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**THE RELATIONSHIP BETWEEN TRAINING AND DEVELOPMENT,
PERFORMANCE APPRAISAL, WORK-LIFE BALANCE AND
EMPLOYEE RETENTION IN ELECTRIC AND ELECTRONIC
SEMICONDUCTOR MANUFACTURING COMPANY**

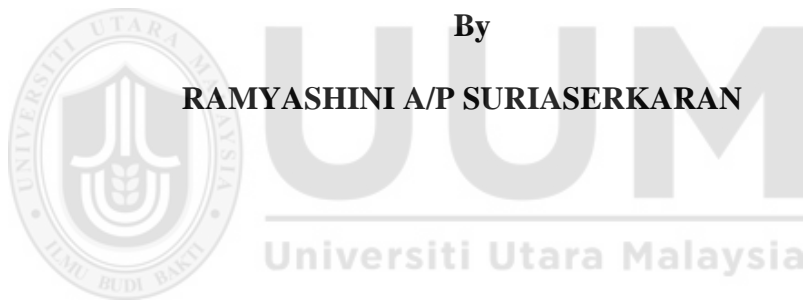


MASTER OF HUMAN RESOURCE MANAGEMENT

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JANUARY 2026

**THE RELATIONSHIP BETWEEN TRAINING AND DEVELOPMENT,
PERFORMANCE APPRAISAL, WORK-LIFE BALANCE AND
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SEMICONDUCTOR MANUFACTURING COMPANY**



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Collage of Business,
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in Partial Fulfilment of the Requirement for the Master of Human Resource
Management



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Perniagaan**

SCHOOL OF BUSINESS MANAGEMENT

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ABSTRACT

Currently, many organizations are facing several challenges in retaining their employees. To increase efficiency, effectiveness and productivity of employees, the business must satisfy the needs of its employees and therefore, companies should also identify and implement the necessary Human Resource (HR) policies to retain their key talented staffs from leaving. The objective of this paper is to examine the relationship of HR practices influencing employee retention in electric and electronic semiconductor manufacturing company in Penang, Malaysia. This study emphasized quantitative methodology where the data was collected through the distribution of questionnaire. A purposive sampling is being used and the target population consists of employees from electric and electronic companies in Penang, Malaysia. A total of 333 data sample were collected among the overall 390 distributed questionnaires. The finding shows a significant positive relationship between employee retention and training and development, performance appraisal, and work-life balance. The implications of the study provide theoretical insights and practical recommendations to enhance employee retention in electric and electronic semiconductor industry. Finally, the results provide a clear picture of their employees' expectations to retain in the organization for a long term and achieving the companies' goals and objectives.

Keywords: Employee Retention, Training and Development, Performance Appraisal, Work-Life balance



ABSTRAK

Pada masa kini, banyak organisasi sedang menghadapi beberapa cabaran dalam mengekalkan pekerja mereka. Untuk meningkatkan kecekapan, keberkesanan dan produktiviti pekerja, syarikat mesti memenuhi keperluan pekerjaanya dan seterusnya, syarikat juga harus mengenal pasti dan melaksanakan dasar sumber manusia yang diperlukan untuk mengekalkan kakitangan mereka. Objektif kajian ini adalah untuk mengkaji hubungan amalan sumber manusia yang mempengaruhi pengekalan pekerja di syarikat pembuatan semikonduktor elektrik dan elektronik di Pulau Pinang, Malaysia. Kajian ini menekankan kaedah kuantitatif di mana data dikumpul melalui pendedaran soal selidik. Persampelan bertujuan telah digunakan dan populasi sasaran terdiri daripada pekerja daripada syarikat elektrik dan elektronik di Pulau Pinang, Malaysia. Sebanyak 333 sampel data telah dikumpul antara keseluruhan 390 soal selidik yang diedarkan. Kajian menunjukkan hubungan positif yang signifikan antara pengekalan pekerja dan latihan dan pembangunan, penilaian prestasi dan keseimbangan kehidupan bekerja. Implikasi kajian memberikan pandangan teori dan cadangan praktikal untuk meningkatkan pengekalan pekerja dalam industri semikonduktor elektrik dan elektronik. Akhir sekali, hasil kajian memberi gambaran yang jelas tentang jangkaan pekerja mereka untuk mengekalkan dalam organisasi untuk jangka panjang dan mencapai matlamat dan objektif syarikat.

Kata kunci: Pengekalan Pekerja, Latihan dan Pembangunan, Penilaian Prestasi, Keseimbangan Kehidupan Bekerja



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LIST OF ABBREVIATIONS

HR	Human Resource
UK	United Kingdom
COVID-19	Coronavirus Disease
HRM	Human Resource Management
T&D	Training and development
WLB	Work-life balance
E&E	Electric and Electronic
SET	Social Exchange Theory



CHAPTER ONE

INTRODUCTION

1.1 Background of Study

Employee retention has continuously become a challenge for organization today (Suraihi et al., 2021). It is also known as one of the most crucial aspects of organizational success and refers to an organization's ability to retain its employees within the labor force, aiming to reduce turnover and to maintain a stable workforce. Based on Equity Theory (Adam, 1960), a gap may exist if there is an imbalance between the expectations of employees and employers (Sinnappan, 2019). A high retention is usually signifying employees in an organization that provides a good working environment and effective human resource practices while on the other hand, a low retention rate can be an indication of problems like ineffective management or bad human resource practices. When the gap becomes wider and the fringe opportunities created by competitors on the other hand will results in low retention.

Employee retention is particularly important in industries where skilled labor is essential, as high turnover rates can lead to increased recruitment costs and decreased efficiency (Hassan, 2022). Besides, losing of experienced staff does not only incur higher cost but it also creates various negative effects such as leading to a significant knowledge gap, delayed work, decreased morale and performance while leading to poorer productivity levels and increases the burden on remaining team members. This normally happens when the human resource practices in an organization are poor which leads to difficulties in retaining its employees. The organization will be forced to spend extra time and resources through publishing of job advertisements, processing

of applications, and re-interviewing new employees where the human resource departments can be overwhelmed by the repeated recruitment process and might become burned out due to the increases of workload in the interim. In fact, in an internal analysis by one of the semiconductors in Malaysia, the cost of replacing an employee can cost up to 1.5 – 2.0 times the salary per year (Cheah et al., 2023). This could be considered as a huge cost for the semiconductor especially to those industries that will require a lot of manpower to sustain their business.

Notably, the survival and success of any organization is hinged on the retention plan that the organization has provided towards its employees and therefore organization should plan its practices, in a way that will make employee to stay longer. HR still plays a major role in developing the growth of a business and retaining their employees (Shah, 2021). All qualified talents should be retained and kept in the organization as all the skills, expertise and knowledge of these talents are vital in the growth of the business. When a fully trained employees leave their jobs, the organizations will suffer a big loss due to the significant investment of time, money, and resources that has already been made during recruiting, onboarding, and developing their skills process.

Furthermore, employee retention is highly depending on training and development which do play as a crucial role in influencing employee retention by enhancing career growth opportunities. By providing training and development opportunities such as regular training programs and skill enhancement activities able to motivates professional growth and long-term commitment. Investing in training and development fosters a more competent workforce, improves job performance, and strengthens employer-employee relationships (Kamaruddin et al., 2020). Many

organizations experience difficulties maintaining skilled employees because workers perceive their professional advancement opportunities and training programs to be inadequate. Development programs are an indication to the employees that the organization is concerned about their personal and career development thus lowering chances of them leaving the current organization to seek other opportunities. Besides, Devi (2025) stated training and development programs helps to close the skill gaps and preparing employees for future career growth and advanced roles. When employees feel that an organization is helping them to achieve their goals and offers defined routes to their progress, then chances of them staying with that organization are high.

Another key factor influencing employee retention is performance appraisal, which serves as a structured evaluation process to assess employee contributions and guide career development (Hassan et al., 2021). The main purpose of performance appraisal in the organization, is to help the managers to make the correct decision on compensation that comprises of salaries and bonuses, job promotion, and suitable training by providing the positive feedback. Besides, it also allows managers to have an opportunity to reward and assess the efforts and performance of the employees. Conversely, ineffective, or biased performance evaluations can lead to dissatisfaction and increased attrition rates, particularly in high-demand industries like electric & electronic semiconductors (Lee & Tan, 2021). Their inspiration can be highly achieved by the recognition and positive feedback by the managers which results in high chances of the employees remaining in the organization.

From an employee's perspective, work-life balance such as flexible working hours is often viewed as a benchmark of how much an organization values their personal well-

being and autonomy. These policies empower individuals to manage the intersection of work and family lives more effectively, fostering a psychological bond with the employer that manifests as increased job satisfaction and a deeper organizational attachment, which directly strengthens their internal intention to stay (Zainal et al., 2022). In the post-pandemic era, this sense of balance has shifted from a perk to a priority where employees now evaluate their long-term commitment to a company based on whether it supports the hybrid and flexible norms they have come to expect (Salem, 2025). This sentiment is particularly strong among Malaysian workers, many of whom express a clear readiness to leave their current roles for opportunities that offer superior work-life harmony (Randstad Malaysia Employer Brand Research, 2024). Consequently, when workers feel their need for flexibility is ignored, they are more likely to view the organization as stagnant and will proactively seek out progressive competitors that better align with their personal and professional values.

There is a critical employee retention issue in the electric and electronic semiconductor industry of Penang, Malaysia, as intense competition and rapid technological change require firms to continuously attract and retain highly skilled employees to sustain innovation and operational efficiency in long run (Teoh et al., 2023; Cheah et al., 2024). Therefore, the study aims to explore several human resource practices such as training and development, performance appraisal and work life balance which could impact the overall retention process in the electrical and electronic semiconductor industry of Malaysia as prior studies have shown that these practices significantly lead to employee's intention to retain (Tan & Salahudin, 2025). A good retention strategy will allow businesses to have a motivated set of workers and helps fosters long-term commitment to the company where employers are required to have a valuable

subordinate to prevail in global competition since the competencies of existing workers cannot be transferred to new hires.

1.2 Problem statement

A recent salary survey reported that 60% of Malaysian employers are struggled to keep their talent (Nordin, 2023). The global prominence of the industry faces a challenge retaining qualified talent that serves as a foundation for both growth and market competitiveness. In today's competitive world, most organizations are under pressure to review back their human resource practices to emphasis a good strategy for its employees to retain in the industry by providing a frequent training and development programs, having a systematic appraisal system and strong work life balance policies. If this is left unaddressed, the trend can cause rising operational expenses, declining productivity, and problems with maintaining a stable workforce in electric and electronic semiconductor industry. Employees who develop a perception that the organization does not support their personal goals, values or career aspirations are likely to experience a low level of job satisfaction and lead to difficulties in retaining talents.

Another main issue is training and development where most companies fail to invest in employees training and development which causes many employees feel stagnant in their roles (Atueyi & Mbanefo, 2025). Due to the rapid technological advancement, the lack of relevant upskilling can leave employees feeling obsolete or underprepared, causing them to seek growth opportunities elsewhere. In addition, lack of training and development may also lead to disengagement as the affected employees will feel that the organization is not interested in their long-term potential or service. According to Tate (2007), employers need to provide essential resources such as training, modern

technology, and industry updates (Sinnappan, 2019). Whenever workers are highly prepared with current skills and knowledge, they stand a better chance to be effective and flexible to changes in the industrial environment.

Additionally, Zulkifli et al. (2020) revealed that fair and transparent performance appraisals with 65% of employees stating that regular feedback and recognition influenced their decision to stay. Besides, Lee and Tan (2021) have mentioned that poor structured performance appraisal systems which are lack of transparency and fairness can demotivate employees, especially when their contributions are not being recognized or rewarded appropriately. Some organizations may use outdated assessment tools and fails to capture individual contributions where most employees may not receive proper feedback on their performance. Without clear feedback, employees may feel undervalued and uncertain about their future in the organization, which can drive them to explore opportunities elsewhere where their efforts are better recognized. When an employee sees a misalignment between their expectations and the organization's aims, they felt unhappy and consider quitting the company (Md. Elias Hosen, 2022).

