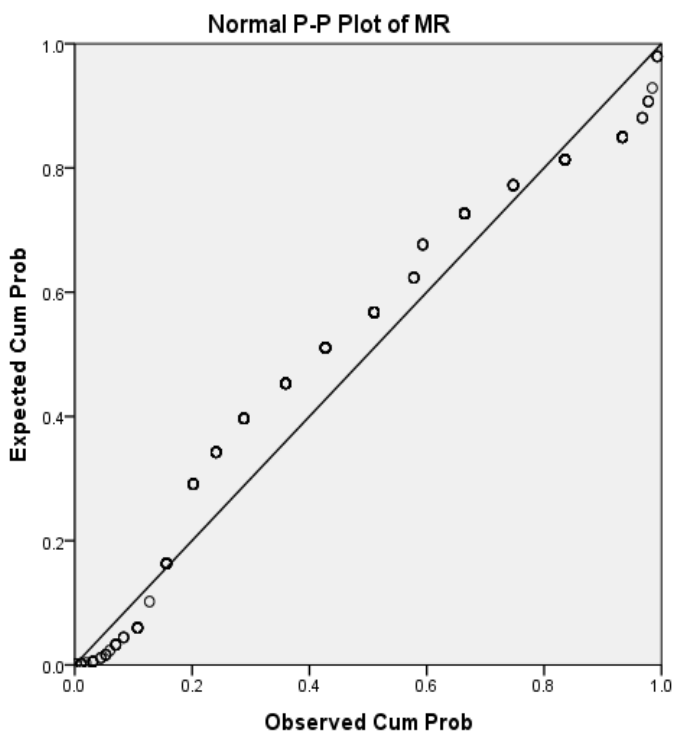


Figure 4.4: Detrended Normal P-P Plot of Monetary Reward

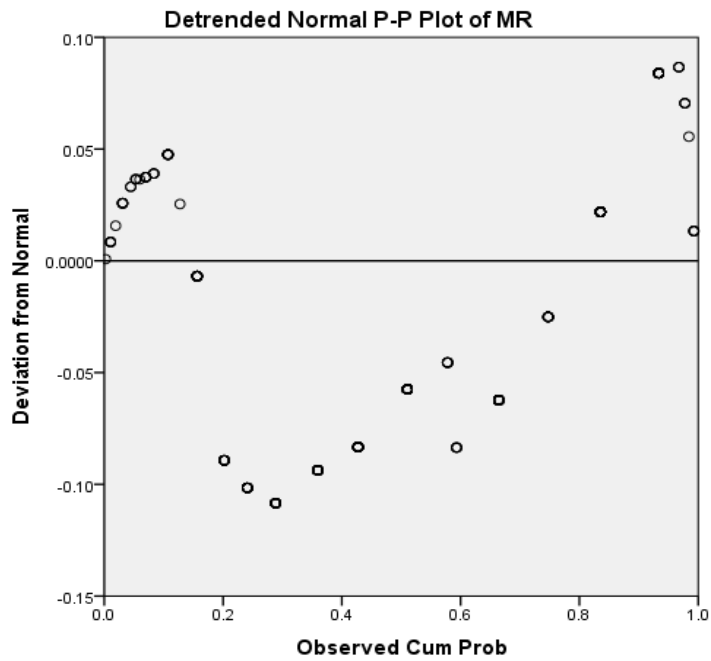


Figure 4.5: Normal P-P Plot of Non-Monitory Reward

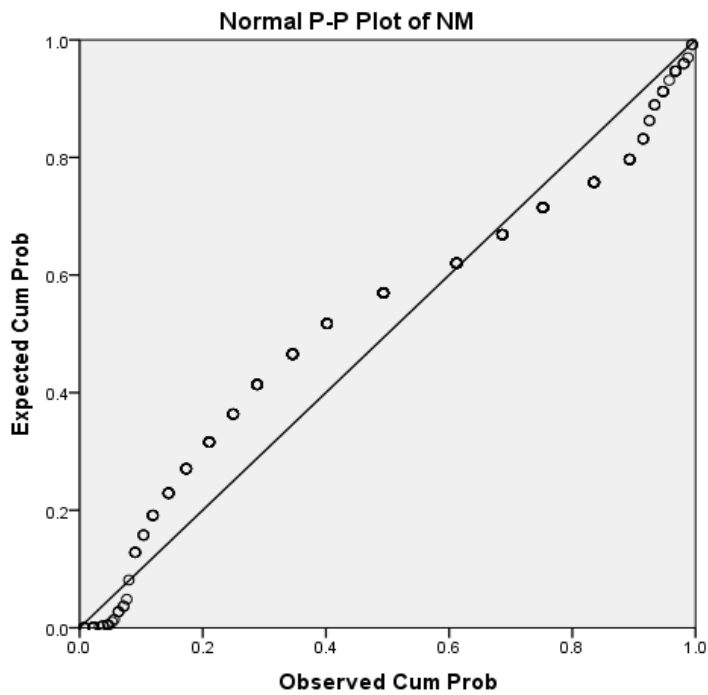
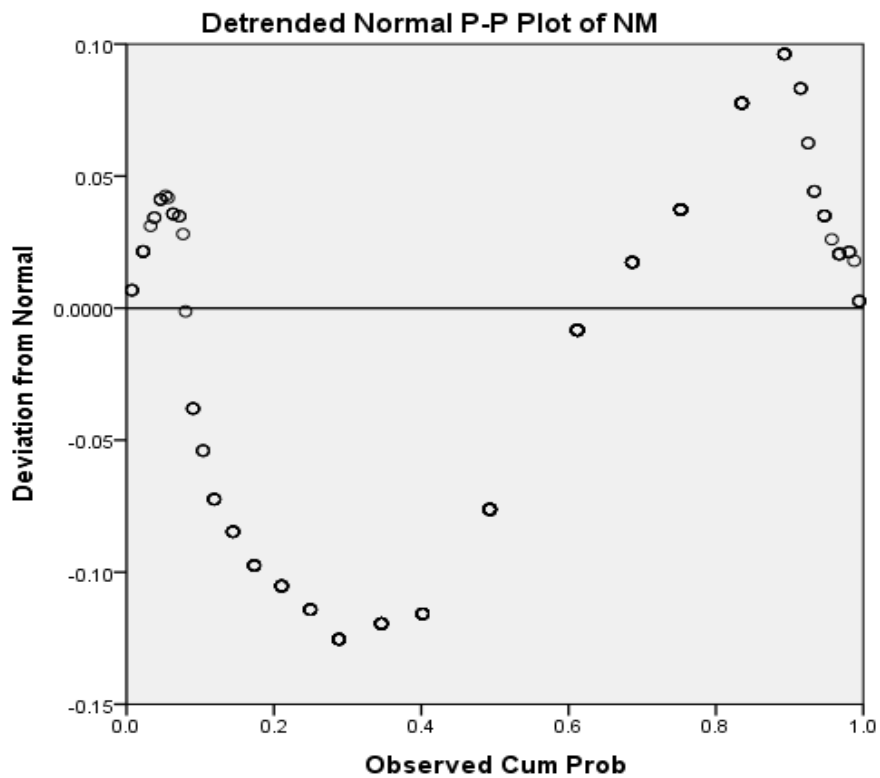


