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**THE FACTORS OF RETENTION AMONG EMPLOYEES IN KOLEJ  
POLY-TECH MARA BANGI**



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**Universiti Utara Malaysia**

**MASTER OF HUMAN RESOURCE MANAGEMENT  
UNIVERSITI UTARA MALAYSIA  
2016**

**THE FACTORS OF RETENTION AMONG EMPLOYEES IN KOLEJ  
POLY-TECH MARA BANGI**

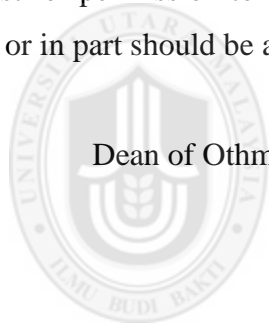


**Thesis Submitted to Othman Yeop Abdullah Graduate School of  
Business, Universiti Utara Malaysia, in Partial Fulfillment of the  
Requirement for the Master of Human Resource Management**

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## Abstract

This study identifies the significant factors for retaining employees namely, job satisfaction, working environment, career advancement and compensation and benefits. This research was conducted due to persistent low job retention reported among employees in Kolej Poly-Tech MARA these days. By quantitative cross sectional survey design and combination of qualitative methods, data were collected from KPTM Bangi on employees using questionnaires as the main data collection instruments and supported by narrative data through interviewing with the respondents. A total of 200 questionnaires were distributed to respondents who had agreed to participate in this study. However, only 155 were returned and usable for further analysis. Data then were analyzed by Statistical Package for Social Sciences (SPSS) using Descriptive Statistics, Reliability Statistics, Correlation Analysis and Multiple Regressions. The result showed that only job satisfaction and compensation and benefits were significantly positively associated with employee retention. Implications of the findings and recommendations for future research are also discussed in this study.

**Keywords:** Employee retention; Job satisfaction; Working environment; Career Advancement; Compensation and benefits

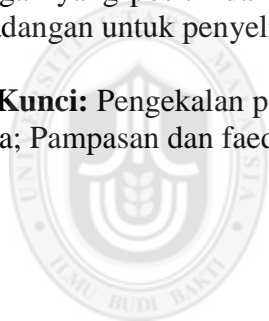


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## Abstrak

Kajian ini mengenal pasti faktor penting serta mengkaji hubungan langsung kepuasan bekerja, persekitaran kerja, kemajuan kerjaya serta pampasan dan faedah dengan pengekalan pekerja. Kajian ini telah dijalankan di Kolej Poly-Tech MARA Bangi berikutan terdapatnya laporan mengenai pengekalan pekerja yang rendah kebelakangan ini di kalangan pekerja di organisasi ini. Dengan penggunaan reka bentuk kaji selidik keratan lintang yang kuantitatif serta gabungan bersama kaedah kualitatif, data telah dikutip melalui kaedah edaran borang soal selidik sebagai sumber utama dan disokong oleh data naratif yang diperoleh melalui sesi temuduga yang dijalankan. Sejumlah 200 borang soal selidik telah diedarkan kepada peserta yang bersetuju untuk menyokong kajian ini. Walaubagaimanapun, hanya sebanyak 155 dikembalikan untuk dianalisa. Maklumat yang diperoleh kemudian diuji menggunakan SPSS melalui Statistik Diskriptif, Statistik Reliabiliti, Korelasi Pearson dan Regresi Pelbagai. Dapatan kajian menunjukkan bahawa kepuasan bekerja serta pampasan dan faedah mempunyai hubungan yang positif dan signifikan dengan pengekalan pekerja. Implikasi penemuan dan cadangan untuk penyelidikan masa depan juga dibincangkan dalam kajian ini.

**Kata Kunci:** Pengekalan pekerja; Kepuasan bekerja; Persekitaran kerja; Kemajuan kerjaya; Pampasan dan faedah



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Special thanks to my wife and children for their concern and love. Lastly, thanks to all of my friends for their help and support. I hope this report is beneficial for everyone and I believe this is an important research especially to the next generation. In sha Allah...

May Allah bless all of us

Wassalam.

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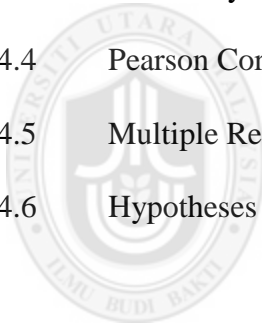
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## List of Abbreviations

KPTM - Kolej Poly-Tech MARA

MARA - Majlis Amanah Rakyat



# CHAPTER 1

## INTRODUCTION

### 1.0 Introduction

Organization today is confronting challenges in retaining their employees. According to Mathis and Jackson (2003) retention of employees has become a primary concern for an organizations nowadays especially when a continuity of an employees will provides a good image for attracting and retaining others employees. Employee retention also can be describe as a process of ensuring an employees to stay and loyal to the organization for a certain period of time (Bhati and M., 2013). According to most of the research being done, it is estimated that in the coming future, a strong organizations will be those who adopt their organizational behavior strategies to the current work environment realities where the future and success depend upon the culture, creativity approach, motivation, innovation and flexibility implemented by the organization itself. However the reality is, nowadays it is not easy to retain an employees. To manage an employee's retention and turnover is proven to be a great challenges for most of the organizations todays. Organizations will definitely have to bear high costs as a result of employee's turnover. According to the research done by Zachariah and T.B (2012) what should be done by organizations is periodically or from time to time conduct a surveys in understanding the changing expectations of the employees, gather all the inputs to have an overall and have a holistic understanding in understanding the factors that actually influence employees retention. This will include the new generation of workforce which is identified as generation Y which believed in bringing change as well as ready to assume new roles, accept bigger responsibilities and to take the lead in any assignments, duties and related task. That is why no matter big or small organizations will attempt to attract and retain all the potential candidates in ensuring current workforce are passionate and committed to the job. However, in ensuring the employees to stay, it is important for the organization itself as well as Kolej Poly-Tech MARA, what is the important is to



understand the contributing factors to the retention of this employees. This is because according to Aguenza and Mat Som (2012) there will be certain factors which are considered important in influencing the employees' preferences and decision either to stay or leaving their organization.

In this study, the researcher examined key factors related to job retention among the employees in Kolej Poly-Tech MARA Bangi. It is very important to understand the underlying factors where it will help the employers to perform an effective strategies in retaining this valuables employees which will ensure Kolej Poly-Tech MARA in carrying out their vision and mission effectively in becoming the best in their field and expertise. Using data from a survey and interviewing, the study assessed the importance of various factors that facilitate or hinder job retention among employees in Kolej Poly-Tech MARA Bangi. It also investigated factors that sometimes "force" employees to leave their jobs and what is actually helps or prevents these employees from moving to other organizations. The major factors considered in the study were: job satisfaction, working environment, career advancement, compensation and benefits.

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

Research literature on employee's retention points out many factors impact on their retentions in an organization. It is important to identify these factors because a loyal employees is among the great factor that will contribute the success of an organization. Job satisfaction, working environment, career advancement and compensation and benefits has been identified by the researcher as the contributing factors base on the previous journals findings that shows this factors had contribute for employees to stay within an organization. These four factors is believed to bring an impact to the employee's retention which are considered critical to the success of an organization. Kolej Poly-Tech MARA (KPTM) which previously branded as Kolej Yayasan Pelajaran MARA (KYPM) which being set up as a private higher educational institution under the Private Higher Educational Institutions Act 1996 (Act 555) in September 2003. The

vision of the Kolej is to be a front running as a higher education institution of choice while the mission is to offer high quality teaching and unceasing student and employer fulfilment at reasonable price and to yield holistic employable individuals equipped with entrepreneurial skills. The shared values are proactivity, progressiveness, professionalism.

Kolej Poly-Tech MARA Sdn. Bhd., is an annex of Majlis Amanah Rakyat (MARA) which offers, to the community, variety of educational opportunities in the fields of accounting, business management, computer sciences, information technology, engineering, languages and health sciences. KPTM's strength was put up through its excellent track records and the merging of two MARA's legendary institutions Akademi Infotech MARA (AIM) and Kolej Yayasan Pelajaran MARA (KYPM). The institutions has matured to be among the biggest Bumiputra's private educational institutions in Malaysia. The institution is proud to have housed more than 15,000 full time students for diploma and bachelor's degree program with 1500 staffs that stretched over nine campuses in Cheras as the main campus and its branches in Alor Setar, Bangi, Batu Pahat, Gua Musang, Ipoh, Kota Bharu, Kuantan and Semporna in Sabah. Now it is planning to open a new branch which in Bera, Pahang. To ensure the objective can be completed and achieved, the researcher has chosen one of the campuses which is in Bangi, Selangor for this study.

## **1.2 Problem Statement**

According to the survey by Towers Watson, which is the leading global professional services company in Malaysia, the employee turnover rate in the general industry in Malaysia has been increasing from 12.3% in 2012 to 13.2% in 2013. It is also found that more of the employees are mentioning that they will leave their organization within this two to three years where now is 36% increasing from 29% in 2012. According to Jacob Selesho and Naile (2014) a high employee turnover will affects the quality, consistency, and stability of an organizations including academic institutions where the research now

is being conducted. There are many reasons and factors why people leave their organizations. According to Somchit (2015) previous findings have found that there are lot of factors that contribute to employee turnover such as personal factors, organizational management factors, job satisfaction, organizational commitment, organizational support and even psychological factors. In other study, Som *et al.* (2013) on his findings has suggested Malaysian organizations to recognize and identify poor working environment, low payment and injustice that also believed as a contributing factor for an employee to leave their company.

It is also believe that employees nowadays Chakrabarti *et al.* (2015) are well aware of available alternative job opportunities and their decision to change job actually is not only related to maximize their career objectives but also to improve their income and improving their socio-economic welfare. However, this is not the only reason because according to Khan (2014) the factor why an employee leave their organization is hard to be generalized for all types of organization because every organization has different nature of work, environment, back ground and even objectives.

From the previous research and findings, factors such as job satisfaction, working environment, career advancement and compensation and benefits have been empirically proven to be related as the factors of the retention among the employees, however it is still unsure and unknown whether these same factor would also be able to attract and retain these employees to stay and loyal with the organization especially for institutions such as Kolej Poly-Tech MARA. This argument is supported by Gow *et al.* (2008) where previous research still does not provide an information whether the same factors will remain constant, as employees usually will progress through their work starting as an apprentice during probation time until they begin working as a qualified and reliable employees.

The high impact in dealing with employee turnover causes a high time and effort for the employers especially on investing through advertising, selecting, interviewing recruiting

and training replacements. According to Patgar and Vijayakumar (2014) most of employees are ready to stay with their organization when they are aware of an opportunities and realizes the experiences they have with the current employers will help them to expand their careers and growth. This is why an organization should be able to understand the underlying factors in retaining this employees and find ways to control it. To show it is really an important matter where an employee retention issues should be the priority of every part of an organization long term strategy and vision (Cloutier *et al.* 2015). Considering the situation, that is why this study is carried out in Kolej Poly-Tech MARA Bangi in order to find the significant relationship between the variables studied in this research. It is hopefully that these findings will benefits both the employers, scholars and even practitioners that may bring a positive change by delivering a better understanding of employee retention and increase the organizational awareness related with the variables studied that might influence employee retention and turnover. This study also is believe can provides an important information that may help an organizations in creating a strategic plans to improve turnover rates and of course in reducing retention challenges. This findings is not only contribute to the body of knowledge to understand why an employees stay and remain loyal to their organization but it can also help the employers to understand and implement the best approach to ensure their employees will stay with the organization (Chakrabarti *et al.*, 2015). It is also believed through the current study, Kolej Poly-Tech MARA Bangi would have some idea and knowledge on the factors identified where they should focus on in ensuring their talented and skilled employees remain and stay with the organization. Though the study was conducted at academic institution, the broader contribution extends beyond all Malaysian company and organizations. This is why this study is important in helping the department and any organizations to use this study as a reference in the future. According to Meier *et al.* (2010) a generation of employees will have a major influences in styles, culture and trends in businesses where it is important to learn from the weaknesses and success of the past generations.

### **1.3 Research Questions**

Research questions are used as guidance in conducting this research. Based on the issues discuss above, the main research questions is “what are the factors of retention among employees in Kolej Poly-Tech MARA?” Specifically,

1. Is there a relationship between job satisfaction and employee retention?
2. Is there a relationship between working environment and employee retention?
3. Is there a relationship between career advancement and employee retention?
4. Is there a relationship between compensation and benefits and employee retention?
5. Is there is a significant effect between factors of retention and retention among employees in Kolej Poly-Tech MARA Bangi?

### **1.4 Research Objectives**

The principle aim of this research is to understand retention factor of employees in Kolej Poly-Tech MARA Bangi. Based on the above research questions, the aims of the study are as follows:

1. To identify the relationship between job satisfaction and employee retention
2. To identify the relationship between working environment and employee retention
3. To identify the relationship between career advancement and employee retention
4. To identify the relationship between compensation and benefits and employee retention
5. To determine whether there is a significant effect between factors of retention and retention among employees

## **1.5 Scope and Limitation of Study**

This study will be conducted at Kolej Poly-Tech MARA Bangi, one of KPTM branches and a higher institute of education which situated in Bangi, Selangor Darul Ehsan. The study intends to investigate the variables and factors that might relate to intention to stay among employees in the organization. The study involved a survey of employees from all levels, rank and position of employees in Kolej Poly-Tech MARA Bangi. The respondents chosen for this study are those who are the employees and are holding various positions in the organizations. The reason why this college is being chosen is because firstly, it is where the researcher works where it will an advantage in performing this research. Secondly is because the cooperation given by the management and third is it have the second large number of employees according to branches after Kuala Lumpur branches. In this research, the researcher met several limitations while doing this study, which had affected the progress of the study. The limitations that the researchers had to face are being focused only in Kolej Poly-Tech MARA Bangi, the research finding may not reflect the situation in other KPTM branches and other similar organization throughout Malaysia. This research study has a limitation towards the commitment of the respondents. Respondents maybe are not answering the questionnaires accurately and biases in answering all the questions. As a part time students and a full time employees at the same time, the time constraint on data collecting process create a burden to the researcher while doing the research. The necessary information may not be gathered properly.