The concept of work life balance has gained increasing attention as organizations recognize the need for employees to manage both their personal and professional responsibilities effectively (Herawaty et al., 2024). In the face of evolving workforce dynamics, particularly after the COVID-19 pandemic, employees are increasingly prioritizing work-life balance over traditional incentives like salary or job titles (The Guardian, 2025). Employees often find it difficult to manage their time between professional commitments and personal wellbeing as the modern workplaces are

becoming highly demanding that led to major problems such as stress and burnout due to over workloads and job dissatisfaction where most organizations need to be aware of fostering a supportive work environment where employees can thrive both professionally and personally. Conversely, organizations that support work-life balance through flexible work schedules, wellness initiatives, and family-friendly policies are more likely to retain top talent (Bahiroh & Arthawati, 2024). On the other hand, there are still many companies undervalue and fails to apply consistent practices that leads to disparities in relation outcomes within the industries.

In a nutshell, the emerging concern in retaining talented employees has emphasized the importance for organization to re-examine their HR practices. Poor and ineffective HR practices could lead to overall job dissatisfaction, lower engagements among staffs and leading to poor retention rates. Bridging this gap is important to build an engaged workforce and maintaining the organizational performance in the rapid evolving competitive business environment. Therefore, it is crucial to review on how these HR practices influencing employee retention to identify the long-term strategies that could attract and retain talented employees.

1.3 Research Questions

Based on the above discussion, the research questions are outlined below:

- i. Does training and development influences employee retention in the electric and electronic semiconductor manufacturing company?
- ii. Is there any relationship between performance appraisals and employee retention in the electric and electronic semiconductor manufacturing company?

- iii. Does work-life balance influence employee retention in the electric and electronic semiconductor manufacturing company?

1.4 Research objectives

The purpose of this study is to examine the correlation between training and development, performance appraisal, and work life balance on employee retention within electric and electronic semiconductor manufacturing company. The below objectives, plan to be achieved for conducting this research:

- i. To examine the relationship between training and development and employee retention in the electric and electronic semiconductor manufacturing company.
- ii. To determine the relationship between performance appraisal and employee retention in the electric and electronic semiconductor manufacturing company.
- iii. To identify the relationship between work-life balance and employee retention in the electric and electronic semiconductor manufacturing company.

1.5 Significance of Research

The study offers valuable insights for all semiconductor industry in Penang on the implementation of an effective HR practices to enhance employee retention, serving as a guideline for HRM practitioners to develop policies that encourage longer employee tenure. The exact purpose is to determine the relationship between employee retention along with Human Resource strategies such as training and development, performance appraisal, and work life balance among employees in electric and

electronic semiconductor industry of Penang, Malaysia. Social Exchange Theory (SET) provides a strong theoretical foundation for understanding employee retention in the electrical and electronic industry, which is characterized by high skill requirements, technological intensity, and competitive labor markets.

According to SET, employment relationships are based on reciprocal exchanges between employees and their organizations, where favorable treatment by the employer encourages positive attitudes and behaviors from employees in return. In the industry, employees often face demanding workloads and continuous technological changes. According to researcher Diah et al. (2020), when organizations offer supportive human resource practices such as effective training and development programs, fair and transparent performance appraisal systems, and supportive work-life balance policies, employees perceive these practices as organizational support and investment in their well-being. In line with SET, employees respond to this support by reciprocating with higher levels of loyalty, intention to stay, thereby enhancing employee retention.

Besides, it provides a foundation for future research to identify HR practices that foster retention and helps employees understand the most valued practices in their organizations. This study also contributes the existing knowledge by addressing the gaps and understanding on Human Resource strategies that can influence employee retention. Understanding the impact of training and development, performance appraisal and work life balance, organizations can refine their policies to reduce turnover, improve job satisfaction, and enhance workforce stability in the semiconductor industry. This, in turn, can lead to increased productivity, reduced hiring

costs, and a more committed workforce. Moreover, the finding of this study will give an opportunity in proposing the solutions in helping the semiconductor industry in overcoming their employee turnover and able to retain their skilled employees.

1.6 Scope of Research

This study has chosen electric and electronic semiconductor companies in Penang with the aims to examine the relationship between training and development, performance appraisal, and work life balance as the independent variable with dependent variable known as employee retention. The respondent consists of employees from different positions such as managers, supervisors, administrator, engineers, technicians and production operators working in electric and electronic industry in Penang. The focus is to understand if the above factors will lead to employee retention in the organization for a longer period. The research adopted a quantitative research approach; wherein standardized questionnaires are utilized to obtain primary data from employees within electric and electronic semiconductor industry in Penang. Useful guidelines derived from this investigation will enable HR managers and business leaders to establish policies that boost employee job satisfaction, increases employee retention and promote long-term commitment in the electric and electronic semiconductor industry.

1.7 Definition of Key Terms

a) Employee Retention

Employee retention is defined as the ability of an organization to maintain its employees, as employees are likely to leave an organization when they feel unhappy or dissatisfied with their current employer or job (Olaimat & Awwad, 2017).

b) Training and Development

Training and development are defined as the provision of growth opportunities that signal a future within the company, thereby motivating employees to extend their tenure and continue serving the organization (Olaimat & Awwad, 2017).

c) Performance Appraisal

Performance appraisal is defined as a structured organizational mechanism used to evaluate and develop employee performance, which enhances employees' perceptions of organizational value and supports employee retention (Islam et al., 2024).

d) Work-life Balance

According to Clark (2000), work-life balance is regarded as an individual's circumstance in achieving an equal balance between their professional and personal lives (Pauzi, 2020).

1.8 Organization of thesis

This paper is structured into five chapters. Chapter one provides an overview of the study, including the introduction, background, scope, objectives, research questions, significance, and key terms, highlighting the importance of employee retention in Malaysia's manufacturing industry and the role of HR practices. Chapter two reviews relevant literature on training and development, performance appraisal, and work-life balance, forming the theoretical framework and hypotheses. Chapter three outlines the research methodology, detailing the quantitative design, data collection, instruments, sampling, and pilot study. Chapter four presents the findings and analysis, including reliability, factor, correlation, and hypothesis testing, discussing how the variables

impact employee retention. Chapter five offers conclusions, recommendations, and future research directions, summarizing key results and providing practical guidance for HR practitioners to enhance retention strategies.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of relevant literature regarding the relationship between training and development, performance appraisal, and work-life balance on employee retention. The literature review is organized into sections covering key concepts, previous studies, hypotheses development, conceptual framework, and underpinning theories.

2.2 Employee retention

2.2.1 Conceptualization of employee retention

Employee retention was defined as a feeling or commitment of employees towards the organization to stay based on the factors that have been offered by the organization (Kurdi & Alshurideh, 2020). When employees start to perceive that the organization values their contributions and willing to invest in their growth and concern about their wellbeing therefore, they are likely to sustain in the long run. These positive perceptions strengthen employees' emotional attachment and commitment, which are key psychological drivers of their intention to stay. Retention, therefore, is not merely about preventing turnover but about building a strong employer–employee relationship that nurtures trust, loyalty, and a sustained intention to continue employment with the organization over time.

According to Idris (2021), employees generally remain with an organization until they encounter significant internal or external pressures that compel them to leave.

Recognizing the value of retaining key talent, organizations actively implement strategies to minimize turnover, particularly for high-performing or strategically important employee. Employee retention also encompasses the strategies employers use to retain employees in their organization (Elsafty & Oraby, 2022). These strategies are critical in shaping employees' decisions to continue their employment, as they influence how employees evaluate the organization's ability to meet their expectations and needs. Thus, dynamic and employee-centered retention strategies not only improve actual retention outcomes but also foster higher levels of employee engagement, loyalty, and a sustained intention to remain with the organization (Al-Suraihi et al., 2021).

Retention can be defined as a systematic approach to develop and enhance an environment that help to encourage employees to work while applying policies and practices that cater to their diverse needs (Ghani et al., 2022). The strategic and continues effort taken by company aims at shaping a workplace with an appealing environment, engaging, and satisfying so that employees feel valued and remain committed to the organization. Retention strategy should not be done only when problems have emerged. Instead, they require a proactive planning through well designated strategies, policies and practices that are frequently reviewed and upgraded to meet the shifting needs of employees. For instance, organization that shows effort in providing a fair and transparent HR policies will foster a positive work culture, promoting a clear and transparent communications, providing resources for professional development, and supporting employee's well-being.

Another defined retention as employees' perceptions of staying with the organization

because they know they are productive employees with the ability to increase the organization's profitability and productivity by putting in their efforts, and the organization will support them in return by providing a safe and healthy working environment (Chiboiwa, Samuel, & Chipunza, 2010). This definition pointed the reciprocal nature of retention, where employees understand and recognize their own value to the organization and are motivated to contribute their skills, and knowledge toward achieving organizational goals and objectives. In exchange, organization acknowledges these contributions by ensuring the workplace is safe, supportive, and conducive to both physical and psychological well-being. This exchange coincides with Social Exchange Theory, when employee perceive fairness and care from their employer where they are more likely to reciprocate with motivation to stay longer. Therefore, employee retention solely depends on how organization treats and employee and this will encourage them to decide on staying or leaving an organization.

2.2.2 Previous studies on employee retention

Recent empirical studies indicate that effective human resource management (HRM) practices reinforce employees' ties to their employer and improve retention by promoting organizational citizenship behaviors which encompasses voluntary, pro-organizational activities beyond formal job duties. According to Mehmood, Sarwar, and Ullah (2025) discovered that HRM practices, including collaborative teamwork, responsibility, and effective human resource strategies, greatly improve employee loyalty and retention, with OCB partially mediating this link by strengthening mutual expectations between staff and the organization. Furthermore, research grounded in Social Exchange Theory highlights that when employees view HR practices as fair, supportive, and engaging, they are more inclined to reciprocate with positive

discretionary behaviours that enhance their psychological connection with the employer and reduce intentions to leave the organization (Mehmood et al., 2025; Amodia & Visitacion, 2025). These results collectively indicate that HRM practices meet employees' practical requirements while also fostering social and relational connections that enhance employees' emotional bond with their organization, increasing their willingness to stay and contribute beyond formal duties.

Strategic HR practices foster supportive and empowering work environments that enhance employees' sense of value and organizational support, thereby strengthening their commitment and intention to remain with the organization (Shahzad et al., 2024). Practices such as training and development, fair performance management, and career development organizational investment in employees, encouraging reciprocal loyalty and sustained engagement. Consistent with this, HR practices that emphasize development opportunities and recognition strengthen employees' emotional and cognitive bonds with the organization, leading to higher job satisfaction and improved retention outcomes (Mishra, 2024).

According to Hussain and Alvi (2024) found that employer branding enhances person–organization fit, meaning that employees perceive alignment between their own values and the organization's values. This alignment strengthens employees' psychological connection to the employer, increasing their commitment, loyalty, and intention to stay. When employees feel that their personal beliefs and goals resonate with the organization, they experience greater job satisfaction and engagement, which reduces turnover intentions. This suggests that employer branding is not only a recruitment tool but also a strategic HR practice that reinforces retention by fostering meaningful

employee–organization relationships.

2.3 Training and Development

2.3.1 Conceptualization of Training and Development

According to Jamil (2008) training and development is defined as a formal and planned intervention performed by the organization that aims to provide its employees with needed knowledge, skills, and capabilities to perform their duties and responsibilities effectively so that organizational goals can be achieved (Muis et al., 2021). This helps to build workforce competence and long-term sustainability as well as not for present roles only but also for future responsibilities. Training and development have been defined by various scholars in different ways. Many authors, in the era of 1960 to 1969 have defined training as a process to improve job related skills and knowledge to adequately perform present job by an employee (Kuruppu et al., 2021). Continuous learning and improvement equip employees to adapt to evolving business needs, technological advancements, and competitive pressures.