Figure 4.6 Detrended Normal P-P Plot of Non-Monitory Reward



4.3.1.2 Normal Q-Q Plots

Table 4.4: Case Processing Summary of Q-Q Plot

Case Processing Summary

	MR	NM	IL
Series or Sequence Length	295	295	295
Number of Missing User-Missing	0	0	0
Values in the Plot System-Missing	0	0	0

Table 4.5: Estimated Distribution Parameters of Q-Q Plot

Estimated Distribution Parameters

		MR	NM	IL
Normal	Location	35.82	46.66	36.14
Distribution	Scale	6.942	7.634	8.703

Extraction Method: Principal Component Analysis.

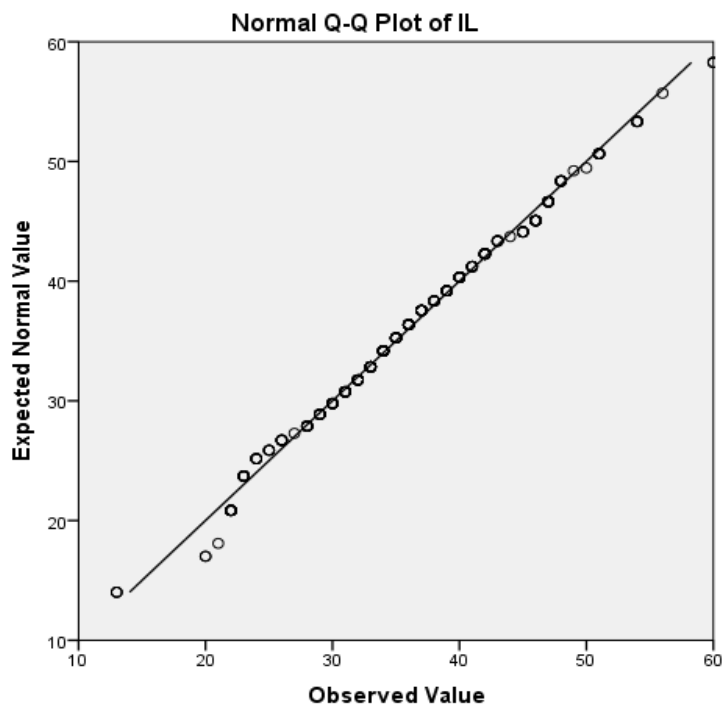


Figure 4.7: Normal Q-Q Plot of Intention to Leave

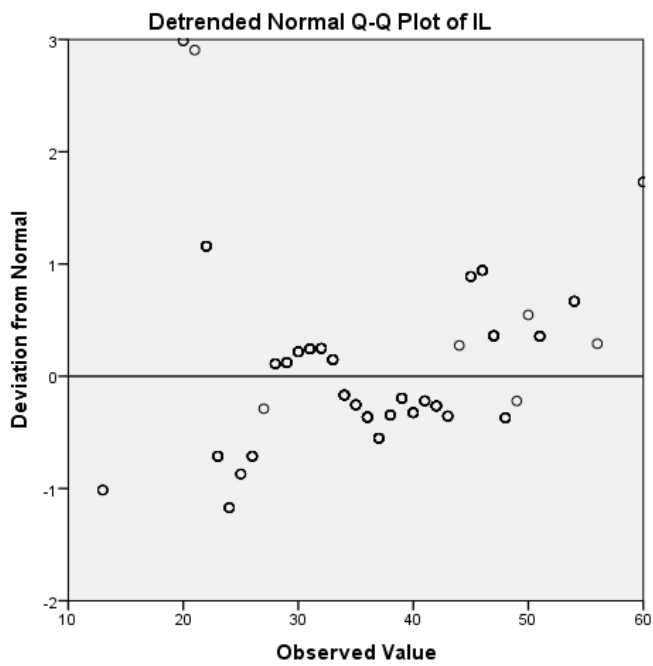


Figure 4.9: Normal Q-Q Plot of Monetary Reward

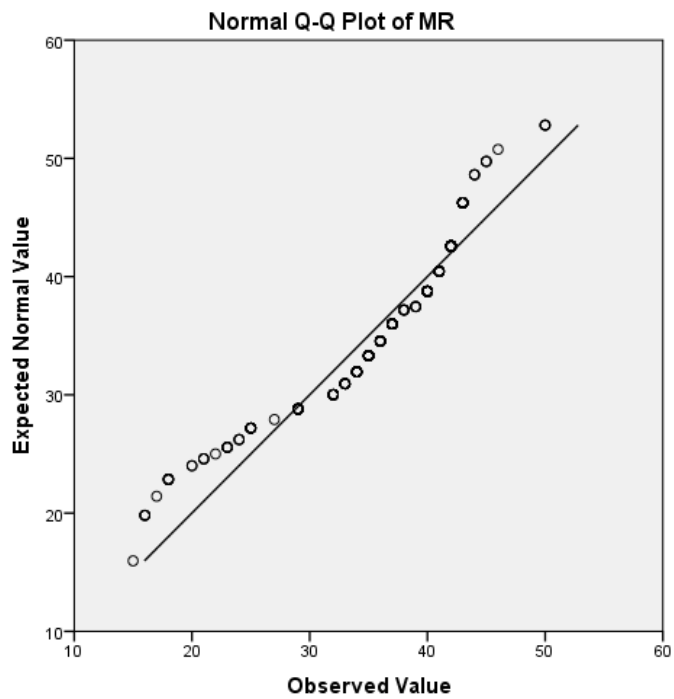


Figure 4.10: Detrended Normal Q-Q Plot of Monetary Reward

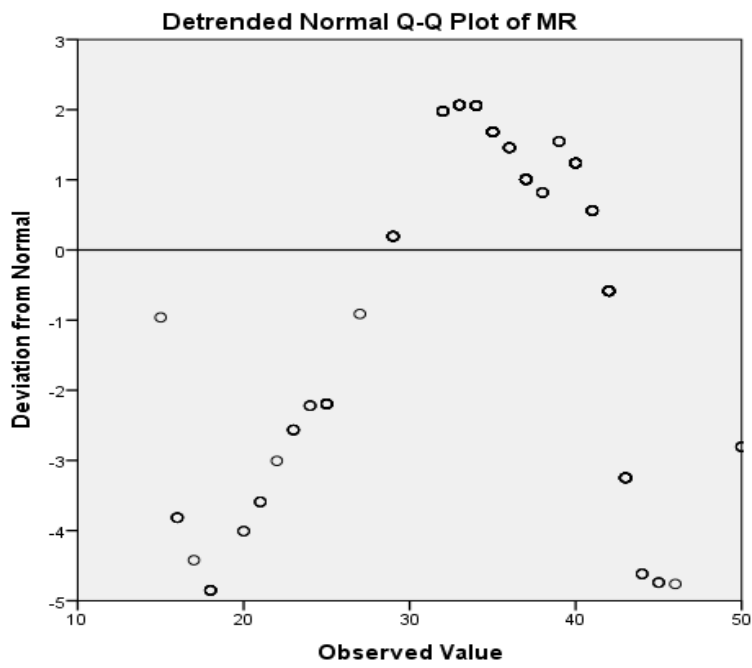


Figure 4.11: Normal Q-Q Plot of Non-Monitory Reward

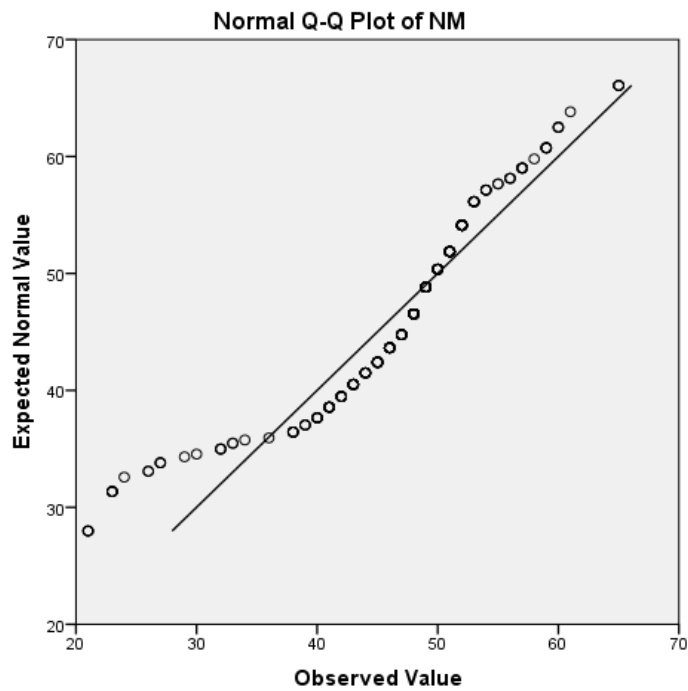
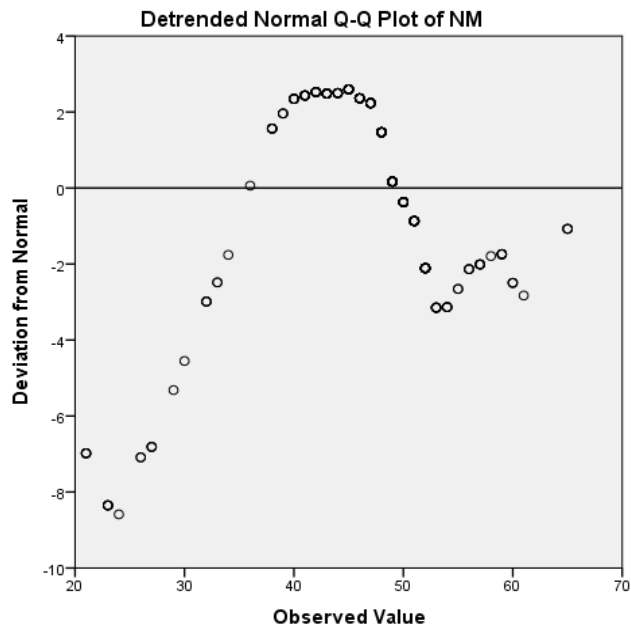


