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**FACTORS INFLUENCING EMPLOYEE RETENTION AMONG
LECTURERS (A CASE OF KOLEJ UNIVERSITI POLY-TECH
MARA, KUALA LUMPUR)**

by

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



Othman Yeop Abdullah
Graduate School of Business

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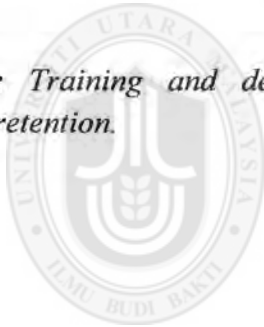
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ABSTRACT

The purpose of this study is to identify the factors influencing employee retention among lecturers at Kolej University PolyTech Mara. The factors that been investigated in this study are training and development, compensation and benefit, and leadership. This study involved survey of the lecturers at Kolej PolyTech Mara, Kuala Lumpur. A total of 120 questionnaires were distributed to the respondents and 114 questionnaires were returned and useable. The data was analysed by “Statistical Package for Social Science” (SPSS Window) Version 22.0. Correlation and multiple regression analysis were used to analyse the data. The findings found that there were relationship between the independent variables (training and development, compensation and benefit, and leadership) and the dependent variable (employee retention). The regression result indicated there were positive and significant relationships between training and development, compensation and benefit, and leadership with employee retention. This study also found the most dominant factor that influence the job retention and the factor was compensation and benefits.

Keywords: *Training and development, compensation and benefit, leadership, employee retention.*



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ABSTRAK

Tujuan kajian ini adalah untuk mengenalpasti faktor-faktor yang mempengaruhi pengekalan pekerja di kalangan pensyarah di Kolej Universiti PolyTech Mara. Faktor yang telah disiasat dalam kajian ini adalah seperti latihan dan pembangunan, pampasan dan faedah, dan kepimpinan. Kajian ini melibatkan tinjauan pensyarah di Kolej PolyTech Mara, Kuala Lumpur. Sebanyak 120 soal selidik telah diedarkan kepada responden dan 114 soal selidik telah dikembalikan dan boleh digunakan. Data dianalisis dengan menggunakan "Statistical Package for Social Science" (SPSS-Window) Versi 22.0. Ujian yang digunakan untuk menganalisa data termasuklah Ujian korelasi and regrasi. Hasil kajian mendapati terdapat hubungan antara pembolehubah bebas (latihan dan pembangunan, pampasan dan faedah, dan kepimpinan) dan pemboleh ubah bergantung (pengekalan pekerja). Keputusan menunjukkan terdapat hubungan yang positif dan sederhana diantara latihan dan pembangunan, pampasan dan faedah, dan kepimpinan dengan pengekalan pekerja. Keputusan regresi pula menunjukkan terdapat hubungan yang signifikan antara semua pembolehubah bebas dan pemboleh ubah bergantung. Kajian ini juga mendapati faktor yang paling dominan yang mempengaruhi pengekalan pekerja dan faktornya adalah pampasan dan faedah.

Kata kunci: *Latihan dan pembangunan, pampasan dan faedah, kepimpinan, pengekalan pekerja.*



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LIST OF ABBREVIATION

Kolej Universiti Poly tech Mara Kuala Lumpur

KUPTMKL



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CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter will discuss on background of study, problem statement, research questions, research objectives, significance of study, definition of terms, and lastly the organization of the thesis. All the factors such as training and development, compensation and benefits and leadership was discussed in each of the aspects in this chapter.

1.1 Background of study

Employee retention is one of the main challenges faced by many organizations today. The changes such as technology, trend of workforce and globalization have intensified competition and increased mobility of highly skilled employees (Ng'ethe, Iravo, & Namusonge, 2012). Beheshtifar et al, (2012) stated that employees are very important for the survival of an organization. Samuel and Chipunza (2009) agreed that the success of every company or business is entirely dependent on the effectiveness of its employees. Thus, retaining talented employees are very crucial for every organization.

According to Bhatnagar (2007), employees can be define as an individual who have the skills, knowledge, capability and experience to fulfill the present and oncoming job demands of companies. Bidisha and Mukulesh (2013) defined employee retention as the concerned with retaining or encouraging employees to stay in an

organization for a long period. According to Mita et al (2014), employee retention is a technique implemented by businesses to retain an effective workforce and at the same time meet operational requirements.

Chew (2004) stated that employees in an organization are said to have a high job retention when most of the position in that organization are filled, employee have low or no intentions to leave, a consistency in job status, a career development or when employees keep their jobs for a considerable long period of time. Thus, this study focused on factors that influenced employee retention among lecturers at Kolej University Poly-tech Mara (KUPTM) Kuala Lumpur.

One of the recruitment strategies objectives is retaining employees in the organization for a long period. This is because there is a negative impact on organization when employees leave, especially on productivity, service and profitability (Kwenin, 2013). Lee-Kelley et al (2009), believe that the cost involved when employee quit is huge as it comprises of loss of performance, replacement and training costs, loss of business opportunities, loss of customer satisfaction and loss of talent. Spencer (2015) mentioned that, when the organization overlooked the higher rates of employee turnover, this will lead to high cost toward organization and it also lead to decrease on internal morale attitude among employees and affect the organization reputation.

Referring to Irshad and Afridi (2010), when an employee leave the job, the company not only lost the employee, but also lost knowledge of production, the

customers and clients who were loyal with the employee, competitor and current projects. Jain (2013) stated that the high teacher turnover rates lead to decreased performance and consistency across a variety of indicators, including student achievement, interruption of a program's continuity and planning. It also decreased student learning as measured by standardized tests, and increased costs to the company related to recruiting and hiring teachers.

According to Holland et al (2007), to ensure company sustained in a competitive environment, every organization must have a strategic plan in organization to retain the employees. Samuel and Chipunza (2009) stated that to encourage the employee retain in the company, every company has put an extensive effort to improve the effectiveness of their employees. Periodic training programs, constant motivation in the workplace, employee empowerment, and promotion and bonus programs has been organized to make sure employees achieved the expectation of the company (Samuel and Chipunza, 2009).

All of the retention strategies and activities often require a company to spend a large amount of resources. (Glebbeck & Bax, 2011). However, according to Ongori (2007) with all of the efforts, companies and businesses still face the constant threat of high employee turnover rates and thus low employee retention rates. High turnover and low employee retention will greatly inhibit the success of companies and businesses as they steal their most prized assets which are the employees (Ongori, 2007).

1.2 Problem statement

According to Ongori (2007) the failure of retaining employees will cause organization to bear a costs such as replacement and training cost. According to Loi et al (2006) employee turnover represents a critical problem to an organization in terms of loss of talent, additional employment cost and training costs. Based on Guma (2011), poor job retention among employees lead to many problem associated with employee turnover such as additional burden on remaining staff, recruitment and training costs, loss of productivity, loss of clients and loss of intellectual capital. Pienar and Bester (2008) agreed that employee turnover has several disadvantages such as costs related due to decrease organizational loyalty, the loss of knowledge and experience regarding the organization and also increase in time and cost of training.

In education sector, if the employee quit in the mid of semester, it will affect the organization as it is difficult for the university to arrange the replacement (Ongori, 2007). Ongori (2007) also stated that the high turnover disrupts and disheartens existing employees, leaving them questioning the company and their career choice. In the competitive environment, the retention of skilled employees is very difficult. Top management and human resource department spent a lot of time, financial resources and effort in order to find out the way to retain their employees and gain competitive advantage (Bartlett & Ghoshal, 2013). Training efforts are also one of the way the organization used to retain employees (Chen, 2014). However, in some organization the employee turnover still increased.

According to Towers Watson (2014) more employees are saying they are likely to leave their organization within two years and the current percentage of 36% in 2014 compared to 29% in 2012. In Pakistan, on average the lecturer's turnover is more than 60% (Ali, 2008). According to Randhawa (2007), turnover can be viewed as one of the important organizational problems in talent retention. Based on the statistics of average turnover of non-manufacturing sectors in Malaysia 2010 - 2011 by Malaysia Employers Federation, the average turnover rate for education sector was 29.28% from July 2010 to June 2011. The education sector is the third highest in average turnover rate non-manufacturing sector in Malaysia. It is show that turnover rate in education sector can becomes a serious problem in Malaysia if there is no action taken by the industry.

Table 1.1: Statistic for average turnover rate of non-manufacturing sectors in Malaysia July 2010 – June 2011.

Non- Manufacturing Sector	Annual Average
IT/ Communication	75.12%
Hotel/ Restaurant	32.4%
Education	29.28%
Transport/ Warehouse service	26.88%
Medical Service	19.8%
Wholesale/ Retail/ trading	18%
Business Service	15.72%
Holdings & Investment/ Plantation	17.4%
Property/ Construction	15.6%
Banking/ Finance/ Insurance	12.12%

Sources: Malaysian Employers Federation

One of the contributors to the average turnover rate in education industry is the turnover among the private college staff. Based on the percentage of academic staff turnover at KUPTM from 2014 – 2016, figure 1.1 shows that the academic staff turnover is increased from 2014-2016. The percentage of academic staff turnover in

2014 is 10% and increased to 14% in 2015 and 16% in 2016. It is shows that the academic staff turnover in KUPTM is increase and it can become a serious in the organization. As an established organization, and new converted college to college university, KUPTM need more experience and high quality of lecturers to stay loyal in their organization. If this scenario is continue happen in the future, KUPTM will bear for difficulties in finding a new talent because the poor reputation in maintaining a staff and will lead to bad impression from a good potential candidates outsides. Besides that, they will also need to face for a new training cost after hiring a new staff. So, the organization should be more alert to this scenario because it will affect the organization as a whole.