According to Kulkarni (2013) training and development is a kind of nerve that helps to fluent and smooth functioning of work that in return improves the quality of work life of employees and organizational development. Training helps to ensures that employees are well-equipped with the right knowledge, skills, and attitudes to carry out their tasks efficiently (Tukiran & Desianti, 2025). Besides, those who received adequate training, employee’s confidence, and competence increase, which helps in reducing work-related stress and errors, leading to smoother operations and higher productivity. Regular training and developments help to enhance a company’s productivity and create a belief in dedication among employees to prevent them from

leaving their organization (Rahman et al., 2024). Not only does it improve the quality of work life making the working environment more conducive, interesting, and less frustrating, but it also boosts the satisfaction levels among employees and improves employee motivation.

A well-executed training and development program not only enhances the skills and knowledge of employees but also boosts a company's productivity, resulting in overall growth (Skool, 2022). Effective training contributes a long-term development, change adaptability, and continues improvement at organizational level by developing a highly skilled workforce that can introduce innovations and maintain competitiveness. This explains that training and development has become a vital link between employee wellbeing and overall organizational growth. When a proper and adequate training is being provided, employees are more likely to experience higher motivation, confidence and job satisfaction. Additionally, organization that invest in standardized training initiatives provides stronger retention level, as they also perceive greater value and career development opportunities.

Additionally, studies have shown that providing training and development opportunities that involve career challenges, opportunities for advancement, work incentives, competitive compensation and benefits, and supportive work environments are effective strategies for retaining employees of any age (Cheah, 2023). Ultimately, effective training and development contribute to a more committed and stable workforce. Studies highlighted that training and development opportunities in conjunction with favorable organizational practices serve as a powerful retention strategy because they address both the professional and personal aspirations of

employees. When training is associated with professional issues and development, employees also see their career directions, which makes them not want to leave and work in other organizations but to make a career within one organization.

2.3.2 Previous studies on Training and Development

According to Saedin et al. (2024), training and development enhances employees' psychological connection to their employer by strengthening job embeddedness, which includes employees' sense of fit within the organization, meaningful links with coworkers, and the perceived costs associated with leaving. By providing employees with relevant skills, career development opportunities, and continuous learning, training increases their sense of competence, confidence, and value in the workplace. This not only helps employees feel more integrated and supported but also reinforces their emotional and cognitive attachment to the organization. As a result, employees are more likely to remain committed over time, demonstrating that investment in training and development serves as both a skill-building and relational HR strategy that directly contributes to higher retention rates.

According to Altaf, Alam, and Zafar (2025), structured training initiatives in the private sector significantly influence employee retention by enhancing employees' skills, confidence, and perception of organizational support. When employees participate in well-designed training programs, they not only improve their technical and professional competencies but also feel valued and supported by the organization. This sense of investment fosters a stronger psychological and emotional connection to the employer, which increases their commitment and reduces turnover intentions. The study highlights that training serves a dual purpose which develops employees'

capabilities while simultaneously strengthening their attachment to the organization, demonstrating that retention is influenced not only by material incentives but also by relational and developmental factors embedded in HR practices

According to Tabasa et al. (2025), a study in the Philippines found that training and development is a significant predictor of employee retention, with employees who participate in meaningful training programs showing a higher likelihood of remaining with their employer. The study emphasizes that training not only enhances employees' skills and competencies but also fosters work engagement, a sense of purpose, and professional fulfillment, which are key psychological mechanisms influencing retention. By providing opportunities for growth and learning, training strengthens employees' emotional and cognitive connection to the organization, making them feel valued and invested in. This demonstrates that training functions not merely as a skill-building tool but as a strategic HR practice that promotes long-term commitment, loyalty, and improves employee's intention to retain.

2.4 Performance Appraisal

2.4.1 Conceptualization of Performance Appraisal

From the employees' perspective, performance appraisal represents a key mechanism through which their contributions are evaluated, recognized, and supported for future development (Kotwani, 2020). When appraisal systems provide clear expectations, fair evaluations, and constructive feedback, employees perceive the organization as valuing their efforts and career growth (Widyaningrum & Widiana, 2020). Such positive perceptions enhance job satisfaction, trust, and organizational commitment, which in turn strengthen employees' intention to remain with the organization (Malik

et al., 2020; Barbieri et al., 2023). Consequently, performance appraisal functions as an important retention-oriented human resource practice by shaping employees' perceptions and intention to stay.

Furthermore, Kotwani (2020) emphasized that employees perceive themselves as valuable assets whose performance directly contributes to organizational success. The process starts with establishing goal and job expectation, creating appraisal program and finally concludes the feedback to employees, ensuring their contribution supports and align with organization growth and objective. Employees view appraisal as meaningful when it helps them understand their strengths and weaknesses, enhances motivation, and improves work efficiency by providing clear direction and expectations. Regular performance evaluation enables employees to align their individual efforts with organizational goals, which enhances their sense of purpose and belonging within the organization. When appraisal outcomes are used to support career development, training opportunities, and added responsibilities, employees are more likely to perceive the process as fair and supportive. Such positive perceptions strengthen employees' commitment and intention to remain with the organization, reinforcing performance appraisal as a key driver of employee retention.

In addition, performance appraisal plays an important role in shaping perceptions of fairness, recognition, and career security (Rowland & Hall, 2012). Employees are more likely to feel motivated and committed when appraisal systems are transparent, consistent, and evidence-based, as they provide clarity about performance expectations and potential opportunities for promotion or retention. When employees perceive that high performance is recognized and rewarded fairly, they are more likely to feel valued

and supported, which strengthens their organizational commitment and intention to stay. Conversely, appraisal outcomes linked to termination whether due to performance, restructuring, or operational necessity can influence employees' trust and perception of organizational justice (Julia, 2024). Therefore, structured performance appraisal systems are not only tools for managerial decision-making but also mechanisms that impact employees' perceptions, engagement, and retention within the organization.

Employers are required to put in more effort in order to have a strategized performance appraisal system where the fairness issue could be well addressed (Cheah, 2023). Fairness basically plays a critical role in shaping trust and motivating employees in the workplace. A strategized appraisal system should be clearly defined its performance criteria, consistent evaluation methods, and measurable goals that are directly tied to organizational objectives. Besides, there is no chance of ensuring that decisions made are fair, accurate, lawful, and defensible without a structured appraisal system (Toki et al., 2023). Providing employees the opportunities to participate in the process through self-assessments or open feedback sessions can enhances employees sense of involvement and reduces the perceptions of favoritism or subjectivity. When fairness is prioritized, employees are more likely to accept appraisal outcomes, remain motivated to improve, and trust that rewards or corrective actions are justified.

If performance appraisal is not been carried out perfectly, it can result in a ripple effect among staff, which may result in an unfair and ineffective result (Toki et al., 2023). Without receiving proper feedback nor an acknowledgement towards their efforts, therefore employees may begin to feel undervalued and unrecognized which may cause

their motivation level to decrease and leave the organization. According to Lwin (2022), a poor performance appraisal brings a negative impact on employees' motivation and contribute to high turnover intentions. Besides, unclear performance evaluation creates an uncertainty about employee's career progression, development opportunities, rewards and leaving employees unaware about the areas of improvement needed by them. Over time, this lack of guidance and recognition can push employees to seek better opportunities elsewhere, as they may believe that their growth and potential will be better supported in another organization. Therefore, a transparent and constructive appraisal process is essential for retaining top talent and fostering a positive workplace culture.

2.4.2 Previous studies on Performance Appraisal

According to DeNisi and Murphy (2017), the study shows that performance appraisal has gradually changed focusing mainly on rating forms and rater errors to recognizing that context, fairness, and purpose matter more than technical design. In past, technical details is highly focused like which rating scale is supposed to use to reduce scoring mistake but researcher begin to believe that improving these forms and reducing rating errors would automatically make performance evaluations more accurate and effective. Besides what matters truly in performance appraisal is the context with clear purpose and whether employee is able to believe the process is fair and transparent.

Changing in rating scales does not improves the accuracy but it also helps in understanding the social and organizational environment to produce better outcomes. In other hand, performance appraisal works effectively when people trust the system and understand its existence. Consequently, employees who trust and understand the performance appraisal process are more likely to remain with the organization,

demonstrating that effective appraisal systems contribute to retention by fostering loyalty and reducing turnover.

Study has highlight that implicit biases related to gender, race, and age can influence evaluations, even in formalized systems (Koch et al., 2015). For example, women and minority employees are sometimes unrewarded because others view them differently. Such biases in the workplace can make employees to feel devalued and organization could also face legal problems that could damage its own business reputation. It could negatively affect the accuracy of performance rating, undermining the reliability and fairness of the appraisal system (Levy & Williams, 2021). A non-biased performance appraisal system helps to measure an employee's performance and ability without any favoritisms. It also helps to build a strong trust among employees and create a sense of justice which caused a higher retention rate. Therefore, it stresses the use of the same rules, clear explanations, and regularity to make sure all employees are judged fairly.

According to Dasanayaka et al. (2021), a study has been conducted in UK university to investigate on how performance appraisal process influences job satisfaction. In some area although many understand the appraisal system process but there is a glimpse of employees who are dissatisfied with how it functions. The current study stated that many appraisee is not satisfied during the process because they find a clear pattern of biased during the evaluation process. For instance, junior staff are providing positive feedback comparing to senior staffs. Numerous employees indicated weak or vague connections between performance appraisal brings a negative outcome in the results and promotions that effects their pay raises, rewards, and chances for professional growth, which diminishes employee's motivation and confidence in the

system. Besides, a political dynamic within departments, ambiguous evaluation forms, and mismatches between evaluators and evaluates' could worsen employee's dissatisfaction level and cause employees to leave organizations.

According to Ramola and Rangnekar (2021), performance appraisal plays a critical role in succession planning and career development, which directly influences employee retention. By using appraisal outcomes to identify high and low performers, organizations can provide targeted training and development programs that prepare employees for future roles and support their career growth. From the employee's perspective, this process helps them understand their strengths and areas for improvement, making them feel valued, supported, and invested in by the organization. Such clarity, guidance, and development opportunities strengthen employees' psychological connection to their employer and ultimately encourage them to remain with the organization, demonstrating that performance appraisal functions as both a developmental and retention-enhancing HR practice.

2.5 Work-Life Balance

2.5.1 Conceptualization of work-life balance

According to Osman (2013) work-life balance offers emotional support to the employees, which decreases their desire to leave employment (Kossivi & Kalgora, 2016). When employees feel that their managers and the organization genuinely care about their well-being and they are more likely to feel valued and supported. This sense of support fosters emotional resilience and helping employees better cope with stress. Moreover, emotional support creates a positive psychological contract between employees and employers, strengthening loyalty and trust. Employees who perceive

that their personal and professional needs are acknowledged tend to develop stronger organizational commitment and are less inclined to seek opportunities elsewhere.

In the article, Roopashree (2024) has conceptualizes work-life balance as comprising three interconnected components such as time balance that involves the fair distribution of time between work and personal life to prevent burnout and enhance well-being. Work life balance is the degree of control which one perceives over the hours one devotes to work and compare it with the number of hours they are available to it beyond the boundaries of work (Sen & Hooja, 2018). Next is the involvement balance, which emphasizes being mentally present and engaged in both domains without one overshadowing the other and finally the satisfaction balance, which reflects the fulfilment and happiness derived from both professional and personal roles. Together, these dimensions highlight that work-life balance is not about equal time division but about achieving harmony, engagement, and satisfaction across work and life spheres to promote overall well-being and productivity.

Organizations that provide flexible work arrangements, supportive policies, and opportunities for employees to manage work and personal life demands are more likely to retain talent, as employees perceive that their well-being is valued and their long-term career growth is supported (Akanmu et al., 2025). When employees feel that the organization acknowledges their personal and professional needs, they experience higher job satisfaction, engagement, and commitment, which reduces turnover intentions. Supportive work-life balance practices signal to employees that the organization cares about their overall welfare, making them more motivated to remain with the company, contribute effectively, and align their career aspirations with

organizational goals. In this way, work-life balance not only improves employees' immediate satisfaction but also functions as a strategic retention tool, helping organizations maintain a stable, skilled, and committed workforce.

