HIGH INVOLVEMENT HUMAN RESOURCE MANAGEMENT (HRM) PRACTICES AND EMPLOYEE RETENTION AMONG MANUFACTURING EMPLOYEES

By

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ABSTRACT

Due to the current industrialized market economy in Malaysia, employee retention has become a significant challenge and requires the focus and consideration of many organization especially manufacturing sectors. Manufacturing companies in Negeri Sembilan, Malaysia have contributed to the country‘s economy growth and continue to require large number of employees with specific skills and knowledge in each division to maintain its competitive position and in order to develop its national business. Thus it is important to understand the factors influencing employee retention in manufacturing industries. This study is to determine the impact of High Involvement Human Resource Management (HRM) Practices on employee retention among employees in manufacturing industries. The main objective of this study is to analyze the relationship between independent variables with employee retention among manufacturing employees. The significance relationship was shown between the independent variable competencies, performance management and career development with employee retention and the strongest significance relationship was competencies with highest beta value. Meanwhile insignificant relationship was shown between independent variable compensation and employee retention among manufacturing employees. Concluding from the research findings competencies and employee‘s skills influencing to high level of employee retention among employees in manufacturing industries.

Keyword: Employee retention, competencies, performance management, compensation, career development, skilled workers, High Involvement HRM practices

ABSTRAK

Ekonomi pasaran perindustrian semasa di Malaysia mengakibatkan pengekalan pekerja menjadi cabaran besar dan memerlukan tumpuan dan pertimbangan dari organisasi-organisasi terutamanya sektor pembuatan. Syarikat perkilangan di Negeri Sembilan, Malaysia telah menyumbang kepada pertumbuhan ekonomi negara dan terus memerlukan sejumlah besar pekerja dengan kemahiran dan pengetahuan khusus di setiap bahagian untuk mempertahankan kedudukannya yang kompetitif dan untuk mengembangkan perniagaan nasionalnya. Oleh itu, penting untuk memahami faktor-faktor yang mempengaruhi pengekalan pekerja dalam industri pembuatan. Kajian ini adalah untuk menegetahui penglibatan tinggi pengurusan sumber manusia dan kesan amalan terhadap pengekalan pekerja di kalangan pekerja di industri pembuatan. Objektif utama kajian ini adalah untuk menganalisis hubungan antara pemboleh ubah bebas dengan pengekalan pekerja di kalangan pekerja-pekerja industri pembuatan. Hubungan yang signifikan ditunjukkan antara pemboleh ubah bebas kompetensi, pengurusan prestasi dan pembangunan kerjaya dengan pengekalan pekerja dan hubungan signifikan terkuat adalah pemboleh ubah bebas kompetensi dengan nilai beta tertinggi. Manakala hubungan yang tidak signifikan ditunjukkan antara pemboleh ubah bebas pampasan dengan pengekalan pekerja dikalangan pekerja pembuatan. Kesimpulan dari hasil kajian ialah kompetensi dan kemahiran pekerja mempengaruhi tahap pengekalan pekerja yang tinggi dikalangan pekerja-pekerja industri pembuatan.

Kata kunci: Pengekalan pekerja, kompetensi, pengurusan prestasi, pampasan, pembangunan kejaya, pekerja mahir, penglibatan tinggi pihak pengurusan sumber manusia (HRM)

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LIST OF ABREVIATIONS

HI HRM	High Involvement of Human Resource Management
NBE	National Bank of Egypt
BPO	Business Process Outsourcing
EE	Employee Retention
CT	Competencies
PM	Performance Management
CS	Compensation
CD	Career Development

CHAPTER ONE

INTRODUCTION

1.0 Background of Study

Employees are one of the important factor to drive the organization‘s objective and goals. The strongest asset of an organization is the people or the workforce (Cattermole, 2019). In an organization Human resource is considered as the most valuable strength (Azeez, 2017). Technology has been advance but HRM still playing the important role in order to ensure the business growth and the profitability of any organization. The challenges facing by most of organization today is not only to manage its employees but also to retain them (Azeez, 2017).

Malaysia was ranked third in 2018 in the world top manufacturing locations (Business Circle, 2018). This shows that the manufacturing industry drives the country‘s economy growth and in order to achieve sustainable national income Malaysia also focus from primary industry to secondary industry (Malaysia Economic Report 2013).

The manufacturing sector revolution has been greatest influence on labor markets (Bowen, Duffy and Fankhauser, 2016). Through this largest direct foreign investors was attracted successfully by Malaysia and become the major contributor for the country‘s economy growth. However in the current global business environment, manufacturing sectors are facing critical workforce management challenges driven by employee reliability concerns and indirectly influence employee retention in an organization. This situation called – ―Employee Turnover‖. Employee turnover becomes critical issue thus the management began to introduce – ―Employee

Retention" to retain the valuable employees (Samal, 2014). Turnover rate in Malaysia in year 2017 was 12.8% comparing with turnover rate in all major Asia- Pacific markets (AsiaOne, 2016).

In addition in The State of Negeri Sembilan, the new area namely the Malaysia Vision Valley (MVV 2.0) has been attracting more business investors. In the speech by MIDA Deputy Chief Executive Officer on 21 February 2020 highlighted that the state has competitive and comparative advantages, and the local authorities will encourage more foreign investors. These projects has created over 100,000 job opportunities in manufacturing industries in the state of Negeri Sembilan.

In view of this the globalization, urbanization and digitalization within the new generation has create countless opportunity for the employees to have easy access to better prospects. This gives the younger generation of employees many choices to enhance their career and decide to leave an organization in short duration, directly lead to high turnover rates in an organization (Bandana, 2018). This situation has forced HRM to compete and act in order to find a solution to discourage employees moving from one organization to another organization (Bandana, 2018).

In order to overcome the turnover issues high involvement human resource management (HI HRM) practices is used as a major tools for HR personnel in a challenging business industries. Developing the various practices is important for the sustainability of the workforce in an organization in long term (Muhammad Yasir and Abdul Majid, 2020).

Even though an evidences found that high involvement (HI HRM) practices have significant influence for organizational performance and productivity but former researcher of employee retention may not be able to identify factors regarding high involvement human resource management (HI HRM) practices to retain skilled and motivated employees in manufacturing industry.

Studies have claimed that implementing best practices of human resource management, like conducting activities that beneficial to employee such as rewards, compensation, career development, recruitment, training and development is an opportunity to improve employees' ability to balance the demands of their personal and professional lives, and develop of positive attitudes toward their employer (Muhammad Yasir and Abdul Majid, 2020). In view of this to differentiating from the past studies, this study is to determine HI HRM practices lead to higher impacts on employee retention in manufacturing industry.

1.1 Problem Statement

A similar study conducted by Komal and Samina (2018) to investigate the relationship in between employee retention and compensation in manufacturing sector as well as service sector in Pakistan. Through their study, they find that there is a significant relationship between employee retention and employee participation and employee compensation moderates the relationship type. The overall finding of the study was both manufacturing and service sectors should implement such HRM practices in order to develop employee engagement as well as to enhance employee retention.

According to Nivethitha, Kamalanabhan and Lata (2017), in the research that has been conducted shows that the effect of four human resource management practices such as selection, training, career growth and compensation on employee turnover intention shall be monitored often and highlight proactively to fulfill the needs of employees. By focusing on human resource management practices the organizations will have more opportunity to retain their employees for long term. She added that employee with high competencies shall be retain to enhance the performance of an organization and to maintain sustainable development.

A research conducted by Alfred, Banjo and Doren (2015), the researcher examine the effectiveness of HRM practices in approaching employee retention and try to find the relationship that employee retention can be enhanced by developing the compatibility between organizational values and employee. The outcome was the relationship between employee and organization values was positive and the effects of HRM practices on employee retention was partial. They also indicated that there is a limitation of traditional HRM practices impact on employee retention. This is because of HRM practices like training and development, wages, reward, compensation, benefits and career growth opportunities are standardize as well as categorized. In view of this, according to Alfred, Banjo and Doren (2015), the traditional HRM practices considered weak sources therefore study has been conducted towards the role of the fit between organizational and employee values towards employee retention.

A study that have been conducted in Kenya by Ednah and Dr Geoffrey (2017), the study findings shows that compensation has significant relationship with employee

retention among the management and all employees of University of Eldoret. Through the study the recommendation made was the rate of compensation should be more or improved to ensure the higher level of employee retention. They found that the organization should consider on HRM practices such as training and development, upgrading skill opportunities and career growth to attract and to enhance employee retention.

In the opinion of Kundu and Lata (2017) supportive work environment has significant relationship with employee retention. The supportive work environment (SWE) as an independent variable also includes perceived climate, supervisory relationship, peer group interaction, perceived organizational support. This study was conducted in both manufacturing and service sectors in Indian organization. The result concluded that supportive work environment (SWE) is a very critical factors in predicting the employee retention. The study determined that if employees facilitated with coaching, guidance, with good buddy system and peer relationship together with organizational support they will be more committed and tend to stay with same organization for long duration.

Although many studies from several industries found that involvement of management practices developed a good vibes to attract and to retain employees, hence this study is aim to provide specific investigation because of the fact that every industries, organization, organizational culture, employees expectation and the culture are unique and subjective. This study therefore seek to fill the gap by examining the HI HRM practices on employee retention in manufacturing industries.

Studies in several industries have stated the inconsistency of the relationships between HI HRM and employee retention (Subramaniam C, Choo LS and Johanim J, 2019). Therefore this study is to further confirm the effect on HI HRM practices particularly in Manufacturing Industry in Sendayan Tech Valley, Seremban Negeri Sembilan.

1.2 Research Objective

The objective of this research is to identify the relationship of high involvement human resource management practices in terms of competencies, performance management, compensation and career development towards manufacturing employee retention. To facilitate this, the following objectives have been addressed in providing answers to the research questions:

1. To determine the relationship between competencies and employee retention among manufacturing employees.
2. To determine the relationship between performance management and employee retention among manufacturing employees.
3. To determine the relationship between compensation and employee retention among manufacturing employees.
4. To determine the relationship between career development and employee retention among manufacturing employees.