Figure 4.12 Detrended Normal P-P Plot of Non-Monitory Reward



4.4 Factor Analysis

This research exercises two (2) measures to determine the factorability of the data matrix; the Kaiser-Meyer-Olkin Measure of Sampling Adequacy and the Bartlett Test of Sphericity. According to the guidelines, a Kaiser-Meyer-Olkin measure >0.9 is generally considered as excellent, >0.8 as good, >0.7 as acceptable, >0.6 as marginal, >0.5 as poor and <0.5 as unacceptable. Additionally, Factor Analysis presumes data to be normally distributed. The normality of data distribution can be observed through the Bartlett Tests of Sphericity. Data is assumed to be normally distributed if the test indicates $p < 0.005$.

Factor analysis is conducted in order to determine whether items measuring each of the variables will congregate along with the respective components.

4.4.1 Factor Analysis for Monetary Reward

In the Factor Analysis, the researcher will identify the Keiser-Meyers-Oklin (KMO) of each variable.

KMO is used to measure of sampling adequacy. When its value going closely to 1.0, commonly it shows that the factor analysis is seemly right and suitable for the research. Hence, for monetary reward, the KMO is 0.894, with the sig is 0. This is translate that it is suitable with the research.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.894
Bartlett's Test of Sphericity	Approx. Chi-Square 2343.842 Df 45 Sig. .000

Communalities

	Initial	Extraction
I receive a worth basic salary	1.000	.830
My cost of living adjustment is sufficient enough to support my living	1.000	.747

I feel my current salary is commensurate to my job	1.000	.736
My current salary reflects the market trend	1.000	.727
My take home pay is reasonable	1.000	.767
I receive merit increment that reflect my productivity and contribution in the organization	1.000	.740
My performance bonus reflects my productivity in organization	1.000	.814
My performance bonus reflects my job quality in organization	1.000	.829
There are many types of incentives offered by my organization that motivate my productivity	1.000	.726
Allowance is paid according to my entitlement	1.000	.473

Extraction Method: Principal Component Analysis.

4.4.2 Factor Analysis for Non Monetary Reward

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.912
Approx. Chi-Square	2316.691
Bartlett's Test of Sphericity	78
Sig.	.000

Communalities

	Initial	Extraction
I get the recognition I deserve when I do a good job	1.000	.723
I have an opportunity for advancement to higher level jobs	1.000	.615
I always clear on what are my duties and responsibilities	1.000	.539
I feel that I have chances of getting ahead on this job	1.000	.554
I know that there are many opportunities to advance within the company	1.000	.512
The feeling of satisfaction in every accomplishment I get from the job	1.000	.567
I receive recognition for my job accomplishment and contribution	1.000	.673
Promotions and transfers are made fairly	1.000	.636
I have a good understanding of my potential career moves in the company	1.000	.611
I have the opportunity to grow and learn new things and skill	1.000	.675
I received good learning opportunity	1.000	.750
The challenging task given by the organization can improve my job quality	1.000	.658
Recognition and motivation helps to improve my productivity	1.000	.572

Extraction Method: Principal Component Analysis.

As mentioned earlier in 4.4.1, the KMO for non-monetary reward is 0.912 and it is appropriate for the research.

4.4.3 Factor Analysis for Intention to leave

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.890
Approx. Chi-Square		1915.636
Bartlett's Test of Sphericity	Df	78
Sig.		.000

Communalities

	Initial	Extraction
Often considered leaving current job?	1.000	.590
Current job does not satisfying my personal needs?	1.000	.607
My personal values at work compromised?	1.000	.445
I will accept another job at the same compensation level should it be offered to me?	1.000	.530
Does not look forward to another day at work?	1.000	.541
Do other responsibilities prevent you from quitting your job?	1.000	.563
Benefits associated with your current job prevent you from quitting?	1.000	.660
"Fear of the unknown," prevent you from quitting?	1.000	.512
Do thoughts of quitting your job cross your mind?	1.000	.657

Would not be very happy to spend the rest of my career with this department	1.000	.538
Does not feel like “part of the family” in my department	1.000	.542
This organisation does not deserves my loyalty	1.000	.683
Do not feel any obligation to remain with my current employer	1.000	.611

As mentioned earlier in 4.4.1, the KMO for intention to leave is 0.912 and it is fit for the study.