2.5.2 Previous studies on work-life balance

According to a study by Waworuntu et al. (2022), work-life balance is not been seen as benefits but as a critical determinant of job satisfaction and retention. Besides Millennials focusses on career growth and equitable pay comparing to Gen Z who are more idealistic, prioritize on personal developments and supportive environment over salary alone. Poor work-life in an organization could lead to negative consequences such as burnout, stress, and high turnover intention of employees. Even though, many organizations recognize the importance of work-life balance and offering support to Gen Z and Millennials but many still fails to implement these practices (Grebstad, 2022). Policies often exist on paper but not practically implemented where employees can truly benefit from such as flexible scheduling or true respect for employee's personal time.

According to Zulkifli, Maisarah, and Muñoz (2025), a 2025 Malaysian study found that both work-life balance and meaningful work are significant predictors of employee retention. Employees who perceive that they have sufficient balance between their personal and professional responsibilities, and who find their work purposeful and fulfilling, experience greater sense of being valued. These factors strengthen employees' emotional and cognitive connection with the organization, making them feel valued and supported. As a result, employees are more likely to remain with the organization long-term, suggesting that initiatives promoting work-life

balance and meaningful work not only improve well-being but also serve as strategic HR practices for enhancing retention by fostering loyalty, commitment, and a strong employee-employer bond.

According to Malek et al. (2025), a quantitative study conducted in an IT company in Malaysia found that work-life balance is positively associated with employee retention, alongside compensation and psychological well-being. The study highlights that initiatives such as flexible working hours, remote work options, and supportive policies enable employees to manage personal and professional responsibilities more effectively. From the employee's perspective, these initiatives signal that the organization values their well-being and respects their life outside work, which strengthens their psychological attachment and sense of loyalty to the employer. Consequently, employees who perceive that their organization supports both their career and personal needs are more engaged, satisfied, and motivated to stay, demonstrating that work-life balance is a critical HR strategy for enhancing retention through strengthened employee-employer connections.

2.6 Literature gap

Despite extensive research demonstrating that HR practices, training and development, performance appraisal, and work-life balance positively influence employee retention (Shahzad et al., 2024; Saedin et al., 2024; Ramola & Rangnekar, 2021; Zulkifli et al., 2025; Malek et al., 2025), there remains a lack of empirical evidence on how these practices work together to shape employees' psychological connection to their employer, particularly in the electric and electronic semiconductor Malaysian sectors. Most existing studies are too general and don't really focus for the unique pressures of

the semiconductor sector in Penang, such as intense global competition and rapid technological changes. This research fills that gap by providing "localized empirical data" real world evidence specifically from workers in that specific hub. Furthermore, a critical practical gap between established organizational policies and their actual implementation occurs. For example, while many companies may have work-life balance or training policies on paper, they are often not effectively realized in practice, leading to employee stagnation and dissatisfaction. This study aims to address these gaps by focusing on the employee perspective, thereby contributing to both theory and practice in strategic HR management for retention.

2.7 Underpinning Theory- Social Exchange Theory (SET)

SET posits that social interactions arise from an exchange mechanism where people aim to enhance gains and reduce expenses, and that affirmative organizational initiatives will be met with favourable employee mindsets and actions. The study is firmly rooted in social exchange theory (SET) which outlines the two-way relationship between both employers and employees. According to Xu & Loang (2024), reciprocity exists when an individual participating in a relationship that are mutually beneficial to both parties, expecting to receive benefits in return. Within the context of the employer-employee dynamic, HRM activities may be seen as strategic investments undertaken by the organization to recruit, retain, and develop talented individuals effectively. Besides HRM activities does not only serves as a strategic tool that align the workforce with organizations long term goals and objective but it also helps to enhance productivity and retention, ultimately contributing to a sustainable competitive advantage.

Connection between employees and organization is influenced by the aspects of social exchange where rewards, sacrifices, and benefits which act as a crucial role (Reners et al., 2024). Employees who tend to contribute their time and effort by working overtime and handling high workloads are expecting to receiving tangible and intangible rewards in return. Besides, Social Exchange Theory (SET) is used most for a better and deeper understanding of retention (Aman-Ullah et al., 2020). When employees feel that their contributions are not being appreciated or rewarded accordingly, therefore this could lead to negative impact such as dissatisfaction, disengagement, and poor retention.

From the Social Exchange Theory (SET) perspective, employee retention can be induced by training and development offered by employers, which facilitate mutual benefits and create reciprocated obligations (Xuecheng et al., 2022). Offering training and development opportunities (e.g., skill development, career progression) is another form of rewarding employees' contributions. According to Khan & Iqbal (2020), the purpose of the training and development is to improve the knowledge, skills, and abilities whether it is offered initially or continuously. Employees who see that the company is investing in their personal and professional growth are more likely to feel a strong sense of commitment and stay with the company.

Other than that, performance appraisals are a means of recognizing and rewarding employees' contributions. According to Scholars like Jaafar & Salim, 2017, performance appraisal affects the decision-making assessment, which is necessary and related to the promotion, need for training and development, movement of workers' salaries and exchange (Rehman, 2022). When employees receive recognition and fair

evaluations, they are likely to feel a greater sense of belonging and loyalty, contributing to higher retention. According to the notion, when workers believe that the HRM practices of the organization fulfil their needs and expectations, a feeling of reciprocity is formed (Kilroy et al., 2023). The quality of employee exchanges with the organization, specifically during the performance appraisal, has a significant impact on employee attitudes and behaviors and to employee retention. This means that positive social exchanges during performance appraisals are useful in promoting employee retention through building trust and organizational loyalty thus it also strengthens the employee-employer relationship.

Furthermore, when organization supports employees work-life balance in workplace through mechanism such as flexi working hours, remote working option, or family-friendly policies, employees perceive these as beneficial investments in their well-being. This initiative serves as act of goodwill that strengthen mutual trust and psychological contracts between both employer and employee. Hence, workers are more likely to respond with positive behaviors such as enhancing productivity, reduce absenteeism, increase loyalty, and provide support for the organization (Aldabbas & Blaique, 2025). The mutual exchange creates a cycle where work-life balance supports encourages employees to go beyond their job duties, improving outcomes for both staff and the organization.

In the other hand, when these exchanges are perceived as imbalanced due to poor hr strategies in the organization therefore it may lead to dissatisfaction and may ultimately cause higher turnover rates. Thus, the theory is used to investigate the employees' behaviors, enabling organizations to enforce certain HRM practices

and igniting unique social exchange relationships (Xuecheng et al., 2022). In this case, it will be very difficult for an organization to retain its talented employees from leaving the organizations. Finally, it is also crucial to understand the key factors influencing employee retention for the industry long-term success. If new hires feel that the job expectations and company culture match their needs and values, they are more likely to stay.

2.8. Research Framework

Figure 1 illustrates the research framework which shows how three independent factors such as training and development, performance appraisal and work life balance affect employee retention as the dependent variable. The framework integrates theoretical ideas with empirical data to offer a comprehensive understanding of the factors affecting employee retention rates within Malaysia's electrical and electronic semiconductor sector. The integrated method pinpoints exact areas where companies can act and enhance employee retention rates via effective HR strategies.

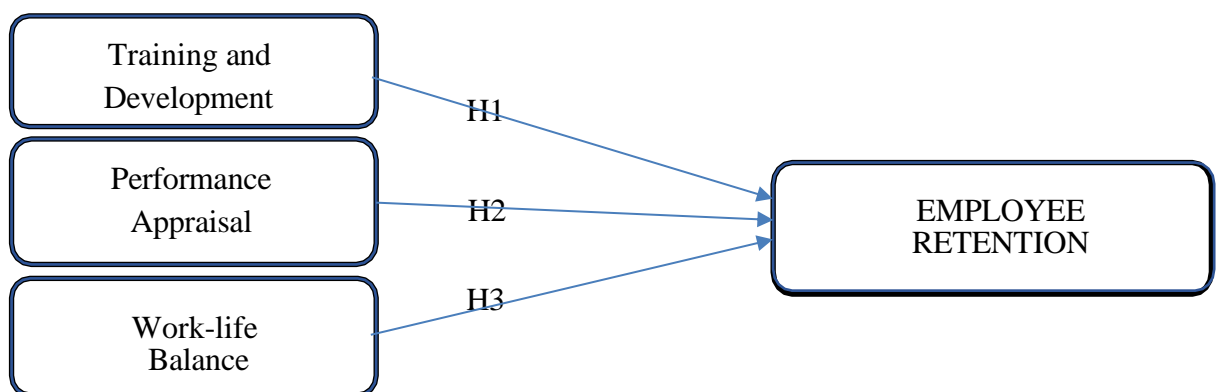


Figure 1.0:
Conceptual Framework

2.9 Hypothesis Development

2.9.1 Relationship between training and development and employee retention

Training and development bring a positive influence on employee retention by improving employee's knowledge, skills and confidence results to increase in employee retention level. According to Kumari et al. (2022), training and development is considered important in developing a sense of belonging feeling among employees. When an employee is being provided with wider opportunities to learn and grow therefore employees began to feel valued and which cause their intention to leave will be reduced. Besides investment in training and development made by companies may prevent from high turnover and sees it as return on investment. Continuous training and development also help employees adapt to changing job demands and technologies, lowering their frustration and burnout which could also help employees to sustain in their current organizations. On the end employee levels, research has also shown that, if employees feel that they are learning and growing, they will be less inclined to leave (Nguyen, 2020). Previous studies have shown that organizational training and development programs positively affect employee retention (Fletcher et al., 2018). Based on the prior researches, hypothesis is formulated as follows: -

H1: There is a significant positive relationship between training and development and employee retention.

2.9.2 Relationship between performance appraisal and employee retention

Performance appraisal does influence employee retention by shaping employee's perception of fairness, transparency, recognition, and growth within an organization. It is also concluded that the process of evaluating and providing feedback on employee

performance directly influences the employee decision to stay (Nordin, 2023). A continues feedback helps employees understand their strengths and areas for improvement, while clear performance criteria align individual efforts with organizational goals that helps in high employee retention. Besides by understanding and meeting employees' expectations, the organization can enhance retention rate and ensure the stable development of the organization. In other hand, when a high performer in an organization is not adequately recognized or rewarded, therefore employees may feel demotivated, undervalued, and cause increasing their intention to leave. According to researcher by Aleem and Bowra (2019), the organization striving to enhance the employee commitment and retention rate should implement equitable performance appraisal systems when assessing employee performance (Nordin,2023). Numerous scholars have conducted various of past studies on the relationship between performance appraisal with employee retention (Hossain & Islam, 2023). However, the effectiveness of these systems depends on their perceived fairness and alignment with organizational objectives. According to Levy and Williams (2004), it has been argued that the development and application of performance appraisals create a positive impact on employees' perceptions of being valued by their organization, and it has a positive impact on employee retention (Islam et al., 2024). Based on the prior researches, hypothesis is formulated as follows: -

H2: There is a significant positive relationship between performance appraisals and employee retention.

2.9.3 Relationship between work life balance and employee retention

In today's workforce, work-life balance has become a decisive factor in career

decisions, making it a key strategic tool for organizations to retain top talent for the younger generations (Deloitte, 2023). It does influence employee retention by improving employee's well-being, job satisfaction and the overall commitment towards the organization. When organizations provide supportive policies such as flexible working hours, wellness programs, it helps employees to experience higher job satisfaction and stronger organizational commitment which directly maintain better retention level in an organization. A healthy work-life balance reduces stress, burnout, and work-family conflict, thereby encouraging employees to sustain with the organization for longer periods. Companies that place an emphasis on work-life balance do not only have a healthier and more productive workforce but can also experience a higher retention and organizational commitment levels (Greenhaus et al, 2003). A positive work-life balance signals that the organization values employees' personal lives as well as their performance, which strengthens loyalty and reduces turnover intentions. Prior research suggests a favorable interrelation between work-life balance and talent retention and it is evident that work-life balance does correlates positively with talent retention (Yusof & Ying, 2024). Based on the prior researches, hypothesis is formulated as follows: -

H3: There is a significant positive relationship between work life balance and employee retention.

2.10. Summary

This chapter focuses on a detailed literature review that is related to several HR practices that influence employee retention. It discusses key HR strategies including training and development, performance appraisal, and work-life balance, highlighting

their role in reducing turnover and retain talented employees in semiconductor industry. Besides, the Social Exchange Theory (SET) also demonstrates the important insights about how HR strategies support employee retention in organizations. In the next chapter, the discussion will focus on theoretical framework and research methodology on this study.



CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter brings a clear explanation on the methodology that is being used in this study which includes research design, data collection methods, overall population, sample size, and analytical approaches which is been utilized to investigate on how hr strategies influences employee retention. This chapter indicates the research methodology which is being used to study the correlation between employee retentions and several human resource strategies such as training and development, performance appraisal, and work life balance among the employees at electric and electronic semiconductor of Penang.

3.2 Research Design

A quantitative method has been used to examine the relationship between each variable (Salkind et al., 2020). It is to examine the relationship between employee retention, training and development, performance appraisal, and work-life balance with the intention of assessing the correlational approach between the independent variables and employee retention. Quantitative research involves quantifying data information through statistical procedures that are available in Statistical Packages of Social Science (SPSS). Besides, a survey-based method is also being used, where structured questionnaires are being distributed to collect the primary data from respondents of the targeted semiconductor of electric and electronic companies in Penang. Basically, the respondent will answer all the given question from section 1 to 5 of the questionnaire based on their own point of view. It is one of the data collection techniques which has

been developed for the purpose of predicting, making descriptions and analyzing the significant relationships between two variables in the study (Ng, 2015). Research design is a master plan that specifies the methods and processes for gathering and analyzing the required data (Zikmund et al., 2016). This study also adopts a cross-sectional research design in which data are collected at a single point in time. Besides, the unit analysis refers to employees within the electric and electronic semiconductor company of Penang, Malaysia. The study aims to identify the connection between HR strategies (training and development, performance appraisal, and work-life balance) and employee retention across various job levels and departments.

3.3 Population and sample

3.3.1 Population

The targeted population for this study is those employees who are working in electric and electronic semiconductor manufacturing company which is in Penang. Besides all level of employees were participated in the survey such as middle level and low-level employees. Typically, from all electric and electronic semiconductors companies in Penang, only three companies are willing to participate in the survey with conditions. Therefore, the total population from all three companies is approximately around 3150 employees and the total number of employees for each company has been obtained from the HR department. The research will focus on employees' perceptions and experiences with training and development, performance appraisal, and work life balance with the aim of understanding how they perceive this factor influence employees' decisions to retain in the organization.

3.3.2 Sample size

To ensure an adequate sample size for data analysis, it is referenced to base on the Sample Size table of Krejcie and Morgan (1970). From the estimated population of 3150, a minimum sample size required is 346. To aligned with the guideline, total 390 questionnaires were distributed to the target respondents in order to prevent from potential non responses but after considering unreturned questionnaire, a total of 333 usable responses were collected and analyzed. The data collection process was conducted over a period of one and half months, with efforts made to minimize any potential biases related to time and environment.

3.3.3 Sampling Techniques

The sampling techniques to be used for this research is purposive sampling to achieve more comprehensive and direct understanding of the specific perspective's employees have regarding these elements. The research methodology employs this broad strategy to understand all elements affecting employee retention within Penang's E&E semiconductor industry. The study used purposive sampling because it needed deep data from employees that are directly involved with existing HR strategies in their organization that enhance employee retention patterns specifically related to training and development as well as and performance evaluation and work life balance. Selecting participants who have the relevant experience and insights related to these issues, the in-depth data could be gathered in the study. The criteria for purposive sampling include full time employees who are currently employed in electric and electronic semiconductor companies in Penang and are local employees only. Besides the staff selection is based on diversity which includes employees with different roles responsibilities, and educational backgrounds used to achieve a detailed findings about

employee retention.

3.4 Measurement

3.4.1 Employee retention

This section of the study utilized five items scale adopted from Olaimat and Awwad (2017) to assess on employee retention. All the items used were measured on five-point Likert scale ranging from 1 “strongly disagree” to 5 “strongly agree”. The study has reported a Cronbach's alpha value of 0.78, indicating its reliability. This value indicates acceptable internal consistency, as values of Cronbach's alpha is between 0.7 and 0.8 are considered acceptable. Therefore, the items are well-aligned with our context and have demonstrated strong validity in earlier research investigations.

Table 3.1
Employee retention item

Operational Definition	Item	Source
Employee retention refers to the extent to which employees choose to remain employed in an organization, as indicated by their intention to stay, reduced thoughts of leaving, and preference for long-term employment with the organization	<ol style="list-style-type: none">1. I intend to remain working in this establishment.2. I will return to work here in the future if I have to quit my job due to unforeseen circumstances.3. It is possible that I will look for a new job soon.4. If I were given choice, I would prefer to continue working in this company as long as possible.5. I often think of leaving the establishment.	Olaimat & Awwad, (2017)

3.4.2 Training and Development

Training and development items were adopted from the revised version of Olaimat and Awwad, (2017). The measure includes five questions with 5-point Likert scale that assess key dimension of training and development which may influences employee retention. The questionnaires were tailored to fit the specific context of this study with reliability value of (Cronbach's alpha) of training and development of $\alpha = 0.92$, ensuring that the results are valid and dependable. From previous study of Snell and deans (1992), a direct reliability was not measured however inter-rater reliability was used to ensure consistency of training and development data evaluation which is from range 0.68 to 0.72.

Table 3.2
Training and Development items

Operational Definition	Item	Source
Training and development are defined as a formal activity provided by an organization to enhance employees' knowledge, skills, and abilities needed for their current job and future career growth. It is measured through employees' self-reported participation in training and development programs and their perceived improvement in job-related competencies.	<ol style="list-style-type: none"> 1. My organization provides proper induction and training upon commencement. 2. There are possibilities of promotion due to trainings and development given. 3. Innovation and creativity are encouraged here. 4. My organization provide job-development/ career path guidance to help employee identify/ improve abilities, goals strengths and weaknesses. 5. I have minimal future within this organization. 	Olaimat & Awwad, (2017)

3.4.3 Performance appraisal

This part consists of five items scale adopted from the revised version of Islam (2024) to assess on performance appraisal in organization. All the items used were measured on five-point Likert scale ranging from 1 “strongly disagree” to 5 “strongly agree”. Previous study has reported a Cronbach's alpha value of 0.80 for this scale which shows its high reliability (Delery & Doty, 1996). The high alpha score means that the items in this questionnaire are suitable for our research since they are internally consistent.

Table 3.3
Performance appraisal items

Operational Definition	Item	Source
Performance appraisal refers to employees perceived evaluation of how fairly and accurately their performance is assessed and recognized by the organization, which shapes their attitudes and retention intentions.	1. I am evaluated fairly on the basis of performance.	Islam (2024)
	2. Performance appraisal is based on individual performance.	
	3. Performance is regularly measured in my organization.	
	4. Performance in my organisation is based on objectives and results.	
	5. Individual contributions are encouraged and recognised in my organisation.	

3.4.4 Work-Life Balance

These items were adapted from Pauzi (2020), which includes five questions that assessed on work life balance. The original instrument is developed by Hill et al. (2001). All the items were measured by using 5-point Likert scales and the questionnaires were tailored to fit the specific context of this study. Bell et al. (2012) has reported a reliability value of 0.84 for these items indicate a high internal consistency and reliability of the scale.

Table 3.4
Work-life balance items

Operational Definition	Item	Source
Work-life balance defined as the point of harmony between a person's amount of time and involvement in his or her career and personal life.	<ol style="list-style-type: none"> 1. It is easy for me to balance the demands of work and also, my personal life. 2. I have sufficient time away from my job to maintain adequate work and personal life balance. 3. When I take a vacation (holiday), I am able to Separate myself from work and enjoy myself. 4. I feel successful in balancing between my work and personal life. 5. I feel drained when go back to home from work because of work pressures and problem. 	Pauzi (2020)

3.5 Questionnaire Design

A questionnaire is a set of written questions that required the respondents to provide their answers. It will be delivered via google link and hardcopies to participants so they can share their opinions about the topic and all questions will be prepared in English. According to Kumar (2018), the questionnaire that is provided must be clear and easily understood by the respondents as there is no one to explain to them if they do not understand it. There is total five section in the questionnaire that consists of demographics information of respondents by using nominal scales such as gender, age, race, education, level of position and years of experience for section A.

Apart from that, Section B to E do consist of several questions on employee retention, training and development, performance appraisal and work life balance by using 5-point Likert scale from strongly disagree to strongly agree. All the dependent and independent variable is developed by previous researches. While the scoring method where there is a weighting (Likert scale value): strongly agree = 5, agree = 4, neutral = 3, disagree = 2, and strongly disagree = 1 just to determine which one is higher and which one is lower (Kusmaryono et., 2022). Individual will evaluate the questionnaire based on their opinion and there will be no right and wrong answers.

3.6 Data Collection Procedures

Collection of data is standardized and objectified, using, for instance, questionnaires with pre-coded answering categories (Groenland and Dana, 2020). To achieve the goal of study, the researcher gathered and analyzed data collection involving primary data which was distributed in the form of hardcopy to respondents from semiconductor industry of Penang. The questions were prepared in English for the survey form to be distributed. To obtain the data collection, researcher has contacted the Human resource department of targeted company to formally request permission of distributing questionnaire with highlighting clear purpose. Once permission was granted, questionnaire was split equally for three participating companies and handed to the HR representative for internal distribution among their employees.

A total of 390 questionnaires were distributed and the data collection process was started between mid of September until mid of October 2025. It takes about four weeks to collect the overall questionnaire from each of the companies due to the vary in shift patterns of the employees. Weekly follow up has been taken into consideration resulting

the final sample based on the completed submission of hardcopy in returned.

3.7 Pilot Study

Pilot test describes as a preliminary trial or study conducted in a small scale before the appropriate samples used for the actual test (Fahmid, 2016). The purpose of this pilot study is to ensure that all the questions are properly worded and easy to be understood by respondents. Besides survey data will be conducted within a small group of respondents to test the reliability of each instrument and a high reliability can be achieved if the measures produce similar result for all items continuously. The pilot study was conducted with total of 51 respondents from electric and electronic semiconductor manufacturing company in Penang with different position levels and the consistency of Cronbach alpha for each of the variables was measured and showed in Table 3.5.

The employee retentions show coefficients (α) as 0.789 with two items reversed due to negative statement (It is possible I will look for a new job soon) and (I often think of leaving the establishment). Next the coefficients (α) for training and development are 0.833 with one item reversed (I have minimal future within this organization). While the coefficients (α) for following factor performance appraisal is 0.911 and for work life balance shows 0.783 with one item reversed (I feel drained when go back to home from work because of work pressures and problem). Through the above interpretation all values are above 0.7 which shows that the reliability is good enough.

Table 3.5
Test of Reliability

Factor	No of Item	Cronbach's Alpha
Employee Retention	5	0.789
Training and development	5	0.833
Performance appraisal	5	0.911
Work life balance	5	0.783

3.8 Data Analysis Technique

Data analysis required a detailed investigation of gathered data to evaluate the impact of the tested variable. The data will be coded and keyed into the SPSS version 24.0 program to generate statistical results for demographic analysis and descriptive analysis through Cronbach's Alpha. Pearson's Correlation Analysis and Multiple Regression help identify the relationship between the variables. Besides, reversed coding has been used to certain items which are negatively worded for instance Retention (items 3 and 5), T&D (item 5), and WLB (item 5) for better scores. This method allowed for a clear understanding of the exact counts and percentage of responses for each variable within the study.

3.8.1 Descriptive analysis

Descriptive analysis is a statistical technique used to organize, summarize, and present data in a clear and meaningful manner in order to describe the basic characteristics of a dataset. It primarily focuses on explaining the demographic traits of respondents by reporting key statistics such as means, medians, standard deviations, frequencies, and percentages, without making inferences or predictions beyond the observed data. The use of the mean as a measure of central tendency is appropriate only for interval and

ratio-level data (Thompson, 2009). By simplifying complex datasets, descriptive analysis enables researchers to obtain an overall understanding of the sample and variables, thereby facilitating interpretation and providing a foundation for subsequent inferential analysis.

