THE ROLE OF TALENT MANAGEMENT IN EMPLOYEE RETENTION

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APRIL 2017

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A Research project submitted in partial fulfillment of the requirement for the degree of

Master of Business Administration

Universiti Tunku Abdul Rahman

Faculty of Accountancy and Management

April 2017

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DECLARATION

I hereby declare that:

(1) This Research Project is the end result of my own work and that due acknowledgement has been given in the references to all sources of information be they printed, electronic, or personal.

(2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.

(3) The word count of this research report is 15646

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ACKNOWLEDGEMENTS

I would like to take this opportunity to thank the following people that make this research project a success.

First and foremost, I would like to express my sincere appreciation to my supervisor for er continues advice and guidance. Thank you for your support and advice through this research period.

To my friends and colleagues, who stood by me you all this time. You had encouraged me and believed in me against all odds to accomplish my dream. When I need supports and motivation you all are always there to support me as much as you can.

Last but not least to my family, you have been a great encouragement in this journey. You all make me realized that there is no limit if I determine to do it.

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ABSTRACT

Employee retention and talent management issues are becoming the most critical workforce management challenges of the immediate future. This is because when an employee leaves the organization it incurred cost for the organization from recruitment till the employee start working with the organization. In addition, it also disruption the working routines of the remaining employee and reduced the organization performance. Therefore, many organizations are exploring how they are able to retain the employee for a longer period of time.

The research objective is to examine whether competency mapping, employee engagement, performance management and career development have a positive relationship in employee retention. The target respondents in this study are customer service representative working in banking and finance organization within Klang Valley. The theories and model that is used in this study are Resource based view (RBV), Herzberg's Motivation-Hygiene Theory, Person-Environment Fit Theory (P-E Fit) and Social Exchange Theory (SET) all of which are relevant to this study.

The collected data will be analyse using Statistical Package for Social Science (SPSS) software. Descriptive analysis, reliability test and inferential analysis (Pearson Correlation Analysis and Multiple Regression) will be used to analysis the collected data.

The result of this study will be useful to leadership and human resources in an organization to have deeper understanding how talent management influenced in employee retention. It allowed the organization to be able to develop policy, remuneration or plan to retain their talented employee. By successfully retaining talent for a longer period of time it will improve in employee engagement and also performance of the organization.

CHAPTER 1

INTRODUCTION

1.0 Introduction

The purpose of this study is to test the relationship between talent management (competency mapping, employee engagement, performance management and career development) and employee job retention in service industry. This research will give further understanding about how competency mapping, employee engagement, performance management and career development affect in employee's job retention. Research background, problem statement, research objectives and question, hypotheses of study and significance of study of chapter 1 are included in this chapter.

1.1 Research Background

1.1.1 Talent Management

The role of human resources had rapidly changed over the years where it used to focus solely on payroll, hiring and employees benefits until the strategic human resources was introduced during 1980s. With the introduction of strategic human resources, human resource departments started to involve in the organization business strategy which include organization development such as training, organization communication and development of total compensation system (Jones, 2016). While human resource departments continue to focus on strategic goals, recently the trend showed that there is a shift toward "talent management". According to Nyanjom (2003), talent management is referred as the identification and growth of the existing talent in an organization within the human resource function.

Over the past few years, there is a raised in interest of organization in the field of talent management in which a surveys showed that 75 per cent of the leadership acknowledged that talent management is their priority in an organization (CIPD, 2010). Talent management is being viewed as a tool to support the organizational competence through employee development, career development, performance enhancement and succession planning (Iles, 2007). It is also a strategic to streamline hiring and leadership succession processes using the employee lifecycle model which serve as a guide to employee from competency-based recruitment to career development, through termination or transition. This strategic is used to measure and manage employee's performance through training, feedback, and support (Jones, 2016).

With the competitive business environment, it is important for an organization to retain its existing talent as employee engagement affects an organization performance. A highly engaged workforce increase innovation, productivity, and bottom-line performance while reducing costs related to hire and retention in highly competitive talent markets. As a result, prolonging the tenure of talent remaining in the same organizations had become the top priority in many organizations as retaining the talent had become a competitive advantage of human capital management (Mohammed, 2015).

In additional, one of the critical issues and biggest challenge faced by many organizations are shortage of skilled or talented employees due to high employee turnover (Lathitha, 2012). The issue not only caused a shortage of workers within the organization but also a risk of losing knowledge and experience which may affect the productivity and services of the organization (Ng'ethe, Iravo, & Namusonge, 2012). Research also indicates that organization that is good in managing their talent deliver better results (Ntonga, 2007).

Talent management ensures that organizations have the right people at the right place to access business strategy and this will fully utilised the employee's capability to strive for the success of the organization. Talent management involves tools to ensure attraction, retention and development of the talent. According to Nyanjom (2013), the employment relationship is undergoing major challenges that involve attracting, motivation and retention of talented employees. The researcher also added that shortage of talent has resulted to fierce

competition among competitors (Nyanjom, 2013). While talent management is still relatively new for both public and private sectors, however many organizations have been prioritizing talent management to ensure they are able to attract and retain employee (Lyria, 2014). The success in implementing talent management always has been linked to successful attraction, retention and development of employees (Baheshtiffar, 2011).

1.1.2 The Service Industry in Malaysia

In an advance, innovative and high esteem wellsprings of development, a structure for the New Economic Model has been drawn up by the government to move to a high income economy (New economic model for Malaysia, 2010).

As the economy develops, the service industry expects a growing share of Gross Domestic Product (GDP). As Malaysia is moving towards into a developed country, more noteworthy accentuation ought to be focused on the development of the services sector as this sector is to serve as the motor of development to drive and maintain the economy.

The growth of the services sector in Malaysia is guided by the Services Sector Blueprint which was launched in the year of 2015. The Services Sector Blueprint aims to expand the service sector's potential and transforms it into a more knowledge-intensive and innovation-led sector. The services sector is expected to continuously grow at the rate of 6.8 per cent per annum and contribute 56.5 per cent to the Gross Domestic Product in year 2020, and provide 9.3 million jobs to the people.

Based on the Eleventh Malaysia Plan (2016-2020), service sector will remained as the primary driver of Malaysia's economic growth. The plans are developed to increase the competitiveness and flexibility of the services sector and promote the migration into high value and knowledge intensive services activities. In service sector, the main growth contributors will be the wholesale and retail trade, financial services and communications subsectors. These sectors are supported by strong household spending and stable labor market condition.

Therefore it is important to improve keep the service sector more innovative and attractive for employee to remain for a longer period of time. As according to survey conducted by Tower Watson, it showed that the turnover rate in the finance service industry is increasing significantly from only 7.4 per cent in 2012 to 13.3 per cent in 2013. The figure is alarming as it will affect the country Gross Domestic Product (GDP) in Malaysia as a whole. This be cause losing talent in work may disrupt the continuous customer service toward the customer and may cause loss of customer to others competitors.

1.2 Problem Statement

According to Roy (2016), based on a survey conducted on talent shortage it is concluded that employers across the world are facing critical shortage of talent since the Great Recession. Therefore it is important to retain the existing talented employee from leaving the organization as it will lead to various negative impacts towards the organization.

Based on the report by Asian Institute of Finance (2015), the report highlighted that 76 per cent of employers in the banking and financial services are suffering from talent shortages. Among the 76 per cent of employers more than half these organisations had claimed that the lacks of talent have a high impact on productivity of the organization. Following the Global Financial Crisis, the service industry had undergo a huge changes and talent shortage problem had becoming increasingly pressing for the industry. The report further explained that nearly 8 out of 10 financial institute expressed that the organization is being held due to shortage of talented employees.

In banking and financial services, quality customer service plays a crucial role for an organization success. Nowadays the business environment had become highly competitive and more customer oriented market. Customer service representative who handles the organization's problems via phone, email or even face-to-face with existing or potential customers is important as they are the front liner that help the organization to resolve problems and satisfied the customer needs (Carson, 2015). This will also help the organization to distinguish themselves from others organization.