## **1.6 Organization of Thesis**

Chapter one is the first of five chapters in this research paper. Chapter 2 presents the general view of the literature on factors of retention and past empirical findings on factors of retention such as job satisfaction, working environment, career advancement and compensation and benefits. The chapter concludes with the development of the research hypotheses. Chapter three describes the method of the study such as the research design and procedure. The chapter also reports the sample size and sampling technique, and the development of the questionnaire. A discussion on the strategies and procedures that were used to analyze data collected from the survey being done also are being discussed in this chapter.

Chapter four will reports the results of the study. These area reports of the descriptive statistical analysis, performing normality test, factor analysis, correlation analysis and regressions analysis. To facilitate the interpretation of the results in this chapter, the results will be explained and summarized in a number of tables. The final chapter which is chapter five will discuss and interpret the research findings which presented in chapter four. The findings are compared to those found in the past research which has been reviewed in chapter two. The chapter will include with the discussion on the limitations of the study, the implications for both the researchers and practitioners, overall conclusion of the research and some recommendations for future research.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.0 Introduction

The review of the literature is needed in order to formulate the theoretical framework and hypotheses. According to Kumar *et al.* (2013) literature review can be defined as a set of a comprehensive review by the researcher who collected all the data and sources from the previous published articles which is be considered as the most important step in research process. Today, employees are knowledgeable, fast in their action and informative with the appealing of job opportunities through the globe. Over the decades and in the ever challenging workforce and workplace environment, until today, we have seen employees are trying their best to improve their being as well as their needs. In order to achieve this, employees nowadays are willingly to leave their current organization at any and this will surely effects the productivity and the objectives of an organization. The solution to this problems is the employers must find a way to deals and identify the contributing factors which will counter the turnover intention. This is why the study of this research is being conducted where it will identify and investigate the retention factors among employees. Retention issues is critical and important because according to Huang *et al.* (2012) organizational success is actually depends heavily on their employees where they are the main source of their organizations competitive advantages. A review of the research literature on the retention factors among employees shows that job satisfaction, working environment, career advancement and compensation and benefits seems to be the common motivators and retention factors of this employees where the variables were proven to be important factor for employees' retention at workplace (Anitha et al., 2015).



## 2.1 Retention factors

Employee retention issues should be a priority for every organization which means it is important for a company to create an employee retention strategy which is targeted to its business's goals. It also can be referred to as an employment strategy employed that will be used by the management in order to make sure that their employees will stay with the organization for a long period of time. Employee retention has become a major concern for corporates and organizations nowadays. This is because, it is believed that an employee who is being trained will usually have a tendency to move on to other organizations in order to get a better salary and career improvement. An attractive salary package, comfortable environment, opportunities for a promotion and growth prospects are some of the factors which an employee will look for a change. Employees also want to know if they are fairly treated, appreciated by their respective employers and receive the best compensation and benefits. This is why whenever a well-talented and good employee expresses his willingness to move on, it is the responsibility of the management, with the assist of the human resource department, to proceed immediately to identify the real reasons and factors that lead to the decision. However, to understand retention is not an easy thing because according to Das and Baruah (2013) retention is very hard to understand and there is not just a single way in encouraging the employees to become loyal to their organization. This is true when a major survey conducted by Towers Watson most of the employers actually didn't understand the main reasons why an employee's join and stay with a company. Employees are believed to be willing to leave the organization if they found their job is not attractive, fulfilling and fun, and there are no chances for them to have a career advancement (Woodruffe, 2009). According to Choong *et al.* (2012) this turnover intention is a challenging issue in various organizations and industries. This is why this study is conducted with an intention to identify the factors that might be able to attract employees to stay with the organization. The previous study has shown employees nowadays are ethnically diverse, high enthusiasm, confident, mobile, very independent, can fit themselves to any situations and they can perform a lot of jobs in one time (Shrivastav *et al.* 2012). This is been supported by Viitala *et al.* (2014) where these high motivated employees represent a great potential for an

organizations where they are eager to upgrade themselves, ready to perform multitasking job, flexible in time, crave for an effective feedback and importantly is the acknowledgement and support from their superiors. That is the reason why employers must determine the actual factors that can retain their employees. It is believe by really understand their needs, it will lead to an increase in employees spirits, efficiency and morale, in order to achieve a greater long-term of an employee retention (Bannon *et al.* 2011). That is why organizations, institutions, professional bodies and even researcher have to respond and understand these changes through an effective implementation of human resource policies where it will take into considering all the factor in attracting and retaining this employees (Clarke, 2015). To another perspective, according to Temkar R. (2013) what should be done by the employers to ensure loyalty among employees is by recruiting and hire the right people that fit to the organization standards. However, it is believe such a perspective is not enough and the factors of retention still have to be understand and investigated. The most challenging facts found by Wiley (2010) what an employer should be realizing is retention drivers may differs for organizations through organization not only on what are type of business they in are but also in different countries and geographical regions, industries and even different stages of an organization life cycle.

## **2.2 Relationship between Variables**

### **2.2.1 Relationship between Job Satisfaction and Employees Retention**

Job satisfaction among employees has been quoted for many years by many different authors and researchers where it is an issue which is concerned by both employer and employees, stockholders, those who have a link with the organizations and for the people who want to understand them. Job satisfaction is a positive expression will resulting from an employee's own experiences through their work (Mathis and Jackson, 2003). It is also is a process of to ensure an employees feel fulfilled in their work physically and mentally. Based on the findings by the researcher itself, job satisfaction has been identified as the most studied variables in the research on organizational behavior. The previous generations of employees mostly were identified as a group of employees who are easily

satisfied with just a small amount of pay for a few extra hours of work and just a small compensation and benefits in their job. However, employees nowadays seems to have a different taste, perceptions and expectations on high satisfaction issues with their job. This characteristic is believe as the main importance where job satisfaction is found to be a great influence on employee retention and their intention to stay in the organization. To justify this as according to Salahuddin *et al.* (2013) recently, it is identified that an employee's satisfaction has become one of the main corporate objectives for an organizations. Most of the organizations believes that they will not achieve the competitive levels of quality, whether on a customer service level or a product level, if their employees is not satisfied with the organization. To support this, according to Anis *et al.* (2011) there is a strong positive relationship which explains when an employee feel satisfied with his job, the employees itself will be more willingly for an employees to get stay with their organization. This proven that an employees who are satisfied with their job will stay with its organization and will be unlikely to change job and will focus to work hard for the organization they attached to. To adding this Gawande *et al.* (2013) identified a satisfied employees would also contribute their best towards their organization where it will increasing the overall productivity. These employees also will expect what will the employers do for them rather than focusing on what are their contribution for their employers. This situation has made the organization to offer the maximum attractive compensation package in retaining them. In relating with the retention itself, findings by Rehman (2012) has proven that a more psychologically satisfied employees will eventually stay with their organization and this will help to attract new pool of talented employees which will develop a great image of an organization in becoming the organization of choice and priority.

### **2.2.2 Relationship between Working Environment and Employee Retention**

The importance of the working environment cannot be denied and be pushed aside where it should also be focused because of its important role as a place where the employees will perform their task, duties and responsibilities. To support this statement,

according to Christmas K. (2008) work environment is a main factor that drives the retention. Work environment is believe act as a basic needs that a company provides to the employees which supports and encourage them to perform better. (Ling, 2012) also stated that an employer should provide a good physical work environments such as facilities with latest technology and equipment's such as new high-end computers and latest software's that will improve work efficiency and productivity. Basically, we have to realized that an employee's nowadays have grown up experiencing significant technical advances at a fast pace especially with the young employees who will became the future anchor and even managers for their organizations. Normally, an employees mostly will expect an instant results and will get frustrated with the old technology which makes the information flow go slow. According to Weyland A. (2011) in order to ensure effectiveness among employees nowadays is to make sure your technology is updated and that systems are working perfectly as expected. This is because by providing such supportive work environment, it will eventually help to make employees feel as a part of the organization who is really appreciate and cherish them. Even the studies by Malik *et al.* (2011) proposed that an improvement in the working conditions will encourage performances among employees. This is totally different with the previous generation of employees basically will had a long working hours in office, with a lesser entertainment with a very serious atmosphere. However, for an employee's today who are experiencing advancement of latest gadgets and high end devices, they will surely have a great expectations from their organization. In order to satisfy their wish for variety, employer must try to provide a mixture of environments that will suit on any occasion. Activities such as rest areas, game rooms, pantry room where they can have a tea and even sleep rooms can be created in order to make them feel happy (Weyland A., 2011). This is supported by Kilber *et al.* (2014) where another method to retain employees is to create a desirable work environment. It just so happens that nowadays employees demands a new type of working environment which are different from the previous generations. Employees is believe will views a favorable working environment as one thing or alternative in allowing them to have an opportunity in improve their career development, access to high technology, a friendly working hour and a working-life balance.

According to Chipunza et al. (2013) this variable has been a strong motivating factor for employees to remain or leave their current organization. Previous research also shown that employees will less likely to intend to quit their job if they aware that their working environment is to be good and satisfying. Based on the research, most of the employees who think on leaving their current job is actually perceived their workplace unpleasing and not a good place to build a career on (Markey *et al.*, 2015). It is clear that work environment is also one of the important factor in employee retention and turnover (Irshad M., 2010). Uniquely, there are some of the employees who are ready to accept a less interesting job in order to obtain a permanent job in an interesting, enjoy and relaxed atmosphere (Guillot *et al.*, 2014). Based on this findings, it is why organizations must be more productive and being able to design a workplace that creates an interest between employer and employee needs (Kossek *et al.*, 2012) and to support this based on the findings by Bhati and M. (2013) in his research has found majority of his respondents has agreed that working environment must be continually improved.

### **2.2.3 Relationship between Career Advancement and Employee Retention**

According to Irshad M. (2010) employees career advancement is a situation which is specially organized, formal and it is a well-planned effort to accomplish the right balance between the requirement of organization workforce planning and basic individual needs. The concern of employees about the importance of career advancement is an evidence that employees can give a great impact to the organization in facing the challenges in the global market today. Employees nowadays believe on seeking opportunities to develop their skills and talents for their personal satisfaction and to increase their opportunities to have the best in their life. Research by Aguenza and Mat Som (2012) has found that an employees will experience greater satisfaction for their ability in completing their work and by taking responsibility for their career. It is believed that an employee will be more likely to stay with their organization if they feel their contribution and efforts towards the organization and are valued and being appreciated. Actually it is quite a challenge for human resource managers today's to build the organization-employees developmental strategies which can eventually boost up the employee commitment in fulfilling the

organization vision and values in order to motivate the employees which is believe will help the organization to become strong, competitive, successful and sustain on ensuring the loyalty of their employees. In his findings, Irshad M. (2010) has found that an employee career advancement or promotion opportunities have shown a significant relation with employees retention and can be consider as an important factor in employee retention. This is true and supported by Ng'ethe et al. (2012); Ling (2012) where an employees will have a tendency to stay with an organizations when they feel that their talent, efforts, performance and capabilities, are being recognized and appreciated by their employers. However, according to the findings by Towers Watson most of the employers and organizations continue to miss the mark when it comes to the issue of career development. This is why an employers must be able to create a very effective training program where skills are developed at stages required by the employers. This is also because an employee's usually will possessed knowledge and skills quickly if they are motivated to do so (Weyland A., 2011). Interestingly, according to the findings by Thurasamy *et al.* (2011) found that career advancement also is influenced by gender, management support and the years of services. If is also been suggested that employer should invest in courses and workshops where the most unique thing founded on employees nowadays is that they are not only expecting to move up through a company faster and advanced, but actually they wanted it very seriously (Meier *et al.*, 2010). Supported by the findings by Arokiasamy *et al.* (2011) what is the most important, management must come up with a specific guidance in ensuring human resources really understands the needs of their employees in improving their careers. The fact is everybody knows employees is an asset of an organization but the reality is to manage them is not as easy it said.

#### **2.2.4 Relationship between Compensation and Benefits and Employee Retention**

Todays with the rising of living cost and expenditure, people are struggling in getting a better pay which means a good compensation and benefits during their employment.

Employees nowadays are targeting and seeking equitable pay for their work and efforts. Actually there are a lot of issues and factors have been identified which related to retention and employees commitment to their organization. According to Cave *et al.* (2013) there is a positive relationship between a good compensation and benefits with an employee retention where it shows that the more an employee is being rewarded, they are more likely to stay with the organization. This actually shows that most of the employees will stay in the same organization for a long time because of the profits gains they receive from their organization (Terera and Ngirande, 2014). Although salary was not the only primary concern of people considering whether to stay with an organization, it is one of the best way to measure, it is because of that, usually this factor will be studied first. According to Selesho and Naile (2014) payment is continue to be an important factors influencing job hopping and a clear salary packages should be designed to the employees. The issue of financial security is also identified as the main cause of stress among employees that contributing to absenteeism and turnover (Sonia, 2009). This is relatively true as according to Jennifer C. (2013) if an employees found their salary levels are too low as compared to the current market, the employee tendency to quit from organization will be high. This is because an employee's eventually are not just a cost of doing business, actually there are actually representing human capital, which are the important resource which a company has. This assumes that an employee's actually are willing to invest their knowledge, ideas, talent, and creativity in supporting the organizations strategy (Temkar R., 2013). This is supported by Atinga (2012) where financial incentives is being found as the most significant in influencing employees motivation and their intention to stay.