3.8.2 Reliability analysis

Reliability is defined as the consistency of a method in measuring something (Ahmed & Ishtiaq, 2021). It is conducted to measure the number of errors and incompleteness of the data. A common approach is calculating Cronbach's Alpha, where values above 0.70 generally indicate acceptable internal consistency. Moreover, if the α value obtained for each variable after running the SPSS is below 0.70 therefore it is considered as weak. Ensuring high reliability in research instruments minimizes errors, enhances data credibility, and supports the validity of findings.

Table 3.6
Reliability analysis

Cronbach's Alpha Consistency	Internal
0.9 = α	Excellent
0.8 = $\alpha < 0.9$	Good
0.7 = $\alpha < 0.8$	Acceptable
0.6 = $\alpha < 0.7$	Questionable
0.5 = $\alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

Source: Nordin, 2023

3.8.3 Correlation analysis

As per Shaun Turney (2023), Pearson correlation coefficient helps to identify whether there is a significant relationship between two variables. The most common

measure is Pearson's correlation coefficient (r), which ranges from -1 to +1. Value which is close to +1 signifies as a strong positive relationship, while -1 indicates a strong negative relationship, and 0 suggests no correlation. Besides, in this study, the Pearson Correlation Coefficient is used to analyze the relationship between three independent variables such as of training and development, performance appraisal, and work-life balance with employee retention.

Table 3.7
Pearson Correlation Coefficient

Coefficient Value	Relationship between Variable
0.7 and above	Very Strong Relationship
0.50 to 0.69	Strong Relationship
0.30 to 0.49	Moderate Relationship
0.10 to 0.29	Low Relationship
0.01 to 0.09	Very Low Relationship

Source: Nordin (2023)

3.8.4 Regression analysis

Multiple regressions are used to evaluate the continuous influence of several independent variables on the dependent variable. This approach assists in determining the extent to which a set of independent variables can explain variance in a dependent variable (Cavana, Delahaye & Sekaran, 2001). Thus, in this study, the relationship between employee retention and its dependent variables will be investigated using standard regression analysis. As per Sekaran and Bougie (2016), this is because standard regression permits the simultaneous introduction of all research variables into the model, enabling analysis based on their variance contribution.

3.9. Summary

This chapter has clearly briefed on the research methodology and strategy used in the study and explained the research design, selection of respondent, development of questionnaire, and the data collection process. This study explores how employee retention interacts with training and development, performance appraisal and work-life balance among employees in electric and electronic semiconductor industry of Penang, Malaysia. It also provides a brief overview of how various analyses, particularly correlation and regression analysis, are used to evaluate the research hypotheses. In chapter four the results of the study are presented.



CHAPTER FOUR

FINDINGS

4.1 Introduction

This chapter explains on how all the three HR practices (training and development, performance appraisal, and work life balance) intersect and influence its employee retention among employees in electric and electronic semiconductor manufacturing companies. It helps to analyze all the quantitative data that has been collected from the survey of questionnaires which were distributed to the respondents. It begins with response rate, demographic analysis, and continues with descriptive analysis, reliability analysis, correlations analysis, and regression. This chapter also aims to achieve the research objective and research question which has been discussed and highlighted in chapter one. The insights gained from this study will help us to understand the intense relationships and offer actionable recommendations to promote a more stable and productive work environment within semiconductor manufacturing companies.

4.2 Response Rate

The response rate basically depends on the level of participation from targeted individual and a high response rate helps to enhance the research study's reliability and credibility of the findings and allowing for more accurate generalizations to the larger population. In accordance to the sample size based on Krejcie & Morgan (1970), 346 data should be collected but due to several factors only 333 data were able to be collected out of 390 distributed questionnaires. A post hoc power analyses were conducted using G*Power software to assess the adequacy of the sample size. The analysis indicated that a minimum of 329 participants was required for a multiple

regression model with three predictors (training and development, performance appraisal, and work–life balance), assuming a medium effect size ($f^2 = 0.15$) and an alpha level of 0.05. In the study, 333 responses were collected, slightly exceeding the minimum requirement. A post hoc analysis revealed an achieved power of 0.9999, suggesting that the sample was more than sufficient to detect the hypothesized effects. Consequently, the final sample was considered appropriate, balancing both statistical power and practical feasibility (Memon et al., 2020).

Table 4.1
Response rate

Description	Total	Percentage (%)
Questionnaire distributed	390	100
Questionnaire returned	333	85.38
Questionnaire unreturned	57	14.62

4.3 Demographic Profile

Table 4.2 shows the information collected on the demographic characteristics of respondents and the data helps to contextualize these findings and offer a more comprehensive understanding of the sample population.

Table 4.2
Respondent profile

Demographic	Categories	Frequency (n)	Percentage (%)
Gender	Male	140	42
	Female	193	58

Age (years)	26-34	145	43.5
	35-45	89	26.7
	46-55	30	9.0
	Above 56	14	4.2
	Below 25	55	16.5
Race	Chinese	70	21.0
	Christian	5	1.5
	Indian	120	36.0
	Malay	138	41.4
Education Level	Degree	110	33
	Diploma	94	28.2
	Master	7	2.1
	PMR	3	1.2
	SPM	87	25.8
	STPM	31	9.3
	UPSR	1	0.3
Job level	Clerical/ administrative or assistant.	171	51.4
	Director and above (ceo, managing director or equivalent).	1	3
	Executive (supervisor, coordinator or equivalent).	129	38.7
	Manager (department	32	9.6

manager or equivalent).

Years of Experience			
1 - 5 years	183	55.0	
11 years and above	22	6.6	
6 - 10 years	56	16.8	
Below 1 year	72	21.6	

Based on the data collected, it is revealed that the majority of respondent is female participants which is 193 (58%) and the rest is 140 male respondents (42%). The gender distribution reflects female representation are higher among the male respondents in this study. This study helps to capture and investigate on how male and female employees in Electric and Electronic semiconductor manufacturing companies perceives on which HR practices have varying effects on their retention.

Out of 333 respondents, data shows that majority of the respondents age are between 26 to 34 years old with total of 145 (43.5%). Followed by respondent in the aged of 35 to 45 years old which is total 89 (26.7%), 30 of them were respondent (9%) from age between 46 to 55, 14 of the respondents (4.2%) were above 56 years old and finally there are about 55 respondents (16.5%) who are below 25 is 55.

In term of race, the study includes a significant proportion of 138 Malay respondents (41.4%). Followed by Indian participants with total of 120 respondents (36%), Chinese 70 respondents (21%) and lastly 5 of them are Christian (1.5%).

The sample on education level shows that majority of respondents are from Degree holders such as 110 respondents (33%), Diploma holders with 94 of them (28.2%),

Masters with 7 respondents (2.1%) and others include PMR with 3 respondent (0.9%), SPM with 87 respondents (26.1%), STPM with 31 respondents (9.3%) and finally there is also respondent from UPSR qualification which is only I respondent (0.3%).

Besides, the distribution of job level of the respondents from the companies shows that majority of them are working as clerical/administrative or assistant level which is 171 respondents (51.4%), Executive level (Supervisor, coordinator or equivalent) is about 129 (38.7%) of respondents, manager (Department manager or equivalent) shows 32 respondents (9.6%) and finally the Directors and above (CEO, MD or Equivalent) level who takes part in the survey is only 1 (0.3%) respondent.

In term years of service distribution, the data shows that a total of 183 respondents (55%) has worked between 1-5 years, followed by a total of 22 of the respondents (6.6%) worked more than 11 years which is very less compared to other participants. There are about 56 respondent (16.8%) works between 6-10 years and finally about 72 respondents (21.6%) are working less than 1 year.

4.4 Reliability Analysis

Table 4.3
Result of Reliability Analysis

Variables	Number of Items	Cronbach's Alpha
Retention	5	.757
Training and development	5	.711
Performance appraisal	5	.874
Work-life balance	5	.794

Table 4.3 shows the reliability analysis which studies the internal consistency of each variable items by using Cronbach alpha coefficients. All values that exceed 0.70 are acceptable and indicates as satisfactory reliability for each construct variable. Based on above results, the Cronbach alpha for Performance Appraisal shows the highest reliability ($\alpha = 0.874$), suggesting very strong internal consistency among its items, while Training and Development has the lowest ($\alpha = 0.711$), but still falls within an acceptable range. Retention ($\alpha = 0.757$) and Work-Life Balance ($\alpha = 0.794$) also show good and accepted reliability levels.

4.5 Descriptive Analysis

Descriptive analysis is a statistical technique that is used to summarize and interpret the collected data to describe its main features in a quantitative manner. The descriptive statistic shows the overall result of mean and standard deviation for employee retention and training and development, performance appraisal, and work life balance based on 333 respondents. 5-point Likert scale which is from strongly disagree (1) to strongly agree (5) have been used to measure all the variables in this study.

Table 4.4
Descriptive Analysis of the Variables

Variables	Mean	Standard Deviation
Employee Retention	3.087	.779
Training and development	3.294	.797
Performance appraisal	3.572	.850
Work-life balance	3.273	.781

Based on Table 4.4, the results indicate that the mean for employee retention is 3.087 with standard deviation of 0.779. The mean score suggest that respondents hold a moderate level of satisfaction regarding the HR factors influencing their decision to remain working with their organization. This do indicate that employees might not committed to stay for a long term and does not mean they are not entirely dissatisfied either. The standard deviation of 0.779 shows a moderate variation in employee responses, meaning most respondents have similar perception of employee retention meanwhile some other variation still exists among them. Although the retention level is relatively stable, there are still differ opinion exist indicates for management to improve retention initiatives for long lasting commitments.

The mean score for training and development is 3.29 with a standard deviation of 0.797. this shows that on average, employees agreed moderately high level of training and development. Employee believes that training and development is effective in enhancing their skills and growth. The standard deviation is 0.797 indicates a moderate variation in response where many may share similar views but some differences may exist in how employee perceive the quality of training and development programs.

The mean score for performance appraisal is 3.572 with a standard deviation of 0.850. The mean score indicates that respondents do agree at moderately high level that performance appraisal is effectively implemented within their organization and useful in evaluating employee performance. The standard deviation of 0.850 represent a moderate variation in response where opinions might be differed in terms of the effectiveness or fairness of appraisal process. The results indicate a relatively positive perception of performance appraisal but there are still areas required for improvements.

Finally, the mean score for work-life balance is 3.273 with a standard deviation of 0.781. Employees do perceive a moderate high level between their personal and professional life since employees may still need some improvement on work-life policies to maintain their wellbeing. The standard deviation is 0.781 shows a moderate variation of responses in how employees experience work-life balance. In overall, it is moderately favorable across the measured factors.

4.6 Pearson Correlation Analysis

The Pearson correlation analysis presented in the table indicates relationships that exist among all the study variables (DV: Employee retention and IV: training and development, performance appraisal, and work-life balance). The findings reveal statistically significant correlations among the variables, aiding in the comprehension of their mutual influences.

Table 4.5
Pearson Correlation Analysis

Variables	Retention	Training and Development	Performance Appraisal	Work-life Balance
Retention	1			
Training and development	0.493**	1		
Performance appraisal	0.558**	0.591**	1	
Work-life balance	0.336**	0.253**	0.415**	1

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

Table 4.5 indicates that there is moderate positive correlation between retention and training and development ($r = .493$, $p < .01$), which suggest when organization tend to

invest more on trainings and development and therefore there is high possibilities for retention to increases. they are likely to remain when they perceived skill growth for their future developments. The correlation between retention and performance appraisal ($r = .558, p < .01$) is positively strong. Employees who received fair feedback and recognitions are likely to remain. Fair performance is strongly associated with higher retention level. Finally work-life balance ($r = 0.336, p < 0.01$) shows slightly weaker correlations between employee retention which is low to moderate positive correlation. This shows that work-life balance is coincide to higher retention but the relationship is not so strong as other variables. In overall, the result shows there is interconnection among all variables and proves that hr practices collectively influence employee retention.

4.7 Multiple Regression Analysis

The model summary in Table 4.6 presents the results illustrating the extent to which the independent variables predict employee retention, serving as the dependent variable, in the context of the study examining the relationship between training and development, performance appraisal, work-life balance and employee retention within the E&E semiconductor manufacturing company.