Table 4.6: KMO and Bartlett's Test

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.904
Approx. Chi-Square		8276.050
Bartlett's Test of Sphericity	Df	630
	Sig.	.000

As a conclusion and based on the Factor Analysis result, all the items tested are suitable and fit. It shows the original source has been used

4.5 Descriptive Analysis

This study has conducted on 295 employees of the financial institution in Klang Valley. The following section shows the demographic analysis of the respondents.

4.5.1 Demographic Analysis

Below is the summary of the demographic analysis of the respondent who participated in this research study.

4.5.1.1 Gender, Age and Race

The sample consisted of 56.6 percent is female and 43.4 is male. Financial institutions are predominantly populated by Malay workers, 72.5% of the respondents are Malay. Second largest group is Chinese with 18.6 percent. However, 5.4 percent and 3.4 percent respondents are Indian and others respectively. Furthermore, majority of respondents, 53.9 percent are between 25 to 34 years old while only 4.4 percent respondents are 45 years and above.

4.5.1.2 Position, Level of Employment and Years in Current Position

The majority of respondents, 35.9 percent are assistant managers, second largest group is executives following along with managers by 23.4 and 18 percent respectively. A total of

85.5 percent of the respondents are working in the organization for less than 10 years, while 14.5 percent are working for more than 10 years. A total of 249 respondents out of 295 or 84.4 percent are in the current job position for less than 5 years while the rest 15.6 percent are more than 5 years.

4.5.1.3 Current company and Current Functions

57.3 percent of the respondents are either government employee or GLC workers while 36.9 percent respondents are local private workers and only 5.8 percent of the respondents are foreign private workers. Finally, 69.2 percent of the respondents are from services while rest of them are from technical, sales and operations. Table 4.8 presents detailed information on the respondents' demographic profile.

Table 4.8: Demographic Analysis (n = 295)

Variable	Frequency	Percentage (%)
1- Gender		
Male	128	43.4
Female	167	56.6
2- Race		
Malay	214	72.5
Chinese	55	18.6
Indian	16	5.4
Others	10	3.4
3- Age		
18 to 24 years old	24	8.1
25 to 34 years old	159	53.9
35 to 44 years old	99	33.6
45 to 54 years old	12	4.1
55 years and above	1	.3
4- Marital Status		
Single	147	49.8
Married	140	47.5
Divorced	5	1.7
Widowed	3	1.0
5- Current Position		
General Manager	5	1.7
Senior Manager	16	5.4
Manager	53	18.0
Assistant Manager	106	35.9
Senior Executive	20	6.8
Executive	69	23.4
Officers	2	.7
Clerk	22	7.5

Support Group	2	.7
6- Length of Employment		
Less than 1 year	59	20.0
1 - 4 years	103	34.9
5 - 9 years	93	31.5
10 - 14 years	30	10.2
15 - 19 years	9	3.1
20 years and more	1	.3
7- Years in Current Position		
Less than 1 year	114	38.6
1 - 4 years	135	45.8
5 - 9 years	40	13.6
10 - 14 years	3	1.0
15 - 19 years	3	1.0
8- Current Company		
Government/GLC	169	57.3
Private/Local	109	36.9
Private/Foreign	17	5.8
9- Current Functions		
Service - Finance, Accounting, Administration, Human Resources. IT, Legal etc	204	69.2
Technical – Engineering, Maintenance, Electrician etc	26	8.8
Sales – Marketing, Corporate Communication, PR, Customer Service, Procurement & Purchasing etc	20	6.8

Operations – Production, Quality Control, Planning, Audit etc	32	10.8
Others	13	4.4

4.5.2 Mean, Standard Deviation, Variance

Fah and Hoon (2009) defined mean as the average value of data set. It constructs a mathematical number that we can use to report central tendency. While, standard deviation is used to calculate the “dispersion” or “spread”. According to Uma Sekaran (2003), in order to test the relationship between independent and dependent variables, it is necessary to know the means and standard deviations of each variable. Following table will represent the mean, std. Deviation, variance, minimum and maximum values of all the variables.

Table 4.9 shows the mean, standard deviation, variance, minimum and maximum value of the data. The results demonstrate that the mean and standard deviation scores of dependent and independent variables, such as the mean and standard deviation value for Intention to leave is (M= 2.7802, SD= .6695), for Monetary Rewards (M= 3.5817, SD= .6942), and for Non-Monetary Rewards (M= 3.5896, SD= .5873). All mean scores reflect the tendency of agreement. In terms of standard deviation, which is used as a measure of dispersion, offers the spread of a distribution or the variability in the data. The standard deviation, along with mean is a very constructive tool because of the following statistical rules in a normal distribution (Sekaran, 2003).

Table 4.9: Mean, Standard Deviation, Variance, Minimum and Maximum Value

Descriptive Statistics

	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
IL	295	3.62	1.00	4.62	2.7802	.66949	.448
MR	295	3.50	1.50	5.00	3.5817	.69420	.482
NM	295	3.38	1.62	5.00	3.5896	.58727	.345
Valid (listwise)	N 295						

4.6 Pearson Correlation

According to Sekaran (2003), in research that includes several variables, the researchers often would like to know how one variable relates to another variable. Moreover, researchers want to see the nature, direction and significance of the bivariate relationship of the variable used in the research. The correlation matrix between independent and dependent variables has been exhibited in Table 4.10 below. Then the results from this analysis have been compared against the hypothesis developed in this research study.