Considering all the previous research, it is concluded that an attractive compensation and benefits package will not only make the valuable staff to stay but it also helps maintain high morale which will contribute to the loyalty of the employees to their organization. To support this, Scutella *et al.* (2008) even through the international evidence indicates that a well-designed financial incentives and benefits can play an important role in supporting retention. According to Rooy *et al.*, 2014) the importance of understanding

the relationship between compensation and benefits and retention is very important especially considering the coming demographic trends, where employees from the future generation will start to fill the all the workforce available. That is why it is important for an employers to understand the preferences and factor of motivations of these generations in order to attract and retain them. Other aspect that need to be focus is the challenge in determine the right compensation and benefits where it not just based on whether to provide executive benefits but also on the amount and the type of benefits to offer to the employees (Alan and Christopher, 1999). More interestingly, based on the research conducted by Nienaber *et al.* (2011) it is been assumed that for Generation X in the coming future, a flexible working conditions, compensation and benefits is expected as the main factors of their retention. According to Schlechter *et al.* (2014) rewards elements such as compensations, remuneration, employee fringe benefits and variable pay is significant and can attract a person to stay with his job as well as with their company. To make it much more details and to think of by an employers, according to Scoot (2003) what is actually important is a minimum level of compensation and benefits must be met in order to stay relevant, competitive and satisfy the employee's requirements and needs.

### **2.3 Summary**

This chapter briefly explains the review of literature that focused on the factors of retention among employees which is job satisfaction, working environment, career advancement and compensation and benefits. From this research, most of the previous study has demonstrated a relationship between job satisfaction, working environment, career advancement, compensation and benefits with the employee's retention. Having reviewed the past studies, the next task is to describe research methodology used in this study. Research method involves research framework, measurement of variables, data collection and data analysis procedures.



## CHAPTER 3

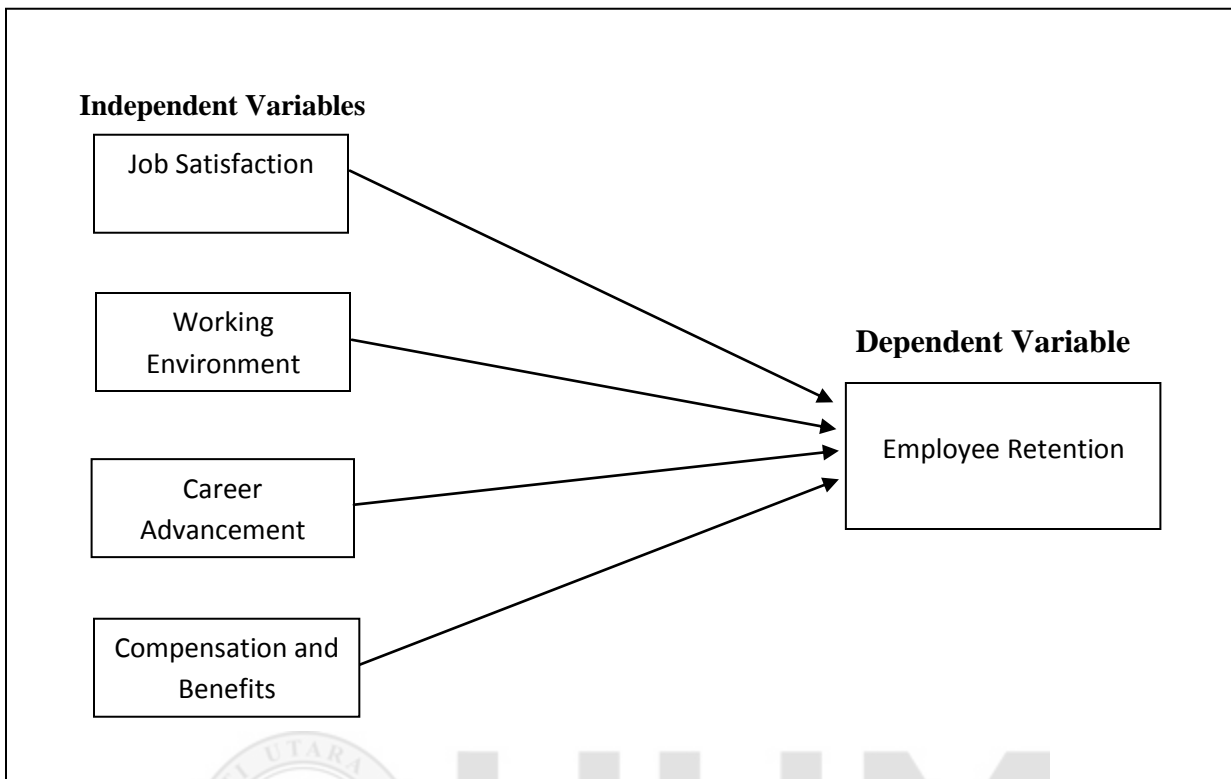
### METHODOLOGY

#### 3.0 Introduction

This chapter present the methodology that researcher uses starts from research framework, hypotheses, research design, sampling, pilot testing, data collection, data analysis and data interpretation. The study adopted survey research method using quantitative research design and also a part of it is based on qualitative research. A self-administered questionnaire was used to gather primary data from respondents and followed by interviewing session to understand briefly of the situation and responses from the respondents. This type of research strategy is believe as an effective way in getting a opinions, feedbacks and clear descriptions required for this study.

#### 3.1 Research Framework

Based on the literature above, this study is clearly focus on the four factors of employee's retention. In the theoretical model presented below, the factors impacting the retention factors which is job satisfaction, working environment, career advancement, compensation and benefits have been identified through the literature review as being the ones that have a direct or significant effect on employee's retention. The model shown in figure 3.1 is evaluated based on collected empirical data and the impact of each of these variables is measured.



**Figure 3.1: Theoretical Model: Factor of Employees Retentions in Kolej Poly-Tech MARA Bangi**

Figure 3.1 proposes the theoretical framework for the study. It consists of four independent variables (job satisfaction, working environment, career advancement, compensation and benefits) and one dependent variable (employee retention). In this study we will analyze whether the four variables listed under the independent variable will influence the employee to continue to stay with the company. There is a direct relationship between job satisfaction, working environment, career advancement, compensation and benefits and employee retention.

### **3.2. Hypotheses**

According to Chandran *et al.* (2009) hypothesis can be defined as a relationship between two or more variables which is expressed in the form of a statement. Based on the literature review and discussion through the research, the proposed hypotheses of these studies are as follows:

*Hypothesis 1*

H1: There is a significant relationship between job satisfaction and factors of employee's retention

*Hypothesis 2*

H2: There is a significant relationship between working environment and factors of employee's retention

*Hypothesis 3*

H3: There is a significant relationship between career advancement and factors of employee's retention

*Hypothesis 4*

H4: There is a significant relationship between compensation and benefits and factors of employee's retention

*Hypothesis 5*

H5: There is a significant effect between factors of retention and retention among employees in Kolej Poly-Tech MARA Bangi

**3.3. Research Design**

According to Kumar *et al.* (2013) research design is a study plan where it fulfil the research objectives of the hypotheses identified in the study. The main objective of this study is to determine the relationship between employee's retention and job satisfaction, working environment, career advancement, compensation and benefits. The quantitative research design with the combination of qualitative research design is believe and considered effective for this study. Apart from that, quantitative research design will generates statistics through the use of large scale survey through a set of questionnaires that can generalized the whole population while through qualitative research it will go in depth in understanding the issues and findings through the research. The primary data for this research will be collected through the questionnaires where respondents will give their reactions to the factors employees' retention identified in this research and a part of it will be conducted through interviewing which supports and strengthen the findings. It

is also as a consideration of taking individual as a unit of analysis is more reliable in testing all the variables shown in the research framework. Finally, the study is cross sectional where the design is simple, inexpensive and the data can be collected in a certain period of time.

**Table 3.1: Components of research design**

Research design	Type used in the research	Explanation
Type of study	Mixed-method study	Combination of quantitative and Qualitative methods.
Purpose of the study	Description and hypotheses	This study examines the characteristics of the variables of interest. Hypotheses testing are used to explain the variance in the dependent or independent variables.
Type of investigation	Correlational study	The researcher want to establish a mere identification of the important factors ‘associated’ with the problem.
Extent of researcher interference with the study	Minimal interference	This study is conducted with minimum interference by the researcher with the normal flow of work.
Study setting	Field study	Study is conducted in natural environment of the organization where work proceeds naturally.
Unit of analysis	Individuals	Data is gathered from employees individually.
Time horizon	Cross-sectional study	Data are gathered at one-time.

### **3.4. Operational Definition**

#### **3.4.1 Retention**

A process of ensuring the loyalty of an employees by staying and loyal with the organization (Mathis and Jackson, 2003).

#### **3.4.2 Job Satisfaction**

Job satisfaction is a positive feeling on the job based on the evaluation of the person itself (Ahmad *et al.*, 2013).

#### **3.4.3 Working Environment**

The term work environment is being used in describing the surrounding conditions in which an employee works (Moncarz *et al.*, 2009).

#### **3.4.4 Career Advancement**

The upward movement in job level or title and an increase in earnings (Thurasamy *et al.*, 2011).

#### **3.4.5 Compensation and Benefits**

Compensation and benefits is a total remuneration packages offered to an employee's base salary, incentives and other benefits based on their job description and performances (Alan and Christopher, 1999).

### **3.5 Measurement of Variables**

The objective of this research is to investigate and identifying the underlying factors which influence the retention of employees of their current organization. In this section, the relevant literature is reviewed with specific focus of the factors which influence the employees to stay. The dependent variables for this research is retention of employees and for the independent variable is job satisfaction, work environment, career advancement and compensation and benefits.

**Table 3.2 Variables Item**

Variable	Part	Total Number of Items	Scale	Sources
Employee Retention	A	7	Likert Scale (1-5)	Stanssen and Ursel (2009), Coombs (2009) and Cammann, Fishman, Jenkins, and Klesh, (1983)
Job Satisfaction	B	6	Likert Scale (1-5)	(Smith, Kentlall Hullin, 1969
Working Environment	C	6	Likert Scale Likert Scale	(Moncarz <i>et al.</i> ,2009)
Career Advancement	D	5	Likert Scale	(Foster, 2000)
Compensation and Benefits	E	6	Likert Scale	(Moncarz <i>et al.</i> ,2009)

### 3.6 Pilot Test

In ensuring the reliability of the instrument used in this study, a pilot study are being conducted. The pilot study is carried out using 30 set of questionnaires have been circulated to the employees of the organization and all of these questionnaires has been successfully collected from all the respondents. This study is important to identify any ambiguity and to ensure the understanding of each word use in the questionnaire. Based on the Cronbach Alpha analysis, the reading of the five elements are as follows, employee retention is .629, job satisfaction is .591, working environment is 875, career advancement is .771 and compensation and benefits is .847. According to Kumar *et al.* (2013). The more closely the reliability coefficient gets to 1.0 the better, when

reliabilities less than 0.60 are considered to be poor, reliabilities in the 0.70 range is acceptable and those over 0.80 are good. Based on the analysis performed, the reliability of the measures used in this study is considered acceptable and good. As the result of the pilot study, a few minors of changes are made and the result of the modification are used in this study. The results can be analyzed and seen on the table below.

**Table 3.3 Cronbach's Alpha Results**

<b>Variables</b>	<b>Previous Research</b>	<b>Pilot Test</b>	<b>Current Study</b>
Employee Retention	.673	.629	.720
Job Satisfaction	.897	.591	.781
Working Environment	.930	.875	.871
Career Management	.960	.771	.826
Compensation & Benefits	.884	.847	.884

### 3.7 Research Instrument

The instrument use for the study is questionnaire which is based on quantitative research methods and a part of this study also include a portion of qualitative research methods which used narrative data where it will often collected via interviewing. It is believe that this method will help the researchers to understand employee's issues from different views and how a decisions are made based on it (Honeycutt, 2011). In getting the feedback from the respondents, the researcher has use questionnaires. Questionnaire is a technique for data collection which consisting of a series sets of questions, written or verbally to which were respondent replies. It is also a set of questions which is planned to identify variable of job satisfaction, working environment, career advancement and compensation and benefits relationship with employee retentions. For this research, a set of questionnaires have been set and distributed to all of the employees in the organization. This set of questionnaires is been divided into two section which section A

where it will be a question about the factors of retention on employees and section B is about the respondent background. The researcher had arranged the demographic part at the end of the questionnaire because according to n.d. (2011) it will make the respondent become more comfortable as well constructing an easy questions to them.

### **3.8 Qualitative Methods**

This is a mixed method research which combines both qualitative and quantitative approaches including data collection and analysis. According to (De Silva, 2011) mixed methods research is increasingly being recognized as the third major research approach and has become known and popular in a number of disciplines. This methods have help to develop greater research skills and provide a fuller and richer picture of voluntary environmental reporting.

For this study, this qualitative method will be conducted after all the findings being analyzed through interview session with the respondents. Ten questions were constructed to get the feedback from the respondents chosen for this study. The guidelines in build an appropriate interviews questions are based on Furgerson et. al. (2012) were it is advisable to start an interview session with an easy questions and later move towards ones that are more critical, difficult and even controversial.