Table 4.6

Model Summary

R	RSquare	Adjusted R Square	Std. Error of the Estimate
.605 ^a	.366	.360	.62373

Predictors: (Constant), Training and Development, Performance Appraisal, Work-Life Balance

Dependent Variable: Employee Retention

Based on Table 4.6, of Model Summary, the R-value is 0.605 represent a moderate positive relationship between independent variable (training and development, performance appraisal and work-Life balance) and dependent variable (employee retention). The R-square value 0.366 (36.6%) explains the variance in employee retention outcome where other factors may also contribute. This illustrate a moderate proportion and shows the model is moderately useful in capturing the factors that influence employee retention but however other additional factors may influence the outcomes.

Besides the adjusted R-square value is 0.360 which indicates the variation in dependent variable that has been explained by the above model after adjusting number of predictors. The predictors used namely training and development, performance appraisal and work-life balance in the model tend to be useful in describing employee retention as the value is very near to the R-squared. Finally, the Standard Error of the Estimate (SEE) is 0.62373 that indicates the value deviate from predicted values of employee retention. The model prediction shall be more accurate when the value of Standard Error of the Estimate (SEE) is smaller. In overall the model predicts reasonably well and moderately fit but however, there are still some variations occurred in the prediction of employee retention.

Table 4.7

Multiple Regression Analysis

Model	Unstandardized		Standardized	t	Sig
	Coefficients	Std error	Coefficients		
	B		Beta		
Constant)	.702	.187		3.747	.000
Training and development	.244	.053	.250	4.585	.000
Performance appraisal	.329	.053	.359	6.208	.000
Work-life balance	.124	.048	.124	2.569	.011

Dependent Variable: retention

The multiple regression analysis is conducted to examine the HR practices (training and development, performance appraisal and work-life balance) on the dependent variable (employee retention). The results show that training and development shows ($\beta = 0.250$, $t = 4.585$, $p < 0.05$), performance appraisal ($\beta = 0.359$, $t = 6.208$, $p < 0.05$) and work-life balance ($\beta = 0.124$, $t = 2.569$, $p < 0.05$) is found to be positively significantly related. This concludes that all the independent variables influence employee retention positively especially performance appraisal has the strongest effect towards retention. Therefore, H1, H2, and H3 are accepted.

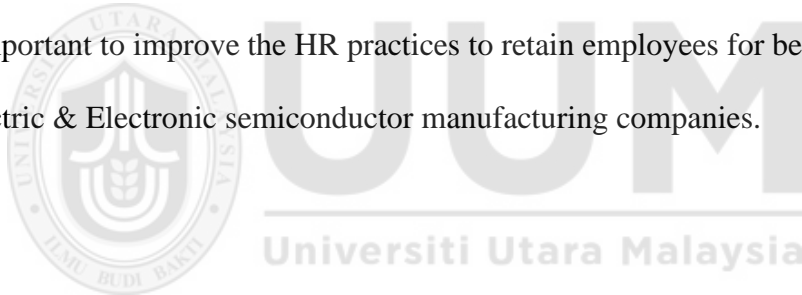
Table 4.8

Summary of hypothesis result

Hypothesis	Description	Result
H1	There is a significant positive relationship between training and development and employee retention.	Accepted
H2	There is a significant positive relationship between performance appraisals and employee retention.	Accepted
H3	There is a significant positive relationship between work life balance and employee retention.	Accepted

4.8 Summary

This chapter discussed the findings and the correlation analysis on the relationship between HR practices (training and development, performance appraisal and work-life balance) and employee retention in electric and electronic semiconductor manufacturing companies in Penang. The reliability of all variable has been tested and it shows a good internal consistency which is >0.7 . Besides, the results showed that the correlation analysis have a strong relationship among employee retention and predictors except work-life balance shows slightly weaker correlations. The results for multiple regression analysis indicates that all the variables such training and development, performance appraisal and work-life balance are positive significantly related. These findings confirmed that HR practices influence employee retention and it is important to improve the HR practices to retain employees for better productivity in Electric & Electronic semiconductor manufacturing companies.



CHAPTER FIVE

DISCUSSIONS AND CONCLUSION

5.1 Introduction

This chapter explains the overall summary of findings based from the study of the relationship between employee retention among employees from electric and electronic semiconductor manufacturing and the factors of training and development, performance appraisal, and work-life balance. Besides this chapter offers a brief discussion on the implication of research findings, analyzing them in relation to existing research and theory. The discussion also highlights on how each variables effects employee retention, building an insight from the study to propose actionable recommendation for future improvement.

5.2 Discussion of Findings

The objective of this study is to determine the relationship between employee retention and HR practices such as training and development, performance appraisal, and work-life balance. Multiple regression analysis test has been used to test the hypothesis ensuring objective is achieved. From the test, it shows that all the variables are positive and significantly correlated with employee retention.

5.2.1 Relationship between training and development and employee retention

The first objective is to determine the relationship between training and development and employee retention which shows a statistically positive significant relationship among employees in electric and electronic semiconductor companies.

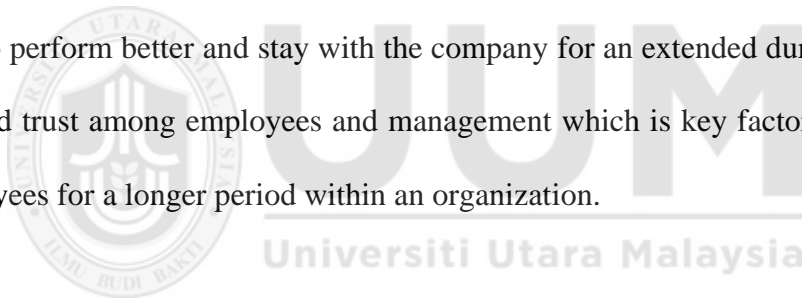
Past researcher has mentioned that training and development has major effect on

employee retention (Zaini, 2025). This also match the findings by researcher Hussain and Rehman (2013), where the findings highlighted training and development is positively correlated with employee retention. Training and development are vital in organizations, helping employees gain new skills and knowledge in cutting-edge technologies allowing employees to function effectively which helps to minimize job seeking opportunities and to be more competent and confidence in performing their job which could also enhance their problem-solving abilities relating to their task. According to Mikeal (2011) shows that through trainings and development, employees can work with little supervision and being more committed to their job (Hong et al., 2012). Besides development programs such as mentor-mentee programs, leadership trainings or digital reskilling helps employees in strengthening their emotional attachments and engagement which shall motivates them to sustain within the organization for a longer period. When workers feel that their employer is genuinely committed to training and development, they are more inclined to see the organization as supportive and appreciative of their growth, which boosts trust and reinforces their psychological bond with the employer (Mampuru et al., 2024). In the E&E sector, training and development refers to organized, structured, formal events and sessions that are provided to employees as part of a company initiative (Seong, 2015). Investing in employee development shows an organization's forward-thinking approach and it values continues improvement.

5.2.2 Relationship between performance appraisal and employee retention

The second objective is to determine the relationship performance appraisal and employee retention which shows a statistically positive significant relationship among employees in electric and electronic semiconductor companies.

The finding was aligned and supported by previous researcher, where it was found that performance appraisal conducted in organization showed a positive and significant relationship towards employee retention (Sinnappan, 2019). A good and effective performance appraisal system will engage and captivate employees to retain in the organizations for a longer period in electric and electronic semiconductor companies. Employees who receive a clear and honest feedback on their strength and weakness helps them to understand the area of improvements needed. It also helps employee to understand their role well and fostering a sense of belonging. Furthermore, performance evaluations act as a basis for decisions regarding promotions and rewards, as employees who attain concrete benefits like salary raises, advancements, or bonuses tend to perform better and stay with the company for an extended duration. It is a key to build trust among employees and management which is key factor in maintaining employees for a longer period within an organization.



5.2.3 Relationship between Work-Life Balance and employee retention

The third objective to determine the relationship between work-life balance and employee retention which shows a statistically positive significant relationship among employees in electric and electronic semiconductor companies.

This study is aligned and supported by previous researcher Kamalaveni et.al. (2019) where work-life balance has positively influence employee retention. This shows that the balance between personal and professional life is one of the important factors of employee retention in electric and electronic semiconductor companies. According to past research, the role of work life balance has a directly influence in employees

decision making to stay or leave an organization (Hashim et. al., 2016). Employees tend to face lower stress levels, better morale, and greater sense of fulfilment when they can balance both professional and personal life. Besides flexible work-life policies such as organizing flexible working hours, hybrid or remote working options, or time off shows that the organization cares for their employee's well-being and it create a sense of job satisfaction that builds trust and loyalty, making employees to remain for a long term and help to reduce cost related with recruitment and training new staff. Work-life balance is not only a key strategic to retain talented employees but also benefits employee well-being.

5.3 Implications of Research

5.3.1 Theoretical Implications

The findings of the study provides and important theoretical implications towards employee retention through the lens of social exchange theory (SET). It highlights on how specific HR practices can directly influence employee's decisions to retain in their current workforce specially in high tec industries such as E&E manufacturing semiconductor companies. The study focuses on how SET could fit into high pressure industries and with a lot of technologies involved that could explores on how different factors could affect the employee retention in today professional world. The main aim is to provide insight that can help track similar challenges in other industries in future. The study provides a theoretical knowledge and provides valuable contribution to new theories in how organizational support mechanism influence employee retention behaviors by merging these variables into a coordinated framework.

Additionally, the result of this research is in line with the social exchange theory

(SET), where the relationship between individual and organization are rule by reciprocity and mutual benefit. When employees begin to recognize that their organization are willing to invest in their professional growth by providing adequate training and developments, provides fair and transparent appraisal system and offering work-life balance, they see these as a valuable organization resource. Based on Social Exchange theory, providing the best HR practices in exchange, it encourages employees to reciprocate with loyalty and long-term sustainability in organization. This helps to strengthens the theoretical ideas that HR practices act as a social reward that builds the relationship between employee and organizations. Besides existing theories, this study broadens the use of SET by combining HR practices that relates and influencing employee retention. the current study indicates that the combined effect provides a stronger sense of reciprocity and trust.

Employee retention has been the major concern in hr practices for many years; however certain important gaps appear to be such as work-life balance. In many hr strategies, organization do focus mainly on salary increment, promotions and job security and has overlooked on the ability of a staff to manage their work responsibilities without harming their personal life activities. When employees start feeling overwhelmed, they are more likely to experience burnout, stress and quit their jobs even other aspect of their jobs are positive. Realizing that work-life balance is a crucial aspect that could help HR practitioners to develop a holistic retention strategy that able to address employees' actual needs in today's demanding work environment. Furthermore, most research are based on western context leaving a limited understanding on Asian settings. The study bridges that gap by examining the retention in Malaysia region especially in electric and electronic semiconductor manufacturing sector which is

known as a high tech and globally competitive industry. This study offers insight for more effective retention strategies in South Asia's high-tech manufacturing environment.

5.3.2 Practical Implications

This study provides a valuable practical implication for all HR practitioners and managers in electric and electronic semiconductor manufacturing companies. The results indicated that the training and development, performance appraisal and work-life balance positively influence employee retention and therefore HR departments should concentrate on strengthening the HR practices to maintain a stable workforce in this highly technologically advanced and competitive industries.

Firstly, implementing training and development is important in an organization. The positive significant correlation between training and development and employee retention point up the needs for continues learning initiatives. Human resource practitioners should design and implement structured and appropriate training and development programs for their existing employees to improve their technical and soft skills for future developments which is related to their field of area. In this fast-paced technological expansion, providing upskilling opportunities helps to improve employee performance, foster a sense of value, develop career growth and helps to reduce turnover intention.

Secondly, performance appraisal shows a strong influence on employee retention that suggested a fair, transpicuous and development appraisal system are essential. HR departments in the semiconductor manufacturing companies should ensure that

performance review is not merely evaluative but it also should be helping in developmental, providing constructive feedback, creating and opportunities for improvements and providing recognition. Appraisal that comes with reward and promotions can improve employee motivations, trust in management, and improve employee retention.