Negative correlation between intention to leave, monetary rewards and non-monetary rewards were as expected as it was theoretically hypothesized base on the review of the literature. Monetary rewards (-0.484) and non-monetary rewards (-0.483) have a weak

negative linear relationship with intention to leave since both of the r-values are .in negative, which indicates that those organizations which do not practice monetary and non-monetary rewards, workers of those organizations has no intention to stay.

Table 4.10: Pearson Correlation

Correlations

		IL	MR	NM
IL	Pearson Correlation	1	-.484**	-.483**
	Sig. (2-tailed)		.000	.000
	N	295	295	295
MR	Pearson Correlation	-.484**	1	.749**
	Sig. (2-tailed)	.000		.000
	N	295	295	295
NM	Pearson Correlation	-.483**	.749**	1
	Sig. (2-tailed)	.000	.000	
	N	295	295	295

** . Correlation is significant at the 0.01 level (2-tailed).

4.7 Multiple Regressions.

The regression analysis is done to examine the influence of independent variables on dependent variable. The purpose of performing a multiple regression is to establish the predictive power of the independent variables (in this case monetary rewards and non-monetary rewards) toward the dependent variable (intention to leave). Furthermore, multiple regressions allow the researcher to identify which of the dimensions under the independent

variables has more predictive power as compared to the other dimensions. Multiple regressions are also conducted because of its ability to do simultaneous assessment of the independent variables. The guidelines suggested by Cohen (1988) indicate that, correlations of $r=0.10$ show a small effect size. Correlations of $r=0.30$ show a medium effect size whilst those of $r=0.50$ indicate a large effect size. These guidelines assist in quantifying and reporting on the effect sizes of the correlations.

Table 4.11 indicates the large influence of independent variables which are monetary rewards and non-monetary rewards on dependent variable which is intention to leave, as it is explained by the r-value which is .517 which shows the 26.2% of the variance has been significantly explained by the dimensions of independent variable towards intention to leave. The table shows the F value 53.252 is significant at 0.000 level.

Table 4.11: Regression

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.517 ^a	.267	.262	7.476	.267	53.252	2	292	.000	1.944

a. Predictors: (Constant), NM, MR

b. Dependent Variable: IL

Further, from the regression analysis it is found that both independent variables are significantly affect dependent variable which is intention to leave. It can be derived from the significance level of $p < 0.05$ while both p-values are less then 0.05. Both of the beta values are in negative (monetary is (-0,280) and non-monetary is (-0.273))

Table 4.12: Regression Analysis, Beta Value

Model	un-standardized coefficients		Standardized	t	Sig.
	B	Std. Error	Beta		
(Constant)	63.232	2.727		23.185	.000
MR	-.351	.095	-.280	-3.705	.000
NM	-.311	.086	-.273	-3.612	.000

4.8 Summary

This chapter presents findings of the study to respond each of the three research questions. It starts with the reliability analysis followed by data screening. Then it presents demographic analysis of the respondents. At the end of the chapter pearson correlation and linear regression analysis had conducted to test the hypothesis. Next chapter focuses on the discussions of the findings, implications, directions for future research and conclusion of the study.

CHAPTER FIVE (5)

DISCUSSION AND CONCLUSION

5.0 INTRODUCTION

In this final chapter, it grants the discussion, recommendations and conclusions of the study. It designs to examine the influence of rewards (monetary and non-monetary) toward employee's intention to leave in financial institutions. Discussion of the findings will be concluded based on the questionnaires which have been formulated earlier. The final part will deliberate the limitation and recommendation for the proposed future research.

5.1 SUMMARY OF THE FINDINGS

As mentioned earlier in chapter 1, the purpose of this research is to achieve the objective which to find the best approaches to retain its employees by improving the rewards (monetary and non-monetary). The findings and conclusion of the study will depend on the fully utilization of statistical data collected and the analysis of the collected data. The items to be examined are:

3. To identify the influences of monetary to employee's intention to leave: and
4. To identify the influences of non-monetary to employee's intention to leave.

Study by has indicated that Shagufta Sarwar and James Abugre (2013) has suggested that higher rewards and satisfied employees in work organizations play a major role both in the promotion of employee job satisfaction and consequently higher productivity in organizations. This has been affirmed by Lincoln & Kallerberg 1990; O'Reilly, et al. (1991) that rewards is important for job satisfaction which leads to employee retention. Key role in identify the employee motivation which indications to employee's retention in the organisation are compensation, reward and recognition.

From the findings, we may associate and there is a correlation. Based on the result, monetary and non-monetary has signification correlation and both show the value of -0.351 and -0.311 respectively. It is weak correlation however, it is still significant.

The result obtained from the data analysed (Regression Analysis) in table 4.12 base on beta value. It has shown that both values are negative (-0.280 and -0.273 respectively for dependent variable). It is significant to the intention to leave.

Therefore, this suggests that both monetary and non-monetary should be focused in increasing the value/amount which able to reduce the intention to leave.