The research questions used to understand the different and mix perspectives on factor of retention among employees in Kolej Poly-Tech MARA Bangi were derived from the main research objectives. In this study, Moustakas (1994) modified van Kaam method on analysis which were developed in 1994 and Adrian L. (1959) were used to clearly understand the personal perception among employees and their own experiences that is believe will influenced employee's retention. The interview questions are arrange as follows:



1. Describe employee retention.
2. Is job satisfaction important to you?
3. Is working environment important to you?
4. Is career advancement important to you?
5. Is compensation and benefits important to you?
6. How do these elements contribute to employee retention?
7. Can you describe any other factors that contribute to employee's retention?
8. What aspects of the job can be improved?

### **3.8.1 The Likert Scale**

In this study, the Likert scale was also used in the questionnaire. It consists of 30 Questions. The Likert scale are designed objectively in examining how strongly subjects agree or disagree. A 5 points scale are used for this study, which consists of Strongly Disagree, Disagree, Neither Agree nor Disagree, Agree and Strongly Agree. There are 5 section in the questionnaires will be measured using 'Likert scale' except in section F which contains demographic and be measured using nominal scale.

Nominal scale allows the researcher to assign respondents to certain category of groups. Nominal scale is frequently used to getting the personal data such as age, gender, department, education, personal income and others.

Section A, B, C, D and E is trying to measure the relevant item connected to employee retention job satisfaction, working environment, career advancement and financial rewards. Section F consists of questions to gather information about the information of the respondents and consists of 8 questions. The questionnaire is developed in dual language which is in English and Malay version. The reason to develop the questionnaire in this both version is to ensure all of the respondents understand the questions asked since they employees are coming from different education level and background.

**Table 3.4: Layout of the questionnaires**

Section	Variables	Number of Items
A	Employee Retention	7
B	Job Satisfaction	6
C	Working Environment	6
D	Career Advancement	5
E	Compensation and Benefits	6
F	Demographic Information	8

### **3.9 Population and Sampling**

Population is referring to a group of people, events or things that capture the interest of a researcher where he or she wishes to investigate (Kumar *et. al.*, 2011). The population of this study composed of the employees and staff of Kolej Poly-Tech MARA Bangi which consist of 270 employee's including lecturers, deans, head of departments, directors, assistant directors, administrators, clerks and driver. In this study, a simple random sampling method was used where according to Bougie *et. al.* (2010), simple random sampling is represents a group of probability sampling technique where every subject in the population has a known and an equal chance of being selected as a subject for a research. Simple random sampling is considered efficient because it provides the most generalizability and low biases. For the size of the sample according to Bougie *et. al.* (2013) which based upon Krejcie and Morgan (1970) guidelines, which stated the rules of the thumb decided the sample size should be 159 for population of 270 respondents. Throughout the research, a total of 180 questionnaires were distributed through the employee's list name which have been provided by the human resources. The reasons why the sampling is being added to ensure that the target of the research is achieved and to prevent a high probability lack of response from the participants. In terms of supporting the qualitative approach, a 10 of employees were chosen from all types of position and departments in the organization. The steps taken in ensuring this interview

is being conducted appropriately is by explanation the purposes of the interview and all the willing respondents name would be kept secret and confidential. The interviews session have took 20 to 30 minutes for each respondents giving their responses and feedbacks. All information from the interviews were recorded, and notes were taken. In the end of the interview session, all of the respondents were being appreciated and thanked for their time especially because of their willingness in participation for the study.

### **3.10 Data Collection Procedures**

The data analysis techniques use in this research preparation is based on primary and secondary data. The actual data collection began after the pilot test have been conducted and permission by the top management of the company. The research will immediately began once the permission was granted and the questionnaire will be distributed to respondents through questionnaire and even by hand. A period of estimated time for this process is three weeks for the respondents to complete the questionnaires.

Primary data is a data which are gathered for a research purposes from the actual site of events (Kumar *et. al.*, 2013). The primary data that will be undertaken in this research are valuable. Sources will be the questionnaire which will include several questions regarding the research topic and will be distributed to the respective respondent. According to Bougie *et. al.* (2013) a questionnaire is a written set of questions where respondents will gave their feedbacks and it is an efficient way of data collection where it is generally less expensive. Interviewing is another form of primary method in collecting data. The interview questions revealed on how an employee personal perceptions based on the factors discussed that influenced their decision to stay with their organization. The interviews involved a open ended questions that were consistently used throughout the study.

Secondary data is a data that have been previously collected for a research and study which is other than the one at hand. The secondary data that will be undertaken in this

research will be the existing articles or material regarding the research topic. The sources of secondary data will be the text books, journals, and published websites. All the secondary data are important because it may help to clarify most of the uncertainties regarding the topic of the study. The secondary data should contain sufficient information that the researcher need in order to complete the research project.

### **3.11 Data Collection Techniques**

The data collection methods that been used is by making a set of questionnaire where a questionnaire is a written set of questions where respondents will record their answers. Questionnaires are an efficient data collection method when the researcher realize the requirements and ways to measure the studied variables. Questionnaires can be arrange and implemented through mail, electronically distributed and even administered personally direct to the respondents (Kumar *et. al.*,2013).

In this study, data were collected using a structured questionnaires consists of 30 items and a total of 180 questionnaires were distributed to all employees in KPTM Bangi with the help of friends and management in charge in the organization. The researcher has use personally distributed questionnaires to all of the participants. The advantages of this method is a researcher itself will be able to collect all the completed responses within a time framed for this study. This is also contributed by the position held by the researcher as the president of the employees' charity and recreation club of the institutions. Any questions, doubts or misunderstanding that a respondent might have on any question also be can clearly explained and clarified on the spot. The researcher also will have the chance to introduce the research topic and motivate the respondents to give their best answers for the study. It is also less expensive and only required less of time rather than interviewing or observing.

In strengthen the findings in this study, the data also were collected using purposeful selection interview questionnaire. The purpose of the purposeful selection questionnaire is to select participants who are being specially chosen to participate is this study. They

are being chosen from all parts of position in the organization in order to get the responses which represent all of the employees throughout the organization. The interviewing session for all the participants are carefully observed and all responses are then documented. The data on the interview session were used to understand the personal perspectives of the respondents which influenced them to stay with the organization.

### **3.12 Technique of Data Analysis**

Once the questionnaires were completely returned by the respondents, the questionnaires will be arranged accordingly to ensure that all the respondent data are properly coded, computed and processed. All the data later will be coded and edited by using the Statistical Package for Social Science (SPSS) version 22.0. SPSS is a special software used in processing the data ensuring that the analysis for the research will be more statistically accurate. By using SPSS software, all research questions are analyzed and tested. Meanwhile for the interviewing method, all the answers and responses from the participant will be recorded and summarized in this study. Then, codes will be used that will help to identify the 10 interviewed participants which are labeled by a letter and a number. The code letter for the participants will be “M” for male participant, “F” for the female participants and the numbers will be arranged from 1 through 10. The purpose for using such coding in this study is to make it easy to arrange the data before bringing meaning to the data especially in developing ideas and how the data may be displayed (Bougie, 2010).

#### **3.12.1 Descriptive Statistics**

Descriptive Statistics was used to describe respondent characteristics such as mean, frequency and standard deviation. This information later will be used to report on the respondents' demographic factors such as age, gender, education level, marital status, salary, job category and number of working years.

### **3.12.2 Frequency Distribution**

Frequency distributions were conducted to obtain all the personal data and classification of variables. According to Kumar *et. al.* (2013) frequency distribution is referring to a set of data which are arranged by summarizing the number of times of a particular value of a variable occurs from the data found. It is done to obtain a count of number of responses associated with the different values of variables and to show these counts in a percentage term. It is also used to identify the number of times for various categories of events occur, where the percentage and cumulative percentage of any findings can be calculated. The frequency data may be used to construct a histogram, pie chart and a bar chart.

### **3.12.3 Validity analysis**

Validity analysis is defined as “the ability of a scale of measurement in measuring the thing which is intended to be measured” (Chandran *et.al.*, 2009). In this research, construct validity are being used in order to confirm a relationship or network of a related hypotheses which are generated from the research issues. To ensure this, factor analysis is use in validating the measure. The questionnaire were taken from previous findings and study and been adapted according to the aim of the study in understanding the factors of retention among employees in Kolej Poly-Tech MARA Bangi where items in the questionnaires are being tested through factor analysis.

### **3.12.4 Reliability Test**

In this study, the researcher have used Cronbach’s Alpha (reliability coefficient) to test its reliability. Cronbach’s Coefficient Alpha is a reliability analysis in order to indicate the reliability of an instrument. The criteria for acceptability of the reliability is based on the value of the Cronbach’s Coefficient Alpha as recommended by (Kumar *et.al.*,2013). The closer the reliability coefficient gets to 1.0 is the better meanwhile if reliabilities is less than 0.60 are considered to be poor, 0.70 range is consider acceptable and those over 0.80 is good.

As for the qualitative approach, the most important is to ensure that the interview questions were fully consistent throughout the study to ensure research questions are not biased or mislead and supporting generalization by counts of events (Bougie *et.al.*, 2013).

### 3.12.5 Correlation Coefficient (Pearson's)

Correlation will measure whether the independent variables are correlated or not correlated. This relatively shows that a correlation analysis will be used to analyze the relationship between the two variables. Below are scales which can be use in interpreting and explained the relationship between independent variables and dependent variables:

**Table 3.5: The interpretation of the strength of correlation**

<b>Value of Coefficient Relation between Variables</b>	<b>Interpretation of Strength of Correlation Coefficient</b>
0.80 and above	Very strong relationship
0.50 to 0.79	Strong relationship
0.30 to 0.49	Moderate relationship
0.29 to 010	Low relationship
0.01 to 0.09	Very Low relationship

### 3.12.6 Regression Analysis

Regression analysis is a set of statistical procedures which are used in predicting and explaining the value of dependent variable where it is based on the value of independent variable. Multiple Regression analysis technique to predict the variance occurs in the dependent variable by regressing the independent variable against it (Kumar *et.al.*, 2013). Regression analysis will help the researcher to identify the relationship strength between dependent variable and independent variables, and to check whether there is a significant relationship between two variables that will be found through correlation test.

### **3.13 Summary**

This chapter explained the research method for the research. It will explain and described on how the sample of respondents were obtained, the research materials process and development and the procedures of data collection. This chapter will also explain the adaption of several analysis such as Cronbach coefficient alpha, Correlation Coefficient Pearson and regression analysis in testing the hypotheses. The results of all the findings will be reported in chapter 4.





## CHAPTER 4

### FINDINGS

#### 4.0 Introduction

This chapter will explain all the result of the analysis conducted by the researcher based on the data gathered from the respondents regarding the study of the factors of retention among employees in Kolej Poly-Tech MARA Bangi. The Statistical Package for Social Science or commonly known as (SPSS) Version 22.0 was used to calculate and analyze all the data. The purposes of analyzing the data is to interpret the findings, to test the accuracy of the data, and testing the hypotheses which are developed for this study (Bougie, 2010).

In this study, the data will be analyzed for the purpose of identifying the relationship between independent variables (job satisfaction, working environment, career development, compensation and benefits) and dependent variable (employee retention). In this study, there were 155 data that managed to be collected from 180 questionnaires distributed to employees or been called respondents of Kolej Poly-Tech MARA Bangi. This made up the return rate to be 86.11 percent and achieved 97.48 percent of the sample size target based on Krejcie and Morgan (1970) guidelines which requires a sample size of 159.

#### 4.1 Normality Test Results

In determine the normality of the data used in this research, a normality test is used as according to Talib (2015) the skewness and kurtosis measures should be as nearer or close to zero as possible and should be somewhere around in the span of -1.96 to +1.96. Based on the findings on this test, it is found that the male score for skewness is -.122 where this value is neither below -1.96 nor above +1.96 which is what we want which is the same for male score based on kurtosis which score -0.34. Meanwhile for female, the score for skewness is -1.86 and for kurtosis it score +1.58 which is still in the range of

score required. All four z- values are within +/-1.96 and as a conclusion regarding on skewness and kurtosis, the data which are tested are a little skewed and kurtotic, for both males and females, but it does not differ significantly from normality. (Refer to Appendix B)

#### **4.2 Factor Analysis Results**

The findings shows that the value for Sig. for both male and female is .264 and .001 which both p- values are above 0.05. where according to Talib (2015) in terms of Shapiro-Wilk test, it can be assume that the data are being normally distributed. This is also include with the visual inspection of the histograms, normal Q-Q plots and box plots which showed that the data were normally distributed to both males and females. (Refer to Appendix B)

#### **4.3 Validity Test Results**

According to Kumar *et.al.*, (2013), factor analysis is typically known as a data reduction technique where it will statistically identified a reduced number of factors from a larger number of items in a research which known as the measured variables. This analysis is also being conducted to check the validity of the variables in this study. In this study, The Kaiseer-Meyer-Olkin (KMO) is being used to measure sampling adequacy. Based on the analysis perform, it is concluded that the value of KMO (Kaiser-Meyer-Olkin) is .815 which is more than 0.5 which means the analysis can be performed in this research. Meanwhile for the Sig. Barlett, the results is .000 which means when sig Barlett's test of sphericity is lower than 0.05, the analysis can be performed. The percentage of the variance from each variables also indicates that a good relationship between the factors analyzed. (Refer to Appendix B)

#### **4.4 Profile of Respondents**

From the survey data based on gender of respondents from the 155 respondents, 29 respondents are male or about 18.7%. Meanwhile, the female respondents constitute 81.3% from the total respondents or about 126 respondents. From the findings, it is clearly that female are the majority respondents who participated in this study. As shown in the table, respondent at the range of 20 – 30 years old comes in a frequency of 54 respondents which is about 34.8% from the total respondents. There are 73 respondents in the age range of 31 – 40 years old, with a percentage of 47.1% while 13.5% or 21 respondents are in age range of 41 – 50 years old. For the age of 51 and above there are only 7 respondents or about 4.5% per the total respondents. From the total respondents, it can concluded that the majority of respondents is coming from the age of 31-40 years old and the least is coming from the age of 51 and above.