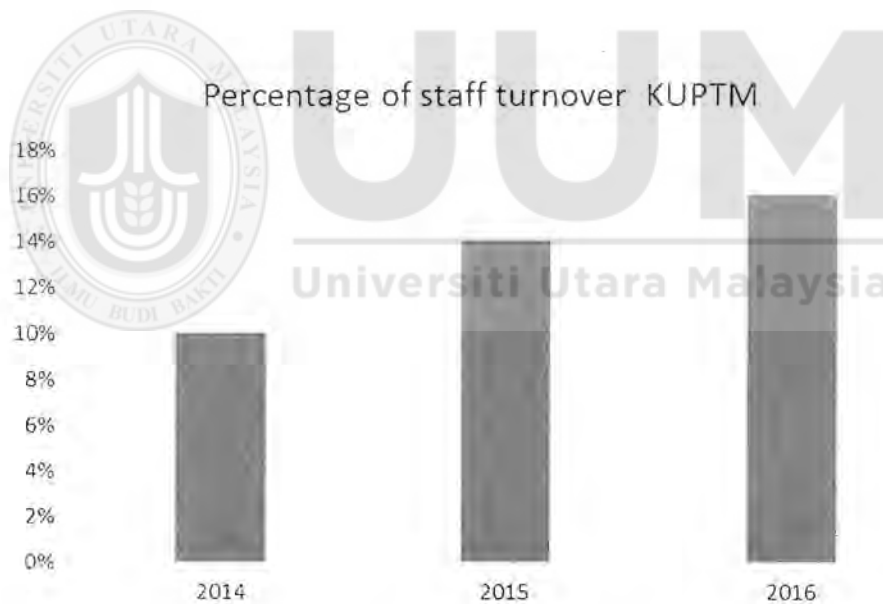


Figure 1.1: Percentage of lecturer turnover KUPTM.

Sources: Human Resource Department, KUPTM.

Based on this problem, it is important to study the factors that contribute to the increases of staff turnover in KUPTM. The outcomes of this study will reflect the consequences of training development, compensation and benefit and leadership to

employee retention in KUPTM. It is very important to be looked at seriously as the management and employees could discover the best employee retention strategies to tackle the problem of retaining the lecturers.

1.3 Research Questions

1. Is there a relationship between training and development and employee retention among lecturers at Kolej University Polytech Mara?
2. Is there a relationship between compensation and rewards and employee retention among lecturers at Kolej University Polytech Mara?
3. Is there a relationship between leadership and employee retention among lecturers at Kolej University Polytech Mara?
4. What is the dominant factor influencing the employee retention among lecturers at Kolej University Polytech Mara?

1.4 Research Objectives

1. To determine the relationship between training and development and employee retention among lecturers at Kolej University Polytech Mara.
2. To determine the relationship between compensation and rewards and employee retention among lecturers at Kolej University Polytech Mara.
3. To determine the relationship between leadership and employee retention among lecturers at Kolej University Polytech Mara.
4. To determine the most dominant factor influencing the employee retention among lecturers at Kolej University Polytech Mara.

1.5 Significance of Study

This study contributes to the existing knowledge about the factors of employee job retention and its importance to the education sector. The result of this study also can be used as a guide for the top management and human resource practitioners to focus on which factors that affects more on job retention in order to decrease the turnover intention among academic staff.

Findings of the study are expected to help human resource managers and policy-makers in the education sector in designing and implementing more effective employee retention strategies. Besides that, the findings of this study also can help human resource managers and policy-makers in the Kolej University Poly-Tech Mara Kuala Lumpur in designing and implementing more effective employee retention strategies.

1.6 Scope and limitation of the study

The study was conducted among employees in Kolej University Poly-Tech Mara Kuala Lumpur. It discussed relationship between factors such as training and development, compensation and benefit, and leadership support linked to the employees' retention among lecturers. The study explained the importance of the factors listed and what most affects employees' retention.

This study was conducted in Kolej University Poly-Tech Mara Kuala Lumpur only and therefore the result of this study is limited for the population specifically

among permanent lecturers. The non-academic staff were not included in this study. The research covered only three factors such as training and development, compensation and benefit and leadership which is limited to represent the factors of employee retention issues.

1.7 Definitions of terms

1.7.1 Employee retention

Employee retention is refer to the duration of employee to be employed in an organization while turnover intention was meant by the amount of employee wants to leave the organization (Donoghue, 2010).

1.7.2 Training and development

Noe (2010) stated that training and development refers to a planned effort by a company to facilitate employees' learning of job related competencies. These competencies include knowledge, skills, or behaviors that are critical for successful job performance.

1.7.3 Compensation and benefits

According to Mondy (2008) compensation is “the total of all rewards provided by the organization to the employees in return for their services”. Williams et al (2007) concluded benefits is considered as an integral part of their compensation package or “entitlements.”

1.7.4 Leadership

A leadership support refers to a particular behavior applied by a leader in order to motivate his or her subordinates to achieve the objectives of the organization (Northhouse, 2007).

1.8 Organization of the Thesis

The thesis is organized as follows:

Chapter 1 describes the introduction of the study which is including background of study and background of organization. Furthermore, in this chapter also include of problem statement, research question, research objective, scope of study, definition of key terms, significance of study, limitation of study and organization of the dissertation are discuss.

Chapter 2, describe on literature review which discuss the element of the study. In this study the element that will discuss are the factors that contributing employee retention

Chapter 3, briefly discuss about the research methodology which is include conceptual framework, research design, instrumentation and data collection method, sampling procedures, data collection have two element such as primary data and secondary data and technique of data analysis that will be discuss.

Chapter 4, describes the result and discussion of the study using the SPSS software to evaluate the result of questionnaire. This is including the result of

research analysis, reliability analysis, and demographic analysis of respondents, correlation coefficient analysis and multiple regression analysis.

Chapter 5, describes the conclusion and recommendation from the study. This chapter also shows the limitation of researcher during gather the information of study and discuss the future research direction for next researcher.



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CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This chapter will discuss on literature review of factors influencing employee retention among lecturers at KUPTM. In addition, this literature review will also discuss on each of the factor lead to employee retention such as training and development, compensation and benefit, and leadership. Last but not least, this chapter will discuss the concept related to the study for further understanding.

2.1 Employee retention

Employee retention refers to the duration of employee to be employed in an organization (Donoghue, 2010). According to Chaminade (2007) retention is a voluntary move by an organization to create an environment which engages employees for long term. Therefore the retention of employee is the voluntary effort by the organization in order to sustain the employee and suit them with the working environment for a long period of time. Kyndt et al (2009) state that employee retention can be defined as a method or practice that organization does in order to retain the existing skills employees.

Chew (2004) stated that employees in an organization are said to have a high job retention when most of the established position in that organization are filled, when most of them have high intention to stay and when employees keep their jobs

for a considerable long period of time. Eketu and Ogbu (2015) stated that employee intention to stay has been a major discourse in the field of management and requires urgent attention on how best to make talented employees to remain as employees in a given organization. Coombs (2009) defined concept of intention to stay as a replacement to describe employee retention. Md Lazim, et al (2012), stated that the concept of the intention to stay is more appropriate because of the difficulties management faces to retain their employees in the organization. Thus, the employee retention can be reflected by measuring the employee intention to stay.

Okioga (2012) stated that the organizations that retain their high performers are bound to be successful in performance and at the same time escape costs that are incurred in advertisement of vacant positions, recruitment and selection, induction and training new employees that follow and employee lost. Ratna and Chawla (2012) stated that retention is more important than hiring, even though hiring knowledgeable people is essential for an employer. Employee retention also indicates taking the appropriate measures to encourage people to stay in the organization as long as they can. When the organization retains the employee, the organization will get the benefit as the cost of employee turnover adds hundreds of thousands of money to an expenses of the company. It also means that if the higher the retention rate, it will motivate potential employees to join the company. (Ratna & Chawla, 2012)

Gaiduk (2009) stated that employee intentions to remain with an organization are influenced by other three major groups of variable such as employee personal characteristics such as gender, age, position level, the nature of an employee's current

job and adequate working arrangements including the aspects such as the quality of current supervision, opportunities for promotion, available training, and quality of communication within the organization. Amutuhaire (2010) found that remuneration and tenure influenced retention.

Kipkebut (2010) in a study on organizational commitment and job satisfaction of employees in universities in Kenya found that role conflict, promotional opportunities, age were some of the factors that influenced employee retention in organization. Kingi (2007) in his study found out that the human resource factors such as staffing, remuneration and training and development, are the factors that affect the performance and retention of real estate agencies staff. Mohd (2011) found that pay satisfaction, training and development and performance appraisal were the factors affecting employee whether to stay or not in the organization.

The research on the influence of human resource policies on employee retention at Hass Petroleum in Nairobi, Kenya exposed that trainings, promotions and rewards policies have the impact on employees' retention (Ruth, 2011). Kabera (2012) in a study on retention programs of human resources in the private security firms located in Nairobi found that motivation of employees, working conditions and individual security influencing retention of employees in the private security firms. According to Azhar & Fariha, (2010) the management must think about the development of human resource management practices with the best quality to maintain employees in the organization. The specific training, career development

chances, friendly work environment and rewards should be planned to increase the retention of the employees.

Shakeel & But (2015) stated that employee retention is influenced by the factors such as job satisfaction, training, flexible work arrangement, pay, promotion and relationship with supervisor. Davidson et al (2010) stated that better pay, working conditions, training, career prospects, generational change, emotional labor, burnout, organizational culture, climate and commitment drive turnout are the factors that lead to employee retention. In the study of effectiveness of human resource planning, (Chee, 2012) stated that employee empowerment, training and development, appraisal system compensation are the crucial factor for the success of a firm. Based on Ahsana et al (2013) found compensation, career opportunity, training and development, supervisor support, job autonomy, work life policies and skill varieties leads effective commitment by the organization and also the retention. Therefore, this study will investigate employee retention as a dependent variable and it refers to the desire of lecturers to stay in the organization.

2.2 Training and Development.

Training and development are defined as an organized mean of knowledge and skills acquisition required by employees to perform a task to improve their performances in organization (Ng, Lam, Kumar, Ramendran, & Kadiresan, 2012). In organizations where employees receive proper training, it is assumed that their turnover rates are generally lower (Moncarz, 2008). Beynon et al (2014) found that

when the employee satisfied with training they will loyal and retain to the organization. Yazinski (2009) stated that training benefits tangible or intangible associate with higher levels of consistency, competency, productivity, adaptability, independence, and loyalty in employees at any age.

According to (Mathis & Johnson, 2009) training and development is considered as very important activities of human capital development. This is because training and development activities like job training, coaching, mentoring and counseling are crucial for employees to get valuable support, knowledge, skills and abilities that may improve their employability and marketability in the organization. Thus, training and development plays a significant factor in career satisfaction of an employee in their career lives. According to Kwenin (2013) employees tend to be more committed and loyal to the organization if training and educational facilities provided to employees.