5.2. DISCUSSION

5.2.1 THE RELATIONSHIP BETWEEN REWARDS (MONETARY AND NON-MONETARY) TOWARD INTENTION TO LEAVE

Consequence from the survey has notified that both monetary and non-monetary have a weak negative linear relationship with intention to leave. This is based on its R-values are negative which emphasize that the organisation who does not practice the both monetary and non-monetary reward efficiently will lead to intention to leave. We may relate this to the past research as below as all the findings have indicated that both monetary and non-monetary have significant correlation with the employee's retention.

The findings is consistent with Muhammad Irshad (2010) that there is a significant relationship between monetary and non-monetary toward employee's retention. When look it deeply, monetary has higher correlation which it is not surprising as nowadays monetary is most important to keep them loyal and stay longer. This might be due to current cost of living, demand of current life-style and social responsibility. Organisation can retain the best talents by recognizing employee's contribution to organisation. It may translate into reward given. Study done by Hafiza et, el, (2011) has discovered that fringe benefits are very important in motivating employees. This is able to increase their job efficiency. Possibly, by giving the attractive rewards able to lift up the work motivations and may able to diminish the likeliness to quit. Hence this is able to avoid the intention to leave by its employees. Research by Mat Zin (et al (2012) has indicated that ample compensation system in the organization

facilitates achieving rewarding standard of living (cited from Baker et al., 2005), which promotes family and work life balance among employees.

It is align with the objective for this survey as per findings by Dulebohn, Ferris, & Stodd (1995) , cited in Faheem et al (2011), indicated that Taylor has observed that rewards and performance based pay as one of the major tools management had at its disposal to motivate employees and to increase their productivity and reduce turnover. It is also supported by Milkovich and Newman (2008), which they are agreed that to help in the employee intention to leave which widely claimed is employee benefits. They also indicated that about 89% executives think that employee benefits are extremely important factors to attract and retain good employees or push factors. It is become major reasons (rewards) that people seek on employment.

Both Damayanti (2009) and Md Hashim (2011) have summarized that there is relationship between monetary and non-monetary to career commitment and employee performance. Similar to findings by Mahdi (2012) which has determined that intrinsic satisfaction has a stronger influence on intention to leave.

Referring to table 4.11 on regression table, it has been identified that only 26.7% respondents are related to the intention to leave, otherwise the remaining 72.3% are maybe will influenced by other factors which not studied or identified in this research. Since the research's respondents are mainly in Klang Valley, this is significant to negative correlation (weak) on the result. By increasing the monetary reward and non-monetary reward, it may reduce the percentage of intention to leave. The weak correlation is due to:

- i. Cost of living in City Centre like Kuala Lumpur is considered really high. Cost of living is defined as the minimum expenditure necessary to achieve a particular level of satisfaction (Robert Gillingham and John S. Greenlees, 1987). Michael J, Boskin et. al (1998) has indicated that Cost of Living a ratio of the minimum spending necessary to achieve a base period of utility for consumer (for individual household). As we aware that Cost of Living consists includes all basic expenses such as food, housing (rental or mortgage payment), electricity, other utilities, taxes, healthcare, insurance, transportation, credit card bills and other related things.

- ii. Inflation is one of the important elements which contribute to these factors. It is commonly defined as a sustained increase in the cost of living (Pierre L. Siklos, 2000). The relationship is positive, when consumer price is increase, inflation will go up and cost of living goes up too. The inflation rate in Malaysia was recorded at 2.80 percent in October of 2013.

- iii. Life style pressure, increasing for educational expenses, consumer goods and other things are also will influence to employee retention as they are looking for more salary and reward benefits.

To relate these two (2) things to employee retention is, people nowadays will looking for more sash (monetary) and also reward benefits (non-monetary) to cover their life expenses for individual and family members. Hence, both are significant and maybe affect the

employee retention. Organisations which able to offer more on this are able to retain its talents.

5.3 THE INFLUENCE OF REWARDS (MONETARY AND NON-MONETARY) TOWARD INTENTION TO LEAVE

The data has been analyzed from the outcome which obtained from respondents. Info and result which established in table 4.12 (Regression Analysis, Beta Value), both monetary and non-monetary are fairly related to each other's toward intention to leave. However, value for monetary is slightly higher than non-monetary which to be explained later.

This result shows that monetary and non-monetary will not able to stand by itself, unaccompanied. This explains in our Malaysia environment which employees are looking for both factors to fulfill their needs in life. From the result (r-square), only 26.7% are replicate to this survey. Most probably as the target or index are not focuses brief on what they are looking at. This is maybe of the dependent variable are to generic (monetary and non-monetary only). Hence, there might be another factor that contributes to this objective (employee retention). As we realize that our Malaysian Compensation plan consists both monetary and non-monetary which this two (2) factors able to attract to potential talents and to retain its existing employees. It is well-known in our current situation in Malaysia.

Since both monetary and non-monetary are slightly equal, it shows that organisation that has balanced and good reward system (monetary and non-monetary) will create the healthy environment and able to execute the business worth less attrition rate. Based on his findings by Perumal and Ajagbe (2012), besides rewards (monetary and non-monetary), the below items are also significant to employee turnover retention:

- i. Training
- ii. Performance Management
- iii. Career Development
- iv. Employee Relation

The findings by Nurita Juhdi et. el stated that person-job fit is the major predictor to organisation commitment and it is influence to intention to leave. Rewards are still in the top list for the objective in this study.