Continuous offering and retaining consumer loyalty and satisfaction is one of the essential goals of a customer service representative (Blut, Beatty, Evanschitzky, & Brock, 2014). This is because the costs to keep an existing customer are predicted to be five to ten times more to obtain a new customer. Thus, it is significant to understand and keep in mind that each customer are an asset to the organizations and make sure good quality of customer service is provided to them.

However, customer service sector has one of the largest turnover rates in the industry. This puts the management of the organization in difficulty position as they need to constantly search for potential individuals which may cost the organization a lot in hiring and training new employees. When employee leaves the organisation, there are many hidden costs involved such as recruitment, selection, temporary staffing and training. Besides hidden costs, direct costs involved such as turnover costs, replacement costs and transitions costs and indirect costs relate to the loss of production/operation, reduced performance levels, unnecessary overtime and low morale (Echols, 2007).

In addition, the organization also at risk of losses of customer service continuity or critical implicit knowledge which is beyond calculation of cost. When an employee leave the organization, they bring the knowledge out from the organization and replacement for the employee to acquire the knowledge required investment of times and money. The cost may vary from thousand to more than two times the employee's salary depending on industry, job scope, availability of replace and other factors (Hinkin & Tracey, 2000). In some industries, shortage of qualified skilled employee is critical thus the costs of turnover are much faster than the rate of inflation.

Besides, many researchers also proven that job satisfaction is inversely related to turnover intention. Lower satisfaction level towards job will lead to poorer employee's performances as the employee does not want to engage and contribute with the organization for a longer period of time. This may result poorer performance on organization productivity and affects the organization profit and performance as a whole. In short, the more satisfied an employee the more productive they are as compare to lesser-satisfied employees (Silverthorne, 2004). Lower levels of engagement are also associated with employee withdrawal, particularly in terms of voluntary turnover (Lambert, Hogan & Barton, 2001).

According to Kahinde (2009), more attention has been placed to the human resources as they are regarded as talent working within the organizations. Besides, many organizations discovered that the organization not only experience increasingly difficult to recruit top talent, but also facing constant risks of losing their talent to their close competitors. For the organization future survival, organization needs to equip with the ability to hold and retain these talented core employees from leaving the organization. A high staff turnover will have plenty of hidden costs involved that will definitely affect the organization's performance on a whole.

Hence, it is important to identify the how talent management can help to retain the existing employee. Many consultants had defined talent management as a tool to enhance employee's retention so this revealed that talent management has a direct influence on turnover intentions. However there is a lack of theoretical support on how talent management help in retaining potential employees and the study on how talent management leads to greater employee retention seems to be an unexplored terrain. Many researches often linked talent management with succession planning, employee development, competency mapping, performance management, competency mapping and more. This research attempts to address the insight of positive relationship between talent management and employee retention in service industry from Klang Valley, Malaysia.

1.3 Research Questions

This study is developed and designed to investigate the following research questions:

1. How does competency mapping affect the retention of employees?
2. How does employee engagement affect the retention of employees?
3. How does performance management affect the retention of employees?
4. How does career development affect the retention of employees?

1.4 Research Objectives

1.4.1 General Objective

The general objective of this study was to examine the effect of talent management on employee retention in service industry.

1.4.2 Specific Objectives

The specific objectives of this study were:

1. To determine the relationship of competencies mapping on employee retention.
2. To determine the relationship of employee engagement on employee retention.

3. To determine the relationship of performance management on employee retention.

4. To determine the relationship of employee career development on employee retention.

1.5 Significance of the Study

Most of the organizations aim to achieve the sustained results after investing time, effort, and money in service improvement initiatives. However, failure often happened due to lack of long-term commitment by customer service representatives. The commitments of employees are a major element in evaluating the success of a business (Olajide, 2014). The success of the company is inseparable with employees' commitment because there is a relationship or connection between customer service representatives and firms' customers.

The findings of this study will increase the understanding and awareness of an organization on talent management and how it leads to employee retention. This study will serve as a guide for organizations especially those in servicing industry as to how to manage talent. It also contribute in decision making on talent management and employee retention whereas

organization that have yet to have talent management this serve as a new opportunities for the retention of talent.

Talent management is vital for organizations especially in the current business scenario where the economic slowdown with high competition. The economic downturn has created the need for organizations to invest in committed employees since such employees are unlikely to be lost to their competitors. The findings of the current study will play an important role in providing information on ways of engaging the employees to enhance commitment.

By recognizing the interrelatedness nature in talent management which influence retention of talented employees it allowed the organizations to be able to better in developing, promoting and retaining talent to meet the current and future business needs. Organization can also gain further insight through this research and will enable them design the organization policy on talent management for employee retention. Through this finding the human resource managers are able to discover more information on talent management benefits which resulted better planning in strategic of talent management practices that increased level of employee's retention.

This study will also be able to provide support to academicians, scholars and other industries to further explore and investigate the relationship of talent management on employees' retention. This study will be able to contribute additional knowledge and insight on theory and practice of human resource management by providing a detailed analysis on how talent management can influence employees' retention in organizations. The academic researchers will find this research important in helping them understand better about talent management practices and in effect will open up other research gaps.

1.6 Chapter Layout

This study is divided into five chapters namely Chapter 1: Introduction, Chapter 2: Literature Review, Chapter 3: Research Methodology, Chapter 4: Data Analysis and Findings, and Chapter 5: Discussions and Conclusions.

Chapter 1 consists of the brief introduction about the research topic, which consists of a general background on talent management and service industry in Malaysia. This chapter will present this research's problem statement, research objectives, research questions, hypotheses and significance of study.

Chapter 2 will discussed the literature reviews that are interrelated to the research topic and theoretical framework. In addition, this chapter is develop the conceptual framework for this study.

In Chapter 3 consists the data collection technique, research sample, measurement scales and approaches of analyzing data that emphasis on the methodology of the study. This chapter further discussed about the research setting of information and the approach of executing the research.

Chapter 4 consists of the results that collected from the questionnaire. All the complete data that collected from the questionnaire will be examined throughout Statistical Package for Social Science (SPSS) software. The results are portrayed in a table form for easy and better understanding.

Lastly, chapter 5 consists of the discussion and summarization of the study results. This chapter will mention and conclude the implications, recommendations, implications for future reference and research. Besides, the limitations and brief summarized theses will be included and discussed under this chapter as well.

1.7 Conclusion

As a conclusion for chapter 1, this chapter provides an overview study on talent management in employee retention. In chapter 2, the researcher will discuss on the variables and developed a proposed conceptual framework that explained the relationships between the independent variables and dependent variable. All the former researchers' statements and research's results are provided and explained in next chapter.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

Retaining talented employees is one of the critical issues facing organizations today due to high employee turnover, shortage of skilled workers, and economic growth. The employment relationship is undergoing major challenges that involve in attracting, motivation and retention of talented employees. Nowadays, organizations experiencing fierce competition in the talent pool due to shortage of available talent in the market.

In this chapter, the researcher will provides an overview of related literatures and also looks at related past studies in this area and the gaps inherent in organizations in terms of talent management.

2.1 Theoretical Frameworks

There are many models and theories on talent management leading to employee retention. In theoretical framework, we discuss talent management models and theories that link to employee retention in an organization.

In order for talents remain in the same organization, an employee experience both extrinsic and intrinsic rewards from their job. Another, hidden force that enables organization to retain its talent is through motivation. Different employee has different view on motivation as different employee has different beliefs, values and attitudes which differ among individuals (Vaiman & Vince, 2008).

In order to explore the relationship between talent management and employee retention, the researcher focused on four theories as debated by various researchers: Resource based view

(RBV), Herzberg's Motivation-Hygiene Theory, Person-Environment Fit Theory (P-E Fit) and Social Exchange Theory (SET) all of which are relevant to this study.