1.3 Research Questions

The following questions need further discussion upon the issues that have been addressed in the research problem. The research questions are as follows:

1. Is there any relationship between competencies and employee retention among manufacturing employees.

2. Is there any relationship between performance management and employee retention among manufacturing employees.
3. Is there any relationship between compensation and employee retention among manufacturing employees.
4. Is there any relationship between career development and employee retention among manufacturing employees.

1.4 Scope of Research

The study aims to investigate the impact of high involvement human resource management practices on employee retention among manufacturing employees in Sendayan Tech Valley, Seremban Negeri Sembilan.

1.5 Significance of Research

Firstly, it is expected that the study would highly benefit the organization, employers and employees in manufacturing sectors by improving the HI HRM practices in order to retain the highly skilled and motivated employees directly to enhance productivity and the economic growth of the company.

Second, this will be guidance for the Human Resource Personnel to carrying out strategies in employee retention program and enhance the performance of the workforce in an organization.

Third, this research will be beneficial for private and public authority such as Industrial Relation Department and Labor Union as well as training providers in designing future programs for employee retention.

Fourth the findings obtained in this study are expected to provide additional insight and assisting the future research to adopt new approach of exploration for new potential variables.

1.6 Key Definition of Terms

1.6.1 Retention

Retention described as ~~a~~n obligation to continue to do business or exchange with a particular company on an ongoing basis" (Zineldin, 2000).

1.6.2 Competencies

Competency is describe as ability. This is a set of relevant but various sets of behaviors organized and also named as ~~i~~ntention". The behaviors are alternate appearances of the intention interpreted according to various circumstances, needs and situation (Boyatzis and Boyatzis, 2008).

1.6.3 Performance Management

Performance management defined as a systematic approach to improve individual and team performance in order to achieve organizational goals (Armstrong and Baron, 2005).

1.6.4 Compensation

Compensation is an employer provided monetary or non-monetary for their employee as a reward based on the requirement for the work performance (Patnaik and Padhi, 2012).

1.6.5 Career Development

The term career development is the pattern of factors such as psychological, sociological, educational, physical, economic, and chance that combine to mold an individual behavior towards career over the life span (Sears, 1982) and the involvements that are used "to enhance a person's career development or to enable that person to make more effective career decisions" (Spokane, 1991).

1.7 Organization of the Thesis

There are five chapters in this research. The result of the research has been discussed. Chapter one (1) includes introduction to the study, background of the study, problem statement, research objective, research questions, scope of research, the significance of research, key definition of terms and organization of the thesis. Chapter two (2) reviews introduction to literature review, the definition of the dependent and independent variables, review of previous journals which is similar to the variable, relationships between the variables and the theory relates to the study. Chapter three presents the research framework, research hypothesis, research design, research population and sampling technique, instrument development, response format, research questionnaire design, data collection procedures, statistical analysis procedures and summary of chapter three (3). Chapter four illustrates the results of the analysis for data, coding and recoding of the items, normality test, validity and reliability test, descriptive analysis, Pearson Correlation analysis and Multiple Regression test. Chapter five describe the summary of research findings, discussions, research contribution and implications, limitations, future recommendation, and conclusions.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviewed the previous research and selected relevant literatures to the related variables in this study, those are employee retention, competencies, performance management, compensation and career development. This chapter explains the need for retaining manufacturing employees. Literature review will lead to a better understanding of the problem (Sekaran and Bougie, 2013), and based on the literature review, a research framework will be formed and presented. Finally, hypothesis will be developed by the researcher to identify the relationship between IV and DV.

2.1 Employee Retention

Employee retention is well-defined as ―commitment to continue to perform business or service either exchange with a particular company on a long term basis" (Zineldin, 2000). A research put forward by Chaminade (2007) explained that ―Retention is a voluntary moves made by an organization to build an environment and engages employees for the long duration."

Employee retention always a debatable topic globally. Recruiting and make the skilled employees stay in an organization is the main concern for employers. Organizations shall attract and retain skilled workers to ensure well organize management in long term (Cliffe, 1998). The challenges the organization facing is retaining skilled employee once the employee gained experience and knowledge. It is

also known as a process of physically retaining employees in an organization as it is the basic fundamentals that are necessary for organizational success (Aguenza and Som, 2018). According to Kulshreshtha and Kumar (2005) indicate that employers realize there are many factors determine an employee‘s stay in an organization. Salary is not the only factor motivates the employees, but other rewards like challenging job, clarity of work, providing to training essential and many more. Employers realize there are lots of external opportunities available in the market for excellent and intelligent performers in comparison with weak performers and this lead to voluntary separation and increase turnover rates.

According to Pettman (1975) the organization can prevent employee turnover if timely and proper measures and action are taken. External environmental factors such as economy stability, type of industry, occupational category, organization size, salaries, leadership, location, hiring process, work condition, job responsibilities, compensation and benefits, rewards, promotion and others may lead to employee turnover as well.

Gberevbie (2008) Defined that employees will surely stay and work towards organizational goals and objective if the strategy of employee retention is practiced in an organization. As defined by Acton and Golden (2003), in retaining the employees in an organization, human resource department plays an important role. Human resources management practices for betterment of employees such that employee would be satisfied and motivated to continue in the service for long duration. This explained that employee retention also means retention of valued skills.

The new generation are expecting the concern from the superior towards their subordinates individual emotion and satisfaction level from the working situations and the job. The higher the employee retention in an organization the lesser training program need to be conducted, cost saving in hiring processes, increase employee‘s performance, high in productivity as well as profit therefore meet the business needs and the goal of an organization (Oladapo, 2014)

The biggest challenge for an organization is the retention and engagement of high potential employees. It may be a situation that sometimes even engaged employees decided to look for better opportunity if dissatisfied with the result or performance of an organization, thus this research investigates high involvement human resource management practices that influence employee retention. This research discussed the human resource management practices leads to motivation factors that are crucial in influencing employee retention such as competencies, performance management, compensation and career development. Organization shall communicate appropriate strategies of retention to minimize turnover rates and needs commitment from employers but still be well worth the investment in the long term (Aguenza and Som, 2018).

2.2 Competencies

Organization had first initiated competency based approached internally around year 1970 and most of the organization was developing the idea rapidly. David McClelland has had introduce the idea of competency in year 1973. He implemented this in the human resource recruitment process with intention to increase the effectiveness in the process.

In the view of Wattamwar (2016), competency is the combination of major criteria such as skills, knowledge and attitudes that support an individual to be able or competent to perform job successfully. Development of competencies is important for an employee to be able and to accomplish the given task successfully at any point of time. In the current situation developing and organizing competitive activities need to be given extra focus within organization (Sanghi, 2007).

In the new era, employee‘s competency and skill will determine the success of an organization. There has been a lot of debatable discussions about the strategy of business throughout the years especially about the needs of business in order for competencies to compete in a competitive business atmosphere. In the opinion of Sanghi (2007) among many organizations, the most survival organization is the one that practice competencies as a core criteria and shall have more advantages in comparison with other organization. In any established organization an evaluation on competency increase motivation and job satisfaction among employees also lead towards employee retention (Wattamwar, 2016).

Human resource management practices shall provide an important category of practices that have solid effect on the growth of employee‘s knowledge, expertise and motivation also concluded as competency towards task performed by an individual (Jiang and Men, 2015).

2.2.1 Relationship between Competencies and Employee Retention Based on Previous Studies

A study conducted by Eglal, Reem, and Eahab (2017) consists of 105 administrative respondents work at Ain Sham University (public University). Talent management includes of job enrichment has a significant impact on employee retention. This study investigates on how competencies or job enrichment influence employee retention in a higher education in Egypt. This study shows that there is a correlation between the components of job enrichment / career development and employee retention. The correlation findings between competencies (job enrichment) and employee retention are positive and significant, the dimension value is r= 0.512 with *t*=4.521 and has a significant coefficient value.

A study were carried out by Younas and Bari (2020) on retaining Gen Y employees by investigating the relationship with competency development through talent management practices in software firm at house of Punjab, Pakistan. The Cronbach's Alpha value in this research for competency development was 0.865, meanwhile the R^2 values of competency development and employee retention is 0.597. The *t* value for competency development is *t*=0.917 and in the coefficient analysis result showed significant positive relationship with employee retention.

2.3 Performance Management

The competitive advantage of an organization measures through managing the performance of their employees (Nyamjom, 2013). As mentioned by Mahapatro (2010), talent management in an organization shows increase in significant, this

means that organization reviewing their organization performance management to streamline with the need to nurture and retain employee.

Byham (2001) indicated that performance management is used to recognize the capability of an employee, develop the employee individual development plan and to associate the employee performance with the succession planning or talent pool. Mathias and Jackson (2006) added that performance management contains of processes such as identifying, measuring and communicating then to train and develop the employee and reward the employee for their good performance. This allows the organization to be able to train and develop their existing talent so they are able to perform better in their tasks assigned.

Performance management contributes in increasing employee engagement and to motivate employee by giving positive feedback and recognition (Armstrong, 2006). Performance management is also define as a method in creating shared vision of the organization by assisting employee in understanding and role in contributing the performance of both the employee and organization (Fletcher, 2001). When the leadership and employee having and sharing the same vision lead to better understanding between the leadership and employee and eventually contribute to the organization performance.

Hong, Hao, Kumar, Ramendran and Kadiresan (2012) in their research on effectiveness of human resource management practices on employee retention studies on how employee is being regards for its importance of their empowerment, job design through training and expectancy and equity of compensation toward effective

performance management on employee retention. The studies found out that performance management is significant to employee retention. In addition Thiriku (2013) mentioned that on factor affecting employee retention also discovered that if the organization is weak in performance management practices it will result in low employee retention. This showed that the more effective the organization performance management it will result higher employee retention.

2.3.1 Relationship between Performance Management and Employee Retention Based on Previous Study

Study has been conducted by Chandrakantan, Ling and Johanim (2019) on factors effecting on employee retention. The study have 130 participants from semiconductor manufacturing background in Malaysia. The performance management practices was one of the independent variable indicated and the finding was performance management has a positive relationship with employee retention. The Beta value was positive β =.204, t=1.701 ($p<0.05$) and the result shows high significant level in between performance management and employee retention.