Based on Atif et al (2011) training could be an important tool in retaining employees. Newman, Thanacoody & Hui (2011) agreed that training is an important tool in retaining employees at the same time to enhance the commitment of the employees. Deery (2008) mentioned that on the job training give positive impact to retention and commitment. Leidner (2013) is also stated that employee loyalty is enhanced through training and development. According to Poulston (2008) if the employees is provided with the insufficient training it can worsen the employee turnover, also the quality level and revenue of the organization. Atif et al (2011) mentioned that the organization cannot focus only for conservative strategy but they

need to struggle in the future, they must develop their employee skills and abilities, because nowadays the market will focus on the quality as well as productivity.

The new skills and technique in training and development help the employee to have extensive and advanced knowledge of the procedure associated with the operational process. Thus, a well-structured training program need to be used by the training managers to fix the employee with skills and knowledge (Bharwani & Butt, 2012). Taylor (2010) argued that the employees provided with training are estimated to quit from the organization early because they grow with more skills for the job which are useful for other employer. The employees find it easy to go to another employer after receiving training as compared to the employees who are not trained and they cannot find opportunities.

Mike (2013) mentioned that organization should invest in cross-training, coaching job, mentoring, and job rotation in order to make the role of employee clear. Employees consider to stay in the company if they get better opportunity to develop, acquire several of professional experiences, and expose large functional and geographic disclosure within the organization. Madiha et al (2009) stated that such attractive learning chances guide these employees to remain and persist to develop with company.

2.2.1 Relationship between training and development and employee retention

A study conducted on the luxury hotel Serena, Faislabad, showed a strong positive association between training and development and retention (Khan et. al.,

2011). A study of public and private sector organizations in South Africa indicated training and development as a motivational variable for retention. The result delivered strong indication of a relationship between training and development and employee retention (Samuel and Chipunza, 2009). The study of employee retention among staff of banking sector in Karachi Pakistan (Salman, Ahmad, & Matin, 2014) found that employees training has weak relationship with employees' retention.

Liang et al., (2015) in his study on factors affecting employee retention in nursing industry at Klang Valley found that the relationship between training and development and employee retention is positive significant relationship. Hong et al., (2011) studied the relationship between training and development and employee retention at in University Tunku Abdul Rahman, and they found that there is significantly positive relationship between independent variable training and dependent variable retention. Haider, et al., (2015) found the inversed result, based on their study there are negative relationship between training and development and employee retention. Another study of Australian four-five star hotels showed the same result which indicated that training and development increases faithfulness and ownership of employees towards their organizations (Davidson et. al., 2010).

2.3 Compensation and benefits

According to Heathfield (2011) compensation is the total amount of the monetary and non-monetary pay provided to an employee by an employer because the employee performed the work as required. Aguenza and Mat Som (2012) defined reward and compensation as something given by organization to employees in

response to their contributions and performances as well as to fulfil the employee's needs. According to Armstrong (2010) reward encompasses non-financial rewards such as promotion, recognition responsibility. These are rewards that do not involve any direct payments and often arise from the work itself. On the other hand are the financial rewards commonly known as remuneration .The objectives of reward systems are to attract, motivate and retain highly performing employees and to improve organizational success. According to Farooq (2013) intrinsic and extrinsic motivational factors influence employee retention.

Based on Shoaib et al., (2009) compensation has always been at the heart of any employment relationship. The well designed compensation plan make an organization one step ahead than their competitors. It helps to entice the best job candidates, inspires them to perform to their maximum potential and retain them for the long term. Shoaib et al., (2009) added in order to encourage valuable staff members to stay, the compensation system must offer competitive rewards for these employees to feel happy when they compare their rewards with those received by individuals performing similar jobs in other organizations.

Company who make the compensation policy below market level will have the problem in retaining the employees because their compensation needs are not being met (Kotachachu, 2010). Guma (2011) agree with the statement and observes remuneration constitutes the largest part of employee retention process. An attractive compensation package plays a critical role in employee retention.

In order to gain workforce support and commitment, organizations should offer remuneration and rewards that are internally and externally equitable as inequity in remuneration is the source of employee discontent and turnover. This principle is clearly underlined in the equity theory which is one of the theories guiding this study (Mtazu, 2009). Attractive salary packages are one of the very important factors of retention because it fulfills the financial and material desires.

Armstrong (2010) argues the monetary form of benefits such as remuneration is the most important is extrinsic reward and provides the incentive that most employees want, but its motivation does not have intrinsic meaning. It is because people who work just for money may find their tasks less pleasurable. Williams et al. (2007) found that if employees are satisfied with how the company operates and communicates its compensation policies, they remained committed to the organization.

According to Fisher et al (2009) employees will leave their work if they feel that they are not well paid. This is by being paid an adequate salary and availing to them other benefits such as house allowance, commuter allowance and insurance services. The new employee will only stay in organizations that pay them a low salary because they are desperate to get a job. After a while, they will start looking for well-paying jobs in other organizations and this will result to increased turnover. MacDonald (2012) added that employees will only work in such places because they

are desperate for money but once they are a bit steady financially, they will move to other organizations in areas of their choice thus increasing the turnover rate.

According to Zingheim et al. (2009), a competitive pay and benefit package is a key element to affect employee retention, but this cannot be referred as a whole picture. Chew and Chen (2008) in their research stated that compensation play a vital role in retaining the talented workers. That is why the organization put the remuneration that is over and above the prevailing market rates. This can be in the form of security plans, free education to children, special pay premiums and bonuses, house allowance, vehicle allowance, and stock options and many more. There are some leading organizations exercises the practices like profit sharing and group-based incentive plans (Chew and Chen, 2008). One of the reasons of turnover is compensation (Nawab & Bhatti, 2011). Poor salary is stated as one of the reasons of employee turnover in an organization. Merit based compensation increases employee retention.

2.3.1 Relationship between compensation and benefits and employee retention

In the study of impact of pay towards employee retention at hotel industry in Mombasa (Msengeti & Obwogi, 2015). The results found that there is a weak but positive relationship with employee retention at with the pay. Haider, et al., (2015) found there are also the positive significant relationship between compensation and benefit in Telecom Sector.

Ng'ethe (2013) found in the research that remuneration is positive and significant related to intention to stay in Egerton University, this means that the more remuneration is favorable the higher the intention to stay among the academic staff in public universities. In the research done in University Tunku Abdul Rahman (Hong, Hao, Chaktak, Kiat, & Guan, 2011) there is significantly positive relationship between independent variable compensation and dependent variable retention.

2.4 Leadership

Leadership is one of the critical and important factors in enhancing an organizational performance (Riaz, 2010). Brox (2012) cited that employees favor leadership that creates mutual respect between them and their superiors. Aspects of leadership include relationship with supervisors, relationship with peers, supervision, recognition of employees' efforts and administration (Brox, 2012). Michael (2008) stated that leadership is a relationship through which one person influences the behavior or actions of other people.

Beardwell (2007) observes that the role of leaders and a supervisor is crucial in staff retention, and argues that employees leave managers not companies. According to Michael (2008) the roles of management is to produce a work environment that will recommend the organization to employees. Besides that, it also includes encouraging these employees' decision to be committed and continue with the organization even when other job opportunities exist outside the organization. The employees are prefer to remain with an organization if they confidence that their

managers shows interest and care for them, if they know what is expected of them, if they are given a role that fits their capabilities and if they receive regular constructive feedback and recognition. The quality of relationship an employee has with his or her immediate managers elongates employee stay in an organization (Michael, 2008).

Voon (2011) stated that leadership is a process of encouraging and helping others to work eagerly towards objectives. It is the human factor that binds a group together and motivates it towards goals transforming them together in potentials into truth. A capable leader provides direction for the organization and leads followers towards attaining desired goals. One of the top five reasons of retention is by having a best and supportive boss is mentioned in another paper (Bhatnagar, 2007). Freyermuth (2007), mentioned that organization must groom leader to encourage the employees and to well build the work environment where workers want to retain. Providing opportunities test their abilities and providing level of performance can improve employee's capabilities and want to stay in the organization.

Kroon and Freese (2013) stated that a participative leadership style play a vital roles in encouraging employee to stay. Andrews and Wan (2009) mentioned that management plays a basis role in employee retention and proven that there is a direct correlation between employee retention and manager behavior. According to Christeen (2015) the impact of management on employee retention can be viewed from two perspectives: leadership style and management support. Noah (2008) observed that when the organization involved the employee in decision-making process it makes the employees feel they are part of the organization and this

increases loyalty and retention. According to Ellett et al., (2007) there is a positive impact on retention when there is a “supportive, quality supervision” and “leadership that values employees”.

Joo (2010) stated that the fact of being handle in a supportive manner of leader is a contributor to retention. Tymon et al (2011) mentioned that the supportive supervision from managers as a contributing factor to employee retention. According to Mat (2008) the effective leaders should conduct members in a manner that allows them to contribute to the achievement of the group’ goal. If the quality of relationship between employee and his managers is good, it can extends the period of employee to stay in an organization (Michael, 2008). The incompetent leadership can lead to poor employee performance, high stress, low job commitment, low job satisfaction and turnover intention (Gwavuya, 2011). Gwavuya (2011) established that leadership had direct influences on lecturer’s turnover intentions in Zimbabwe. Further, the quality of leadership impacted on turnover decision. Waleed (2011) found that leadership style influences intention to stay since when leadership is perceived to be positive, there is increased the employee retention.

2.4.1 Relationship between leadership and employee retention

Findings of the study of Teacher Turnover Impact of School Leadership and Other Factors, propose that transformational leadership style has negative influence on career stress, while transactional leadership tolerates positive influence on it. In other words, transformational leadership is favorable at minimizing work stress as it ensures more concern and inspiration. On the other hand, career stress bears positive relationship with intention to stay. Career stress usually results in psychological and

physical discomfort, and hence turnover intention increases. Finally, findings indicate that career stress has more important indirect effect on leadership style and turnover intention than the direct effect. So, career stress has mediation effect on relationship between leadership style and turnover intention. (Norma G., Khalil J., 2013)

According to Fathaniy (2011) in a study of the roles of human resource to intention to stay reported that human there is no relationship was found between supervisory support intentions to stay. Maertz et al., (2007) stated that employees intention to stay is influenced through support from the supervisor which also affecting the employees perception and attitudes relates to the organization itself. Kalidas and Baharon (2015) found that there is negative significant relationship between perceived supervisor support and turnover intention, it is means the less support of supervisor the higher the intention to leave among employees. Thus, the employee retention will decreased.