2.1.1 Resource Based View (RBV)

Nowadays, many organizations are operating in a very competitive, complex, unsteady and dynamic business environment. As a result, many organization started to look into source of competitive advantage which explained by Resource Based View (RBV) framework.

RBV is defined as a framework that explains on achieving sustainable competitive advantage. According to Barney (1991), organization improve their competitive advantage through strategically developed the organization resources over a period of time. On the other hand, Guthridge, Komm and Lawson (2008) agreed that talent management as a foundation for organization to create competitive advantage in the dynamic organization. Conversely, the definition and scope of talent management was unable to be clearly defined regardless of the large amount of interest from academician and consultants (Collings and Mallahi, 2009)

Robert and Heckman (2006) discussed that under RBV framework, talent management is defined as inimitable, rare, valuable and non-substitutable resources in an organization. Organizations able to gain competitive advantage either through transforming resources in organization as sustainable competitive advantage suggested by Barney (1991) or generic strategy from Porter (2007). Based on RBV, competitive advantages are the ability to assist an organization to explore opportunities and reduce threats over a period of time in the ever-changing environment. Barney (1991) added that in order to achieve sustainable competitive advantage from RBV, the resources needed to be valuable, inimitable, and non-substitutable. These quality and capabilities of resources are referred as isolating mechanisms" that make it hard for others rival organization to compete and replicate (Rumelt, 1984). Boudreau and Ramstad (2005) also agreed that, RBV can assist organization to gain competitive advantage and strategic talent management.

2.1.2 Herzberg's Motivation-Hygiene Theory

Frederick Herzberg's Motivation-Hygiene Theory also known as Herzberg's Two-Factor Theory was published in year 1959. Herzberg's Motivation-Hygiene Theory is categories into two factors known as the motivation factors and hygiene factors which are the driving force for any organization. According to Herzberg, hygiene factor is the most important factor that helps the organization to retain its talents for a longer period of time. However, Nigel and Geoffrey (2005) argue that apart from providing hygiene factor to remain/improve employee satisfaction it is necessary to provide intrinsic factor to the work to satisfy employee with their jobs.

According to Herzberg Theory, if the hygiene factors such as basis needs, working conditions and motivators are not able to fulfilled the employee or ease the dissatisfaction, Breaugh (2000) suggested that if the employee remained unsatisfied, they will become demotivated to perform their daily tasks, lose interest in their work and actively searching for other employment opportunities outside of the existing organization.

Motivation factors consisted of six job content factors which include work, achievement, recognition, advancement, responsibility and possibility of growths. Whereas, hygiene factors consisted of relationship with supervision, working conditions, relationship with others employees, salary, personal life, relationship with subordinates status and job security (Ruthankoon and Ogunlana, 2003).

2.1.3 Person-Environment Fit Theory (P-E Fit)

One of the theoretical related to this research is Person-Environment Fit (P-E fit) theory. P-E fit can trace its roots to the study of vocational choice conducted by Parsons (1909) at the turn of the twentieth century. Fitting to a particular working environment is a multidimensional perception which includes person-job fit (PJF), person-organization fit (POF), person-vocation fit (PVF), person-supervisor fit (PSF) and person-group fit (PGF) (Kristof, Zimmerman, & Johnson, 2005). Kristof, et al (2005) studies found that the higher level of PJF the showed that the employee is positively linked to job satisfaction and it also showed negative relationship with employee turnover.

Holland theory is commonly used to explain the P-E fit theory. Holland Theory (1959) explained the interactive components between people and the environment. The researcher further claimed that if there is any change in the employee current job, the employee may consider changing jobs as well. The theory also assumes that people constantly searching for an environment to practise their skills and capabilities, express their thought and take on a role. He revealed that employee searching for a working environment that matches their values and attitude which allow them to showcase their skills and abilities.

The relationship between the working environment and employee related in terms of the similarity, reinforcement and satisfaction and suggested and if person and working environment has conflict it is resolved thought changing of jobs, changing of behaviour and perception. By applying the Holland's theory into this study based on context of talent management and employee retention, it means that employee tend to remain in an organization if the employee have a sense of achievement through personal development by the organization in which the employee is provided with an opportunities of career growth and appropriate use of the employee's skill. If the employee perceives that the environment is compatible with their personality and individual needs, this will increase the possibility of the employee stay with the organization for a longer period of time.

However, Kamau (2013) argued that Holland's theory remains unclear as there is no clear emphasis or explanation on the reasons and also the tenure of the hierarchies of development of personal model styles. He further argued that the theory concentrating on the factors that influence the career choice rather on the employee's development process that leads to career choice. Besides, this theory also being criticized for not able to address career development in a holistic way for career development in term of gender, race and ethic group.

This theory is related to competency mapping and career development. Tarique and Sculer (2014), claimed that talent management emphasis on career growth from within and development as key elements of business strategy, clear competencies, career paths, coaching and demanding quantifiable results from employees.

2.1.4 Social Exchange Theory (SET)

Social exchange theory (SET) is among the most influential conceptual paradigms for understanding workplace behaviour. Social Exchange Theory can be traced back to the early work of Malinowski and Mauss (1925). Since then, the social exchange theory (SET) had been widely studies by various researchers and it has been challenged by a number of researchers in the recent years (Brimhall, Lizano & Barak, 2014; Cheng & Waldenberger, 2013; Singh, Fouad, Fitzoatrick, Liu, Cappaert & Figuereido, 2013).

Based on the SET view on organizational commitment and engagement, it suggests that individuals remain or attach themselves to an organization in return for positive rewards from the organizations. SET is explained that an employment relationship consist of social or economic exchanges (Aryee, Budhwar & Chen, 2002; Cropanzano and Mitchell, 2005). The economic exchange relationships contained the economic exchange benefits of the employees' efforts and it depends on the formal contacts which legally enforceable. Whereas, social exchanges are 'voluntary actions' initiated by the organization's treatment of the employees, with the expectation that the employees will be obligated to reciprocate the good deeds of the organization (Aryee *et al*., 2002; Gould & Davies, 2005).

SET had been widely used to explain the relationship of an organization members'. It is a theory that related to understanding of workplace behaviour and how employers and employees communicate and interact with one and another (Biron & Boon, 2013). Wittmer, Martin & Tekleab (2010) explained that the rationale of SET and employee turnover intention decision is mutual process between employees and employers.

Besides, SET is also used to explain the employee attitudinal engagement toward the organization. The theory is used as the basis in explaining how employee decided to be more or less engage in their work. Shiau and Luo (2012) argue that the theory opposed the responsibility are developed through a ranges of interactions between two parties. The basic principle of SET is that relationships grow over stronger over time turning into trusting, loyal and mutual understanding as long as parties stand by certain instructions of exchange.

According to SET perspective, employees exchange their identification, loyalty and attachment to the organization, in exchange of incentives from the organization. This indicates that an employee decision to remain as a member of the organization is determine by the employee view of fairness in the organization and also the employee's contribution. Meyer and Smith (2000) argued that until the employees believe they have been treated fairly by the organization if not they will not be committed to the organization.

Based on SET, employees was accepted or employed by the organization with specific skills, desires and goals. The employee then expects to find a working environment where they can utilised their skills, satisfy their desires and achieve their goals. If the working environment fulfilled the desires and goals of the employee this is lead to favourable exchange or rewards from employees' view point. As a result, this will increased engagement of the employee to the organization. On the other hand, if the organization failed to provide sufficient reward in exchange for the employee's efforts it is likely that to reduce employee engagement with the organization.

From this perspective, SET suggests that if the employee perceived favourably towards the working environment, the employee will be behave in a way that is beneficial for the organization and or other employees. Likewise, if the employee is feel not satisfied with the working conditions this may lead to negative working attitudes such as late to work, increase in absenteeism and searching and preparing to leave the organization (Haar, 2006; Crede *et al*., 2007).