There are 2 job category which are categorized as academicians which include lecturers, head of academic departments and academic directors and the second category is non-academician which include clerks, administration officers, librarians and directors. Based on the findings on the table, 71.6% of respondents are from the academicians which consists of 111 respondents and about 28.4% from non-academician which consists of 44 respondents. Base on the results, the majority of the respondents are coming from the academicians who are the lecturers. There are 56 respondents who have working for below than 5 years with KPTM Bangi which are 36.1% from the total respondents. Followed by 61 respondents with 6 to 10 years length of services which form 39.4%, 16 respondents with 11 to 15 years length of services which form 10.3% and lastly is employees who serve for more than 16 years of services with 22 respondents which form 14.2% of the total respondents. From this findings, it can be concluded that employee with the length of services from 6 to 10 years is the majority respondents and the least is employees with the length of services from 11 to 15 years.

There are 5 groups of education level which are SPM, STPM/Certificate, Diploma, Bachelor Degree and Masters/PhD. From the data that has been analyzed, most of the

respondents have Masters/PhD. Which constitutes 49% or 76 respondents from 155 total of respondents. Followed by Bachelor Degree which consists of 50 respondents where it form 32.3%, SPM 11 respondents with 7.1%, STPM/Certificate 10 respondents with 6.5% and lastly is Diploma 8 respondents with 5.2% from the total respondents in this study. Based on marital status, it can be concluded that married employees is the majority with 118 respondents which form 76.1% of the total respondents and employees who are still not married or single is 37 respondents which form 23.9% of the total of 155 respondents. For the position status in the organization, it resulted with permanent status employees is the majority respondents in this study with 106 respondents which form 68.4% from the total of respondents, Followed by contract position status with 25 respondents which form 16.1% and temporary with 24 respondents with 15.5% from the 155 of total respondents who participate in this study.

From the frequencies obtained, employees who earned income below than RM1000 is 2 respondents which form 1.3% from the total respondents, 16 respondents earn income RM1000 to RM2000 which form 10.3%, 59 respondents earned income RM2000 to RM3000 which form 38.1%, 48 respondents earned income RM3000 to RM4000 which form 31% and 30 respondents which consists of 19.4% earned income more than RM4000 per month from the total respondents. Based on these results, the findings shows majority employees in KPTM earned income between RM2000 to RM3000 per month.

**Table 4.1: Summary of all demographical factors**

<b>Gender</b>	<b>Frequency</b>	<b>Percentages (%)</b>
Male	29	18.7
Female	126	81.3
<b>Age</b>		
20-30	54	34.8
31-40	73	47.1
41-50	21	13.5
51 and above	7	4.5
<b>Job Category</b>		
Academician	111	71.6
Non-Academician	44	28.4
<b>Length of Services</b>		
0-5	56	36.1
6-10	61	39.4
11-15	16	10.3
16 and above	22	14.2
<b>Education Level</b>		
SPM	11	7.1
STPM/Certificate	10	6.5
Diploma	8	5.2
Bachelor Degree	50	32.3
Masters/PhD.	76	49
<b>Marital Status</b>		
Single	37	23.9
Married	118	76.1
<b>Position Status</b>		
Temporary	24	15.5
Contract	25	16.1
Permanent	106	68.4
<b>Income</b>		
Below RM1000	2	1.3
RM1000 – RM2000	16	10.3
RM2000 – RM3000	59	38.1
RM3000 - RM4000	48	31.0
More than RM4000	30	19.4

**Table 4.2 Minimum, Maximum, Mean and Standard Deviation of Studied Variables**

<b>Variables</b>	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>SD</b>
Employee Retention	155	2.00	4.71	3.62	.53
Job Satisfaction	155	2.00	5.00	3.56	.51
Working Environment	155	1.83	5.00	3.43	.61
Career Advancement	155	1.20	5.00	3.28	.67
Compensation and Benefits	155	1.00	4.83	3.10	.71

Descriptive analysis will examines the general statistic description of variables in this study. Statistics such as minimum, maximum, means and standard deviation were calculated for independent and dependent variables. According to (Bougie, 2013) statistics such as minimum, maximum and means were obtained for the ratio-scaled independent and dependent variables. Table 4.2.1.1 provides summary statistics for the variables in this study. The minimum of employee retention which is the dependent variables is 2.00 to maximum of 4.71, with the means value of 3.62. The minimum value of job satisfaction which is independent variables is 2.00 to maximum of 5.00, with the means values of 3.56. The next independent variables which is working environment were the minimum value is 1.83 to the maximum of 5.00, with the means of 3.43. The minimum value for career advancement is 1.20 to the maximum of 5.00 with means of 3.28. The last independent variables is compensation and benefits with the minimum value of 1.00 to the maximum of 4.83 and mean values 3.10. The highest Standard Deviation is come from the compensation and benefits with .71 and the lowest are job satisfaction with .51.

#### 4.5 Reliability Analysis

In order to measure the reliability of the variables in this study, reliability test will be used for this purposes by checking Cronbach's Alpha. Cronbach's Alpha result definitely will explain how well items in measuring a concept and whether it is positively correlated to another. Bougie *et.al.* (2013) stated that Cronbach's Alpha of .70 or greater is acceptable, those over .80 are good and reliabilites less than .60 are considered to be poor.

**Table 4.3 Reliability Test Results**

Study Variables	Number of Item	Cronbach's Alpha
Employee Retention	7	.720
Job Satisfaction	6	.781
Working Environment	6	.871
Career Advancement	5	.826
Compensation and Benefits	6	.884

From the table above, there are 5 variables in this study which is employee retention (dependent variable), job satisfaction, working environment, career advancement and compensation and benefits (independent variable).

For the first variable which is the employee retention, the Cronbach's Alpha value is .720. Thus, according to Bougie (2013) the reliability test for these measures is considered acceptable as the alpha value is .720.

For the second variable which is job satisfaction, the Cronbach's Alpha value is .781 and is acceptable. For the third variable which is working environment, the Cronbach's Alpha value is .871 and is also acceptable. For the fourth variable which is career advancement is value to .826 and for the last variable which is compensation and benefits, the Cronbach Alpha value is .884 which is considered good by Bougie *et.al.*

(2013). Based on the reliability test above, it can be concluded that all variables in this study are positively related to one another.

#### **4.6 Testing Hypotheses**

In this study, correlation analysis is used to test the hypotheses. There are three models provided in the SPSS 22.0 program, which are Pearson, Spearman's Rho and Kendall's Tau. For this research, it is decided Pearson model be used to test the hypothesis. The selection of Pearson model as the method of the analysis for this research was because this model is suitable to test the variables using interval scale. Every variable in this research used interval scale.

The Correlation Coefficient ranges from  $(r)$ , is + 1.0 to -1.0. However, if the value  $(r)$  is 1.0, it shows that there is a perfect positive linear (straight line) relationship between the variables. If the value  $(r)$  is -1.0, it shows that there is a perfect negative relationship or perfect inverse relationship between the variables. When the  $(r)$  is resulted with 0, it relatively shows that there is no correlation is indicated. To make it clearer and definite, given an example when the  $(r)$  is .84 we will know that it has a relative strong relationship which means the greater the value of  $(r)$  is, the relationship between variables is strong (Bougie, 2013).



**Table 4.4 Pearson's Correlation Coefficient Analysis**

	Employee Retention	Job Satisfaction	Working Environment	Career Advancement	Compensation Benefits
Employee Retention	1				
Job Satisfaction (Sig. 2 tailed)	.588**	1			
Working Environment (Sig. 2 tailed)	.405**	.658**	1		
Career Advancement (Sig. 2 tailed)	.395**	.671**	.740**	1	
Compensation Benefits (Sig. 2 tailed)	.233**	.530**	.674**	.742**	1

\*\*Correlation is significant at the level 0.05 (2-tailed)

Result of correlation analysis is presented in table 4.11. According to Bougie *et.al.* (2013), correlation coefficient, which is less or lower than 0.30 will indicate a small or weak relationship, greater than 0.30 but less than 0.50 will indicate a moderate or medium relationship and if the result is greater than 0.50, it will shows a larger or strong relationship between variables.

As can be seen through the result of the analysis, employee retention correlated positively and significantly with all variables. The strong relationship can be seen employee through all the variables except for the relationship between employee retention and compensation and benefits (.233) which indicate a weak relationship. Meanwhile for the moderate relationship, it can be seen between employee retention and working environment (.405) and career advancement (.395). From this, it can be concluded that

there is a significant effect between factors of retention and retention among employees in Kolej Poly-Tech MARA Bangi.

#### 4.7 Multiple Regression Analysis

Table 4.12 indicating the results of multiple regression analysis which were used to test the hypotheses of this study.

**Table 4.5: Multiple Regression Results**

<b>Independent Variable</b>	<b>B</b>	<b>N</b>	<b>Sig.</b>
Job Satisfaction	.571	155	.000
Working Environment	.101	155	.344
Career Advancement	.087	155	.459
Compensation and Benefits	-.203	155	.046

R Square .364  
 F 21.472  
 Sig. .000

Based on the result presented on the Table 4.12, coefficient showed by R is .364 and F is 21.472 with significant level is below than  $p < 0.5$ . This means that the whole model explained is 36.4% variation in employee retention. It means that are a lots of other factors that affect employee retention in KPTM Bangi. However, of the four independent variables, only two of the independent variables which is job satisfaction ( $\beta = .571$ ,  $p < 0.5$ ) and compensation and benefits ( $\beta = -.203$ ,  $p < 0.5$ ) significantly predicted employee retention. Working environment ( $\beta = .101$ ,  $p > 0.5$ ) and career advancement ( $\beta = 0.87$ ,  $p > 0.5$ ) are not a significant predictors of employee retention. Among the variables, only job satisfaction and compensation and benefits have a significant value of less than 0.5 which indicates that both of the variables contributes to the prediction of employee retention. Working Environment and Career Advancement are not significantly contributing to the prediction of employee retention. From this analysis, it can be concluded that Job Satisfaction and Compensation and Benefits are the strongest factors

of employee retention. For this, among the hypothesis listed, **hypothesis 1** and **hypothesis 4** is accepted as most influential of employee retention in KPTM Bangi and this is also concluded and proven that there is a significant effect between factors of retention and retention among employees in Kolej Poly-Tech MARA Bangi which supported **hypothesis 5**.

**Table 4.6 Hypothesis Findings**

<b>Hypothesis</b>	<b>Results</b>
H1: There is a significant relationship between job satisfaction and factors of employee's retention	Accepted
H2: There is a significant relationship between working environment and factors of employee's retention	Not Accepted
H3: There is a significant relationship between career advancement and factors of employee's retention	Not Accepted
H4: There is a significant relationship between compensation and benefits and factors of employee's retention	Accepted
H5: There is a significant effect between factors of retention and retention among employees	Accepted

#### **4.8 Summary**

This chapter described the demographic characteristics of 155 respondents and the result of correlation and regression analysis. Based on the test conducted with SPSS version 22, there are a relationship of all of the correlation values between independent variables and dependent variables where all are above 0.3 except for one independent variables which is compensation and benefits which have a low relationship between both variables. Meanwhile from the four variables, only hypothesis one and four is accepted because the multiple regression value for job satisfaction is .000 and .046 for compensation and benefits where is below than 0.05. Hypothesis two, working environment is not supported because the value level of significant should be less than <0.05. where it value .344 and this same goes for hypothesis three, career advancement with the value .459 which is also more than 0.05>.

## CHAPTER 5

### DISCUSSIONS, RECOMMENDATIONS AND CONCLUSIONS

#### 5.0 Introduction

In this chapter, all of the results and findings in this study will be analyzed. The objective of this study is also discussed and evaluated. This will include qualitative research which will support the findings of this study which are using quantitative research methods. The different between both types of research methods is quantitative research will generates numerical data or information that can be converted into numbers which is analyzed through SPSS meanwhile qualitative research on the other hand generates non-numerical data which were obtain through interviewing.

#### 5.1 Discussion

The purpose of this research is to identify the retention factors among employees in Kolej Poly-Tech MARA Bangi. The aim also is to identify and to examine the relationship between these retention factors. In this study, four variables which is Independent Variables and one Dependent Variable being aimed as the important predictor for employee retention in KPTM Bangi. The Independent Variables is Job Satisfaction, Working Environment, Career Advancement and Compensation and Benefits. Meanwhile for the Dependent Variable it is the Employee Retention.

The collection of data was being managed and accomplish by distributing questionnaire through personally administered surveys. The researcher have explained the benefits and reasons for this survey and urge the participation to provide their response. The duration of the data collection was 4 weeks and the researcher have sent out reminders for all the participants to complete the questionnaire. The sample size was 159 and the researcher have managed and received a response rate of 155 which is equivalent to 97.5%.

The data then was analyzed using the SPSS tool where the normality test and reliability test was done and the result is accepted and good. SPSS also being used to test on Pearson Correlation in checking the correlation among the variables and it results have shown a positive relationship among the independent variable and dependent variable. In testing the research hypothesis, multiple regression analysis is being used to determine whether the hypothesis is accepted or rejected. The following are the discussion of the research objectives:

**Research Objectives 1:** To identify the relationship between job satisfaction and its effects on employee retention

Based on the analysis being conducted by using multiple regression and test using Statistic Package for Social Science (SPSS) version 22, hypothesis 1 is supported and there is a significant relationship between job satisfaction and employee retention among employees in KPTM Bangi. Findings in chapter 4 have showed there is a positive significant correlation ( $\beta = .571$ ,  $p < 0.5$ ) between job satisfaction and employee retention. As according to Motlou *et.al.* (2016) job satisfaction and retention of employees are essential components in the maintenance of an organization competitive edge and business operations which is an important factor for employee retention especially in an organization such as Kolej Poly-Tech MARA Bangi.