Outcomes from research by Khatri, Budhwar and Chong (2000) has suggested that age and level of education are unimportant in predicting employee turnover and identified that organizational commitment by far the most important factor influencing turnover intention.

5.4 LIMITATION OF THE STUDY

The objective of this research is to determine the reward factors which influence the employee retention. Similar to other researches, some constraints have been identified and there are:

5.4.1 Time Constraint

The suggestion is to have a long time frame, probably a year which able to identify the needs for each employees through-out the year. During this survey process, probably some of the respondents are too busy with their current projects. Hence should check with their availability to taking part for this survey. It maybe bias if the duration is in specific time frame as the needs might be change from time to time. With this situation, the researcher needs to design very straightforward questions which will attract the respondent to answer the survey.

5.4.2 Respondent's cooperation

While processing the data collection, due to work commitment and workload, some respondents were having some difficulty to response to questionnaire. Nonetheless, this condition was not affected their interest to furnish their survey. One of the reason, probably it is applicable and relevant to their needs and profession.

5.4.2 Questionnaire Distribution

The study is focus into respondent who work in financial institutions in Klang Valley only. The survey was conducted and focused only for employee of financial institution in Klang Valley only. As different location and nature of business may have different impact and the result may be different. This cannot be generalized the findings of other areas. The

questionnaire was conducted in anonymous. Hence, it is limited to be analyzing on general individual and institution needs. The survey was not administrated firmly as it has been emailed directly to respondents.

In view on this, the findings may not really reflect to other financial institutions in other area, generally. Hence, it can't be generalized.

5.5 Future Research

In view of the above, we would like to recommend that the future research should emphasize more details to attract more despondence and to obtain more relevant data to be used.

Likewise, this study is quantitative in nature. Abbas (1999) has indicated that it is pertinent to state that being quantitative; it has its limitations, particularly the possibility of translating people's feelings into numbers. Hence, it can be better if for the future research, it should be integrated qualitative feature. With both (qualitative and quantitative) will able fortify and close the gap by using only this technique. By conducting this research, the industry will able to identify another possible attraction to retain the employees. To conclude, the survey should be exercised through-out the year as the requirements and needs might be different from time to time. This will also benefit the management to maintain its employees without disregard their job deliverable, work commitment, work ethic, motivation and drive.

Lastly, this study only emphasize the dependent variable (monetary and non-monetary) but not in details. Therefore, it would be better if for if it be more specific as each person has different understanding on the definition on both variables. Consequently, would like to recommend that the future research to identify the different variable to avoid confusion. In addition, it may be mixed as individual has different needs, based on its priority.

5.6 IMPLICATIONS OF THE STUDY

The findings of this study have one implication, and it is managerial implication. This will be discussed under the following sections.

5.6.1 MANAGERIAL IMPLICATION

As identified earlier, the research can be conducted in wider perspective and obtain the response by the respondents in various areas (outside Klang Valley). The significant factors to be discussed are management direction towards its roles by identifying the needs on both dependent variables. It contains shareholders, managers, human resource practitioners, reporting supervisors and its peers. The entire identified group should re-look as this is a foundation / a guideline / base to retain its best talents. With this findings, may help the future research which be significant to identify the type of rewards for both elements for reward design.

This research breaking new grounds within the target audience and managerial group. The findings able to furnish them with the relevant and accurate information to design the attractive reward system. It should coming along with the policy, procedure, process and guideline. This might be critical if the organisation keeps losing its talents. They should not capitalize on only the dependent variable, but also need to look into independent variable which visualizes the action taken by the talents from the items provided by the employers.

The management should see, relook and revise its salary scale for often. Salary revision rise in pay for all employees by whatever % the management decides to make the pay more attractive and competitive. It is also one of the strategies to retain high performing employees. The management also should look into other incentives that may attract talents to stay. Similar to government servant, they are entitling to Cost Of Living Allowance (COLA), Public Service Allowance (Khidmat Awam) and Housing Allowance (Perumahan). The rate should be slightly different from city to city, based on its cost of living respectively. Since the target group for this survey is in financial institution, perhaps the management should re-look other incentive related to its business such as sales allowance and NPL allowances. Those in serving other clients, the hardship allowance and travelling allowance should be studied and reviewed. This may lead to strong commitments culture among the employees.

Nevertheless, the present study was undertaken in an unindustrialized reward design. This is not only to conceptualize but for execution.

5.7 CONCLUSION

In summary, both monetary and non-monetary have the significant relationship towards employee retention.

By this result, it may help the organisation to re-form and re-design its reward system and determine which is able to play the strategic role in employee retention plan. As this is only for foundation, however, it should not be eliminate. By executing this through the Human Strategic Management dimensions and its platform, this will able to simplify the aim to achieve its target. Hence, financial institutions should think about the benefit of incorporating these reward system in its overall strategic exercise on this employee retention plan. Since there is a correlation and monetary is higher than non-monetary, perhaps the organisation should highlight another dimension which related to monetary and also to emphasize the items in non-monetary to be more details and specific. The organisation should aware that people can't be avoided when it relates into monetary as it is important and should not discount on intangible rewards which it is the factor that that tied into the strategic compensation and benefits.

To conclude, this research has achieved its objective however, some elements in monetary and non-monetary should be highlighted and brief. This is able to ease the respondents to provide more accurate response and reply. By more details will able to assist the organisation to execute and suggest to management on the employee retention plan.

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