2.1.5 Proposed Conceptual Framework

A conceptual framework is the foundation for this research paper. In this session, the relationship between the independent variables and dependent variable will be presented. This study wanted to explore the relationship between independent variables (competency mapping, employee engagement, performance management and career development) and the dependent variable (employee retention).

The framework of this study is developed as showed in the following figures:-

Figure 1: Theoretical Framework of Competency Mapping, Employee Engagement, Performance Management and Career Development that influence employee retention

Talent Management
(Independent Variables)   (Dependent Variable)

| Competency Mapping |

| Employee Engagement |

| Performance Management |

| Career Development |

| Employee Retention |
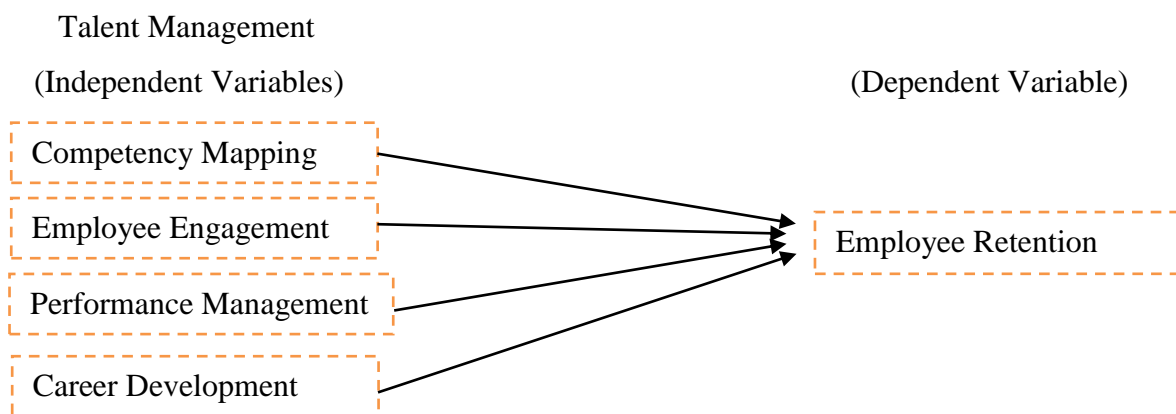
Note. Developed for this study

2.2 Literature Review

2.2.1 Talent Management (TM)

Nowadays, attracting and retaining talent for a reasonable period in an organization is a challenge facing by many organization across the industry. Talent management is defined as the managing of the entire employee lifecycle from attracting to hiring to promoting and lately finding a successor upon retirement (Murthy, 2010). This process also includes identification of the key talent's gaps between the talent in place and the talent required to drive business success.

Talent management is defined as an outcome to ensure the right individual is assigned in the right job; process to confirm leadership continuity in key positions and encourage employee advancement, and decision to manage requests and flow of talent through human capital

system (Jantan, Hamdan and Othman, 2009). It is a process that consists of recognizing the key talents within an organization, identifying the employees within the organization to develop the key talent and thereafter conducting development activities for the talent pool to retain and engage the employees as to whether he/she is ready to move into a more significant role. Baum (2008) commented that talent management is the organisational mind-set that sought to assure that the amount of talent is available to support the right people with the right job(s) at the right timing, based on strategic business objectives.

Ross (2005) revealed that the talent retention war starts as early at the hiring stage, where organizations are recruiting talent that fit the requirement of the organization in both short and long term needs. Many researches studies claimed that by effectively implemented talent management strategy in an organization it helps in improving employee recruitment and retention rate.

Plansoongnern, Anurit and Kuiyawattananonta (2011) studies on talent management strategies and employee engagement revealed effective talent management planning, continuous supports from the leadership, organizational unity, work life balance, and other organizational and environmental factors were important strength to retain the talented employee to the organization. Walsh and Taylor (2007) research on developing in-house talent and retaining talent argued that while compensation and work life balance are important, lack of opportunity for employee and organization to growth and developed will affects the employee retention.

Golshan and Oman (2011) studies on talent management strategies during the start-up phase of an organization indicated the use of technology is significant in all phases of talent management practices including the use of social media to attract, recruit and engage potential talented employees. The research also suggested that in the highly competitive business environment and global market the main challenges is to attract talent. The researchers also suggest utilising technology when conducting talent review according to the competencies and explore the important areas for future development in which the researchers recommended competency model tailored to business and strategic values.

Hughes and Rog (2008) study revealed that effectively implementing talent management strategy will improve in talent management process which include improved employee recruitment and staffs retention rates, and enhanced staffs engagement. These outcomes have been associated with improved operational and financial performance.

2.2.1.1 Competency Mapping

Competency based approached within organization was first initiated around year 1970 and since there it is rapidly implemented in organization. The idea of competency was introduced by David McClelland in year 1973 into human resource in his efforts to assist the United States Information Agency to increase the effectiveness in the selection process.

According to Wattamwar (2016) explained that competency has three components which are skills, knowledge and attributes that allows an employee to be able to perform their task and job successfully. Whereas, competency mapping is defined as a development of mapping of competencies which is important for an employee to successfully perform their given task at a given point of time.

In today's competitive environment, building on competitive activities within the organization is getting more important (Sanghi, 2007). Nowadays, the core of any successful business activity is depending on the employee competence or a skill. There had been many discussions on business strategy over the years, mainly on the business needs for competencies to compete in the competitive business environment. Sanghi (2007) added that organization that practise core competencies are likely to have competitive advantage over others organization.

As a successful organization, competency mapping helps to improve employees' job satisfaction and better employee retention. This is also helpful for organization in managing their selection and recruitment, performance management, promotion and identifies training needs for employee (Wattamwar, 2016). Anisha (2012) also agreed that competency mapping increase in retention levels and also talent retention.

2.2.2.2 Employee Engagement (EE)

For the past two decades, employee engagement researches constantly revealed convincing result between employee engagement and variables such as retention, productivity, employee performance and efficiency, safety, attendance, profitability, and customer service and satisfaction (Harter, Schmidt & Hayes, 2002). Social exchange theorists have conducted significant amounts of researches to support the theory that the level of employee engagement has an impact on the commitment of an employee's towards the organization (Nyanjom, 2013). In addition, there had been many studies in management literature for the past ten years on employee engagement and this term is often interchangeable with work engagement and job engagement in the literature (Saks & Gruman, 2014). This had been a popular area of interest for both the consultants and academic researchers.

Based on RBV of the organization, employee engagement within the organization is the competitive advantage of the organization against their competitor's (Joo & McLean, 2006). Saks & Grunab (2014) also claimed one of the reasons that employee engagement gains such an importance was due to the competitive advantage it will contribute to the organization. RBV also stated that organization is able to create competitive advantage by creating a value that is rare and hard for competitors to replicate. This approach required organization to focus on the unique resources in the organization that are hard to replicate instead of the business activities in the product market (Joo & Mc Lean, 2006). They further suggested that engaged employees are the asset of the organization as they are responsible for the sustainable competitive advantage of the organization.

According to Bakker and Demerouti (2007)'s findings, it showed that there is a positive relationship between engagement and organization commitment. Whereas this findings was supported by Schaufeli and Bakker (2004) where the research showed that there is a negative correlation between engagement with turnover and a clear relation with retention. According to Tower Perrin (2003) study on the top 100 best organization to work it showed an average of voluntary turnover rate of only 13 per cent as compared to an average of 28.5 per cent of other businesses in the same industry. The research also further explained that others

researchers found that 12 per cent of disengaged employees have no intention to leave the organization whereas engaged employees showed a rise of 66 per cent.

According to Bakker (2011), engagement between employees and employers is crucial to the success of an organization. Marrelli (2011) explained that employees may become disengaged because they no longer have trust with their supervisor/ employers and lack of communication from leadership or supervisor. Business leaders needs to continuous remain engage to employee. Research by Keeble & Armitage (2014), showed that employer who focused on long term commitment from employee result in an increase in employee engagement.