Fahim (2018) Conducted research to explore the strategic human management (SHRM) aspects influence on employee retention at National Bank of Egypt (NBE) one of the crucial entity in Cairo. Among 300 of population size, 200 sample size was chose and 150 responded. The independent variable performance management has a significant positive effect at confidence level 95 per cent on employee retention. The result in this studies shows that the value of β=0.5499, significance is 0.00 ($p<0.005$) R^2= 0.158. This shows that there is a positive and significant relationship between performance management and employee retention.

2.4 Compensation

As indicated by Zobal (1998) compensation, incentive, appreciation and remunerations are terms used in different situations. Compensation interpreted differently by different individual. Employee will be rewarded by employer monetary or non-monetary as to compensate for the job done as per the requirement by the organization (Patnaik and Padhi, 2012).

In an organization‘s aspect, employee retention is particularly important. In addition to attract and to retain the employee in an organization the best incentive the company can offer is compensation and benefits. The most powerful tool for retention and turnover is compensation, besides this it is also a motivating factor to retain the employee with an organization

In addition compensation also a motivator for an employee to be committed to the organization, which in result enhances attraction and retention Zobal (1998), as such, the important mechanisms of compensation are subject to wages, incentives, rewards, recognition or bonuses which attracts best employee (Chiu, Luk and Tang, 2002).

Basically compensation is implemented to increase employee‘s motivation and to involve them to perform better with their work (Gerhart, Minkoff and Olsen, 1995).

As stated by Armstrong and Murlis (1998) for an employee to stay in an organization, compensation will be an important factor and this can be assured by financial or non-financial benefits. Besides that, the performance of the employee will also increase. According to Hameed Ramzan and Zubair, (2014) indicated that employee will be

willingly continue with their service with an organization if the benefits is equally compensate to their effort. An organization shall developed and modified its compensation benefits in order to attract highly skilled and qualified employee. Fairly manage of wages packages will meet the employee satisfaction especially among the same level of employees, meanwhile the employees who is not satisfy with the pay benefit will leave the organization and directly contribute to high turnover rate (Mitchell, Holtom and Lee, 2001). Effective and systematic salary packages attracts employee to be attached with an organization for long term. Employee who gets better reward and feel appreciated would like to stay until their self-interest is fulfilled. An employee can switch if they get better opportunity externally (Moncarz, Zhao and Kay, 2009).

In the current situation, most of the organization is facing a challenge in searching a balance with compensation and employee retention. How to develop a base pay structure for retaining employee is an issue for most organizations (Farndale, Scullion and Sparrow, 2010). According to Hall and Jones (1999), they stated that structures could consist of job level and salary ranges, which are assigned to each of the levels. If employees feel they are suitable levels, they will believe that they are being treated equitably so it will increases the employee stay in the organization (Idemobi, Onyeizugbe and Akpunonu, 2011).

Recognizing an employee is less expensive and is a very effective tool for the retention of employees. If an employee feels he is given recognition by his organization, it will boost his morale and encourage positive behavior towards work. This will encourage an employee to do his work willingly and efficiently. So, the

result of this is that the employee will be more satisfied; therefore, he will stay longer (Anis, A, Nasir, A., & Safwan, N, 2011).

2.4.1 Relationship between Compensation and Employee Retention Based on Previous Study

Based on previous study by (Ednah and Dr Geoffrey, (2017). This study was conducted to determine effects of compensation on employee retention in University of Eldoret, Kenya. The target respondents was 1500. The finding shows high chi-square value of 12.623 at 5% level of significance. The significance value was above the critical level and indicates that the employees from University of Eldoret, Kenya agreed to that compensation is the factor ensures employee commitment and retention in an organization.

Besides that the study by Alfred, Banjo and Doren (2015) remuneration as a factor effecting HRM practices in enhancing employee retention in BPOs. The survey for this study has been conducted among 258 employee (sample size) from business process outsourcing firms in Philippines. This study shows that the variable remuneration or compensation has a positive correlation with employee retention ($r=0.73$, $p<0.01$) and the $\beta=0.18$ shows positive the independent variable was found to be highly significant in influencing employee retention. Thus it was concluded that compensation has insignificant relationship with employee retention in the Information Technology industries or Business Process Outsourcing (BPOs) firms

2.5 Career Development

Career development is also one of the most important factor contribute towards employee retention. Its focuses on the development and the growth of employees as the main business strategy. An organization shall retain its employee by maintaining employee‘s career paths, coaching and mentoring and demand measurable outcome (Kimani and Waithaka, 2013).

In the current generation, employees are more concern on career development and looking forward into career growth, therefore this factor become the main mechanism of an organization to retain the employees through training and development opportunities (Chitalu, 2011). Most of the employees react positively on promotion and career growth opportunities. Most of the organization is practicing career management activity to develop the employee in terms of their career.

According to Garrow and Hirsh (2008), the human resource of one‘s organization is the main responsible department in developing an employee career. The studies also shows that there is a significant relationship between training and development opportunities with the capability to retain employee. The study made a statement that excellent performers always appreciate career growth and development as a motivation factor and part of the benefits that they entitled.

A study by stated that career development program and appropriate training development program have a close relationship in retaining employee. Employees have a mindset that the organization recognizes their capability and strength and provides opportunity to further develop their skill or qualities. Another study by

Nyamjom (2013) also placed that career development is the most significant factors that influence employee retention.

Flynn, Mathis, Jackson and Valentine (2016) found that employees consistently looking for opportunities for career development regardless of what position they hold in an organization and this affect employee retention at all level. In addition they mentioned that employee age below 30 years old ranked career development opportunities higher than compensation as a retention concern. According to Mapelu and Juma (2013) studies found that there is a significant relationship between employee training and development on employee retention.

According to Kumar and Sia (2012) organization with high employee engagement also with high employee retention provided the employee engagement comes together with training and development opportunities. Besides this the study by Chaudhary (2014) showed that appropriate training and career development as well as coaching indicate of high employee engagement. Organization with high employee engagement directly increase in employee motivation and confidence and lead to high in employee retention.

Changes within the organization shall be implemented in order to improve in the way that the business operates. Such changes in the organization will develop the highly potential talent through innovation, improvement of new knowledge, increase in courage and competitive advantages (Brown, Hesketh and Williams, 2003). Employee will continuously search for opportunities to get expose to new assignment, to gain new knowledge even though the organization offered them with compatible salary

and benefits. This explained that career development play and important role in employee retention (Wagner, 2000).

Individual career planning are very important for employees in an organization, by realizing this human resource must have a development plan in order to retain the employee. This shows how important is career development plan for employee and influencing employee retention. This statement is supported by Waithiegeni (2015). Career development program and activities increase employee retention and reduce turnover rate.

Researched by Sturges, Guest and Conway (2002) indicated that when the human resource management practices meeting the expectation of employee during induction activity in an organization, this will increase the employee motivation, commitment and self-satisfaction which will give positive result. In any kind of circumstances if the organization lacking in career development practices than it may at risk of high employee turnover especially its skilled employees. Ng, Feldman and Lam (2010) explained that in exchange of job security, promotion opportunity, training and development with employees an organization give surety for long term loyalty and commitment.

2.5.1 Relationship between Career Development and Employee Retention Based on Previous Study

Alfred, Banjo and Doren (2015) conducted a study on HRM practices in enhancing employee retention in BPOs. The survey for this study has been conducted among 258 employee (sample size) from business process outsourcing firms in Philippines. This

study shows that the variable career development has a positive correlation with employee retention ($r=0.52$, $p<0.01$) and the $\beta=0.02$ shows positive but career development was not found to be significant in influencing employee retention. Thus it was concluded that career development has insignificant relationship with employee retention in the Information Technology industries or Business Process Outsourcing (BPOs) firms.

Fahim (2018) Conducted research to explore the strategic human management (SHRM) aspects influence on employee retention at National Bank of Egypt (NBE) one of the crucial entity in Cairo. Among 300 of population size, 200 sample size was chose and 150 responded. The independent variable training and career development has a significant positive effect at confidence level 95 per cent on employee retention. The result in this studies shows that the value of $\beta=0.489$, significance is 0.00 ($p<0.005$) $R^2= 0.152$. The employee in NBE agreed with the SHRM which is inclusive training and career development is one of the factor that influence the employee to stay in the organization.

2.6 Underpinning Theory

The underpinning theory adopted in this research is attraction-selection-attrition (ASA) personnel theory model introduced by Benjamin Schneider in year 1987. The theory holding 3 major process, the first process attraction briefed that individuals are attracted to organizations with pool of same characteristics of people in terms of personality, values, interests and other elements. The second process selections describe that organization will prefer to have those with knowledge, skills and abilities similar with the existing stake holders in an organization. Third process in

this theory attrition explained that over certain time those individual who do not fit with the organization culture and environment will likely leave the organization. This theory of attraction-selection-attrition are important factors for the retention of employees in an organization.

According to Link and Jeske (2017) ASA model has been applied to study the motivations of an individuals in an open communities and found that an individual may be motivated to remain in a community when their personal characteristics is similar or align with the existing culture. This shows that the model ASA is most suitable theory to be applied in this study. Employees tend to remain in an organization if they are motivated with the attraction, selection and attrition process.

2.7 Chapter Summary

This chapter summarized a review of relevant previous research for the current study. This includes the review of literature on the definition and concept of high involvement human resource management practices, employee retention and its relationships to the variables based on previous studies.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter explains the methodology used to in conducting this research and will be highlighting on the research framework, hypothesis development, research design, operational definition of each variables, instrumentation, sample and sampling techniques also data collection procedures.

3.1 Research Framework

As for this study, the research framework was developed based on problem statement and literature review and the purpose is to exhibit the relationship between Competencies, Performance Management, Compensation and Career Development (Independent Variables) and Employee Retention (Dependent Variable).