Cho et al. (2009) in the study found that there is no increment in employees' intent to stay as supervisor support increases. (Nasyira, Othman, & Ghazali, 2014) found that there is positive association which proposed that intention to stay and perceived on supervisor support were positively related. It means that employees who perceive to have greater support from their immediate supervisors were more likely to retain in the organization.

Based on the findings from the study of 'Influence of Leadership Style on Academic Staff Retention in Public Universities in Kenya' (Ng'ethe J. M., 2013) concluded that leadership style influences academic staff retention in Kenyan public universities. There was a positive relationship between leadership style and employee retention. When leadership style is unfavorable employee retention decrease and when it is favorable employee retention will increase. In that study (Ng'ethe J. M., 2013) also concluded that the leadership practiced by most of the leaders in that institutions was not favorable for retention.

2.5 Summary

This chapter focus on the literature review that related and relevant to research topic in order to have some insight of the research. The topic has been discussed are job retention, training and development, compensation and benefits and leadership. Besides that, the aspect such as definition of the terms and relationship between the factors also have been discussed in this chapter. The researcher make a further understanding by referring on the previous research and the result found by them. In the next chapter, there will be a detail discussion of research methodology of this study.

CHAPTER 3

METHODOLOGY

3.0 Introduction

This chapter presents the research methodology used in the study. It begins with the overview of research design and the methodology used in this study. In addition, the discussion on the population and description on instrument selected for data gathering and procedures used in the study are also outline in this chapter.

3.1 Research Framework

Research framework is a basis of the entire research paper. It is a logically developed, described and elaborated network of association among the variables deemed relevant to the problem situation and being identified through questionnaires and interviews, observation and literature surveys. Since the theoretical framework is identifying the network of relationship among the variable is to be considered important to the study of any given problem situation, it is essential to understand what a variables means and what are the different types of variables are:

3.1.1 Dependent Variable

The dependent variable is the variable that primary interest to the researcher and it would be the employee job retention of Kolej University Polytech Mara lecturers.

3.1.2 Independent Variables

Independent variables are the variables that influence the dependent variables positively and negatively based on the research conduct. The independent variables for this research are the training and development, compensation and benefits, and leadership.

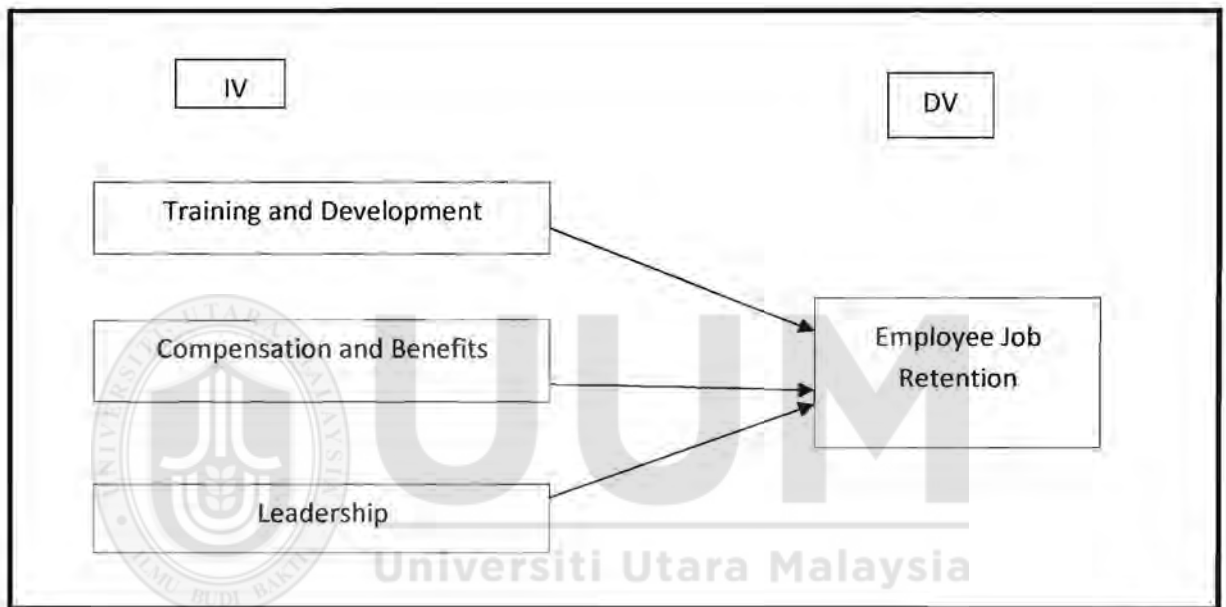


Figure 3.1: Theoretical Framework

3.2 Research Design

Zikmund et. al., (2010) defined research design as a main plan that consists of systematic methods and procedures on how to collect and analyze the survey information. This study examines the relationship between training and development, compensation and benefit and leadership and employee retention in Kolej Universiti Poly-tech Mara. Furthermore, this study is to validate the influence of three retention factors inclusive of training and development, compensation and benefit and leadership and recommend the effective approaches to solve retention issues.

Statistical method was used in this study to test and analyze the relationship between both variables.

The survey was carried out using self-administered questionnaires whereby respondent takes the responsibility to reading and answering the questions. The questionnaire was personally distributed to employees in the Kolej Univesiti Polytech Mara using printed questionnaires. Printed questionnaires are distributed to lecturers. Surveys are conducted to all lecturers to avoid bias and attempt to increase the respondent involvement for this study.

All the responses were keyed in into the data management system (Statistical Package for Social Science - SPSS) for analysis. The intention of analysis is to identify the relationship using correlation and regression analyses. A correlation study was used as the measurement method whereby the employee actions and feedback were examined as degrees of relationship to retain in the organization. Sekaran (2009) defined correlation study as the relationship between independent variables and the dependent variables.

To achieve the research objectives, the study used the survey research design. This study was conducted through quantitative research using questionnaire. The research has been conducted as a correlation study. Correlation study is undertaken when researcher is interested in delineating the important variables associated with the problems (Sekaran, 2009).

3.3 Operational Definition

3.3.1 Job retention

Govaerts et al (2011) defined employee retention as the effort by an organization to keep the good employees in order to meet business objectives. The maintenance of employment status by KUPTM staff for a considerable long period of time.

3.3.2 Training and development

Training and development are defined as an organized mean of knowledge and skills acquisition required by employees to perform a task to improve their performances in organization (Ng, Lam , Kumar R, Ramendran, & Kadiresan, 2012).

3.3.3 Compensation and benefits

Compensations and benefits are seen as something given by organization to employees in response to their contributions and performances as well as to satisfy the employees' needs (Aguenza & Mat Som, 2012).

3.3.4 Leadership

Leadership is a relationship through which one person influences the behavior or actions of other people. It also includes influencing these employees' decision to be committed and remain with the organization even when other job opportunities exist outside the organization (Michael, 2008).

3.4 Measurement of instrument

In this research, there are four variables tested in this questionnaire and it was adapted from Ng'ethe (2013). Employee retention was measured using five (5) items which are training and development measured using ten (10) items, compensation and benefit twelve (12) item and leadership measured using eleven (11) items.

The questionnaires are divided into 4 different parts which are part A, part B, part C, and part D. Part A consists of 4 close ended questions, the respondents need to choose the best answer related to them and 2 open ended questions. Part B consist of 5 likert scales questions that tested about employee job retention, the dependent variable.

Next is part C consists of three different variables, Section C1 is on training and development (10 questions); Section C2 about compensation and benefit (12 questions), and finally C3 is on leadership with 11 questions. The respondents are provided with Likert scale questions that they need to choose from 1 to 5 rating about the statements stated in questionnaires. Last part in the questionnaire consists of 1 open ended question where respondents can comment or share their opinion. Section A, B, C1, C2, C3 and D is adapted from the previous research (Ng'ethe J. M., 2013)

Table 3.1: The measurement for Employee retention, training and development, compensation and benefit and leadership

Variable	Number of item	Item
Employee Retention	5	<ol style="list-style-type: none"> 1. I plan to work at my present job for as long as possible 2. I am actively searching for an alternative to this University 3. I would hate to quit this job 4. As soon as is possible, I will leave this University 5. I am in this university for lack of an alternative employer
Training and development	10	<ol style="list-style-type: none"> 1.The skills and knowledge learnt on the job in this University would transfer easily to most other similar organizations 2.I am satisfied with the training by the University for my present job 3.Training opportunities are offered regularly in this university 4.Financial support is regularly given by the University to attend conferences and workshops to enhance my professional growth 5.The university readily invests in professional development for the academic staff 6.What is stated in the training policy is what is practiced always 7.Fairness is practiced all the time in the implementation of training policy for the academic staff 8.This university has good training opportunities compare with other organizations 9.Training opportunities outside the country influences staff to quit 10.I am satisfied with the training practices in this university
Compensation and benefit	12	<ol style="list-style-type: none"> 1.The salary I earn is adequate to meet my desired needs and aspirations 2.I am satisfied with the amount of remuneration I receive for my work 3.The university offers attractive allowances(House, travel, leave etc.) to academic staff 4.Salary raises are regular in this university 5.I am satisfied with the amount of salary I earn compared to other employees in other organizations with similar qualifications 6.I am satisfied with the amount of salary I earn compared to other academic staff in this University with similar qualifications 7.Salary raises are rare in this university



		8.The university provides adequate part-time opportunities to supplement academic staff earnings
		9.The remuneration in this university is competitive
		10.Overall the financial rewards I receive from this university are fair
		11.The university provides regularly salary supplements inform of bonus
		12.Financial incentives such as bonus are allocated fairly and in a transparent manner
Leadership	11	1.Organizational Leadership style in this university makes positive contribution to the overall effectiveness of the organization
		2.My manager treats every one fairly
		3.Leaders/supervisor assists individual lecturers in their personal problems
		4.Leadership/supervisors represents my needs, ideas and suggestions to his/her manager
		5.The leaders often involves staff in decision making, problem solving and policy making in the university
		6. Leaders/supervisor rarely assists individual Lecturers in their personal problems.
		7. I have the opportunity to interact with management above my immediate supervisor
		8. I am satisfied with the competence of the supervisors and Leadership in this University
		9. The leadership of this university listens to and addresses staff issues promptly
		10.The leaders communicates to staff regularly on matters important to them
		11. I am satisfied with the leadership style of the Managers in this university.