In addition, transparent communication with continuous feedback from employer to employee showed an increase in engagement initiative (Powis, 2012). Organizations that named as the next organization to work constantly have their senior leaders engaged with employees of all levels by communicating openly and honestly, provide clear organization direction and easily accessible by employees (Marrelli. 2011). This keep employee informed on the changes and new ideas and concepts within the organization. Powis (2012) further explains that consistent communication between the employees and employers increase the employee value within the organization and therefore increase in employee engagement.

Employee engagement increases when employers/leaders in the organization allowed employee to participate in decision making, information sharing and honest communication between employee and employers (Jiang & Men, 2015). Encouraging employee to participate in building the organization's culture and empowered the employee to voice out their opinion to the decision making process might enhance their engagement and there professional growth (Brewer & Kennedy, 2013). By engaging employee as part of the organization culture and decision making process it allowed employee to be more engaged with the organization growth and changes which may retention the talents within the organization for a longer period of time.

Although many researches and studies showed that there is a positive relationship between employee engagements on retention however Miller (2007) argues that the relation between employee engagement and employee retention is not straightforward and employee engagement cannot assure on the retention of the employee. No doubts highly engaged

employee has lesser intention to leave the organization still nearly 40 per cent of these engaged employee is still open to external offers. According to Blessing White (2011) findings, even though an organization have showed an increase in employee engagement however lesser than two-third of the employee plan to continue with the current employers in the coming years.

In addition, Bates (2004) also argued that excessive engagement with employees could have negative impact on employee retention. He added that increasing employee engagement levels through additional trainings and development opportunities will contribute to employee's development and with the increase in capabilities it may increase the possibility of an employee to look for better opportunities outside of the current organization.

As employees are the biggest asset of an organization, leadership in many organizations are finding ways to increase the engagement of the employee and ensure that the employees are remains committed to the organization (Smith, 2013). Employee engagement enables to increase the performance and productivity of the organization, increase teamwork within the organization, reduced in absenteeism and employee's turnover (Caplan, 2013).

2.2.2.3 Performance Management (PM)

In order to increase the competitive advantage of an organization, many organizations are looking into managing the performance of their employees (Nyanjom, 2013). Based on Mahapatro (2010), it showed the increasing significant of talent management in an organization which means that many organizations are reviewing their organization performance management to align with the need to nurture and retain talent.

Byham (2001) stated that performance management is used to identify the potential of an employee, develop the employee individual development plan and to associate the employee performance with the succession planning or talent pool. Mathias and Jackson (2006) added that performance management consists of processes such as identifying, measuring and communicating then to train and develop the employee and reward the employee for their

good performance. This allows the organization to be able to train and develop their existing talent so they are able to perform better in their tasks.

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

Hong, Hao, Kumar, Ramendran and Kadiresan (2012) research on effectiveness of human resource management practices on employee retention studies on how employee is being regards for its importance of their empowerment, job design through training and expectancy and equity of compensation toward effective performance management on employee retention. The studies found out that performance management is significant to employee retention. In addition, Thiriku (2013) research on factor affecting employee retention also discovered that if the organization is weak in performance management practices it will result in low employee retention. This showed that the more effective the organization performance management it will result higher employee retention.

2.2.2.4 Career Development

Talent management focuses on the growth and development of employee as the main business strategy by maintaining employee's career paths, coaching, competency, mentoring and demand measurable result (Lewa, 2010; Kimani and Waithaka, 2014). Nowadays, employees are more career conscious where they are demanding more in career growth and development. This had coming one of the key factor for an organization to retain its talent thought training and development opportunities (Chitalu, 2011). Khan (2010) studies showed that most of the employees respond positively on career development and promotion opportunity in which many organization is using career management programmes to plan and develop the employee career.

According to Garrow and Hirsh (2008), talent management includes career development and it is the responsibility of the human resource of the organization to develop the employee. Their research findings also indicated that there is a significant relationship between the opportunities of training and development with the ability to retain talented employee as this is in line with the employee psychological contract where high performers always recognise development as part of the benefits they entitled. In addition, Waleed (2011) research also agreed that proper training and career development have a positive relationship to employee retention as it makes the employees feel that the organization recognise their strength and creates opportunity to further develop their qualities. Nyanjom (2013) studies also ranked career development as the most important factors that influencing employee retention.

Flynn, Mathis, Jackson, & Valentine (2016) comment employees from all levels constantly searching for career development opportunities and this affect employee retention. They added that professional and employee that age below 30 years old placed career development opportunities above than compensation as a retention concern. Mapelu and Jumah (2013) studies showed that there is a significant effect of employee training and development on employee development.

Proper training, coaching and career development for employee is an indication for high employee engagement. Chaudhary, Rangnekar and Barua (2014) studies indicate that organization that help in developing employee confidence by providing proper training and coaching from the organization's human resources show improvement in employee engagement which lead to higher employee retention. In addition, Kumar and Sia (2012) agreed that employee with higher employee engagement provided with training and development opportunities are more like to stay with the organization for a longer period of time.

Through career management practice, employers are allowed to coach the employee on their individual career planning and by realizing the individual career planning it allowed the organization human resource to plan. Therefore, career development plan of the employee is perceived as a joint effort between the individual employee and organization. This is supported by Vos and Megarck (2009) which claimed that career development planning of an employee play an important role in employee retention. By providing career development

opportunities reduce employee turnover and increase employee loyalty toward the organization.

Sturges, Guest, Conway, and Mackenzie (2002) stated that when an organizational career management practices fulfill the expectation of the employee when they pre-join, this will increase the employee commitment, employee satisfaction and others positive outcomes. If the organization's career management practices failed to realise the expectation of the employee the organization is at risk of losing its valuable talent.

The business environment had undergone huge changes which results changes in the way an organization operate. With the changes within organization, the organization constantly develops their talent from innovation, development of new knowledge, increase competitive advantage and others (Brown, Hesketh & Williams, 2003; Sennett, 2006). Wagner (2000) explained that although salary and benefits play an important role in retaining employee, employee are also searching for opportunities to learn, challenge new accountabilities and professional and personal growth. By satisfying these intrinsic needs it helps the employee to build trust, loyalty and overall satisfaction in employee (Nunn, 2000).

Ng, Feldman, and Lam (2010) studies explain that employee psychological contract enable to almost assure long term loyalty and commitment to an organization in exchange for the job security, promotion opportunity and training that provided by the organization.

2.2.3 Employee Retention

Nowadays, employee retention had become and remains as the primary concern for many organizations. Nyanjom (2013) claimed that no doubt hiring knowledgeable employee is important however employee retention is more crucial. Vaiman and Vance (2008) divided employee retention tool into intrinsic and extrinsic rewards. They further explained that intrinsic rewards are none monetary reward with no physical existence such as employee professional growth whereas extrinsic rewards are monetary rewards with physical existence like wages or other monetary payment. The researcher also revealed that between intrinsic and extrinsic rewards extrinsic reward are more essential tool for retaining talent. However,

Burke (2002) argued that intrinsic rewards are more important as it develops the emotional attachment among employees towards the organization.

Employee retention is the effort of an employee to continuously remain with their current organization and this also refers to the effort by the employer to create an environment that encourages the existing employees to remain with the organization by having policies and practices to address the employee needs (Mckeown, 2002).

As parts of talent management, talent retention suggests that the organization intends to retain its most talented employees and/or employees that are will likely leave. By taking a proactive approach to develop an effective employee retention program, the anxiety of high turnover can be reduced. True employee retention takes time, effort and resources (Nyanjom, 2013). Empirical evidence suggests that the environment of a well-defined organizational goals and objectives influence employee retention.

Many researches had revealed a positive relationship between the organization's talent management system and the employee retention (Kehinde, 2011). The researcher also indicated that talent retention system and talent management initiatives have an impact on organization. Lindholm (2013) case study also concluded that there is a significant positive effect on talent management on employee's retention among organization.

