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**DETERMINANTS OF EMPLOYEE TURNOVER  
IN MANUFACTURING COMPANY**

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**DETERMINANTS OF EMPLOYEE TURNOVER  
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**MASTER IN HUMAN RESOURCE MANAGEMENT  
UNIVERSITI UTARA MALAYSIA**

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IN MANUFACTURING COMPANY**

**By  
NG CHEE KEAN**



**UUM**  
**Universiti Utara Malaysia**

**Thesis Submitted to  
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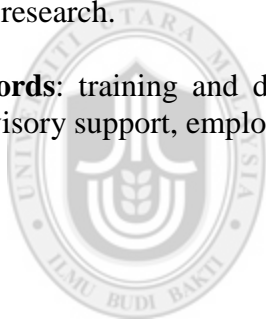
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## ABSTRACT

The main objective of this research is to focus on determinants of employee turnover in manufacturing company. Employee turnover is always a major issue being discussed in the manufacturing company in Malaysia therefore the objective of this research is to find out the correlation of employee turnover and human resources practices which consist of training and development, compensation and benefit, career development, and supervisor support. The Pearson's correlation and multiple regression tests were used to identify the relationship between employee turnover and training and development, compensation and benefit, career development and supervisory support. The result of the correlation analysis suggested that training and development, compensation and benefits, career development and supervisory support are correlated to the employee turnover. The multiple regression results indicated that there is a negative relationship between employee turnover and compensation and benefits. However, training and development, career development and supervisory support showed no significant relationship to the employee turnover. Based on the results, some recommendation are proposed and the limitations of the study being discussed. These shall provide opportunity to improve for future research.

**Keywords:** training and development, compensation and benefit, career development, supervisory support, employee turnover.

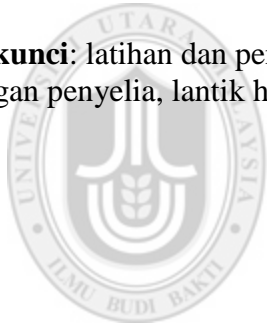


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## ABSTRAK

Objektif utama kajian ini adalah untuk memberi tumpuan kepada faktor-faktor penentu yang mempengaruhi lantik henti pekerja di syarikat pembuatan. Lantik henti pekerja sentiasa menjadi isu utama yang dibincang dalam syarikat pembuatan di Malaysia, oleh itu objektif kajian ini adalah untuk mengetahui korelasi antara lantik henti pekerja dan amalan sumber manusia yang terdiri dari latihan dan pembangunan, pampasan dan faedah, pembangunan kerjaya dan sokongan penyelia. Ujian pearson korelasi dan regresi telah digunakan untuk pengenalan hubungan antara lantik henti pekerja dengan latihan dan pembangunan, pampasan dan faedah, pembangunan kerjaya dan sokongan penyelia. Keputusan analisis korelasi menunjukkan bahawa latihan dan pembangunan, pampasan dan faedah, pembangunan kerjaya dan sokongan penyelia mempunyai korelasi dengan lantik henti pekerja. Keputusan dari regresi berganda menunjukkan bahawa terdapat hubungan negatif antara lantik henti pekerja dengan pampasan dan faedah. Walaubagaimanapun, latihan dan pembangunan, pembangunan kerjaya dan sokongan penyelia tidak menunjukkan hubungan ketara dengan lantik henti pekerja. Berdasarkan dengan keputusan ini, beberapa cadangan telah dicadangkan dan batasan kajian juga dibincangkan. Ini akan memberi peluang untuk memperbaiki kajian pada masa depan

**Kata kunci:** latihan dan pembangunan, pampasan dan faedah, pembangunan kerjaya dan sokongan penyelia, lantik henti pekerja.



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# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 Background of the Study**

Employee turnover is a crucial topic to study especially in the development country. Employee turnover is a hot topic in majority companies in Malaysia and required the company attention for solution to ensure stability of manpower, productivity, skills workforce for the effective and efficiency of the organization.

Many companies in Malaysia whether is local owned company, semi-local owned company, and foreigner owned company or multinational company have implemented a lot of policies to improve employee benefits and working conditions with the objective to reduce the employee turnover rate and improve the organizational productivity (FMM Salary Survey, 2013).

With the current economy expansion in Malaysia, high demand of labor force in many companies in Malaysia has indirectly created the high employees turnover of certain companies due to compete with each other to hire competent staff, has developed opportunities for job hopper among employees in the labor market. Reference is made to the labor market in 2013, the employment recorded a strong growth of 4.8% representing a new additional of 613,000 jobs from the previous year and manufacturing sector remained the second largest employer at 17% after the services sector at 60%.

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