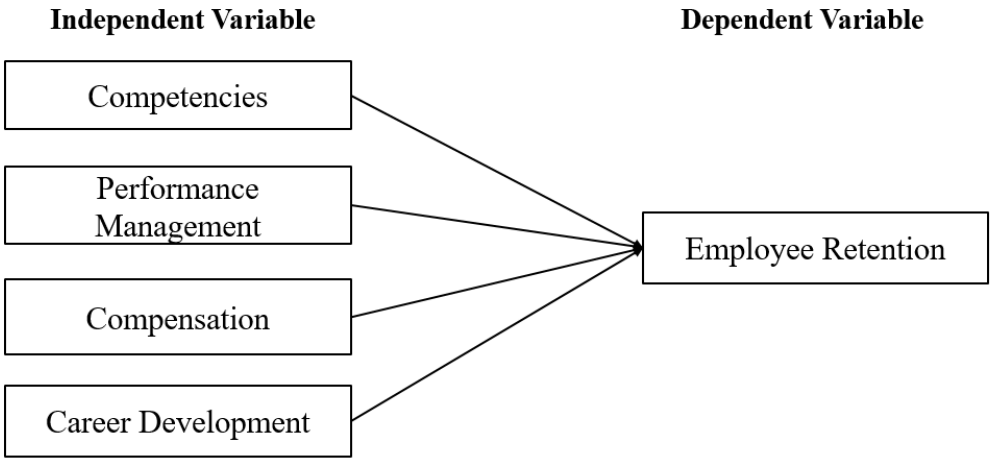

Figure 3.1
Research Framework

3.2 Hypothesis

The following generated hypothesis are hereby proposed in order to test the relationship between competencies, performance management, compensation, and career development and employee retention.

H1: There is a significant relationship between competencies and employee retention among manufacturing employees.

H2: There is a significant relationship between performance management and employee retention among manufacturing employees.

H3: There is a significant relationship between compensation and employee retention among manufacturing employees.

H4: There is a significant relationship between career development and employee retention among manufacturing employees.

3.3 Research Design

Research design is one of the significant master plan related to the collection, measurement and analysis of data which depends on the research questions developed for the study (Sekaran and Bougie, 2013). Besides, this process is crucial in ensuring the data that will be using is capable in providing the valid and reliable answer for the researchers.

Quantitative method was used in this study to test and analyze the relationship between the variables. According to Zikmund, Babin, and Griffin (2010) empirical assessments is statistical method that includes statistical measurement analysis to address research objectives. Besides that, statistical methods consist of data collection from questionnaires, surveys and findings generated by using statistical analysis and

data management system (Muijs, 2010). In this study, unit of analysis involved is individual that indicates that the data collected from each of individuals will be analyzed and each employee response will be treated as an individual data source. Additionally cross sectional method will be applied in gathering information process as to avoid time delays.

3.4 Population and Sampling Technique

Population is the whole group of individuals, events that researcher propose to investigate (Sekaran and Bougie, 2013). The populations chosen for the study is the entire employee from manufacturing industries in the area of Sendayan Tech Valley in Negeri Sembilan. The researcher has approached all the companies in Sendayan Tech Valley, however due current situation and confidentiality matter only one company has participated in the research. Therefore the total population will be based on this manufacturing company with 154 employees.

3.4.1 Sample Size

Sample has been identified as the subcategory of the population which involves some participants designated from it (Sekaran and Bougie, 2013). As for the sample selection, this will be based on the table produced by Krejcie and Morgan (1970). The sample size is included all the employees from management level and operational / production level, which conclude that the appropriate number of sample size from 154 populations would be recommended 108 respondents, however the researcher includes non-response rate. Based on 154 populations, sample size of 145 was identified and total of 145 printed form was distributed to the employees at all level in the manufacturing company.

3.4.2 Sampling Technique

According to Zikmund, Babin, Carr and Griffin (2010) the two main categories of sampling techniques for examining whole population include non-probability and probability. Since only one company willing to participate and shared the data, in this research simple random sampling is applied. Sampling frame will be focused only on employees in the service for 6 months and above. New joined employees 9 of them is not eligible to participate in the survey.

3.5 Instrument Development

Several terms in this study need to be focused on and defined as to ensure that the concept and theory related to the study can be established. The operational definitions and the items used to measure each of the variables are defined and explained as below.

3.5.1 Employee Retention

Employee Retention been measured with the nine (9) items introduced by Kyndt, Dochy, Michielsen and Moeyaert (2009) Five-point Likert Scale (1=Strongly Disagree, to 5= Strongly Agree) will be provided to the respondent as their level of agreeableness. All nine questions are directly asked on their intention to remain in an organization. The items were tested previously by Kyndt (2009) with reliability value of 0.91. The specifics items and its operational definition are presented in Table 3.1.

Table 3.1
Operational Definitions and Items for Employee Retention

Variable	Operational Definition	Items / Measures
Employee Retention (α = 0.91)	Individual desirable and effort to work and remain in the organization to achieve personal and business objectives	1) I'm planning on working for another company within a period of three years. 2) Within this company my work gives me satisfaction. 3) If I wanted to do another job or function, I would look first at the possibilities within this company. 4) I see a future for myself within this company. 5) If it were up to me, I will definitely be working for this company for the next five years. 6) If I could start over again, I would choose to work for another company. 7) If I received an attractive job offer from another company, I would take the job. 8) I love working for this company. 9) I have checked out a job in another company previously.

Source: Kyndt et. al (2009)

3.5.2 Competencies

Competencies is measured by using four (4) items developed by Boselie (2001). The items were tested with reliability value 0.821. The detail items and its operational definition are showed in Table 3.2.

Table 3.2
Operational Definitions and Items for Competencies

Variable	Operational Definition	Items / Measures
Competencies (α = 0.821)	Competencies referred as an advancement of individual knowledge and intellectual skill through HRM practices.	1) The organization offers high selection criteria. 2) I am well prepared of my work due to the training that I received from my business unit. 3) The organization offers formal training programs to coach new hires the skills that they need to perform their job. 4) The organization offers the opportunity to develop new skills and knowledge for my current job or possible job in the future.

Source: Boseli et. al (2001)

3.5.3 Performance Management

Performance management is measured by using four (4) items developed by Boseli (2001) and Boon (2011) the items were tested with reliability value 0.861. The detail items and its operational definition are showed in Table 3.3.

Table 3.3
Operational Definitions and Items for Performance Management

Variable	Operational Definition	Items / Measures
Performance Management (α = 0.861)	To identify the strength and the weaknesses of employees and offer feedback	1) Employee‘s performance appraisals is based on individual behaviors and attitudes at work. 2) Employee‘s performance appraisal is oriented towards their development and progress at work. 3) Employee‘s performance appraisal emphasize collective and long term result. 4) Employees receive performance feedback on a routine basis

Source: Boseli et al. (2001) & Boon et al. (2011)

3.5.4 Compensation

Compensation is measured by using six (6) items developed by Delery and Doty (1996) with reliability value 0.871. The detail items and its operational definition are showed in Table 3.4.

Table 3.4
Operational Definitions and Items for Compensation

Variable	Operational Definition	Items / Measures
Compensation ($\alpha = 0.871$)	Cumulative financial and non-financial rewards payable to employees in return for their services.	1) The salary I receive encourage me to perform better. 2) Incentives such as bonuses motivate me to do more than required. 3) I receive recognition for my achievement. 4) I received the amount of pay that commensurate the work I do. 5) My pay is generally equal to the pay of my colleagues of the same level or position. 6) My pay is generally equal to the pay of similar job in other companies of the same industry.

Source: Delery and Doty (1996)

3.5.5 Career Development

Career development is measured by using seven (7) items developed by Waithiegeni (2015). The items were tested with reliability value of 0.871. The detail items and its operational definition are showed in Table 3.5.

Table 3.5
Operational Definitions and Items for Career Development

Variable	Operational Definition	Items / Measures
Career Development ($\alpha = 0.871$)	activities or the on-going/life process of developing one's career /development opportunities	1) The organization always plans on your career development. 2) Leader/ Manager frequently mentor you to grow professionally. 3) Your career development benefits are in place in this organization. 4) Your career development programs offered are linked to your career needs. 5) In the organization, progress and career development policy is clearly outlined and made known to all employees. 6) The organization has in-house development programmes to develop you. 7) The organization has an employee development strategy which is clearly understood by all the employees.

Source: Waithiegeni (2015)

In summary, total 30 items for questionnaire has been developed for this study. Table 3.6 below shows the list of items used including all four variables involved in this study are adapted from below resources.

Table 3.6
Sources of Variable Instrument

Constructs	Instrument	Items
Demographic	Self –Developed	6
Employee Retention	Adapted from: Kyndt et al. (2009)	9
Competencies	Adapted from: Boseli et. al (2001)	4
Performance management	Adapted from: Boseli et. al (2001) & Boon et al., (2011)	4
Compensation	Adapted from: Delery & Doty (1996)	6
Career Development	Adapted from: : Waithiegeni Kibui, A. (2015)	7

Self- developed

3.6 Response Format

A review of the selected constructs reveals that the optimum scale that can be used with them is interval. Interval scales enable respondents to show their level of agreement or disagreement about the given statements and situation. In this study, researcher used 1 to 5 point Likert-scale, whereas "(1 = strongly disagree; 2 = Disagree; 3 = Neutral; 4 = agree; 5 = strongly agree)".

3.7 Questionnaire Design

The questionnaire comprised of six parts and contained the items. The description of the six parts is presented in Table 3.6 and a sample of the questionnaire is provided in Appendix A. The questionnaire design that using the five point Likert Scale enables the respondent to choose their level of agreeableness at every question asked. This design will encourage the respondents to be more honest, open when answering the

questions, based on their perception, belief, characteristic, or even reflected from their past and present attitude (Neuman, 2000).

3.8 Data Collection Procedures

There are several options available for the researchers in order to clarify the data collected from the respondents (Zikmund, Babin, Carr and Griffin, 2010). This includes through email, self-administer, post, and many more. As for this particular research, self-administered (by hand distribution) and e-mail procedure will be adopted in the process of distributing and retrieving the questionnaires from the selected respondents. This method will be the most suitable one as this help in the speed of distribution and response process.