Oladapo (2014) researched on the impact of talent management on retention and the findings were that employee retention is a major factor in reducing talented employee's turnover. He concluded that there is impact of talent management on attracting, hiring and developing employees as well as on retaining employees. Isfahani & Busatani (2014) sought to establish the effects of talent management on employee retention for staff of the University of Isfaha in Iran and found that there is a positive relationship between talent management and employee retention regardless of the firm's characteristics.

Kataike (2013) conducted research which sought to determine the relationship between talent management and employee retention and it was found that there is a strong positive relationship between Talent Management and Staff Retention, and therefore management must give more attention to talented staff in order to retain their services in the long term. The

study concluded that Talent management cannot be separated from Employee retention because they go hand in hand. Organizations need to develop their employees for them to perform well. On the other hand, Kochari et.al (2014) also conducted a study on critical analysis of talent management strategies on employee retention in the public hospitals in Kenya. The study indicated that talent management strategies impacts positively on the retention of employees in public hospital in Kenya.

Based on Hughes and Rog (2008) studies, it learned that effective implementation of talent management strategy support and improved in employee's recruitment, employee retention, and employee engagement. As a result, of the effective talent management strategy the organization showed improved operational and financial performance.

2.3 Conclusion

Overall, chapter two has discussed the literature review and a proposed conceptual framework was developed. Finally, hypotheses have developed. The next chapter will focus mainly on the research methodology used to carry out this study.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

Research methodology is an experimental and precise search for appropriate data on a particular study. In addition, research contains characterizing and redefining issues, constructing theory or hypothesis; gathering, sorting out and assessing information collected; and achieving conclusions. Finally, the researcher deliberately testing the conclusions to figure out if they fit the hypotheses developed for the study.

The main objective of this research is to identify the relationship between competency mapping, employee engagement, performance management and career development in employee job retention in service industry from Klang Valley, Malaysia. This chapter addresses the research procedure and data analysis. It begins with the research design, followed by data collection method, sampling design and research instruments. Then, it is continues with the construct measurement, data processing and ends with data analysis.

3.1 Research Design

Research design is a master plan of the study which explains the methods and procedures for gathering and evaluating the needed information (Zikmund, 2003). This outline the type of research the study is such as experimental or descriptive, research question, dependent and independent variables, hypotheses, data collection techniques and data analysis (Jalil, 2013). Besides that, research design is also the system that has been made search for answers to research questions.

3.1.1 Quantitative Method

This study is conducted by utilizing a quantitative research method. Quantitative research is a deliberate method of understanding models by using empirical investigation, computational method or traditional mathematical (Zikmund, Babin, Carr, & Griffin, 2013). The aim of quantitative research is to create and utilize numerical models, hypotheses and theories relating to the study. Furthermore, quantitative information or data is any information that is in the form of numbers or statistics, for example, percentages, rates and others.

In addition, self-administered questionnaire is used to collect the quantitative survey information for this study. It is filled in alone by respondents without the assistance from the researcher (Zikmund, Babin, Carr, & Griffin, 2013). The vast majority of respondents resist long feedback questionnaires and individual interviews. Therefore, the questionnaire would stay away from these issues as respondents can provide sufficient feedback and avoid skewed responses. Moreover, this method encourages respondents to participate as their identities would be kept anonymous (Creswell, 2013).

3.1.2 Causal Research

A causal research is adopted for this study. This technique seeks to demonstrate the cause and effect relationship between two variables. According to Zikmund, Babin, Carr and Griffin (2013), causal research is the examination of relationships of cause and effect into the research. Hence, this research study is to investigate how role of talent management affect in employee retention in service industry.

3.2 Data Collection Methods

Data collection method is critical as it determines the data collected for the study. The collected data will be used to answer the hypotheses and research questions for the research.

As such, inaccurate data collection will lead to invalid results or, in the worst case, it will he jeopardize the research study as a whole. Primary data and secondary data are two commonly used data collecting techniques. For this study, only primary data will be collected.

3.2.1 Primary Data

Primary data includes the gathering of original or first-hand essential information by the researcher (Sekaran & Bougie, 2012). In addition, primary data is used to gather data for the particular purpose of the research. In fact, the questions constructed by the researcher are customized in obtaining information that will help the study.

Self-administrated questionnaire is being utilized in this study. Structured questionnaires would be delivered to the respondents to collect quantitative data from a large target population. This eases the researcher in concentrating on particular subjects and having a higher control over how the data is gathered in a relatively quick manner. Five representatives of the banks were identified through snowballing method and the identified representative will acted as a mediator to clarify questions on the questionnaire to the respondents and to also to distribute the survey to the respective respondents.

3.3 Sampling Design

Sampling is the process of identifying the right person or objects representing the population as a whole (Sekaran & Bougie, 2012). Besides it is also the procedure to draw a conclusion by using a small number of person or objects from the whole population (Zikmund, 2003). It is to ensure better understanding of the properties or characteristics and easily to generalize to the population elements.

There are a total of five steps in sampling design which are defining the target population, determine the sampling frame, select sampling techniques, determine the sample size and execute the sampling process. Through these steps, the qualified target respondents were able to be identified to participate in the questionnaire.

3.3.1 Target Population

Target population refers to a group where it contains individuals that a researcher intends to study (Sekaran & Bougie, 2012). This research aims to investigate the relationship between talent management and employee's retention in service industry in Klang Valley. Generally, service industry is where organizations gain profits through offering intangible products and services. It could be categorized into organization that involved in human resources, food services, retailing, banking, financial services and other service-dominated businesses.

Servicing industry is the largest contribution to the country GDP thus which amount more than 50 per cent. In view of the amount of contribution and impacted it will cause to the country we select servicing industry among other available industries. Since service industry consisted of many sectors, the researcher decided to focus on customer service employee in banking and finance sector as the target respondents. Finance services sector had

Among the available services in the Malaysia, the targeted respondents are those customer service representatives working in the finance and banking institute in Klang Valley. Based on the study of World Population Review (2016), there are a total of 1.76 million populations of people in the area of 94 square kilometres. Since Klang Valley is the capital of Malaysia, many finance and banking services are mainly operated within Klang Valley as a result the respondents for this studies are taken from Klang Valley.

In fact, there are also many other elements that would influence the intention of employee staying with the organization, but the main concentration of this study is through talent management. Moreover, the primary target for this research is employees who work as customer service representatives in banking and finance institutions in Klang Valley.

The target population of this research study is the employees who work as customer service representatives in banking and finance institutes such as American Express (Malaysia) Sdn. Bhd, Hong Leong Bank Berhad, Malayan Banking Berhad, OCBC Bank Malaysia Berhad,

Public Bank Berhad and others banks. A total of 300 questionnaires were delivered to the employees who work as customer service representatives in finance and banking organization stated above in Klang Valley.

The scope of the study is to study the relationship between competency mapping, employee engagement, performance management and career development in employee job retention in service industry. The study is limited to banking and finance service industries. Service quality in this study is limited to employee perception against the standard of service quality outlined by the organization. The interest in this population was driven by the fact that servicing sector is the primary driver of Malaysia's economic and under service sector financial services is one of the main growth contributions to Malaysia growth. As such, it is important to identify how to retain talent in finance services section to ensure performance of the organization remained competitive.

3.3.2 Sampling Size

The sample size for this study comprises 300 respondents from banking and finance institutes in Klang Valley, Malaysia. The targeted respondents are 300 samples. They were selected randomly from the target population with a 95 per cent confidence level. The sample size ought to be 30 or more to be considered as a substantial sample size as indicated by Central Limit Theorem (Sekaran & Bougie, 2010).

3.3.3 Sampling Elements

In the sampling procedure, the target population is too huge for the researcher to reach all of the individuals. Hence, a relatively smaller and deliberately picked sample is used to indicate the whole population. This means that any employees who are linked to the purpose of this research would be chosen as sampling unit from the institutions selected by the researcher.