Thirdly, work-life balance is also crucial. The study shows a significant correlation between work-life balance and employee retentions. Semiconductor manufacturing companies should focus on developing a flexible and employee friendly work policies. This will not only help to maintain employee satisfaction but also may help to balance their professional and personal life. Due to long working hours and to achieve outputs, HR managers, or practitioners should promote a flexible work arrangement such as time off, flexi work hours, compressed workweek, or job sharing to reduce employee burden and to allow them spend time with family members. These initiatives will help to support employees physical and mental well-being.

In conclusion, this study provides actionable insight to HR practitioners in semiconductor manufacturing companies. By conduct investigation into employee training and development, ensuring a fair performance being evaluated and promoting a work-life balance causing an organization to create a positive work environment, boost productivity, and foster employee retention. this hr practices do not only help in retaining skilled employees but also creates a good reputation to the organization within the global and competitive industry.

5.4 Limitation of Study

Even though this research provides a valuable insight of HR practices such as training and development, performance appraisal and work-life balance influencing employee retention in semiconductor manufacturing companies, is not without any limitation and it should be acknowledged. Firstly, the study was conducted within a specific industry (E&E semiconductor manufacturing industry) and geographic context (Penang), which may restrict the generalizability of findings. It basically limits the broader applicability of its findings because different industry and geographical area could have different operational challenges, labor market demands and cultural context that could directly influence the effectiveness of HR practices towards employee retentions. Secondly, this study also relies on self-reported data which is collected through the questionnaires distribution which may results to response or social desirability biases. Employee may provide responses that are more favorable instead of honest responses which could directly influence the accuracy of the relationship. Finally, this study focusses only on a limited HR practices such as training and development, performance appraisal, and work-life balance meanwhile there are other factors available such as leadership, compensation and many more which are not being examined. Broadening the scope of study by including few more variables could give more holistic understanding towards the complex interplay between the HR practices and employee retention.

5.5 Recommendation for Future Research

According to the limitation in this study, there are few recommendations suggested for future research whereby researchers may conduct this study in different industries and geographical areas to boost the generalizability of findings. By conducting this study in different sectors such as automotive, pharmaceutical, or mining industry that could help

in determining the influence of HR practices on employee retention is consistent across different organizational context. The next recommendation, researcher could also implement a longitudinal research design to investigate the changes of employee retention in the long run. This will help researcher to establish causal relation and understand clearly of how HR practices such as training and development, performance appraisal, and work- life balance initiatives impact employee long term retention in the organization. In addition, qualitative methods could also be added such as interviews which could provide a deeper insight into employee's experiences and knowledge. Finally, researcher should also consider on including additional HR practices which is not included in this study such as leadership style, open communications or healthy work environments may also plays a significant role towards employee retention. in overall this could help researcher to have better understanding towards the complex interplay of variables that may influence long term employee retention and satisfaction.

5.6 Conclusion

In a nutshell, the study clearly indicates that HR practices such as training and development, performance appraisal and work-life balance do play an important and statistically significant role in influencing employee retention within semiconductor manufacturing industry. Findings revealed that organization that provides a strategic HR initiative such as proper and regular training programs, fair and transparent performance appraisal and attractive work-life policies shall foster workforce stability. This highlights that semiconductor sector can enhance and invest into more comprehensive and stronger hr strategies to improve employee retention and long-term commitments. Besides, effective hr management is important to maintain innovation,

operational excellence and overall job satisfaction driven by high demands for skilled talents and its competitive environment. The findings provide solid and significant evidences that prioritizing an effective hr practice such as adequate training and development programs, effective performance appraisal system, and good work-life balance is a vital approach in maintaining employee retention and ensuring a long-term organization performance in the semiconductor manufacturing industry.



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APPENDIX A: QUESTIONNAIRE



Dear Respondent,

I am a Master candidate at University Utara Malaysia, currently engaged in research on " The Relationship Between Human Resource Practices and Employee Retention in Electrical & Electronic Semiconductor of Penang, Malaysia." Your participation in this study is crucial, and I kindly request you to complete the attached questionnaire, which should take approximately 10 minutes of your time.

Please be assured that the questionnaire is designed to be anonymous, and your responses will be utilized solely for academic research purposes. Should you have any inquiries or concerns regarding the questionnaire or your involvement in this study, feel free to reach out to me at Ramya24shini@gmail.com. You may also use the same email address to request the research findings.

Thank you for your valuable contribution. Sincerely,

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SECTION A: DEMOGRAPHIC INFORMATION

The following information is strictly confidential and will only be used for research purpose. I will be grateful if you could kindly fill the required information. Please read the following statements and TICK (✓) in the appropriate box.

1. What is your gender

- Male
- Female

2. Age

- Below 25
- 26 to 34
- 35 to 45
- 46 to 55
- Above 56

3. Race

- Malay
- Indian
- Chinese
- Others (Please specify): _____

4. Your highest level of education?

- SPM
- Degree

- Master
- Phd
- Others: _____

5. Please select your job level

- Directors and above (CEO, managing director or equivalent)
- Manager (Department manager or equivalent)
- Executive (Supervisor, coordinators or equivalent)
- Clerical/administrative or assistant

6. State the years of service in your current company?

- Below 1 year
- 1 to 5 years
- 6 to 10 years
- 11 years and above

SECTION B: EMPLOYEE RETENTION

Please read the following statements and Please (√) in the appropriate box to indicate your level of agreement for each statement below. The statements are anchored on the following 5-point Likert Scale:

Strongly disagree	Disagree	Neutral	Agree	Strongly agree
(1)	(2)	(3)	(4)	(5)

To what extent do you agree with the following statement?

		1	2	3	4	5
Employee Retention						
1	I intend to remain working in this establishment.					
2	I will return to work here in the future if I have to quit my job due to unforeseen circumstances.					
3	It is possible that I will look for a new job soon.					
4	If I were given choice, I would prefer to continue working in this company as long as possible.					
5	I often think of leaving the establishment.					

SECTION C: TRAINING AND DEVELOPMENT

Please read the following statements and Please (√) in the appropriate box to indicate your level of agreement for each statement below. The statements are anchored on the following 5-point Likert Scale:

Strongly disagree	Disagree	Neutral	Agree	Strongly agree
(1)	(2)	(3)	(4)	(5)

To what extent do you agree with the following statement?

		1	2	3	4	5
Training and Development						
6	My organization provide proper induction and training upon commencement.					
7	There are possibilities of promotion due to					

	trainings and development given.					
8	Innovation and creativity are encouraged here.					
9	My organization provide job-development/ career path guidance to help employee identify/ improve abilities, goals, strengths and weaknesses.					
10	I have minimal future within this organization.					

SECTION D: PERFORMANCE APPRAISAL

Please read the following statements and Please (√) in the appropriate box to indicate your level of agreement for each statement below. The statements are anchored on the following 5-point Likert Scale:

Strongly disagree	Disagree	Neutral	Agree	Strongly agree
(1)	(2)	(3)	(4)	(5)

To what extent do you agree with the following statement?

		1	2	3	4	5
Performance Appraisal						
11	I am evaluated fairly on the basis of performance.					
12	Performance appraisal is based on individual performance.					
13	Performance is regularly measured in my organisation.					

14	Performance in my organisation is based on objectives and results.					
15	Individual contributions are encouraged and recognised in my organisation.					

SECTION E: WORK LIFE BALANCE

Please read the following statements and Please (√) in the appropriate box to indicate your level of agreement for each statement below. The statements are anchored on the following 5-point Likert Scale:

Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
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To what extent do you agree with the following statement?

		1	2	3	4	5
Work Life Balance						
16	It is easy for me to balance the demands of work and my personal life.					
17	I have sufficient time away from my job to maintain adequate work and personal life balance.					
18	When I take a vacation (holiday), I am able to separate myself from work and enjoy myself.					
19	I feel successful in balancing between my work and personal life.					

20	I feel drained when go back to home from work because of work pressures and problem.					
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Thank you for the participation



APPENDIX B: SPSS OUTPUT

1.4 DEMOGRAPHIC INFORMATION

1. What is your gender?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	193	58.0	58.0	58.0
	Male	140	42.0	42.0	100.0
	Total	333	100.0	100.0	

2. Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	26 to 34	145	43.5	43.5	43.5
	35 to 45	89	26.7	26.7	70.3
	46 to 55	30	9.0	9.0	79.3
	Above 56	14	4.2	4.2	83.5
	Below 25	55	16.5	16.5	100.0
	Total	333	100.0	100.0	

3. Race

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Chinese	70	21.0	21.0	21.0
	Christian	5	1.5	1.5	22.5
	Indian	120	36.0	36.0	58.6
	Malay	138	41.4	41.4	100.0
	Total	333	100.0	100.0	

4. Your highest level of education?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Degree	110	33.0	33.0	33.0
	Diploma	94	28.2	28.2	61.3
	Master	7	2.1	2.1	63.4
	PMR	3	.9	.9	64.3
	SPM	87	26.1	26.1	90.4
	STPM	31	9.3	9.3	99.7
	UPSR	1	.3	.3	100.0
	Total	333	100.0	100.0	

5. Please select your job level.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Clerical/administrative or assistant	171	51.4	51.4	51.4
	Directors and above (CEO, managing director or equivalent)	1	.3	.3	51.7
	Executive (Supervisor, coordinators or equivalent)	129	38.7	38.7	90.4
	Manager (Department manager or equivalent)	32	9.6	9.6	100.0
	Total	333	100.0	100.0	

6. State the years of service in your current company?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 to 5 years	183	55.0	55.0	55.0
	11 years and above	22	6.6	6.6	61.6
	6 to 10 years	56	16.8	16.8	78.4
	Below 1 year	72	21.6	21.6	100.0
	Total	333	100.0	100.0	

1.5 DESCRIPTIVE ANALYSIS

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
RETENTION	333	1.20	5.00	3.0871	.77955
TRAININGANDDEVELOPMENT	333	1.40	4.80	3.2949	.79751
PERFORMANCEAPPRAISAL	333	1.00	5.00	3.5724	.85049
WORKLIFEBALANCE	333	1.20	4.80	3.2739	.78199
Valid N (listwise)	333				

RELIABILITY ANALYSIS

Employee retention

Reliability Statistics	
Cronbach's Alpha	N of Items
.757	5

Training and development

Reliability Statistics	
Cronbach's Alpha	N of Items
.711	5

Performance appraisal

Reliability Statistics	
Cronbach's Alpha	N of Items
.874	5



Worklife balance

Reliability Statistics	
Cronbach's Alpha	N of Items
.794	5

PEARSON CORRELATION ANALYSIS

Correlations

		RETENTION	TRAININGAND DEVELOPMEN T	PERFORMANC EAPPRAISAL
RETENTION	Pearson Correlation	1	.493**	.558**
	Sig. (2-tailed)		.000	.000
	N	333	333	333
TRAININGANDDEVELOPM ENT	Pearson Correlation	.493**	1	.591**
	Sig. (2-tailed)	.000		.000
	N	333	333	333
PERFORMANCEAPPRAIS AL	Pearson Correlation	.558**	.591**	1
	Sig. (2-tailed)	.000	.000	
	N	333	333	333
WORKLIFEBALANCE	Pearson Correlation	.336**	.253**	.415**
	Sig. (2-tailed)	.000	.000	.000
	N	333	333	333

Correlations

		WORKLIFEBAL ANCE
RETENTION	Pearson Correlation	.336**
	Sig. (2-tailed)	.000
	N	333
TRAININGANDDEVELOPM ENT	Pearson Correlation	.253**
	Sig. (2-tailed)	.000
	N	333
PERFORMANCEAPPRAIS AL	Pearson Correlation	.415**
	Sig. (2-tailed)	.000
	N	333
WORKLIFEBALANCE	Pearson Correlation	1
	Sig. (2-tailed)	
	N	333

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

MULTIPLE REGRESSION ANALYSIS

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df1
1	.605 ^a	.366	.360	.62373	.366	63.197	3

Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	.702	.187		3.747	.000
	TRAININGANDDEVELOPMENT	.244	.053	.250	4.585	.000
	PERFORMANCEAPPRAISAL	.329	.053	.359	6.208	.000
	WORKLIFEBALANCE	.124	.048	.124	2.569	.011

a. Dependent Variable: RETENTION



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