3.9 Statistical Analysis Procedures

Several data analysis techniques will be applied in order to reach the conclusion besides determining the connection among the related variables (Neuman, 2000). In this study, statistical analysis will be conducted by using the Statistical Package for the Social Sciences (SPSS) version 21. The analysis techniques involved are as follows:

3.9.1 Descriptive Analysis

Descriptive analysis is a process of converting data of general individualities. The data for this research was generated by compiling and collecting survey questionnaire data and information. Mean, medians, modes, variance, range, and standard deviation interpreted in descriptive analysis (Zikmund, 2010). In this research, descriptive

analysis defined and briefed the respondent demographic contains of gender, age, marital status, education level, years of service, income and job grade.

3.9.2 Reliability Test

Application of reliability test is to measure the data stability and consistency in order to ensure that the data is good and reliable for the study. Cronbach's Alpha method used to test the data consistency that have been using, besides, closer the Cronbach's Alpha to 1, this indicates that it will provide higher reliability and internal consistency (Zikmund, Babin, Carr and Griffin, 2010). Those with value that in between 0.70 until 0.80 considered as good or acceptable reliability level, values ranged between 0.6 to 0.7 considered as fair whereby value lesser than 0.6 showing poor reliability and consistency.

Table 3.7
Coefficient (α) Scales

Range in Scales	Consistency /Reliability
0.8 to < 0.9 above	Very good reliability
0.7 to < 0.8	Good reliability
0.6 to < 0.7	Fair reliability
Below 0.60	Poor reliability

Source: Zikmund, Babin, Carr and Griffin, 2010.

3.9.3 Pearson Correlation Analysis

Correlation analysis is a process of measure statistical relationship between two variables (Sekaran and Bougie, 2011). In this research, Pearson correlation coefficient (r) showing the linear relationship of two variables, employee retention with

competencies, performance management, compensation and career development. The correlation values are from -1 to +1. It is clarifies there is a positive linear relationship if the two variables value of r close to +1 and negative linear relationship if the two variables value of r close to -1. However, if the value of r is 0 it is concluded that no linear relationship between the two variables.

3.9.4 Multiple Regressions

Multiple regressions analysis is used to describe the relationship between variables and to foresee value of the dependent variable (Y) based on value of independent variables (X). Likewise, both independent variable and dependent variable are metric that is interval scales. Dependent variable (Y) is a variable that is to be briefed or clarified (Zikmund, 2003). In this study, the dependent variable is employee retention. Researcher will collect the evidence from the data collected, whether the independent variables have a linear relationship with the dependent variable. Apart from that, it also allows researcher to examine which independent variables have significant relationship with employee retention in different method.

3.10 Summary

This chapter has explained several important aspects in the methodology to be carried out for this study. It discussed in details the methodology and data collection to be used in this study. Besides, the research designs also had been described for the purpose of the study, which is the quantitative research method. Besides, the measurement of instruments to be used, how sample will be selected and how the data will be analyzed were presented in this chapter.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.0 Introduction

In this chapter researcher will discuss on the findings that collected from the data and information. The researcher has used Statistical Package for the Social Sciences (SPSS) version 26.0 to analyze the data collected from the respondents. The data gathered are presented in the form of texts, figures and table. The analysis is inclusive of response rate, coding and reverse coding and normality test of the data. This will be followed by illustration of the socio-demographic profile of respondents, descriptive analysis, reliability test, Pearson‘s correlation analysis and multiple regressions analysis. In addition the hypothesis was tested in order to determine whether the developed hypothesis is accepted or rejected. Finally the summary of the findings will be discussed to know the relationship between HI HRM and employee retention especially for the readers of this research.

4.1 Respondent’s Frequency Analysis

Since only one company is willing to participate, the questionnaire survey was distributed among all the employees by hand. In total 145 questionnaires were distributed considering the Covid-19 situation high number of respondents tend not to feedback. According to Krejcie and Morgan (1970) table the estimated sample size is 108 respondents however 127 survey forms received. The response rate was 87.59% and the non-response rate was 12.41%. The participants‘ response in this study shown as per below Table 4.1 From the demographic profile out of 127 respondents 117 (92.1%) are male and 10 (7.1%) female. This is due to the majority of the respondents

from the manufacturing company is participated is male. Meanwhile 53(41.7%) respondents are single and 7 (58.3%) are married. As for educational qualification 50(39.4%) respondents are qualified secondary certificate and below, 56(44.1%) respondents are holding either certificate or diploma, 17(13.4%) respondents are holding degree or professional qualification and 4(3.1%) respondents are post graduate or doctor of philosophy. They are 35(27.6%) respondents have more than 5 years length of service, 39(30.7%) respondents have within 2 years to 5 years length of service and 53(41.7%) respondents have 2 years and below length of service. They are 31(24.4%) respondents working as an executive level and above meanwhile 96(75.6%) of them working as non-executive and below. The monthly average income earn by the respondents are 25(19.7%) earn RM1, 500.00 and below, 86(67.7%) of them earn between RM 1,500.00 to RM5, 000.00, 11(8.4%) of the respondents earn salary between RM5, 001.00 to RM10, 000.00 and finally 5(3.9%) out of 127 respondents earn more than RM10, 001.00 as a monthly income. Table 4.2 shows frequency of respondent‘s demographic profile in detail.

Table 4.1
Response Rate

Questionnaire	Frequency	Percentage
Distributed by Hand	145	100%
Not Responded	18	12.41%
Actual Response Rate	127	87.59%

Table 4.2
Frequency of Respondents Demographic Profile

Demographic Characteristics		Frequency	Percentage
Gender	Male	117	92.1
	Female	10	7.9
Marital Status	Single	53	41.7
	Married	74	58.3
Educational Qualification	Secondary Certificate and Below	50	39.4
	Certificate or Diploma	56	44.1
	Degree or Professionals	17	13.4
	Post Graduate or Doctor of Philosophy	4	3.1
Length of Service	0 – 2 years	53	41.7
	> 2 – 5 years	39	30.7
	> 5 years	35	27.6
Employment Category	Executive and Above	31	24.4
	Non-Executive and Below	96	75.6
Monthly Income	< RM 1,500.00	25	19.7
	> RM 1,500.00 – RM 5,000.00	86	67.7
	> RM 5,001.00 – RM 10,000.00	11	8.7
	> RM 10,000.00	5	3.9

4.2 Coding

4.2.1 Standard Coding

Prior to proceed with further analysis the response rate were entered into the SPSS version 26.0 for data coding. The 9-items of dependent variable employee retention was codes as ER1 to ER9. The 4-items of independent variable competencies was coded as CT1 to CT4. The 4-items of independent variable performance management was coded as PM1 to PM4. The 6-items of independent variable compensation was coded as CS1 to CS6. The 7-items of independent variable career development was coded as CD1to CD7. Table 4.3 below shows the coding of the variables used.

Table 4.3
Variable Coding

Variable		Code
Employee Retention	DV	ER
Competencies	IV	CT
Performance Management	IV	PM
Compensation	IV	CS
Career Development	IV	CD

4.2.2 Reverse Coding

In the questionnaire of this study there are items categorized into positive and negative items. Prior to proceed with further analysis in SPSS 26.0 the negative items were reversed coded. The negative items can be found only in the dependent variable employee retention. There are 4 negative items in this study and were reverse coded into revER1, revER6, revER7 and revER9. Table 4.4 below shows the reverse coding of dependent variable employee retention in this study.

Table 4.4
Variable Reverse Coding

Variable		Code
Employee Retention	DV	revER1, revER6, revER7 & revER7

4.3 Normality Test

According to Kim (2013) method of accessing normality data using skewness and kurtosis will be relatively correct for small or large samples. Normal data distribution is one of the example in parametric testing. Therefore prior to proceed with data analysis the normality of the data must be tested. A measure of asymmetry is known

as Skewness and a measure of ‗peakedness' of a distribution known as kurtosis. Most statistical packages give you values of skewness and kurtosis as well as their standard errors. In this study there are 127 respondents, therefore the sample size is 127 participants. Kim (2013) indicated that for the sample size between 50 to 300, 0.05 alpha level and skewness or kurtosis with absolute z-value over -3.29 to +3.29 will be rejected and conclude that the data is not normally distributed. In this study the findings shows that both absolute z-value for skewness and the kurtosis were within -3.29 and +3.29, this concluded that the data was normally distributed. The Z value, the Skewness value as well as the Kurtosis value is shown in Table 4.5.

Table 4.5
Normality Test (N=127)

Variable	Min	Max	Mean	Standard Deviation	Skewness		Kurtosis	
					Statistics	Z value	Statistics	Z Value
Employee Retention	2.56	5.00	3.7043	0.53070	0.155	0.721	-0.454	-0.1065
Competencies	2.25	5.00	3.9075	0.53804	-0.644	-2.999	0.268	0.629
Performance Management	1.50	5.00	3.7257	0.63448	-0.596	-2.775	0.733	1.717
Compensation	1.67	5.00	3.5659	0.73587	-0.214	-0.996	-0.062	-0.146
Career Development	1.71	5.00	3.6552	0.63933	-0.355	-1.651	-0.262	-0.614

Standard error for Skewness is 0.215 and for Kurtosis is 0.427

4.4 Descriptive Analysis

Descriptive analysis is use in order to discover the data that have been collected, thus assisting in concluding and relating those data. Details of descriptive analysis will be shown in Table 4.6. The dependent variable, employee retention mean was 3.7043, meanwhile the mean scored high is 3.9075 for independent variable competencies.

Independent variable performance management mean is 3.7257, mean of independent variable compensation is 3.5659 and lastly mean of independent variable career development is 3.6552. The highest mean scored is independent variable competencies is 3.9075 and the lowest scored is independent variable compensation which is 3.5659. Whereby the standard deviation results shows that all of the instruments scored less than 1.00, this shows that the dissimilarities in respondents feedback is small (Sekaran and Bougie, 2013). Employee retention as a dependent variable has a standard deviation 0.53070, independent variable competencies, performance management, compensation and career development has a standard deviation of 0.53804, 0.63448, 0.73587 and 0.63933 respectively. The result shows that the highest standard deviation of independent variable compensation is 0.73587 and the lowest standard deviation of dependent variable employee retention is 0.53070.