3.3.4 Sampling Technique

Sampling techniques are significantly divided into two categories, namely probability sampling and non-probability sampling (Sekaran & Bougie, 2010). In probability sampling, each element has a possibility of being chosen. In non-probability sampling, there is supposition that an even distribution of attributes is found within the population. Hence, analyst believes that any specimen would be representative and results would be precise.

For probability sampling, randomization is an element of the selection procedure. As for non-probability sampling, there is no real way to assess the probability of any one component being incorporated into the sample, since the elements are picked subjectively. Besides that, there is no assurance given that each element has a possibility of being incorporated, making it incomprehensible either to gauge sampling variability or to determine conceivable bias (Sekaran & Bougie, 2010).

Nevertheless, non-probability tends to be more effective and efficient when the researcher attempt to gather feedback and generate ideas. Furthermore, it is also more convenient and less costly. Due to time constraint, the researcher conducted a non-probability sampling for this study.

Convenience sampling is a particular method of non-probability sampling technique that depends on information gathering from target population who are conveniently accessible to take part in the study. In this research, convenience sampling is used where it includes getting respondents wherever the researcher can discover them and regularly wherever they are convenient to participate.

The target respondent for this study is 300 customer service representatives from financial institutions in Klang Valley, Malaysia. Hence, snowball sampling, a non-probability sampling method is suitable to be utilized in this study where the respondents are hard to locate. The researcher gathers information on the individuals from the target population, and then requests respondents that provided data to find or reach different individuals from that population whom they know.

The disadvantage of snowball sampling is that the researcher has little control over the sampling technique. The information that the analyst can get depend primarily on the past information that were observed. However, this sampling method is modest, basic and cost-effective. In addition, this technique needs lesser workforce and arranging compared to other sampling methods.

3.4 Research Instrument

Self-administered questionnaires have been used as the research instrument of this study. The questionnaires distributed to the respective respondents through Google Form. Self-administered questionnaire method allowed researcher to gather data from a large sample. Moreover, questionnaire can easily reach out to respondents, thus it is time and cost-efficient (Russell, 2010). This allows the researcher to adequately collect the required information to answer the research questions (Neuman, 2006). Besides, questionnaire also enhances the confidentiality of the respondent thus the respondent are more truthful in the answering the questionnaire thus ensure the reliability and validity of the measures.

3.4.1 Origin of Constructs

The questionnaires used in this study were adopted in a combination of different researchers such as Waithiegeni Kibui, A. (2015), Pradhan, S. K., & Chaudhury, S. K. (2012) and Mobley, Horner, & Hollingsworth (1978). Table below showed all the questions will be asked in each variable:

Table 1: Origin of Constructs of the Questionnaires

Section A		
Information	**Items**	**Adopt from**
Demographic Profile	6	Self-developed
Section B		
Independent Variables	**Items**	**Adopt from**
Competency Mapping	12	Waithiegeni Kibui, A. (2015)
Employee Engagement	12	Waithiegeni Kibui, A. (2015)
Performance Management	15	Pradhan, S. K., & Chaudhury, S. K. (2012)
Career Development	11	Waithiegeni Kibui, A. (2015)
Dependent Variable	**Items**	**Adopt from**
Employee Retention	6	Mobley, Horner, & Hollingsworth (1978)
TOTAL	62	

Source: Developed for the research

The questions in questionnaires are the combination of different sets of questionnaire from past researchers based on the variables. The questionnaire on competency mapping, career development and employee engagement were adopted and modified from a study done by Waithiegeni Kibui, A. (2015) on the effect of talent management on employees' retention in Kenya's state corporations. Whereas the questions on performance management were adopted and modified from research by Pradhan, S. K., & Chaudhury, S. K. (2012) on the employee performance management and its implication to their retention in OCL India Ltd. Lastly, the questions on employee retention were adapted and measured using the scales developed by Mobley, Horner, & Hollingsworth (1978).

Data collected from questionnaires can easily be analysed, data entry and tabulated with the support of computer software namely SPSS. In short, a good questionnaire avoid any biases and ambiguous among respondents. Therefore, questions in the questionnaire needed to be simple and direct as this encourage respondents to understand better and answer it as good as possible.

3.4.2 Questionnaire Design

There are several factors that require much consideration when selecting and constructing a measurement scale as it influence the reliability and validity of the data. Example of measurement scales are nominal scale, ordinal scale, interval scale and ratio scale. As for this research only nominal scale, ordinal scale, likert scale and ratio scale are being used.

The questionnaire is divided into two major sections which is section A and section B. Section A collect the respondent's biographical information such as gender, age, race, educational level and year of employment. This data is collected to have a better understanding on demographic features of the respondents.

On the other hand, Section B is design to collect data regarding to the independent variables (competency mapping, employee engagement, performance management and career development) and dependent variable (employees' retention). Five points Likert scale is used as the design for this research's to measure the response with five response categories ranging from "strongly disagree" to "strongly agree". Respondents are to indicate the degree to which they agree or disagree with the statements.

According to Losby and Wetmore (2012)'s study, likert scale is the most broadly used method to deal with scaling responses as a part of survey study. It is a psychometric scale ordinarily included in research study that applies survey questions. Besides, this is an extremely helpful question type for researcher when a general estimation of conclusion around a specific topic, feeling or experience is needed (Losby & Wetmore, 2012).

3.4.3 Pilot Study

Pilot study is often uses to pre-test the instrument before the exact study is conducted (Pilot, Beck, & Hungler, 2001). By having pilot test, it allows the researcher to examine the survey instruments, identify errors in the survey instrument, validating research protocols, and to validate the proposed methods (Baker, 1994).

Pilot study usually prepares in a small scale version (Pilot et al. 2001), 10 per cent to 20 per cent of the sample size of the main study's sample size is considered a reasonable number of respondents to enroll in the pilot study (Baker, 1994). For the pilot test of this study, a total 30 sets of questionnaires are randomly distributed to 30 respondents via hard copy and was advice to answer and return the questionnaire within 1 week. Thereafter the data will be tested by using the SPSS software. The result of the pilot test for 30 sets of questionnaires need to have the value of reliability more than 0.70 proving all the variables are consider as good reliability before the actual research is conducted.

Upon receiving participants' responses for the research, there are feedbacks on typo on the questionnaire. In addition, the researcher received some unanswered questions for the questionnaire. Hence, some improvements were made by revising the presentation format and typo in the questionnaire. The revised questions was uploaded in the make into Google Form which can guide the respondents step by step and also reduced the risk of questions let unanswered as the software will prevent the respondents to move to next questions if the previous questions were left unanswered.

3.5 Construct Measurement

In this research, questionnaire is used as an exploration instrument comprising of a list of questions with the objective of collecting data from respondents by the researcher. According to Zikmund (2003), there are four measurement scales, namely nominal, ordinal, interval and ratio where they are used to identify different kind of information and to direct the data to the adequate measurement.

3.5.1 Nominal Scale

Nominal scales have no quantitative value where they are utilized for naming variables. Ordinal scales are commonly measures of non-numeric ideas such as joy and fulfilment.

The Section A of the questionnaire in this study collects the demographic profiles of the respondents. Hence, a combination of nominal scale and ordinal scale is applied. Nominal scales are used to characterize the respondents into groups such as their gender, race, education level and working in.

3.5.2 Ordinal Scale

In Section A of the questionnaire of this study, ordinal scale is used to collect the demographic profiles of the respondents. Ordinal scale is used to scale the respondent's age and tenure of respondents' working in their work.

3.5.3 Likert Scale

For Section B of the questionnaire, interval scales namely Five-Likert scale is adopted as their measurement scale. Respondents are required to provide answers according to the five responses alternative with the given number ranging from "1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly agree".

3.6 Data Processing

In general, data processing is the gathering and control of information to deliver important data. It is significant for the researcher to ensure that the questionnaires collected back from the respondents are correctly filled and completed. Missing data may cause inaccuracy when all the data are entered into the system to be processed. Hence, the researcher would complete a manual checking process towards all the gathered questionnaires and make sure that all the questions are answered completely by the respondents.