Sources: (Ng'ethe J. M., 2013)

3.5 Pilot Test

The instrument used in this study was tested using Cronbach's alpha. Pilot test has been done to 30 lecturers at Kolej Poly-Tech Mara KL. The result were show in the table 3.2 below:

Table 3.2 Pilot test

Variables	Item	Previous study	Current study
Employee retention	5	0.647	0.960
Training and development	10	0.922	0.865
Compensation and benefit	12	0.636	0.940
Leadership	11	0.897	0.948

N=30

The previous research has done the pilot test and the Cronbach's alpha value for leadership style was 0.897, compensation and benefit had alpha of 0.636, training and development had 0.922, and employee retention had a value of Cronbach's alpha of 0.647.

3.6 Data Collection Method

3.6.1 Primary Data

The researcher used the questionnaires as a primary data, questionnaire is a set of questions that addressed theory to statistically significant number of subjects as a way of gathering information for a survey. According to Sekaran (2009), questionnaire is defined as reformulated written set of questions to which respondents' record.

3.6.2 Secondary Data

Secondary data was obtained from literature sources or data collected by other people for some other purposes. Secondary data was collected through review of

published literature such as journals articles, published thesis and textbooks. The researcher also made use of secondary data from universities records. These sources were reviewed to give insight in the search for primary information. They gave insight on variables selection development of instruments and discussion of the findings.

3.7 Population and Sampling

3.7.1 Population

Population refers to the entire group of people, events, or things of interest that the researcher would like to investigate (Sekaran, 2009). The population for this research is focused on all lecturers in Kolej University Polytech Mara Kuala Lumpur. The total number of lecturers at Kolej Universiti Poly-tech Mara Kuala Lumpur is 160 and it involved all level of lecturers from different departments.

3.7.2 Sampling Size

The respondents chosen for this study were all lecturers from various to the departments. According to Krejcie & Morgan (1970) for a population of 160, 113 questionnaires must be distributed to respondents as sample size.

120 questionnaires were distributed to respondents at the Kolej University Polytech Mara KL. The number of questionnaires distributed were greater than sample size to avoid the unresponsive respondents and to yield a higher rates of response. Stratified random sampling was chosen to reduce the sampling error whereby accurate sample was used to reflect the population. Table 3.3 explained how the total populations were divided into subgroups.

Table 3.3 Percentage of subgroups

DEPARTMENT	TOTAL POPULATION	PERCENTAGE OF POPULATION (%)	PROPOTIONAL SAMPLE (%)	TOTAL OF SAMPLE
Business	30	19	19% x 113	21
Accounting	36	22.5	22.5% x 113	26
Language and communication	24	15	15% x 113	17
General studies	29	18	18% x 113	20
Math and IT	41	25.5	25.5% x 113	29
Total	160	100	100%	113

3.8 Data Collection Procedure

The researcher disseminated the questionnaires personally to the respondents. The researcher applied the letter for data collection from Universiti Utara Malaysia. After that, submitted the permission letter of data collection to Human Resource Department in Kolej Universiti Poly-tech Mara.

After get the approval from the Human Resource Department, the researcher divided the lecturer according to the subgroup using stratified sampling. List name of all lecturers in each department are being identified. Each of the subject in the sample are being selected according to random sampling method in each of subgroup. After distributed the entire questionnaire to the selected respondent, the respondent were given about 2 weeks in order to complete all the answer and the researcher determined the appointment to collect back the questionnaires from the respondents.

3.9 Techniques of Data Analysis

All the data collected from the survey were entered and coded into dataset using Statistical Package for Social Science (SPSS) software version 22. The survey results were analyzed and generated into statistical analysis which consist of descriptive analysis, correlation analysis and regression analysis.

3.9.1 Demographics

Demographics involves process of transforming data of general characteristics. In this study, it described and summarized the respondent demographic consists of gender, age, marital status, education level, years of service. The analysis was generated from collected questionnaire data or information.

3.9.2 Correlation Analysis

Correlation analysis is used to measure the strength and significance relationship between variables (Sekaran, 2009). Pearson correlation coefficient (r) is used to show the linear relationship between two variables, employee retention with training and development, compensation and benefit and leadership. The values of this correlation are from -1 to +1. It is explains there is a positive linear relationship if the two variables value of r closed to +1 and negative linear relationship if the two variables value of r closed to - 1. However, if the value of r closed to 0 there is no linear relationship or weak relationship between the two variables. The interpretation of strength of the correlation is according to Guilford's Rule of Thumb. The value of correlation coefficient is as table 3.4.

Table 3.4 Guilford Rules of Thumb on Pearson Correlation Coefficient Size

Coefficient Range	Strength of Association
± 0.91 to ± 1.00	Very high correlation
± 0.71 to ± 0.90	High correlation
± 0.41 to ± 0.70	Moderate correlation
± 0.21 to ± 0.40	Low correlation
± 0.01 to ± 0.20	Little, almost negligible

3.9.3 Regression Analysis

Regression analysis is to identify the relationship between dependent variable and independent variables. In this study, regression tests are initiated to determine the relationship between employee retention and training and development, compensation and benefit and leadership. This study is using Multiple Regression Analysis to determine which independent variables are more significant affects employee retention.

3.10 Summary

This chapter has presented the research methodology that was used in analyzing the research questions. A descriptive research design was used to conduct the study. The study population consisted of 160 employees at Kolej University Polytech Mara KL. The study relied entirely on primary data which will be collected from the respondents (KUPTMKL employees) using a structured questionnaire.

Statistical methods (descriptive statistics and inferential statistics) will be used to analyze data. The next chapter will present the results and findings of this study.



UUM
Universiti Utara Malaysia

CHAPTER 4

FINDINGS

4.0 Introduction

This chapter discussed the results from data analysis based on the research questions. The main focus of the study is to determine relationships between independent variables namely training and development, compensation and benefit and leadership with dependent variable which employee retention. This chapter discussed the profile of respondents and continues with statistical analysis which correlation and regression analysis are discuss the significance between variables. Thus, all the results from this study are pointed in the conclusion of this chapter

4.1 Response rate

The researcher has distributed 120 copies of the questionnaire to the lecturers at KUPTM. Rate of respondent's questionnaire that have been collected is shown in the table 4.1.

Table 4.1 Response rate

	Total	Percentage (%)
Distributed Questionnaires	120	100
Collected Questionnaires	114	95%

4.2 Profile of respondents

In this section the personal characteristic of the respondents are discussed as in the Table 4.2 below:

Table 4.2 Profile of respondents

Demographic	Category	Percentage (%)
Gender	Male	33
	Female	67
Age	< 30 years old	22.8
	31-40 years old	59.6
	41-50 years	15.8
	>50 years	1.8
Marital status	Single	14.9
	Married	85.1
Academic	Degree	9.6
	Master	88.6
	Phd	1.8
Length of service	4-10	61.4
	11-15	24.6
	16-20	8.8
	>20	5.3

4.2.1 Gender Representation

Out of the 114 respondents 33% were male and 67% were female from the sampled in KUPTM as provided in Table 4.2 This indicates that generally there were more female respondents for the study than males indicating the wide disparity between male and females in employment of this organization.

4.2.2 Age

The age of the respondents show that 59.6% were between 31-40 years old, 22.8% were below 30 years old, about 15.8% between 41-50 years old, and 1.8% were more than 50 years old. (See Table 4.2). The study shows that KUPTM have all age groups represented among the academic staff. Based on the finding, majority of the academic staff were at the age of 31-40 years old.

4.2.3 Marital status

The table 4.2 above shows that 85.1% of the respondents were married and 14.9% were single. It is mean that most of the lecturers at KUPTM are married.

4.2.4 Academic status

The level of education was also sought in the questionnaire. Those with PhD degree were 1.8%. About 88.6% possessed Master Degree and 9.6% were degree holders. The finding shows that majority of the respondents possessed Master degree indicates that over half of the academic staff meet the requirements of teaching in College University (in Table 4.2).

4.2.5 Length of service

Most of the respondents had worked in their current organization for between 4-10 years with 61.4% (in Table 4.2). Second highest percentage are 11-15 years with 24.6% while 8.8% had experience for 16-20 years and 5.3% work more than 20 years.

4.3 Reliability Test

The basis of interpreting the reliability of the scale in the current study was Cronbach's alpha. The Cronbach's alpha can take any value from zero (no internal consistency) to one (complete internal consistency). Acceptable Cronbach's alpha should be at least 0.70. However Cronbach's alpha of as low as 0.50 is acceptable (Kipkebut, 2010). . . The measurements of this reliability are as follow:

Table 4.3 Cronbach's alpha

Cronbach's Range	Strength Association
<0.6	Poor
0.6 - < 0.7	Moderate
0.7 - <0.8	Good
0.8 - < 0.9	Very Good
0.9 and above	Excellent

Table 4.4 shows that the reliability test value for all variables is more than 0.70. Employee retention with the 5 items shows Cronbach's alpha of 0.931, training and development with 0.855, followed by compensation and benefits 0.930 and lastly leadership with the Cronbach alpha 0.924. All the items in the questionnaire can be consider as reliable.

Table 4.4 Reliability Test

Determinant	Item	Cronbach's alpha
Employee retention	5	0.931
Training and development	10	0.855
Compensation and benefits	12	0.930
Leadership	11	0.924

4.3 Correlation Analysis

Correlation is the study that indicates the relationship that exists among variables such as training and development, compensation and benefits and leadership with the dependent variable employee retention that be measured according to Pearson Correlation. Table 4.5 below shows the measurement of relationship between variables.

Table 4.5 Guilford's Rules of Thumb Correlation Coefficient Size

Coefficient Range	Strength of Association
± 0.91 to ± 1.00	Very high correlation
± 0.71 to ± 0.90	High correlation
± 0.41 to ± 0.70	Moderate correlation
± 0.21 to ± 0.40	Low correlation
± 0.01 to ± 0.20	Little, almost negligible

Table 4.6 below shows the correlation results among variables. Based on the results, all variables are positive significant correlated with other variables and presented correlation with the value of 0.609 to 0.672. Training and development is

the highest correlation value with 0.672, followed by compensation and benefit with the value 0.669 and leadership with the value 0.609 correlate with employee retention. All the factors is indicated positive moderate correlation with job retention because the value of coefficient is more than 0.41 and less than 0.70 according to Guilford's Rules of Thumb on Pearson Correlation Coefficient Size (Table 4.6).