Table 4.6
Summary of Descriptive Analysis (N=127)

Variable	Mean	Standard Deviation
Dependent Variable		
Employee Retention	3.7043	0.53070
Independent Variable		
Competencies	3.9075	0.53804
Performance Management	3.7257	0.63448
Compensation	3.5659	0.73587
Career Development	3.6552	0.63933

Mean and standard deviation of employee retention, competencies, performance management, compensation and career development.

4.5 Reliability Analysis

In order to analyze the reliability of the study, Cronbach‘s Alpha or Coefficient Alpha test has been done. This is to test the reliability of the questionnaires that has been used for the purpose of this study. Table 4.7 below shows the details and the value of Cronbach‘s Alpha for each instrument used in the questionnaire. Both the result for the reliability analysis of dependent and independent variables instruments relied under the range of ―good" as well as ―acceptable" level of reliability values of Cronbach‘s Alpha for 2 items is above 0.7 and 3 items is above 0.8. The highest Cronbach‘s Alpha value of independent variables was shown by career development with 0.890 following by compensation with 0.840, followed by performance management 0.815 and the least is competencies 0.743. The Cronbach‘s Alpha value of dependent variable employee retention 0.732.

Table 4.7
Reliability Statistics of Variables

Items	Number of Items	Cronbach's Alpha
Dependent Variable		
Employee Retention	9	0.732
Independent Variable		
Competencies	4	0.743
Performance Management	4	0.815
Compensation	6	0.840
Career Development	7	0.890

4.6 Pearson's Correlation Analysis

In order to examine the correlation among the variables Pearson Correlation analysis have been conducted. The findings from the result of the analysis fulfilled the

research objectives. The result obtained from the correlation analysis have been shown in Table 4.8.

Table 4.8
Pearson Correlations between the Constructs

Variable	CT	PM	CS	CD	ER
Competencies	1				
Performance Management	0.484**	1			
Compensation	0.496**	0.364**	1		
Career Development	0.659**	0.432**	0.480**	1	
Employee Retention	0.611**	0.552**	0.445**	0.563**	1

Note: Correlation is significant at the 0.01 level (2-tailed)

Referred to the correlation result in Table 4.6, it absolutely shows that there is a positive correlation between the dependent variables with all the independent variables. The correlation between employee retention and competencies value is 0.611 ($r = 0.611$, $p < 0.01$). This indicates that the relationship between this two variables is positive and strong. The independent variable performance management shows that there is a positive correlation with dependent variable employee retention with the value of 0.552 ($r = 0.552$, $p < 0.01$). This shows that there is a positive and strong relationship between this two variables. There is a positive correlation between compensation and employee retention with the correlation value of 0.445 ($r = 0.445$, $p < 0.01$). This shows that there is a positive and strong relationship between independent variable compensation and dependent variable employee retention. The correlation between independent variable career development and employee retention shows a value of 0.563 ($r = 0.563$, $p < 0.01$). This shows a positive correlation

between this two variables as well as indicates that there is a strong relationship between the two variables. Among all the independent variables the strongest relationship with employee retention was shown by the independent variable competencies.

4.7 Multiple Regressions Analysis

Neuman (2000) indicates that the multiple regression analysis used to calculate R-squared and detects the contribution of each variables. R-squared will determine the relationship and the direction between independent variables (competencies, performance management, compensation and career development) with dependent variable (employee retention). The below Table 4.9 shows the details from multiple regression analysis.

The result based on Table 4.9 R square result of 0.494 specified that 49.4% of the variance in employee retention explained by the independent variables (competencies, performance management, compensation and career development). This larger value of R squared shows a better regression model which fits the study (Jim Frost, 2020). In addition from the ANOVA result, it shows that there is a statistically significant interaction at the significance level of 0.000 ($p<0.05$).

Based on the coefficient analysis result shows that three (3) out of four (4) variables have the significant relationship with the dependent variable (employee retention). Those independent variable are competencies ($p=0.002$), performance management ($p=0.000$) and career development ($p=0.028$). This significant relationship was determined based on the significance level is lesser than 0.05 ($p<0.05$). Meanwhile

there is insignificant relationship between compensation and employee retention since the significance level is more than 0.05 (p>0.05). However the beta analysis shows positive value for all the variables. Those are competencies (β = 0.292), performance management (β = 0.290), compensation (β =0.100) and career development (β = 0.198).

Table 4.9
Multiple Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R square Change	Change Statistics			
						F Change	df1	df2	Sig. F Change
1	.703[a]	.494	.477	.38368	.494	29.767	4	122	.000

a. Predictors: (Constant), MEAN_IV_CD, MEAN_IV_PM, MEAN_IV_CS, MEAN_IV_CT
b. Dependent Variable: MEAN_DV_ER

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.528	4	4.382	29.767	.000[b]
	Residual	17.959	122	.147		
	Total	35.487	126			

a. Dependent Variable: MEAN_DV_ER
b. Predictors: (Constant), MEAN_IV_CD, MEAN_IV_PM, MEAN_IV_CS, MEAN_IV_CT

Coefficient Analysis

Model		Unstandardized Coefficients		Standardize Coefficients	*t*	Sig.
		B	**Standard Error**	**Beta**		
1	(Constant)	.821	.270		3.043	.003
	MEAN_CT	.288	.091	.292	3.170	.002
	MEAN_PM	.242	.063	.290	3.845	.000
	MEAN_CS	.072	.055	.100	1.294	.198
	MEAN_CD	.164	.074	.198	2.225	.028

a. Dependent Variable: Employee Retention
*p<0.1, **p<0.05, ***p<0.01

Results on the hypothesis testing are as follows and summary of hypothesis testing is presented in Table 4.10

H1: There is a significant relationship between competencies and employee retention among manufacturing employees.

Competencies dimension's beta (β) value showed positive value with 0.292, the *t* value is 3.170 (*t*>1.645) and significance value is 0.002 (p<0.05). It was determined that the *t* value shows more than 1.645 and significance value is less than 0.05. Therefore it was concluded that competencies does have a significant relationship with the dependent variable employee retention. Hypothesis 1 is accepted.

H2: There is a significant relationship between performance management and employee retention among manufacturing employees.

Performance management dimension's beta (β) value showed positive value with 0.290, the *t* value is 3.845 (*t*>1.645) and significance value is 0.000 (p<0.05). It was determined that the *t* value shows more than 1.645 and significance value is less than

0.05. Therefore it was concluded that performance management does have a significant relationship with the dependent variable employee retention. Hypothesis 2 is accepted.

H3: There is a significant relationship between compensation and employee retention among manufacturing employees.

Even though the beta (β) value showed positive value with 0.100 and there is a correlation between compensation and employee retention, however this variable scored a *t* value lower than 1.645 and the significance value is more than 0.05. Therefore it was concluded that compensation have insignificant relationship with the dependent variable employee retention. Hypothesis 3 is rejected.

H4: There is a significant relationship between career development and employee retention among manufacturing employees.

Career development dimension's beta (β) value showed positive value with 0.198, the *t* value is 2.225 ($t>1.645$) and significance value is 0.028 ($p<0.05$). It was determined that the *t* value shows more than 1.645 and significance value is less than 0.05. Therefore it was concluded that career development does have a significant relationship with the dependent variable employee retention. Hypothesis 4 is accepted.

Table 4.10
Summary of Hypothesis Testing

Hypothesis	Description	Result
H1	There is a significant relationship between competencies and employee retention among manufacturing employees.	Accepted
H2	There is a significant relationship between performance management and employee retention among manufacturing employees.	Accepted
H3	There is a significant relationship between compensation and employee retention among manufacturing employees.	Rejected
H4	There is a significant relationship between career development and employee retention among manufacturing employees.	Accepted

4.8 Summary

This chapter explained on the result based on the statistical analysis that has been conducted in clarifying the hypothesis that the researcher developed in the beginning stage of this study. The analysis that has been conducted are normality test, descriptive analysis, reliability analysis, Pearson‘s correlation analysis and multiple regression analysis. The summary of findings, discussions, limitations, recommendations and conclusion will be discussed in the following chapter five.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.0 Introduction

The purpose of this chapter is to discuss the statistical analysis result, conclusion of the study and propose recommendations for future research. This study‘s objective is to examine the factors that will contribute in implementing high involvement human resource management (HI HRM) practices in order to retain skilled, capable and committed employees in manufacturing industries.

5.1 Findings Summary

The aim of this study is to determine the relationship between dependent variable employee retention with independent variables competencies, performance management, compensation and career development among the manufacturing employees in Sendayan, Tech Valley Negeri Sembilan. The research objective expected to be achieved by answering all the questions that has been generated and distributed in the beginning of the research. 127 participants responded out of 154 and response rate achieved was 82. 47%. All the items constructed were coded and reverse coded in SPSS 26.0 analyze system. The normality of data was valid and to proceed with further analysis. The normality test proceeded based on Kim (2013). The socio demographic profiles was analyze in frequency and percentage. This includes gender, marital status and educational qualification, length of service, employment category and monthly income.

In concluding the analysis result that help to determine the relationship between two variables indicated that three (3) hypothesis was accepted and one (1) hypothesis was rejected. The first objective in this research examination on the relationship between competencies and employee retention has shown that there were positive relationship between the two variables, meanwhile significant relationship indicated in the multiple regression analysis and this clarifies that there is a positive and significant relationship between competencies and employee retention among manufacturing employees. Therefore it can be concluded as competencies is one of the factor in HI HRM practices that influence employee retention which also indicate that the first hypothesis (H1) is accepted.

The second objective was to investigate the significance between performance management and employee retention among manufacturing employees. The value of Cronbach‘s Alpha shows that there is positive correlation between this two variables. The result of regression analysis in between this two variables has shown positive and significant relationship between the two variables. Thus, concluded that the second hypothesis (H2) being accepted.

