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

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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

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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
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