Table 4.6 Correlation analysis

Variables	1	2	3	4
1 Training and development	1			
2 Compensation and benefit	.653**	1		
3 Leadership	.637**	.607**	1	
4 Job Retention	.672**	.669**	.609**	1

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

4.4 Regression Analysis

Multiple regression analysis is an extension of bivariate correlation. The result of regression is an equation that represents the best prediction of a dependent variable from several independent variables. In this study, the researcher used standard multiple regression, the researcher entered all independent variables at once as the researcher wants to examine the relationship between the whole set of predictors and the dependent variable.

Table 4.7 Regression Analysis

Model	Standardized Coefficients			
	B	Beta	t	Sig.
(Constant)	-1.113		-.705	.482
Training	.262	.328	3.613	.000
Compensation	.174	.336	3.828	.000
Leadership	.114	.196	2.272	.025
<hr/>				
R=	.751^a			
R Square =	0.565			

According to the above table 4.7 of Regression analysis, R value is the multiple correlations between all of the predictor variables and dependent variable. The value of R is 0.751 which indicates that there is a strong deal of variance shared by the independent and dependent variables. For the R square value is 0.565, which means, 56.5% of the variance in the dependent variable is explained by the independent variables in this research. The evidence became stronger through the significant that is at 0.000.

Table 4.7 shows above among all the independent variables, Compensation and benefit gave the highest contribution towards the dependent variable with t-value of 3.828 and beta score of 0.336. Then, the training and development indicated the t-value of 3.613 and beta score of 0.328, lastly the leadership, with t-value of 2.272 and beta score of 0.196 because the value of p was less than 0.05.

4.5 Discussion of the Findings

This section discussed the research findings presented in the previous section based on the objectives follows:

4.5.1 To determine the relationship between training and development and employee retention among lecturers at Kolej University Polytech Mara.

To measure this objective correlation analysis and regression analysis were carried out in the organization. Correlation analysis at KUPTMKL shows that training and development was positively and significant related to employee retention. It had a moderate positive relationship with employee retention with the value ($r = 0.0.672$, $p < 0.000$),) at 0.01 significance level. This finding indicate that the more the organization practice the training and development the highest the employee retention.

These finding was supported by the finding Hong et al., (2011) who studied the relationship between training and development and employee retention at in University Tunku Abdul Rahman, and they found that there is significantly positive relationship between independent variable training and dependent variable retention. Besides that, another study of Australian four-five star hotels showed the same result which indicated that training and development increases faithfulness and ownership of employees towards their organizations (Davidson et. al., 2010).

The research on determinants of academic staff retention in public universities in Kenya (Ng'ete, 2013) found that training had a strong relationship with intention to stay at Egerton University. The consistent result also found with Liang et al.,

(2015) in his study on factors affecting employee retention in nursing industry at Klang Valley found that the relationship between training and development and employee retention is positive significant relationship.

4.5.2 To determine the relationship between compensation and rewards and employee retention among lecturers at Kolej University Polytech Mara.

Correlation analysis on institution basis indicates that compensation and benefit is positively and significantly related to employee retention. It had a moderate positive relationship with employee retention with the value ($r = 0.0.669, p < 0.000$),) at 0.01 significance level. This finding means that the more compensation and benefit or the more favorable of compensation and benefits the higher the employee retention among the academic lecturers at KUPTMKL.

Ng'ethe (2013) found in the research that remuneration is significantly related to intention to stay in Egerton University, this means that the more remuneration is favorable the more employee retention among the academic staff in public universities. This result is consistent with this research because there are significant relationship between employee retention and compensation and benefit. The research done in University Tunku Abdul Rahman (Hong et al, 2011) also found there is significantly positive relationship between independent variable compensation and dependent variable retention.

4.5.3 To determine the relationship between leadership support and employee retention among lecturers at Kolej University Polytech Mara.

Correlation analysis on institution basis indicates that compensation and benefit is positively and significantly related to employee retention. It had a moderate positive relationship with employee retention with the value ($r = 0.0.609$, $p < 0.000$),) at 0.01 significance level. This finding means that the better the leadership practice the higher the employee retention among the academic lecturers at KUPTMKL.

These findings are supported by Waleed (2011) who found that leadership style influences intention to stay since when leadership is perceived to be positive, there is increase the employee intention to stay. Gwavuya (2011) also established that leadership had direct influences on lecturer's intention to stay in Zimbabwe. Further, the quality of leadership impacted on turnover decision. Based on the findings from the study of 'Influence of Leadership Style on Academic Staff Retention in Public Universities in Kenya' (Nge'te, 2013) concluded that leadership style influences academic staff retention in Kenyan public universities.

4.5.4 To determine the most dominant factor influencing the employee retention among lecturers at Kolej University Polytech Mara.

The multiple regression analysis findings indicate that training and development in Kolej University Poly-Tech Mara Kuala Lumpur was contributing to employee retention by the lecturers. The training and development indicated the t-value of 3.613 and beta score of 0.328. It also contribute second highest to the employee retention.

The multiple regression analysis findings indicate that compensation and benefit in Kolej University Poly-Tech Mara Kuala Lumpur was contributing to employee retention by the lecturers. The compensation and benefit indicated the t-value of 3.828 and beta score of 0.336. It also contribute the highest to the employee retention and it also the factor most influence the employee retention

The multiple regression analysis findings indicate that the leadership in Kolej University Poly-Tech Mara Kuala Lumpur was contributing to employee retention by the lecturers. The leadership factor indicated the t-value of 2.272 and beta score of 0.196. It also contribute the lowest to the employee retention. Thus, the factor most influence the job retention in Kolej University PolyTech Mara is compensation and benefits.

4.6 **Summary**

With reference to the findings and discussions in this chapter, the correlation analysis results showed training and development, compensation and benefit and leadership have significant relationship with employee retention. The results for regression analysis indicated that compensation and benefit being the most significant factor and positive relationship with employee retention. The next chapter will discuss about conclusions and recommendation.

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

Summary of this research will be discussed in this chapter that contains of three major topics specifically discussions, recommendations for future research and overall conclusions. The discussion topic will discuss on the objectives of the study as indicated in chapter one. Recommendation topic explains practical implication of the study including the ideas and recommendations for future research. This study will end with overall conclusion.

5.1 Discussion

5.1.1 RQ1: Is there a relationship between training and development and employee retention among lecturers at Kolej University Polytech Mara?

According to the literature review, training and development is an organized mean of knowledge and skills acquisition required by employees to perform a task to improve their performances in organization. The employees who receive proper training were assumed to have lower turnover rate. The satisfied employee will tend to increase their loyalty and retain to the organization.

From the correlation analysis at KUPTMKL, the result shows that training and development was positively and significantly related to employee retention. It had a moderate positive relationship with employee retention. This finding indicate that the more the organization practice the training and development the higher the employee retention.

These result was supported by the finding Hong et al., (2011) who studied the relationship between training and development and employee retention at in University Tunku Abdul Rahman, and they found that there is significantly positive relationship between independent variable training and dependent variable retention. Besides that, another study of Australian four-five star hotels showed the same result which indicated that training and development increases faithfulness and ownership of employees towards their organizations (Davidson et. al., 2010). Thus, training and development is one of the crucial factor that lead to the employee intention to stay, Thus, research question 1 answered.

5.1.2 RQ2: Is there a relationship between compensation and rewards and employee retention among lecturers at Kolej University Polytech Mara?

Based on the literature compensation is the total amount of the monetary and non-monetary pay provided to an employee by an employer because the employee performed the work as required. The well designed compensation plan make an organization one step ahead than their competitors. It helps to entice the best job candidates, inspires them to perform to their maximum potential and retain them for the long term. In order to gain workforce support and commitment, organizations

should offer remuneration and rewards that are internally and externally equitable as inequity in remuneration is the source of employee discontent and turnover.

Correlation analysis on institution basis indicates that compensation and benefit is positively and significantly related to employee retention. It had a moderate positive relationship with employee retention. This finding means that the better the compensation and benefit or the more favorable of compensation and benefits the higher the employee retention the academic lecturers at KUPTMKL.

Ng'ethe (2013) found in the research that remuneration was significantly related to intention to stay in Egerton University, this means that the more remuneration is favorable the higher the employee retention among the academic staff in public universities. This result is consistent with this research because there are significant relationship between employee retention and compensation and benefit. The research done in University Tunku Abdul Rahman (Hong, Hao, Chaktak, Kiat, & Guan, 2011) also found there is significantly positive relationship between independent variable compensation and dependent variable retention. Thus, research question 2 answered.

5.1.3 RQ3: Is there a relationship between leadership support and employee retention among lecturers at Kolej University Polytech Mara?

Referred to the literature review leadership is one of the critical and important factors in enhancing an organizational performance. Aspects of leadership include relationship with supervisors, relationship with peers, supervision, recognition of employees' efforts and administration. Aspects of leadership include relationship with supervisors, relationship with peers, supervision, recognition of employees' efforts and administration. The employees are prefer to remain with an organization if they confidence that their managers shows interest and care for them, if they know what is expected of them, if they are given a role that fits their capabilities and if they receive regular constructive feedback and recognition.

Correlation analysis on institution basis indicates that leadership is positively and significantly related to employee retention. It had a moderate positive relationship with employee retention. This finding means that the better the leadership practice the employee retention among the academic lecturers at KUPTMKL.

These results are supported by Waleed (2011) who found that leadership style influences intention to stay since when leadership is perceived to be positive, there is increase the employee retention. Gwavuya (2011) also established that leadership had direct influences on lecturer's intention to stay in Zimbabwe. Further, the quality of leadership impacted on turnover decision. Thus, reseach question 3 answered.

5.1.4 RQ4: What is the dominant factor influencing the employee retention among lecturers at Kolej University Polytech Mara?

According to the literature review, remuneration and tenure are the factor that influenced retention. Other than that, human resource factors such as staffing, remuneration and training and development, are the factors that affect staff retention. Compensation, career opportunity, training and development, supervisor support, job autonomy, work life policies and skill varieties leads effective commitment by the organization and also the retention.

The multiple regression analysis findings indicate that training and development in Kolej University Poly-Tech Mara Kuala Lumpur was contributing to employee retention by the lecturers. The training and development indicated the second highest to the employee retention.

The multiple regression analysis findings indicate that compensation and benefit in Kolej University Poly-Tech Mara Kuala Lumpur was contributing to employee retention by the lecturers. The compensation and benefit indicated the highest to the employee retention and it also the dominant factor influenced the employee retention.