The third objective of the study is to examine the relationship between the independent variable compensation and dependent variable employee retention. The beta value has showed positive (low) relationship however in the multiple regression analysis it shows lower *t* value and insignificant relationship between the variables. Thus it is concluded as compensation has no significant (insignificant) relationship with employee retention. They hypothesis (H3) three is rejected.

Finally the forth objective of the study was to investigate the relationship between independent variable career development and employee retention among manufacturing employees. The result shows that there is a correlation between this two variables. The multiple regression analysis and the result proven that there is strong, positive and significant relationship between career development and employee retention. Thus concluded that the hypothesis (H4) being accepted. This shows that the career development has an influencing factor towards employee retention among manufacturing employees.

5.2 Discussion

In this section further discussion will be elaborated on the findings with reference to the previous literature studies and findings that relevant to the variables involved in this research.

5.2.1 Relationship between employee retention and competencies

The independent variable competencies did show the significant relationship with employee retention so the hypothesis is absolutely accepted for this research. This finding is similar with the analysis result found by Eglal, Reem and Eahab (2017) in their studies and proven that there is a significant relationship between bot variables. In their study they found that the competencies status of the administrative employees has influence in employee retention. This result were obtained due to the job enrichment among the employees has been at great factor influencing the employees to stay in an organization for long terms in higher education institution.

Study conducted by Younas and Bari (2020) has also supported the hypothesis one and showed that the competencies development has a significant relationship with employee retention or in another way talent management. According to Younas and Bari (2020) competency development among Gen Y employees has been influencing them to stay longer within the organization. The author also mentioned that if the organization provides employee with the opportunity of competency development the chances for the employee to stay longer and service better toward the organization will increase. Therefore the competencies development contributes more to employee retention dimension.

5.2.2 Relationship between employee retention and performance management

As for the second hypothesis the relationship between performance management and employee retention has been accepted due to there is a significant relationship between both variables. This also matched the findings by the researcher Chandrakantan, Liang and Johanim (2019). The finding shows that the performance management significantly influenced employee retention. The employees must have input that the organization has a good performance management program in order for them to have the intention to stay with an organization.

Besides that another study conducted by Fahim (2018) in the National bank of Egypt also supported the hypothesis (H2) in this study. The author also found that the performance management in an organization has a bigger influence in employee retention. The performance management was one of the strategic human resource practice that has been implemented in NBE and from the analysis it shows that absolutely performance management has a significant relationship with employee

retention. The employees has confidence in an organization which has a very stable performance management program. This research and the research from the previous study Fahim (2018) has the same result and opinion obtained.

5.2.3 Relationship between employee retention and compensation

The result obtained for hypothesis (H3) has a contradicting result based on the previous studies by Ednah and Dr Geoffrey (2017) and Alfred, Banjo and Doren (2015). The first author had the finding that the compensation has strongly related to employee retention. This result has not supported the finding of this research may be due to the compensation and benefits in the organisation is already at a high stability, whereby the benefits offered is above average the market and this can be found in the socio demogrpahic frequencies that average staff income is in between RM1,500.00 to RM5,000.00. Therefore the employees in this manufacturing sector has not considered compensation as a factor to stay in the organisation for a long duration instead looking forward to other influencing factors. Meawhile the scond author as well has a same findings that compensation has a positive significat relationship with employee retention. The reason for the contact finding has been eplained above that in certain organisation the value for compensation need not to be given extra focus as the compensation and benefits has had already stable in the organisation.

5.2.4 Relationship between employee retention and career development

In this study career development has a significant relationship with employee retention, however the previous study based on findings by Alfred, Banjo and Doren (2015) this was totally rejected as it was insignificant relationship between this variables. This may be due to the business process outsourcing was consist of huge

number of employees and the study conducted was randomly also the response rate was below the average. In the study by the author the respondents has given a negative relationship between this two variables. However this study was supported by the previous reseacher Fahim (2018) clearly mentioned that training and career development has significant impact on employee retention. Employee has an intention to stay longer in anorganisation if they have a career development planning in an organisation. This statement has supported the hypothesis (H4) in this study. In retaining a skill employee career development is one of the influnecing factor as well.

5.3 Limitation

Several limitation has been faced by the researcher such as, could not able to reach the HR personnel in many organisation due to pandemic situation and in the area of research. Therefore only one company has been participated in the research. This cause the limitation in the sample size and also gender as the majority of employees working in the manufacturing company are male employees. Realized that the respondents not willing to give a genuine answer at times due to confidentiality matters. The biasness in answering due to afraid that the answers will affect their employment status in future though it has been clearly inform that all the answer in the questionnaire will be treated anonymously.

5.4 Recommendation

The researcher is encouraged to increase the sample size that covers all manufacturing companies in Malaysia. The researcher can carry out the simple random sampling by obtaining the registered manufacturing sectors from Federation of Manufacturing Malaysia.

Besides that the recommendation for the HR practitioners as well as to the employers to implement the best practice of human resource management in terms of competencies development, performance management program, best benefits and compensation policy and better planning of future career development. Those factor will encourage the employee to stay longer in an organization and the organization will save cost by not have the necessary to invest in recruitment and selection process.

5.5 Conclusion

The aim of this study is examine the high involvement of human resource management (HI HRM) practices in an organization towards employee retention or to reduce the turnover rates and to retain the skill labor force. Furthermore this studies gave researchers and HR practitioner‘s useful insight into future studies. Others factors influencing HI HRM in other sectors, industries, national and work should be considered. In this globally competitive environment there will be high demand in market of competent employees in order for developing the organizational performance and sustainability of an organization. In order to make this become more reality the high involvement of human resource management (HI HRM) practices should be given critical focus from several angles and strategies.

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APPENDICES

APPENDIX A – RESEARCH QUESTIONNAIRES

Research Questionnaire

HIGH INVOLVEMENT HUMAN RESOURCE MANAGEMENT (HRM) PRACTICES AND EMPLOYEE RETENTION AMONG MANUFACTURING EMPLOYEES

Dear Respondent,

This survey is conducted in order to determine the impact of high involvement HRM practices and employee retention among manufacturing employees in Sendayan Tech Valley, Seremban, Negeri Sembilan.

The following questionnaire will require approximately 10 minutes to complete. Your cooperation in answering these research questions as honest as possible is really appreciated as this will help the completion of the research. All information given will be kept strictly confidential and used for the purpose of this research only. If you require additional information or have any questions, please send your enquiry to the researcher linashah764@gmail.com

Thank you for your response, time and cooperation

Best Regards
Maslina Muhammad Shah
Master of Human Resource Management
School of Business Management
Universiti Utara Malaysia

SECTION A: DEMOGRAPHIC PROFILE / PROFIL DEMOGRAFI

INSTRUCTION : Please place the (✓) at the appropriate column for the following questions.
ARAHAN : Tandakan (✓) pada pilihan anda bagi soalan berikut:

1. Gender / Jantina
☐ Male / Lelaki
☐ Female / Perempuan

2. Marital Status / Status Perkahwinan
☐ Single / Bujang
☐ Married / Berkahwin

3. Educational Qualification / Kelayakan Pelajaran
☐ Secondary Certificate and Below / Sijil Menengah dan ke bawah
☐ Certificate or Diploma / Sijil atau Diploma
☐ Degree or Professionals / Ijazah atau Profesional
☐ Post Graduate or Doctor of Philosophy / Sarjana atau Doktor Falsafah

4. Length of services / Tempoh perkhidmatan
☐ 0 -2 years / 0-2 tahun
☐ >2-5 years /> 2-5 tahun
☐ > 5 years /> 5 tahun

5. Employment Category / Kategori Pekerjaan
☐ Executive and above / Eksekutif dan ke atas
☐ Non-Executive and below / Bukan Eksekutif dan ke bawah

6. Monthly Income / Pendapatan Sebulan
☐ < RM 1,500.00
☐ > RM 1,500.00 – RM 5,000.00
☐ > RM 5,001.00 – RM 10,000
☐ > RM 10,001.00

SECTION B (I): EMPLOYEE RETENTION / PENGEKALAN PEKERJA

INSTRUCTION : Please indicate your level of agreement of the following statements using the scale below:

ARAHAN : Sila tandakan tahap persetujuan anda terhadap pernyataan berikut menggunakan skala dibawah:

Strongly Disagree / Sangat Tidak Setuju	Disagree / Tidak Setuju	Neutral	Agree / Setuju	Strongly Agree / Sangat Setuju
1	2	3	4	5

STATEMENT RELATED TO: EMPLOYEE RETENTION / PERNYATAAN BERKAITAN PENGEKALAN PEKERJA	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	1	2	3	4	5
I'm planning on working for another company within a period of three years. *Saya merancang untuk bekerja dengan syarikat lain dalam jangka masa tiga tahun*					
Within this company my work gives me satisfaction. *Dalam syarikat ini, kerja saya memberikan saya kepuasan..*					
If I wanted to do another job or function, I would look first at the possibilities within this company. *Sekiranya saya ingin melakukan pekerjaan atau fungsi lain, saya akan terlebih dahulu mencari peluang dalam syarikat ini.*					
I see a future for myself within this company. *Saya nampak masa depan saya di dalam syarikat ini.*					
If it were up to me, I will definitely be working for this company for the next five years. *Jika ianya terpulang pada saya, saya pasti akan bekerja untuk syarikat ini untuk lima tahun akan datang.*					
If I could start over again, I would choose to work for another company. *Sekiranya saya diberi peluang untuk memulakannya semula, saya akan memilih untuk bekerja di syarikat lain*.					
If I received an attractive job offer from another company, I would take the job. *Sekiranya saya mendapat tawaran pekerjaan yang menarik dari syarikat lain, saya akan menerima tawaran itu.*					
I love working for this company.					