**Research Objectives 2:** To identify the relationship between working environment and its effects on employee retention

In this research, when being tested using Pearson correlation, the results show it only have a medium relationship among working environment and employee retention and are not quite significant predictors of employee retention ( $\beta = .101$ ,  $p > 0.5$ ). It means that, in order to remain an employees in Kolej Poly-Tech MARA Bangi, working environment is not the important factor for the employees who are working in this company. This is supported by Heidi (2012) where it is actually important to understanding how

individuals act into the situation or problems in a certain situation especially on working environment where it will help to understand different kinds of employees and will help in finding ways to handle or arrange a special approach to face different kinds of employees. For this, it is believed only certain of the employees in Kolej Poly-Tech MARA Bangi who are concerned on working environment as the main factors of retention.

**Research Objectives 3:** To identify the relationship between career advancement and its effects on employee retention

According to the analysis being conducted by using multiple regression and test using Statistical Package for Social Science (SPSS) version 22, hypothesis 3 is found not supported where career advancement ( $\beta = 0.87$ ,  $p > 0.5$ ) are not quite significant predictors of employee retention and only have a medium relationship when tested through Pearson correlation. It means that, in order to ensure the loyalty to stay for employees in Kolej Poly-Tech MARA Bangi, career advancement is not the important factor for the employees who are working in this company. This is relatively true as according to Thurasamy *et.al.* (2011) actually there are a lot of other various factors need to be studied and understood that influence career advancement as a factor of retention.

**Research Objectives 4:** To identify the relationship between compensation and benefits and its effects on employee retention

Based on the analysis conducted through Pearson correlation for compensation and benefits with employee retention in Kolej Poly-Tech MARA Bangi, the results only achieved (.233) which actually indicate a weak relationship between the dependent variables. According to Bougie *et.al.* (2013), correlation coefficient, which is less than 0.30 indicate a small or weak relationship. However, when it is tested through multiple regression, the test results show that compensation and benefits significantly predicted employee retention ( $\beta = -.203$ ,  $p < 0.5$ ). Based on the analysis, compensation and benefits is considered have an influence of the retention of employees

in Kolej Poly-Tech MARA Bangi where it is supported by Atinga (2012) where compensation and benefits is being found as the most significant in influencing employees motivation and their intention to stay.

**Research Objectives 5:** To determine whether there is a significant effect between factors of retention and retention among employees in Kolej Poly-Tech MARA Bangi

Based on the research conducted, through the analysis of the findings, it can be concluded that the independent variables used for this study in determine the retention of the employees is just a part of a lots of others factors which contributing the level of employee retention in Kolej Poly-Tech MARA. This is based on the tests through multiple regression where the whole model used in this research is 36.4% variation in employee retention. It means that are a lots of other factors that can affect employee retention in KPTM Bangi. Base from the findings on the multiple regression analysis, it can be justify that there is a significant effect between factors of retention and retention among employees in Kolej Poly-Tech MARA.

## **5.2 Qualitative Approach**

### **5.2.1 Employee Retention**

From the interviewing session, employee retention is consider an important issues for most of the respondents. Based on the factors of employee retention mentioned through the interviews, actually there are a lots of other issues and factors that believe to becoming the contributing factors of why an employee stay with their organization. In order to have a clear picture and understand the feedbacks and answer from the respondents, the findings will be organized accordingly to the variables and issues arise related will be recorded in this research. The feedback in the interviewing process will be arrange as follows:

1. Job Satisfaction
2. Working Environment
2. Career Advancement

### 3. Compensation and Benefits

The feedback that emerged from the study were also believed and considered as a contributing factors that influenced employee turnover and retention. The purpose of this study was to understand the factors that influenced employees to stay with their job base on their experiences as the employees of the organization (Clark, 1994). For the researcher, exploring the factors of retention among employees of Kolej Poly-Tech MARA Bangi was important for this study.

#### 5.2.2 Job Satisfaction

The first variables which is being discussed is job satisfaction. Job satisfaction is been view as one of the most important factor in determining employee retention. Based on the feedback and response through the interviewing session with the respondents, most of the respondents agree that it is important to understand job satisfaction especially it is related to the employees well-being and receiving the best from their organization. After the interviewing session, all the information is collected and will be organized accordingly. Data then were analyzed into understanding the job satisfaction as the significant factors that contribute to employee retention. The participants' supporting statements are as follows:

“...Yes, job satisfaction is very important because without feeling satisfied and passionate, an employee will not be able to perform at the best level... (Male, M1)

“... Of course, job satisfaction is important to motivate the employee's performances. If you're motivated on the job you'll stay. Sometimes it's not about the pay, if they have good morale, surely it will cause someone to stay and doing any task given willingly...” (Male, M4)

“... Actually there are a lots of factor that's contribute to job satisfaction, even different people have different views in perceiving their needs that leads to job satisfaction...” (Female, F4)



Based on the interviewing, all of the participants believed that job satisfaction could be improved if all the basic needs of the employees is fulfilled. The basics need will include a good and well equipped facilities, friendly and supportive co-workers and employers, a clear communication and instructions from managements. Interestingly, from the feedbacks it is being quoted that a good leadership is also perceived and seen as the factor of a job satisfaction among the respondents. The participants' supporting statements are as follows:

“...What employees need is a leader which can hear their employees and give a clear instructions as well as having a good relationship with their employees, sometimes there are some gap between employees and their employers in terms of position status and ranks, for me, this is unhealthy and limits communications for both sides...” (Male, M2)

From the feedback, communications seems as something very important for an organization in order to improve job satisfaction. This is supported by (Goris, 2007) where communication will be the predictor for job satisfaction. This shows that communication is the important aspects for an employers who will formulate a vision and a strategy that will allow them to be able to transmit goals and objectives clearly to their employees in order to improve job satisfaction among them.

### **5.2.3 Working environment**

The second variable focused in the interview session was working environment. Base on the interviews and feedback received through the session. For the respondents, to foster a positive, supportive and encouraging working environment is seen as an important factor to employee retention for all of the employees in Kolej Poly-Tech MARA Bangi. To really understand what really contributes to the working conditions, lack of motivation, and team spirit was a concern for the respondents. The results of the interviewing revealed that 4 from the 10 respondents believed a positive, encouraging work environment will contributes to employee's retention. Additionally, 2 from the 6

respondents believe that an employer who is supportive is very important in retaining the employees and the other 4 feels that inadequate working conditions will cause a lack of motivation among the employees. The respondents supporting statements are as follows:

“...Yes, working environment is important because a good environment will make an employee feel secure, happy and committed ...” (Male, M2)

“... Of course, it is most important to enjoy with your work and this of course will be contribute by a happy working environment. How to achieve it? Of course by ensuring all the equipment and facilities is well equipped and updated in terms of technology and tools in delivering the knowledge to the students...” (Female, F8)

“... What the employees need is the support of the employers, this support can be shown by hearing all the complaints and suggestions by the employees...if the suggestions is hard to accomplish, at least show some concern of any matters arising...” (Female, F9)

#### **5.2.4 Career Advancement**

The third variables that was identified by respondents who participate in the interview was concerning is the appreciation of employees. The findings revealed more than half of the respondents believed career advancement will contributed to employee retention. However, shockingly one of the respondents doesn't mind if they are staying in the same positions without an advancement. The respondents supporting statements are as follows:

“... Working somewhere or in this company for a certain amount of time and later found that you're not where you can advance yourself is a disappointment...” (Male, M4)

“... Career advancement is important, nobody will want to be in the same position forever. People enjoy challenges and job advancement will provide such challenges...” (Male, M3)

“...Career advancement can give you experience, knowledge and of course as a recognition of your achievement by employers...” (Female, F7)

“...For me, the most important is to get a good pay and enjoying your current position, sometimes titles and a higher position can give you stress. I think if you are happy with your current job, that’s fine for me...” (Female, F10)

Apart from the part of focusing on career advancement, the respondents also are worried about their job security, which is the position status. The respondents actually are hoping to work for the company for a long period of time if they are given a chance to have a permanent status which will surely give some guarantee and confidence for them to focusing in their work. The respondents supporting statements are as follows:

“...I have been work for this company for nearly three years, but until now I only been given a contract status which I have to renew every year by submitting application to continue my service here, this situation is actually giving me some stress because all of the employees aware and realize, with such a status on the position, anytime you can be terminated or discontinued by employers...” (Female, F4)

### **5.2.5 Compensation and benefits**

The forth variable is employee compensation and benefits. Based on the interviews with the respondents, compensation and benefits, in terms of salary and incentives is view as the most important factor in determining employee retention. This is because from all the majority of the respondents believed that a high salary and good benefits will contribute to employee retention. Others felt that pay could be improved and fair and generous salaries will surely contribute in retaining employees. The respondents supporting statements are as follows:

“...A high paid salary and benefits is important because it will motivates me to work harder...” (Female, F10)

“...Yes, although job satisfaction, working environment, career advancement is important, people need to have their basic need satisfied and fulfilled, which is

sufficient monetary rewards that I believe is the major contribution to employee in order for them to stay loyal with the organization...” (Male, M2)

“...The cost of living is rising, a good pay and benefits is important for the employees to sustain especially it can help employees to keep some savings for future security...” (Male, M4)

However, there are some issues being raised by some of the respondents which is the position status where it is actually the barriers for them to enjoy and benefited from the compensation and benefits packages offered by this company to their employees. Based on the regulations by the human resource department and the organization policy. Temporary employees are not liable to get the benefits from the company until they are being promoted to contract or permanent status.

“...When talking about compensation and benefits, actually it is unfair for the temporary status employees, they are actually didn't receive any benefits from the company besides than the basic salary and claims for mileages if they are ask to come to work on weekends, it is different from the contract and permanent status employees who will get the privileges and benefits from the company. Actually this is understandable and normal for any organization for temporary employees but in this company, there are employees who are in temporary status for two years and this is a disappointment for them for not getting the benefits like their colleagues, so actually for how long for them to wait until their job status could be change in order to get the benefits provided by the company?...This is really a disappointment...” (Male, M5)

### **5.3 Comparison between Quantitative and Qualitative Findings**

The researcher has obtained various answers through both quantitative and qualitative methods. It is important to mention here that the interviewees seems to be more honest in giving feedbacks during the interactive interviews. The respondents are willingly and open to give their opinion on the topics discussed and have help the researcher in providing important information required for this research. In other hand, for the

respondents of quantitative methods, it is realized that it only have a limited choice of answers and the respondents just have to follow the instructions on the questionnaire. Based on the findings, quantitative and qualitative methods have resulted in similarities and differences as follows:

### **5.3.1 Job Satisfaction as the factors of employee retention**

The quantitative findings have indicates that job satisfaction is the factors of employee retention in the organization. Pearson Correlation analysis resulted positive and there is a significant relationship between job satisfaction and employee retention among employees in KPTM Bangi.

Based on the interview session with the respondents, all of the respondents agrees that job satisfaction is very important and is a contributing factor for an employee to stay and loyal to their organization. However, the qualitative findings also have indicates that different people have different views in perceiving their needs that leads to job satisfaction. The most important being highlighted based on the findings is for the respondents, in order to satisfy a person, the basics needs have to be fulfilled in order to make a person felt motivated. This will include a clear communication between the employers and employees which believe can improve job satisfaction among employees.

### **5.3.2 Working Environment as the factors of employee retention**

In this research, when being tested using Pearson correlation through quantitative methods, the results show there is a medium relationship among working environment and employee retention and are not quite significant predictors of employee retention. The results also shows and predicted as only certain of the employees in Kolej Poly-Tech MARA Bangi who are concern on working environment as the main factors of retention.

The findings is consistent with the result from the qualitative methods. Most of the respondents agrees that working environment is important but normally it will not be the main factor of employee retention. The interviewee's furtherly elaborated that what are

the employees actually wants from an improved working environment is to make them feel secured, happy and committed to their work. Other things highlighted by the respondents is a supportive employer. Supportive employer from the respondent's perspective is an employer who are willing to hear the employee's suggestions, ideas and even grievances. These differences occurs possibly because the respondents of quantitative methods have a limited choice of answers and doesn't have the opportunity to elaborate their answers, but the interviewees can freely deliver their opinions which they feel appropriate and reasonable.

### **5.3.3 Career Advancement as the factors of employee retention**

According to the analysis being conducted by using multiple regression and test through quantitative methods, career advancement are found as not quite significant predictors of employee retention and have medium relationship through Pearson correlation. It means that, in order to ensure the loyalty to stay for employees in Kolej Poly-Tech MARA Bangi, career advancement is not the important factor for the employees who are working in this company.

Qualitative findings had revealed what actually does the respondents demands is about their job security, which is the position status. Most of the respondents didn't aspect for an advancement of position but merely being recognized by the employer by giving a permanent position status although career advancement also seen as a positive way of improving their motivation and experience. This is believe contributed by the personal interest of the employees especially for the lecturers who are the majority of the respondents through the research.

### **5.3.4 Compensation and Benefits as the factors of employee retention**

Pearson Correlation analysis resulted in indicate a weak relationship between compensation and benefits with employee retention but uniquely through multiple regression, the results of the test shows that compensation and benefits and employee retention significantly predicted employee retention. However, the result based on

qualitative methods through interviewing is much firmer and clear where all the majority of the respondents believed that a high salary and good benefits will contribute to employee retention. Most of them felt that pay could be improved and attractive benefits will surely contribute in retaining employees.