The multiple regression analysis findings indicate that leadership in Kolej University Poly-Tech Mara Kuala Lumpur was contributing to employee retention

by the lecturers. The compensation and benefit indicated the lowest to the employee retention.

From the analysis, it can be viewed that among three independent variables, the compensation and benefit played the most influential role in deriving employee retention in KUPTMKL. It was supported based on the highest t-value and beta score as compared to other independent variables used in this study. The result from Regression Analysis displayed that there were significant relationship for three (3) independent variables training and development, compensation and benefits and leadership that had the significant value is <0.05 . It is supported by the previous research of factors influencing job retention and most of them use the compensation and benefit as the independent variable.

5.2 Implication of the Study

Based on the findings of this research, the training and development, compensation and benefit and leadership had significant relationship to employee retention. It is clearly explained that these three factors were effective approaches for supervisors, managers and human resource practitioners in order to retain their talented employees in the company. This practical implication may be applicable to other Kolej University Poly-Tech Mara or to other education industry in order to develop their strategy of employee retention.

5.3 Recommendations

From the result of the finding, there are some recommendations for the Kolej University Poly-Tech Mara Kuala Lumpur in strengthening their employee retention program. Focusing on the important factors is the perfect ideas for employee and employer benefits. Therefore from the results, compensation and benefit will be main focus in influencing employee retention at the Kolej University Poly-Tech Mara Kuala Lumpur. This is follows by other two independent variables, training and development and leadership.

5.3.1 Compensation and benefit

Based on the findings, it is recommended that the organization should conduct the annual market survey and revised their current salary package and policy according to the current market rate that suitable for the position. It is because the compensation and benefit is one of the crucial factor that contribute to the employee motivation to stay. Besides that, it is also one of the way for the organization to be one step ahead than their competitor. When the compensation package is prepared well the organization can retain their existing staff at the same time attract the good potential employee to join their organization.

Based on the survey the researcher found that the organization did not offer the other allowances for lecturers. The lecturer only receive the basic salary without any other additional allowances. Thus, the organization should consider the relevant allowance such as cost of living adjustment allowance, housing allowance and many

more. The organization should take the improvement action. Otherwise, the organization may lose talented employees because of unsatisfactory of salary raises.

5.3.2 Training and development

It is suggested that organization should revise their training policies to ensure everyone has their equal opportunities to involve in training activities. Some of the respondent comment in the survey that, the organization should organize or provide the relevant and related training to the lecturer because some of the training provided are not suitable for them.

It is also suggested that the organization should increase financial support for conferences and workshop in both local and international level in order to help academic staff keep up-to-date with the best practices in their profession. In addition attending the conference also one of the aspect that be measured in their Key Performance Indicator (KPI).

5.3.3 Leadership

It is suggested that the leadership in these organization should present the favorable leadership practices to improve retention among lecturers. It is because leadership is one of the factors affecting retention. The organization should improve the area in leadership pertaining to the area of involvement of staff in decision making and communicating regularly. The monthly employee engagement session should be organized regularly in order to enable the staff voice out their idea and clear channel

of employee-employer communication should be established. The research recommends continuous management capacity development so that the leaders can keep abreast with trends in people management to enhance retention of the employees.

5.4 Suggestions for Future Research

The purpose of this study is to understand the factors influencing the employee retention in Kolej University Poly-Tech Mara Kuala Lumpur. Therefore, the three factors training and development, compensation and benefit and leadership selected in this study may not adequate to understand the trend of employee retention at the organization. It is recommended to study on other factors that probably give strong influence to the employee retention such as working environment, flexible working hours or performance management.

It is also suggested that in future research to use a qualitative approach or combine qualitative with quantitative in the study. It is because if the research combine both qualitative and quantitative approach more information and area can be gathered. The target groups of respondents must be identified and studied in terms of demography in order to get accurate results. In addition, the duration of respond time should be considered for the future research which to conduct the survey at the right time and with more time provided for the feedback. This is to avoid respondents from being forced to answer the questionnaires that may impact to their feeling.

5.5 Summary

Employee retention is required for the organization. According to the literature employees is very important for the survival of an organization. Thus, retaining talented employees are very crucial for every organization. Employees can be define as an individual who have the skills, knowledge, capability and experience to fulfill the present and oncoming job demands of companies. Employee retention is the concerned with retaining or encouraging employees to stay in an organization for a long period. There are a negative impact on organization when employees leave, especially on productivity, service and profitability.



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**FACTORS INFLUENCING EMPLOYEE RETENTION AMONG LECTURER AT KOLEJ UNIVERSITY POLYTECH
MARA**

Nurul Hidayah binti Aziz

818744

Dear Respondents:

I am a student of Master in Human Resource Management at University Utara Malaysia. I am conducting my final paper with title - **FACTORS INFLUENCING EMPLOYEE RETENTION AMONG LECTURER AT KOLEJ UNIVERSITY POLYTECH MARA** in purpose of completing my Master program.

The purpose of this study is to determine the significant relationship between the variables (Training and Development, Compensation and Benefit, and Working Environment) and employee retention. This study will help us to understand more about the factors in which affect the lecturers to be retained in their job.

There are 3 parts included in this questionnaire which that **Part A** is about the personal details of the respondents; **Part B** is the general information on employee retention while **Part C** is related to the factors (Training and Development, Compensation and Benefit, and Leadership) that influence the employee retention. **Part D** is suggestion from respondent.

Finally, please read the instructions carefully before answering the questions.

Thank you for your cooperation and willingness to answer the questionnaire. Your response will be kept confidential and be used solely for academic purpose.

Thank you.

Section A: Personal detail

Tick your answer in the appropriate box.

1. Gender:

- Male
- Female

2. Marital status:

- Single
- Married

3. Education level

- Degree
- Master
- PHD
- Others (please specify) _____

4. Age:

- Below 30 years old
- 31-40 years old
- 41-50 years old
- Above 50 years old

5. How long you have serviced in the organization?

6. Department:



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Section B: Dependent Variable

The statement in this section is related to employee retention in Kolej Univesity Polytech MARA

Please circle the number that best reflects your opinion about the statement using Likert scale which that [(1) = strongly disagree, (2) = disagree, (3) = neutral, (4) = agree and (5) = strongly agree]

Employee Retention

Statement	(SD)	(D)	(N)	(A)	(SA)
1. I plan to work at my present job for as long as possible	1	2	3	4	5
2. I am actively searching for an alternative to this University	1	2	3	4	5
3. I would hate to quit this job	1	2	3	4	5
4. As soon as is possible, I will leave this University	1	2	3	4	5
5. I am in this university for lack of an alternative employer	1	2	3	4	5

Section C: Independent Variable

The statement in this section is related to the factors (Training and Development, Compensation and Benefit, and Leadership) affecting employee retention. According to your experience as a lecturer, please circle the number that best reflects your opinion about the statement using 5 Likert scale which that [(1) = strongly disagree(SD) , (2) = disagree(D) , (3) = neutral(N) , (4) = agree(A) and (5) = strongly agree(SA)]

C1. Training and Development

Statement	(SD)	(D)	(N)	(A)	(SA)
1. The skills and knowledge learnt on the job in this University would transfer easily to most other similar organizations	1	2	3	4	5
2. I am satisfied with the training by the University for my present job	1	2	3	4	5
3. Training opportunities are offered regularly in this university	1	2	3	4	5
4. Financial support is regularly given by the University to attend conferences and workshops to enhance my professional growth	1	2	3	4	5
5. The university readily invests in professional	1	2	3	4	5

development for the academic staff					
6. What is stated in the training policy is what is practiced always	1	2	3	4	5
7. Fairness is practiced all the time in the implementation of training policy for the academic staff	1	2	3	4	5
8. This university has good training opportunities compare with other organizations	1	2	3	4	5
9. Training opportunities outside the country influences staff to quit	1	2	3	4	5
10. I am satisfied with the training practices in this university	1	2	3	4	5

C2 Compensation and benefit

Statement	(SD)	(D)	(N)	(A)	(SA)
1. The salary I earn is adequate to meet my desired needs and aspirations	1	2	3	4	5
2. I am satisfied with the amount of remuneration I receive for my work	1	2	3	4	5
3. The university offers attractive allowances(House, travel, leave etc.) to academic staff	1	2	3	4	5
4. Salary raises are regular in this university	1	2	3	4	5
5. I am satisfied with the amount of salary I earn compared to other employees in other organizations with similar qualifications	1	2	3	4	5
6. I am satisfied with the amount of salary I earn compared to other academic staff in this University with similar qualifications	1	2	3	4	5
7. Salary raises are rare in this university	1	2	3	4	5
8. The university provides adequate part-time opportunities to supplement academic staff earnings	1	2	3	4	5
9. The remuneration in this university is competitive	1	2	3	4	5
10. Overall the financial rewards I receive from this university are fair	1	2	3	4	5
11. The university provides regularly salary supplements inform of bonus	1	2	3	4	5
12. Financial incentives such as bonus are allocated fairly and in a transparent manner	1	2	3	4	5

C3 Leadership

Statement	(SD)	(D)	(N)	(A)	(SA)
1. Organizational Leadership style in this university makes positive contribution to the overall effectiveness of the organization	1	2	3	4	5

2. My manager treats every one fairly	1	2	3	4	5
3. Leaders/supervisor assists individual lecturers in their personal problems	1	2	3	4	5
4. Leadership/supervisors represents my needs, ideas and suggestions to his/her manager	1	2	3	4	5
5. The leaders often involves staff in decision making, problem solving and policy making in the university	1	2	3	4	5
6. Leaders/supervisor rarely assists individual Lecturers in their personal problems.	1	2	3	4	5
7. I have the opportunity to interact with management above my immediate supervisor	1	2	3	4	5
8. I am satisfied with the competence of the supervisors and Leadership in this University	1	2	3	4	5
9. The leadership of this university listens to and addresses staff issues promptly	1	2	3	4	5
10. The leaders communicates to staff regularly on matters important to them	1	2	3	4	5
11. I am satisfied with the leadership style of the Managers in this university.	1	2	3	4	5

Section D: Suggestion

Thank you

FREQUENCY

Statistics

		GENDER	STATUS	EDUCATION	AGE	YEARS_SERV ICE
N	Valid	114	114	114	114	114
	Missing	0	0	0	0	0

GENDER

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	38	33.3	33.3	33.3
	FEMALE	76	66.7	66.7	100.0
Total		114	100.0	100.0	

STATUS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SINGLE	17	14.9	14.9	14.9
	MARRIED	97	85.1	85.1	100.0
Total		114	100.0	100.0	

EDUCATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BACHELOR DEGREE	11	9.6	9.6	9.6
	MASTER	101	88.6	88.6	98.2
	PHD	2	1.8	1.8	100.0
Total		114	100.0	100.0	

AGE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<30 YEARS OLD	26	22.8	22.8	22.8
	31-40 YEARS OLD	68	59.6	59.6	82.5
	41-50 YEARS	18	15.8	15.8	98.2
	>50 YEARS	2	1.8	1.8	100.0
	Total	114	100.0	100.0	

YEARS_SERVICE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	4-10 YEARS	70	61.4	61.4	61.4
	11-15 YEARS	28	24.6	24.6	86.0
	16-20 YEARS	10	8.8	8.8	94.7
	>20 YEARS	6	5.3	5.3	100.0
	Total	114	100.0	100.0	

RELIABILITY TEST

Case Processing Summary

		N	%
Cases	Valid	114	100.0
	Excluded ^a	0	.0
	Total	114	100.0

a. Listwise deletion based on all variables in the procedure.