Saya suka bekerja untuk syarikat ini.					
I have checked out a job in another company previously. *Saya pernah mencari pekerjaan di syarikat lain sebelum ini.*					

PART B (II): COMPETENCIES / KOMPETENSI

INSTRUCTION : Please indicate your level of agreement of the following statements using the scale below:

ARAHAN : Sila tandakan tahap persetujuan anda terhadap pernyataan berikut menggunakan skala dibawah:

Strongly Disagree / Sangat Tidak Setuju	Disagree / Tidak Setuju	Neutral	Agree / Setuju	Strongly Agree / Sangat Setuju
1	2	3	4	5

STATEMENT RELATED TO: COMPETENCIES / KOMPETENSI	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	1	2	3	4	5
The organization offers high selection criteria. *Organisasi ini meletakkan kriteria pemilihan yang tinggi.*					
I am well prepared of my work due to the training that I received from my business unit. *Saya cukup bersedia untuk bekerja kerana latihan yang diterima dari jabatan saya.*					
The organization offers formal training programs to coach new hires the skills that they need to perform their job. *Organisasi ini menawarkan program latihan formal untuk melatih pekerja baru dalam kemahiran yang mereka perlukan untuk melaksanakan tugas mereka*.					
The organization offers the opportunity to develop new skills and knowledge for my current job or possible job in the future. *Organisasi ini menawarkan peluang untuk membangunkan kemahiran dan pengetahuan baru untuk melaksanakan tugas saya pada masa sekarang atau kemungkinan tugas pada masa akan datang.*					

PART B (III): PERFORMANCE MANAGEMENT / PENGURUSAN PRESTASI

INSTRUCTION : Please indicate your level of agreement of the following statements using the scale below:

ARAHAN : Sila tandakan tahap persetujuan anda terhadap pernyataan berikut menggunakan skala dibawah:

Strongly Disagree / Sangat Tidak Setuju	Disagree / Tidak Setuju	Neutral	Agree / Setuju	Strongly Agree / Sangat Setuju
1	2	3	4	5

STATEMENT RELATED TO: PERFORMANCE MANAGEMENT / PENGURUSAN PRESTASI	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	1	2	3	4	5
Employee's performance appraisals in this organization is based on individual behaviors and attitudes at work. *Penilaian prestasi pekerja di organisasi ini adalah berdasarkan tingkah laku dan sikap individu di tempat kerja.*					
Employee's performance appraisal in this organization is oriented towards their development and progress at work. *Penilaian prestasi pekerja di organisasi ini diorientasikan ke arah pembangunan dan kemajuan mereka di tempat kerja.*					
Employee's performance appraisal emphasize collective and long term result. *Penilaian prestasi pekerja menekankan hasil kolektif dan hasil jangka panjang.*					
Employees receive performance feedback on routine basis. *Pekerja mendapat maklum balas prestasi secara rutin.*					

PART B (IV): COMPENSATION / PAMPASAN

INSTRUCTION : Please indicate your level of agreement of the following statements using the scale below:

ARAHAN : Sila tandakan tahap persetujuan anda terhadap pernyataan berikut menggunakan skala dibawah:

Strongly Disagree / Sangat Tidak Setuju	Disagree / Tidak Setuju	Neutral	Agree / Setuju	Strongly Agree / Sangat Setuju
1	2	3	4	5

STATEMENT RELATED TO: COMPENSATION / PAMPASAN	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	1	2	3	4	5
The salary I receive encourage me to perform better. *Gaji yang saya terima mendorong saya untuk menunjukkan prestasi yang lebih baik.*					
Incentives such as bonuses motivate me to do more than required. *Insentif seperti bonus mendorong saya untuk melakukan lebih daripada yang diperlukan.*					
I receive recognition for my achievement. *Saya mendapat pengiktirafan atas pencapaian saya.*					
I received the amount of pay that commensurate the work I do. *Saya menerima jumlah gaji yang setimpal dengan pekerjaan yang saya lakukan.*					
My pay is generally equal to the pay of my colleagues of the same level or position. *Gaji saya pada amnya sama dengan gaji rakan sekerja saya yang mempunyai tahap atau jawatan yang sama.*					
My pay is generally equal to the pay of similar job in other companies of the same industry. *Gaji saya pada amnya sama dengan gaji pekerjaan yang serupa di syarikat lain dari industri yang sama.*					

PART B (V): CAREER DEVELOPMENT / PEMBANGUNAN KEJAYA

INSTRUCTION : Please indicate your level of agreement of the following statements using the scale below:

ARAHAN : Sila tandakan tahap persetujuan anda terhadap pernyataan berikut menggunakan skala dibawah:

Strongly Disagree / Sangat Tidak Setuju	Disagree / Tidak Setuju	Neutral	Agree / Setuju	Strongly Agree / Sangat Setuju
1	2	3	4	5

STATEMENT RELATED TO: CAREER DEVELOPMENT / PEMBANGUNAN KERJAYA	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	1	2	3	4	5
This organization always plans on my career development. *Organisasi ini sentiasa merancang pembangunan kerjaya saya.*					
My Leader frequently mentor me to grow professionally. *Ketua saya sering membimbing saya untuk pembangunan kerjaya secara profesional.*					
My career development benefits are in place in this organization. *Faedah pembangunan kerjaya saya ada di organisasi ini.*					
My career development programs offered are linked to my career needs. *Program pembangunan kerjaya saya yang ditawarkan oleh syarikat adalah berhubungkait dengan keperluan kerjaya saya.*					
In this organization, progress and career development policy is clearly outlined and made known to all employees. *Dalam organisasi ini, dasar pembangunan dan kemajuan kerjaya dinyatakan dengan jelas dan dimaklumkan kepada semua pekerja.*					
This organization has in-house development programs to develop me. *Organisasi ini mempunyai program pembangunan dalaman untuk pembangunan saya.*					
This organization has an employee development strategy which is clearly understood by all employees. *Organisasi ini mempunyai strategi pembangunan pekerja yang difahami dengan jelas oleh semua pekerja.*					

Your time, effort and cooperation is highly appreciated

Thank You

APPENDIX B – STATISTICAL DATA

Normality Test

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Z value	Statistic	Z value
ER	127	2.56	5.00	3.7043	0.53070	0.155	0.721	-0.454	-1.065
CT	127	2.25	5.00	3.9075	0.53804	-0.644	-2.999	0.268	0.629
PM	127	1.50	5.00	3.7257	0.63448	-0.596	-2.775	0.733	1.717
CS	127	1.67	5.00	3.5659	0.73587	-0.214	-0.996	-0.062	-0.146
CD	127	1.71	5.00	3.6552	0.63933	-0.355	-1.651	-0.262	-0.614
Valid N (listwise)	127								

Descriptive Statistics

	N	Mean	Std. Deviation
ER	127	3.7043	0.53070
CT	127	3.9075	0.53804
PM	127	3.7257	0.63448
CS	127	3.5659	0.73587
CD	127	3.6552	0.63933
Valid N (listwise)	127		

Correlations

		ER	CT	PM	CS	CD
ER	Pearson Correlation	1	.611**	.552**	.445**	.563**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000
	N	127	127	127	127	127
CT	Pearson Correlation	.611**	1	.484**	.496**	.659**
	Sig. (2-tailed)	0.000		0.000	0.000	0.000
	N	127	127	127	127	127
PM	Pearson Correlation	.552**	.484**	1	.364**	.432**
	Sig. (2-tailed)	0.000	0.000		0.000	0.000
	N	127	127	127	127	127
CS	Pearson Correlation	.445**	.496**	.364**	1	.480**
	Sig. (2-tailed)	0.000	0.000	0.000		0.000
	N	127	127	127	127	127
CD	Pearson Correlation	.563**	.659**	.432**	.480**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	127	127	127	127	127

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

Cronbach‘s Alpha

Dependent Variable Employee Retention

Case Processing Summary			
		N	%
Cases	Valid	126	96.2
	Excluded[a]	5	3.8
	Total	131	100.0

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

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.890	0.889	7

Independent Variable Competencies

Case Processing Summary			
		N	%
Cases	Valid	127	96.9
	Excluded[a]	4	3.1
	Total	131	100.0

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

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.743	0.745	4

Independent Variable Performance Management

Case Processing Summary			
		N	%
Cases	Valid	126	96.2
	Excluded[a]	5	3.8
	Total	131	100.0

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

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.815	0.814	4

Independent Variable Compensation

Case Processing Summary			
		N	%
Cases	Valid	125	95.4
	Excluded[a]	6	4.6
	Total	131	100.0

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

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.840	0.837	6

Independent Variable Career Development

Case Processing Summary			
		N	%
Cases	Valid	126	96.2
	Excluded[a]	5	3.8
	Total	131	100.0

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

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.890	0.889	7

Multiple Regression Analysis

Variables Entered/Removed[a]			
Model	Variables Entered	Variables Removed	Method
1	CD, PM, CS, CT[b]		Enter

a. Dependent Variable: ER

b. All requested variables entered.

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.703[a]	0.494	0.477	0.38368

a. Predictors: (Constant), CD, PM, CS, CT

b. Dependent Variable: ER

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.528	4	4.382	29.767	.000[b]
	Residual	17.959	122	0.147		
	Total	35.487	126			

a. Dependent Variable: ER

b. Predictors: (Constant), CD, PM, CS, CT

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	0.821	0.270		3.043	0.003
	CT	0.288	0.091	0.292	3.170	0.002
	PM	0.242	0.063	0.290	3.845	0.000
	CS	0.072	0.055	0.100	1.294	0.198
	CD	0.164	0.074	0.198	2.225	0.028

a. Dependent Variable: ER

Coefficient Correlations[a]

Model			CD	PM	CS	CT
1	Correlations	CD	1.000	-0.140	-0.213	-0.493
		PM	-0.140	1.000	-0.128	-0.254
		CS	-0.213	-0.128	1.000	-0.229
		CT	-0.493	-0.254	-0.229	1.000
	Covariances	CD	0.005	-0.001	-0.001	-0.003
		PM	-0.001	0.004	0.000	-0.001
		CS	-0.001	0.000	0.003	-0.001
		CT	-0.003	-0.001	-0.001	0.008

a. Dependent Variable: ER

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.7467	4.6511	3.7043	0.37297	127
Residual	-0.85198	1.30827	0.00000	0.37754	127
Std. Predicted Value	-2.567	2.539	0.000	1.000	127
Std. Residual	-2.221	3.410	0.000	0.984	127

a. Dependent Variable: ER