The difference in the two methods occurs because the interviewees can give freely answers directly with a brief explanation which helps the researcher to identify the other contributing factors where the quantitative methods have only provide a limited choice of answers to the respondents. The most interesting issue raised from the interviewing is the position status which will be the indicator whether an employee will get a better compensation and benefits. It means if an employee is in a temporary position status, according to the company policies, the employees will just receive the basic salary without any benefits from company such as medical benefits, salary increments, insurance coverage and others. This is different for employees who are in contract and permanent position status where they will be provided with all the benefits by the company. This means there are a condition needs to be fulfilled before an employees can receive a better compensation and benefits from the company. Because of this, it is understandable why there is a weak relationship for this variable but is still significant between compensation and employee retention.

#### **5.4 Implication of the study**

Most of the literatures related to employee retention involving the independent variables selected are normally supports the theory that this variables will significantly have a relationship to employee retention. Interestingly, during the research, it is found that from the all four independent variables, two of them does not have significant relationship with employee retention which is working environment and career advancement. The other two variables job satisfaction and compensation and benefits are being presumed by the employees as the important factor for them to stay with the organization.

The managerial implication of this finding has resulted that the employers actually must focusing on understanding the actual needs by its employees. In terms of job satisfaction based on the interviewing with the respondents, what are being pointed out by the employees is the aspect of communication between management and employers. This is because, it is believe through communication, the real situation can really be understood and solved. The findings through compensation and benefits also revealed that what is the important matter is the position of job status where it is actually considered as a job security for the employees which means that although the pay is good, without the recognition of them employers, it will be nothing and will not help in being a contributing factors of employee retention.

### **5.5 Recommendations for future studies**

This study has only focus on a few variables in identifying the influencing factors of employee retention in Kolej Poly-Tech MARA Bangi. It is also found that especially during the interviewing session where actually there are some moderating factors that will influence the variables in the issue of retention of employees. This can be seen through compensation and benefits and career advancement where what are really wanted by the employees is job security where it is associated with the position status which will be the attraction factor for them to stay and loyal to the company. It is also found that majority of them employees who join this company which is an education sector which it is based on personal interest of becoming an educator. This is why it is believe working environment is not a very important issue as long as they can perform they role as an educator. Because of this research is only focusing on one branch campuses of Kolej Poly-Tech MARA Bangi, it is recommended that this research should include all the branches of Kolej Poly-Tech MARA nationwide on a the larger scale. Conducting a study on this ground basis can provide organizations which the resource could identify the strategies which the organizations itself can use to reduce employee turnover and of course in helping to retain its employees. The study also must consider all other related factors such as communication, employee-employer relationship, performance appraisal, motivation, training, employer's recognition and job security which is believed by the



researcher as the contributing factors of employee retention. To make it more interesting, new approach of such as job sharing, flex place and flex career also believe can be a part of a new strategy of an organization to attract their employees. However, this approach may be difficult to implement by the organization itself. In a nut shell, this research maybe is one of the stepping stone paper on build an instrument to measure these new specific factors of retention of employees which have entirely evolved into new phenomenon and practice especially for the young and future generation of employees.

## **5.6 Conclusion**

This study was conducted with the intention to investigate factors that might influence the employee retention among the employees in Kolej Poly-Tech MARA Bangi. The main interest on this study is to determine whether job satisfaction, working environment, career advancement and compensation and benefits having a relationship and influencing the employee retention. The study resulted and indicated that factors such as job satisfaction, working environment, career advancement, compensation and benefits have a significant relationship and are related with the employee retention in Kolej Poly-Tech MARA Bangi. Meanwhile for working environment and career advancement, although it have a relationship between the variables, but it is still not strong enough to influence on employee retention in this organization. The researcher also recommend that other factors also must be considered when performed a study on employee retentions. The benefits from this research is, by examining all these factors, it is hoped that all parties, researchers, scholars and the management of the organization can have a complete understanding of the factors that influence intention to stay among its employees which will help the organizations to stay competitive and ensure the loyalty of their employees.

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## APPENDIX A



### QUESTIONNAIRE

Dear Participant,

I realize your time is valuable and many demands are made upon it by your heavy workload. However, your participation in this survey, which will require only about 10-15 minutes of your time, is vital to the success of this study. I am Wan Hizam bin Wan Hassan (UUM Student ID Number 814453) from Othman Yeop Abdullah, Graduate School of Business, Universiti Utara Malaysia, I am pursuing Master in Human Resource Management. For graduation purposes, it is compulsory for me to complete this research. Hence for this purpose, I sincerely need your cooperation to respond to this questionnaire that will tap into ***“The Factors of Retention Among Employees of Kolej Poly-Tech MARA Bangi”***.

Please be rest assured that all your responses will be kept **strictly confidential** and I will keep your identity anonymous. The data collected from this survey will be used for academic and **research purposes only**. I look forward to working with you. Thank you for your kind cooperation.

Sincerely,

**Wan Hizam bin Wan Hassan**

H/P: 012-5531050

Email: whizam@gapps.kptm.edu.my

**INSTRUCTIONS / ARAHAN:**

**Please tick the box ( ✓ ) that been provided for the most appropriate responses from you.**  
*Sila tandakan pada ruangan ( ✓ ) yang telah disediakan untuk maklumbalas yang terbaik dari anda.*

<b>Strongly Disagree</b> <i>Amat Tidak Bersetuju</i>	<b>Disagree</b> <i>Tidak Bersetuju</i>	<b>Neutral</b> <i>Neutral</i>	<b>Agree</b> <i>Setuju</i>	<b>Strongly Agree</b> <i>Amat Bersetuju</i>
1	2	3	4	5

---

**SECTION A: EMPLOYEE RETENTION / PENGEKALAN PEKERJA**

1. I have the desire and intend to remain working at this company.

*Saya mempunyai keinginan dan berhasrat untuk kekal bekerja di syarikat ini.*

1     2     3     4     5

2. I plan to continue working for this company in the future.

*Saya bercadang untuk terus bekerja di syarikat ini di masa hadapan.*

1     2     3     4     5

3. It is more likely for me to continuously work in this company.

*Berkemungkinan besar saya akan terus berkhidmat dengan syarikat ini.*

1     2     3     4     5

4. I expect to work in this company in the considerable period of time.

*Saya menjangkakan saya akan terus berkhidmat untuk syarikat ini untuk satu tempoh yang lama.*

1     2     3     4     5

5. Barring unforeseen circumstances, I would remain in this company definitely.

*Jika tiada halangan, saya pasti akan kekal berkhidmat di dalam syarikat ini.*

1     2     3     4     5

6. If I were completely free to choose, I would prefer to continue working in this company.

*Jika saya bebas untuk memilih, saya suka untuk terus bekerja di syarikat ini.*

1     2     3     4     5

7. I often think of leaving the company.

*Saya kerap berfikir untuk meninggalkan syarikat ini.*

1     2     3     4     5

**SECTION B: JOB SATISFACTION / KEPUASAN BEKERJA**

1. That I receive appropriate recognition for my contribution.  
*Saya menerima pengiktirafan yang sewajarnya hasil daripada sumbangan saya.*

1     2     3     4     5

2. That my works gives me a sense of personal.  
*Tugasan yang saya lakukan kini memberikan kepuasan peribadi.*

1     2     3     4     5

3. I am proud to be a member of this organization.  
*Saya berbangga menjadi sebahagian daripada syarikat ini.*

1     2     3     4     5

4. I am happy with the working environment in this organization.  
*Saya gembira dengan suasana tempat pekerjaan di syarikat ini.*

1     2     3     4     5

5. I would recommend this organization as a workplace.  
*Saya akan mencadangkan syarikat ini sebagai tempat bekerja.*

1     2     3     4     5

6. I am very satisfied with my current job as a whole.  
*Secara keseluruhannya, saya amat berpuashati dengan pekerjaan saya kini.*

1     2     3     4     5

**SECTION C: WORKING ENVIRONMENT / PERSEKITARAN PEKERJAAN**

1. My company represent a caring-culture environment for employees.  
*Syarikat saya menerapkan persekitaran pembudayaan penyayang untuk pekerja.*

1     2     3     4     5

2. My company creates a fun work environment for employees.  
*Syarikat saya mewujudkan persekitaran yang menyeronokkan untuk pekerja.*

1     2     3     4     5

3. My company provide a comfortable working environment.  
*Syarikat saya mewujudkan persekitaran pekerjaan yang selesa.*

1     2     3     4     5

4. My company provides a lot of security measures.  
*Syarikat saya membekalkan langkah-langkah keselamatan yang cukup untuk pekerja.*

1     2     3     4     5

5. My company offer a work-life balance environment for employees.  
*Syarikat saya mewujudkan persekitaran yang seimbang untuk pekerja.*

1     2     3     4     5

6. Overall, this company is a harmonious place to work.  
*Secara keseluruhannya, syarikat ini adalah tempat yang harmoni untuk bekerja.*

1     2     3     4     5

**SECTION D: CAREER ADVANCEMENT / PENINGKATAN KERJAYA**

1. I have very good opportunities for advancement in this company.  
*Saya mempunyai peluang yang baik untuk membina kerjaya di dalam syarikat ini.*

1     2     3     4     5

2. I have very good prospects for promotion in this company.  
*Saya mempunyai peluang yang baik untuk menikmati kenaikan pangkat di dalam syarikat ini.*

1     2     3     4     5

3. My superior cares about whether or not I achieve my career goals.  
*Majikan saya prihatin samada saya mencapai atau tidak peningkatan dalam kerjaya.*

1     2     3     4     5

4. My superior keep inform about career opportunities for employees.  
*Majikan saya sering memaklumkan mengenai peluang kerjaya kepada pekerja.*

1     2     3     4     5

5. My superior supports employees in acquiring additional training or education for career development.  
*Majikan saya menyokong pekerja dalam mendapatkan latihan dan ilmu bagi peningkatan kerjaya.*

1     2     3     4     5

**SECTION E: COMPENSATION AND BENEFITS**

1. My company has a compensation/benefits system that is communicated to employees.  
*Syarikat saya memiliki sistem manfaat yang disampaikan kepada pekerja.*

1     2     3     4     5

2. My company has a program that recognizes employees formally.  
*Syarikat saya mempunyai program yang mengiktiraf kakitangan secara rasmi.*

1     2     3     4     5

3. Employees are rewarded/recognized for achieving individual goals/objectives.  
*Pekerja dianugerahkan ganjaran/pengiktirafan sekiranya sesuatu matlamat/objektif tercapai.*

1     2     3     4     5

4. My company utilize compensation and benefits system that is communicated to employees.  
*Syarikat saya menggunakan sistem pampasan/faedah yang disampaikan kepada pekerja.*

1     2     3     4     5

5. My company offer an attractive compensation and benefits package compare to other company.  
*Syarikat saya menawarkan pakej ganjaran yang lebih baik daripada syarikat lain.*

1     2     3     4     5

6. My company offer compensation and benefits better than minimal requirement by Employment Act.  
*Syarikat saya menawarkan ganjaran dan manfaat yang baik berbanding keperluan minimum seperti yang dinyatakan oleh Akta Pekerjaan.*

1     2     3     4     5



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## SECTION F: DEMOGRAPHIC INFORMATION / MAKLUMAT DEMOGRAFI

### INSTRUCTIONS / ARAHAN:

Please tick ( / ) on the items which representing your appropriate responses.  
Sila tanda ( / ) pada bahagian yang menunjukkan jawapan anda.

#### 1. Gender / Jantina

1. Male / Lelaki

2. Female / Perempuan

#### 2. Age / Umur

1. 20 – 30

2. 31 - 40

3. 41 - 50

4. More than 51 and above

#### 3. Job Category / Kategori Jawatan

1. Academician / Ahli Akademik

2. Non-Academician / Bukan Ahli Akademik

#### 4. Length of Services / Tempoh Perkhidmatan

1. 0 to 5 years / 0 hingga 5 tahun

2. 6 to 10 years / 6 hingga 10 tahun

3. 11 to 15 years / 11 hingga 15 tahun

4. More than 16 years / lebih dari 16 tahun

#### 5. Your highest completed level of education / Kelulusan akademik tertinggi

1. SPM

2. STPM / Certificate / Sijil

3. Diploma / Diploma

4. Bachelor Degree / Ijazah Sarjana Muda

5. Masters / Phd. / Sarjana / Ijazah Doktor Falsafah

**6. Marital Status / Taraf Perkahwinan**

1. Single / *Bujang*  
 2. Berkahwin / *Married*

**7. Position Status / Status Jawatan**

1. Temporary / *Sementara*  
 2. Contract / *Kontrak*  
 3. Permanent / *Tetap*

**8. Income / Pendapatan (Monthly/Bulanan)**

1. < RM1000  
 2. RM1000 to RM2000  
 3. RM2000 to RM3000  
 4. RM3000 to RM4000  
 5. > RM4000



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**THANK YOU FOR RESPONDING TO THIS SURVEY. YOUR PARTICIPATION IS VOLUNTARY AND ALL RESPONSES WILL BE KEPT STRICTLY CONFIDENTIAL.**

**THANK YOU!**

TERIMA KASIH KERANA MENYERTAI SOAL SELIDIK INI. PENYERTAAN ANDA ADALAH SECARA SUKARELA DAN SEGALA MAKLUMBALAS AKAN DISIMPAN SEBAGAI RAHSIA.

TERIMA KASIH!