Case Processing Summary

		N	%
Cases	Valid	114	100.0
	Excluded ^a	0	.0
	Total	114	100.0

LEADERSHIP

Reliability Statistics

Cronbach's Alpha	N of Items
.924	11

COMPENSATION

Reliability Statistics

Cronbach's Alpha	N of Items
.930	12

TRAINING

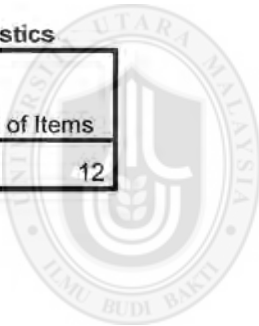
Reliability Statistics

Cronbach's Alpha	N of Items
.855	10

RETENTION

Reliability Statistics

Cronbach's Alpha	N of Items
.931	5



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PILOT TESTING

Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded ^a	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.970	5

Reliability Statistics

Cronbach's Alpha	N of Items
.960	5

Reliability Statistics

Cronbach's Alpha	N of Items
.865	10

Reliability Statistics

Cronbach's Alpha	N of Items
.940	12

Reliability Statistics

Cronbach's Alpha	N of Items

Reliability Statistics

Cronbach's Alpha	N of Items
.948	11

CORRELATION

Correlations

		RETENTION	TRAINING	COMPENSATI ON	LEADERSHIP
RETENTION	Pearson Correlation	1	.672**	.669**	.609**
	Sig. (2-tailed)		.000	.000	.000
	N	114	114	114	114
TRAINING	Pearson Correlation	.672**	1	.653**	.637**
	Sig. (2-tailed)	.000		.000	.000
	N	114	114	114	114
COMPENSATION	Pearson Correlation	.669**	.653**	1	.607**
	Sig. (2-tailed)	.000	.000		.000
	N	114	114	114	114
LEADERSHIP	Pearson Correlation	.609**	.637**	.607**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	114	114	114	114

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

REGRESSION

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	LEADERSHIP, COMPENSATI ON, TRAINING		Enter

a. All requested variables entered.

b. Dependent Variable: RETENTION

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.751 ^a	.565	.553	3.32417

a. Predictors: (Constant), LEADERSHIP, COMPENSATION, TRAINING

b. Dependent Variable: RETENTION

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1577.060	3	525.687	47.573	.000 ^a
	Residual	1215.510	110	11.050		
	Total	2792.570	113			

a. Predictors: (Constant), LEADERSHIP, COMPENSATION, TRAINING

b. Dependent Variable: RETENTION

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.113	1.580		-.705	.482
	TRAINING	.262	.072	.328	3.613	.000
	COMPENSATION	.174	.046	.336	3.828	.000
	LEADERSHIP	.114	.050	.196	2.272	.025

a. Dependent Variable: RETENTION

Residuals Statistics^a

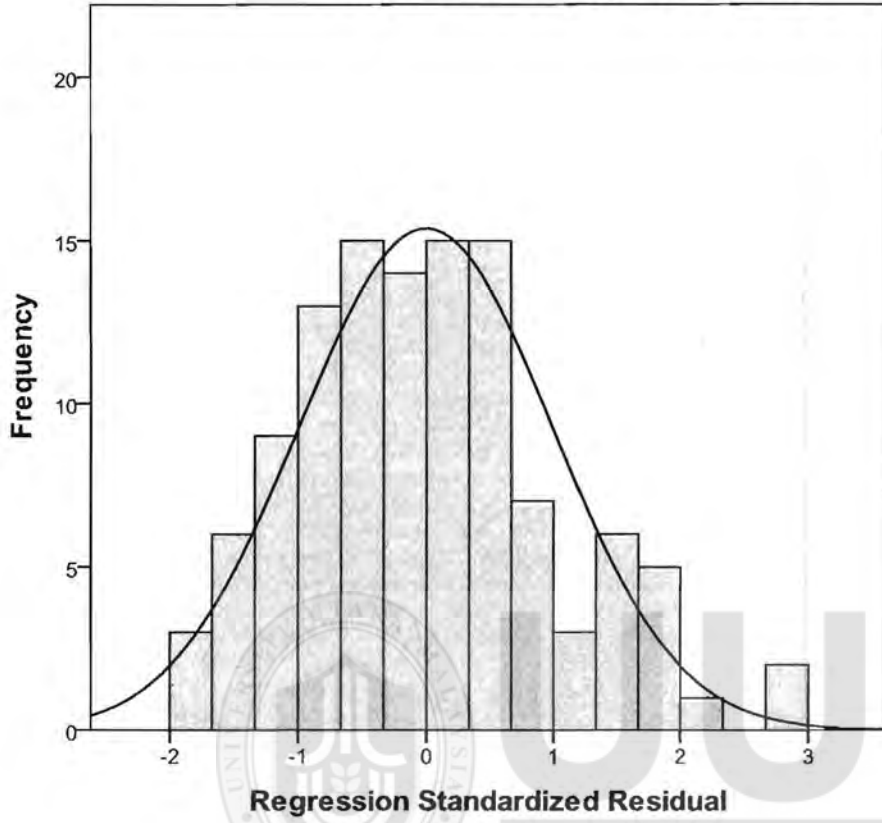
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	7.2210	22.7288	15.2719	3.73581	114
Residual	-5.99160	9.90756	.00000	3.27974	114
Std. Predicted Value	-2.155	1.996	.000	1.000	114
Std. Residual	-1.802	2.980	.000	.987	114

a. Dependent Variable: RETENTION

Histogram

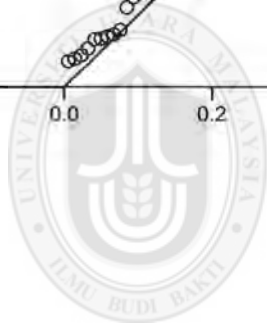
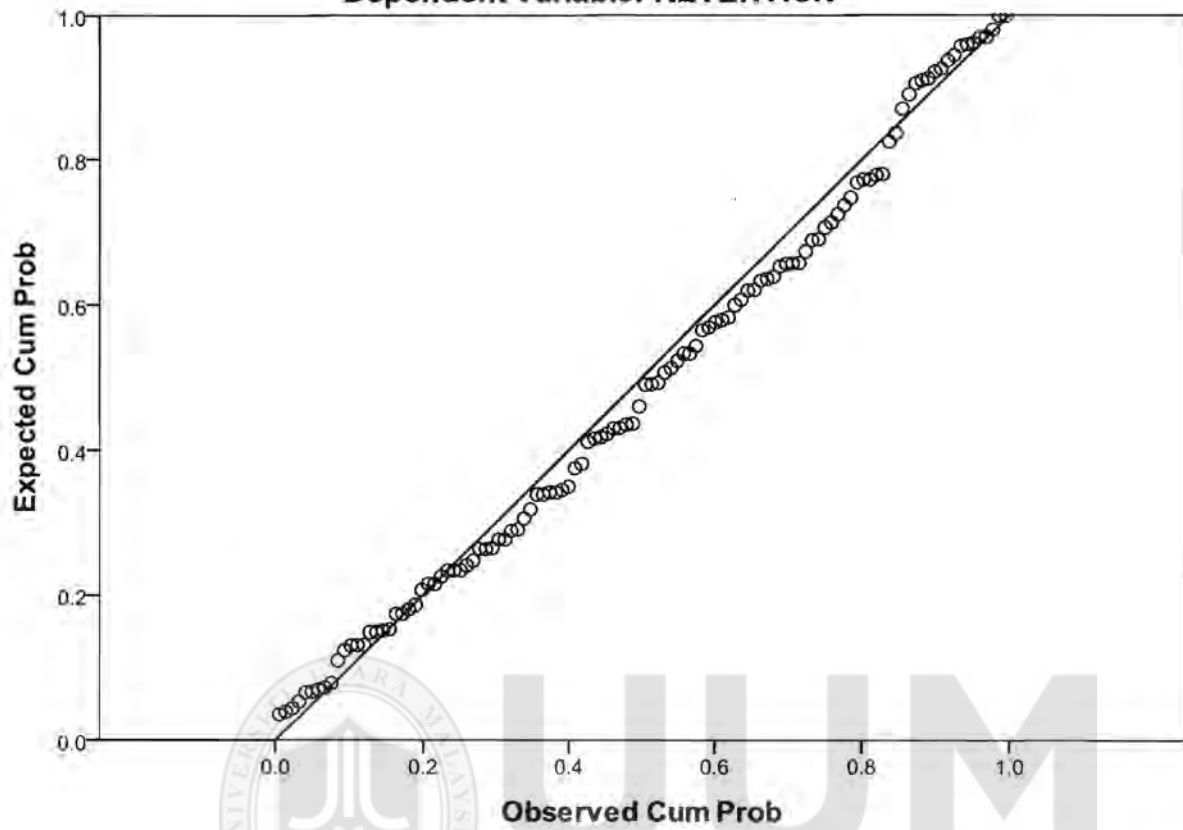
Dependent Variable: RETENTION

Mean = -5.81E-17
Std. Dev. = 0.987
N = 114



Normal P-P Plot of Regression Standardized Residual

Dependent Variable: RETENTION



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