## APPENDIX B

### Descriptives

gender			Statistic	Std. Error	
employee_retention	male	Mean	3.5419	.10667	
		95% Confidence Interval for Mean	Lower Bound	3.3234	
			Upper Bound	3.7604	
		5% Trimmed Mean	3.5599		
		Median	3.7143		
		Variance	.330		
		Std. Deviation	.57446		
		Minimum	2.29		
		Maximum	4.43		
	Range	2.14			
	Interquartile Range	.86			
	Skewness	-.531	.434		
	Kurtosis	-.295	.845		
	female	Mean	3.6361	.04659	
		95% Confidence Interval for Mean	Lower Bound	3.5438	
			Upper Bound	3.7283	
		5% Trimmed Mean	3.6555		
		Median	3.7143		
		Variance	.274		
Std. Deviation		.52298			
Minimum		2.00			
Maximum		4.71			
Range		2.71			
Interquartile Range	.57				
Skewness	-.403	.216			
Kurtosis	.679	.428			



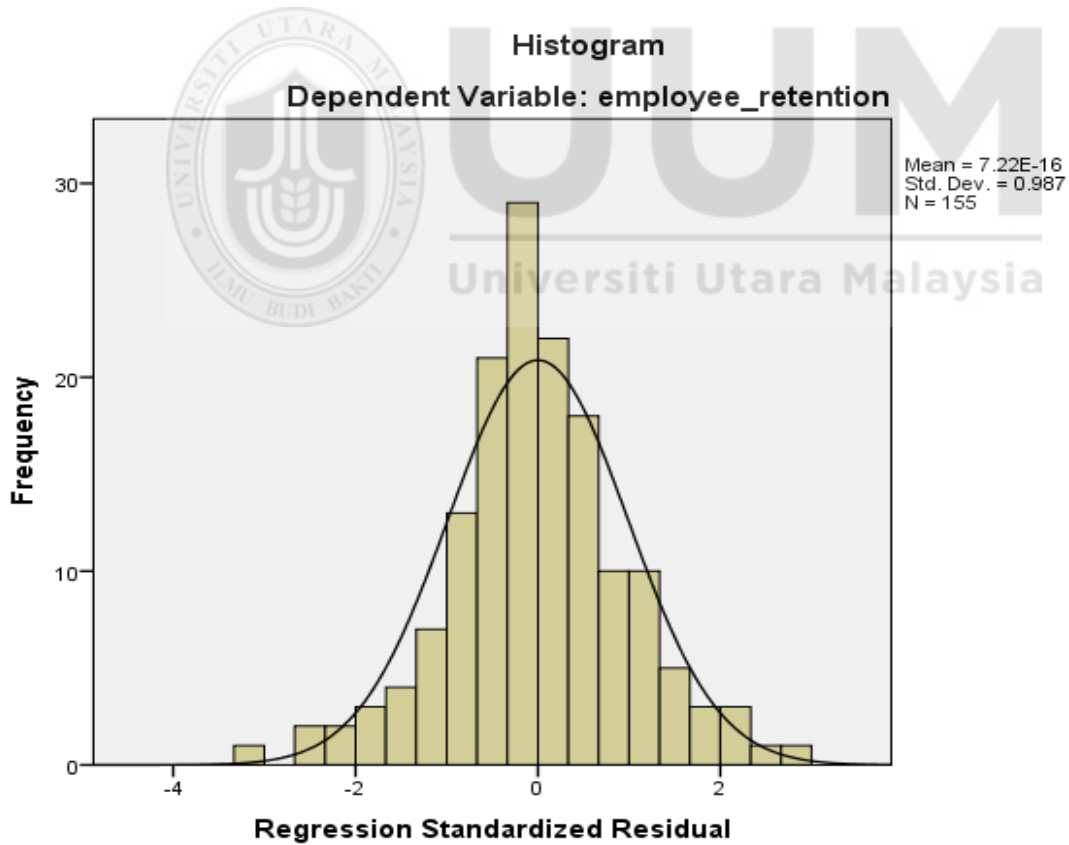
**Tests of Normality**

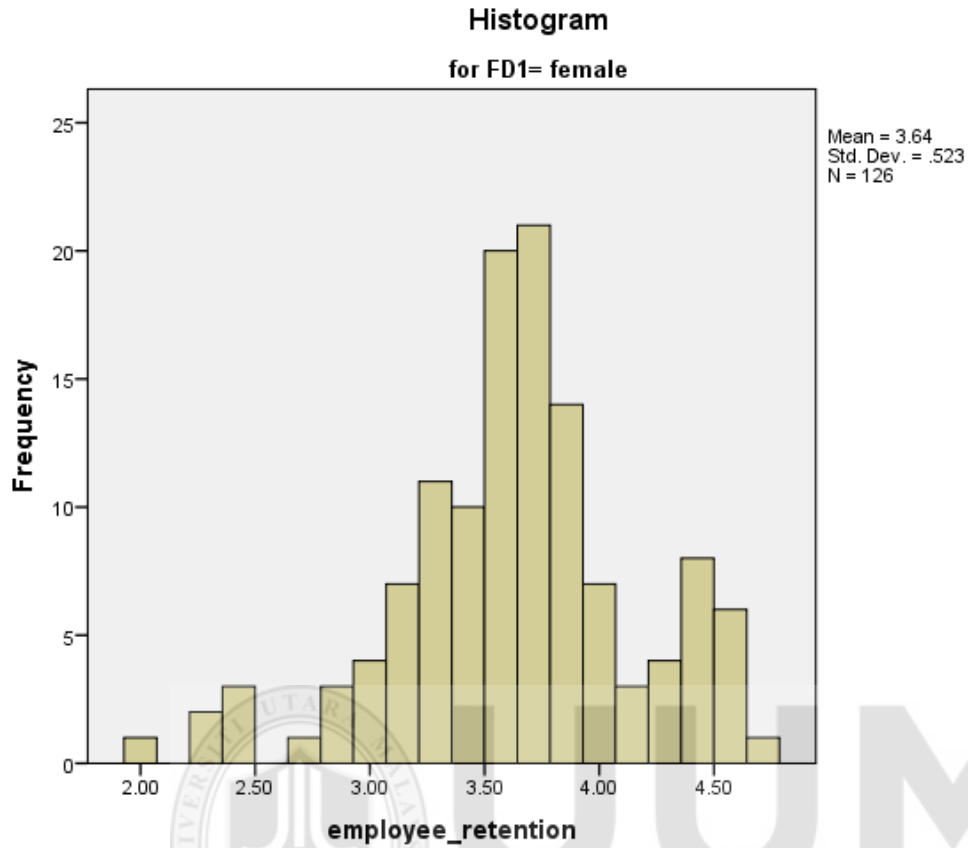
		Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
employee_retention	male	.141	29	.145	.956	29	.264
	female	.117	126	.000	.962	126	.001

a. Lilliefors Significance Correction

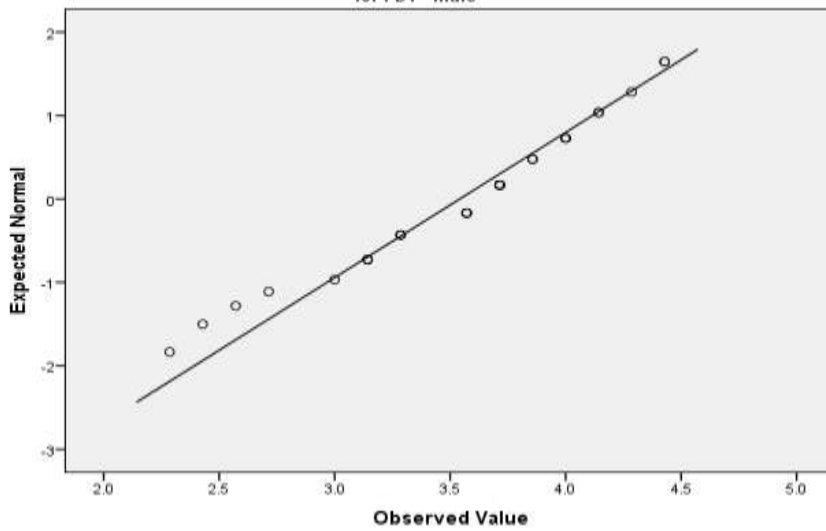
**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.815
Bartlett's Test of Sphericity	Approx. Chi-Square	429.560
	df	10
	Sig.	.000



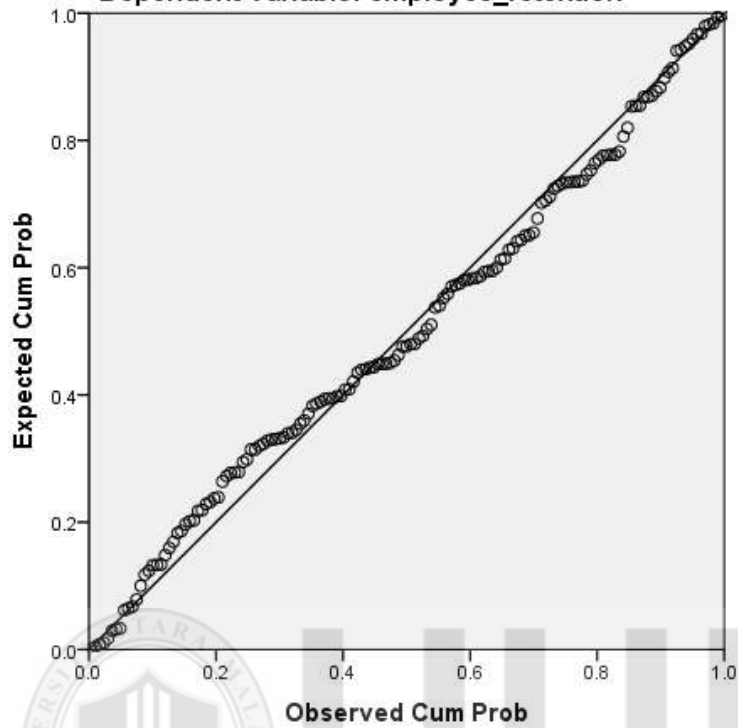


Normal Q-Q Plot of employee\_retention  
for FD1= male



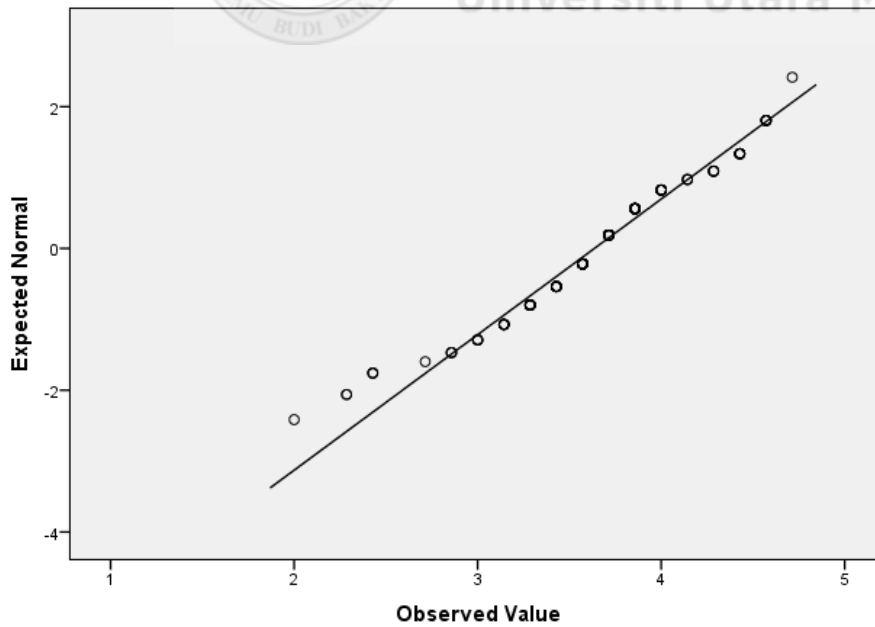
Normal P-P Plot of Regression Standardized Residual

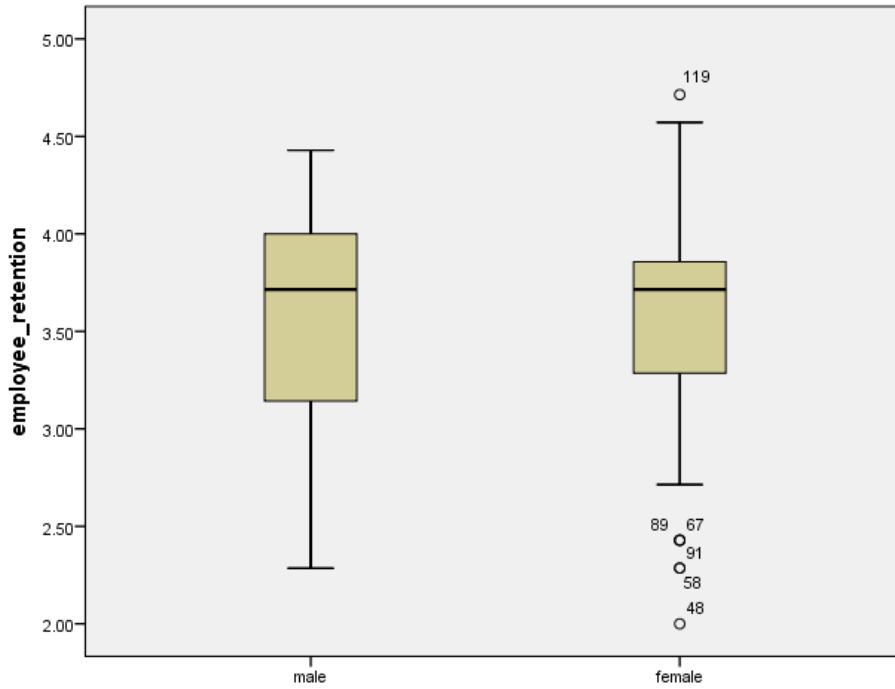
Dependent Variable: employee\_retention



Normal Q-Q Plot of employee\_retention

for FD1= female





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