3.7 Data Analysis

Statistical Package for the Social Sciences (SPSS) is a coordinated group of items that addresses the whole analytical procedure, from arranging and information gathering to investigation, reporting and deployment (IBM, 2016). The data collected by the researcher of this study would be inserted into SPSS. This software includes a few series of SPSS analysis such as Descriptive Analysis, Reliability Analysis, and Multiple Regression Analysis.

3.7.1 Descriptive Analysis

Descriptive analysis is utilized to depict the fundamental components of the information in a study. This analysis gives a clearer understanding about the sample and the measures. It also summarizes the data in a meaningful way. Besides that, it frames the basis of every quantitative analysis of information together with simple graphics analysis such as percentage, frequency distribution and averages of demographic information provided by the respondents.

3.7.2 Reliability Analysis

Reliability indicates the degree to which a scale produces reliable results, if the estimations are repeated various times (Zikmund, Babin, Carr, & Griffin, 2010). In fact, this analysis is referred as the reliability analysis. Reliability analysis is controlled by acquiring the proportion of systematic variety in a scale. It is possible to be done by deciding the

relationship between the scores got from various respondents of the scale. Therefore, the scale yields predictable and consistent results if the reliability analysis is high, which indicates that the results are reliable.

Cronbach's alpha is the most widely recognized measure of reliability. According to Zikmund (2003), it is most generally utilized when the researcher has various Likert questions in the questionnaire that form a scale and hope to figure out whether the scale is reliable. Therefore, this measure matches the questionnaire of this study where Five-Likert scale is used.

Table 2: Measurement for Cronbach's Alpha

Coefficient alpha (α) value	Reliability
0.8 to < 0.9 above	Very good reliability
0.7 to < 0.8	Good reliability
0.6 to < 0.7	Fair reliability
Below 0.60	Poor reliability

Source: Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2010). Business researchmethods (8th ed.). New York: South-Western/Cengage Learning.

3.7.3 Pearson Correlation Analysis

Correlation is a method for exploring the relationship between the quantitative variables. In this study, Pearson Correlation Analysis is used to measure the association or strength of the relationship between the variables, namely competency mapping, employee engagement, performance management and career development and dependent variable employee's retention.

Under Pearson correlation coefficient, the values range from +1 to -1. A value of 0 shows that there is no relationship between the variables (Hinkle, Wiersma, & Jurs, 2003). Besides that, a value more than 0 indicates a positive association whereas a value under 0 indicates a negative association.

Table 3: Measurement for Pearson Correlation

Rule of Thumb for Interpreting the Size of a Correlation Coefficient Size of Correlation	Interpretation
0.90 to 1.00 (- 0.90 to - 1.00)	Very high positive (negative) correlation
0.70 to 0.90 (- 0.70 to - 0.90)	High positive (negative) correlation
0.50 to 0.70 (- 0.50 to - 0.70)	Moderate positive (negative) correlation
0.30 to 0.50 (- 0.30 to - 0.50)	Low positive (negative) correlation
0.00 to 0.30 (0.00 to - 0.30)	Little if any correlation

Source: Hinkle, D. E., Wiersma, W., and Jurs, S. G. (2003). *Applied statistics for the behavioural sciences (5th ed.)*. Boston: Houghton Mifflin.

3.7.4 Multiple Regressions

Multiple regressions analysis is used to define the relationship between variables and to predict value of the dependent variable (Y) based on value of independent variables (X). Likewise, both independent variable and dependent variable are metric that is interval scales. Dependent variable (Y) is a criterion or a variable that is to be predicted or explained (Zikmund, 2003).

In this research, the dependent variable is employee retention. Researchers will prove by the data collected about whether the independent variables have a relationship with the dependent variable. Besides, it also allows researcher to analyse which independent variables have significant relationship with employee retention in separately method.

3.8 Conclusion

As conclusion, this chapter have explained and discussed the method used to conduct this study. After completely collected all the questionnaire returned by respondents, data will be analyse through SPSS software. The next chapter will focus on interpretation of the research result.

CHAPTER 4

RESEARCH RESULTS AND FINDINGS

4.0 Introduction

In this section, the data collected form the respondents will be analysed through IBM SPSS Statistics (SPSS) software with few statistical analysis tests will be applied. Researcher will be descriptive analysis, reliability test and inferential analysis (Pearson Correlation Analysis and Multiple Regression) to analysis this research data.

4.1 Response Rate

A total of 300 questionnaires were distributed to the respondents and 284 questionnaires were received, indicating a response rate of 94.6 per cent. However, out of 284 questionnaires, only 279 were completed. Questionnaires that did not complete the demographic sections and unanswered questions will be discarded and not to be included in the analysis.

4.2 Test of Normality

Table 4: Test of Normality

Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
CM	.084	279	.000	.986	279	.006
EE	.098	279	.000	.972	279	.000
PM	.086	279	.000	.982	279	.002
CD	.152	279	.000	.934	279	.000

a. Lilliefors Significance Correction

Based on the table 4, the result showed that the Sig of Kolmogorov-Smirnov[a] and Shapiro-Wilk is between 0.000-0.006. This showed that this is a non-parametric analysis since it is not normally distributed.

However, according to central limit theorem when the sample size is large enough (n>30). The sampling distribution will approach normal distribution. As a result, based on central limit theorem it is assumed that the sampling distribution is normal.

4.3 Descriptive Analysis

Descriptive analysis will be used to describe the demographic features collected from the 279 respondents.

4.3.1 Respondents' Demographic Profile

Table 5: Respondents' Demographic Profile

Characteristics	Percentage (per cent)
Gender	
Male	40.5
Female	59.5
Age	
Below 25 years old	16.1
26-30 years old	53.4
31-35 years old	15.4
36-45 years old	11.9
46 years old and above	3.2
Race	
Chinese	45.9
Malay	35.1
Indian	17.2

Others	1.8
Educational level	
High School Graduate	7.0
College Graduate	5.0
Bachelor Degree	88.5
Masters Degree	5.7
Years of employment	
Below 1 year	9.7
Above 1 year less than 3 years	32.6
Above 3 years less than 5 years	38.4
5 years and above	19.4
Working in	
American Express (Malaysia) Sdn. Bhd.	19.4
Hong Leong Bank Berhad	19.4
Malayan Banking Berhad	20.1
OCBC Bank Malaysia Berhad	19.0
Public Bank Berhad	19.7
Others	7.0
Total Percentage	**100**
Total Respondents	**279**

Table 5 describes the demographic characteristics of the targeted respondents in Malaysia. Based on Table 5, majority of the respondents are female represent 59.5 per cent out of a total of 279 respondents whereas 40.5 per cent respondents are male.

The age of the respondents are categories into 5 groups, more than 50 per cent (53.4 per cent) of the respondents are aged 26 to 30 years old, follow by respondents below 25 years old (16.1 per cent) and respondents age between 31-35 years old (15.1 per cent). Next is respondent age between 36 and 45 years old (11.9 per cent) and respondents age 46 years old and above (3.2 per cent).

The table showed that majority of the respondents are Chinese with consist of 45.9per cent follow by Malay respondents (35.1 per cent), Indian respondents (17.2 per cent) and lastly 1.8 per cent representing respondents from others races. Tables 5 also indicated that almost 90 per cent (88.5 per cent) of the respondents are with education level of Bachelor Degree follow by High School Graduate at 7 per cent. Master Degree holder and College Graduate holder represented at 5.7 per cent and 5 per cent respectively.

With regards to years of employment of the respondents, most of the respondents had been working for more than 3 years less than 5 years (38.4 per cent) follow by respondent who had been working for more than 1 year less than 3 years (32.6 per cent). Next will be respondents who had been working for more than 5 years (19.4 per cent) and below 1 year (9.7 per cent).

In table 5, it showed that most of the respondents were from Malayan Banking Berhad (20.1 per cent) followed by American Express (Malaysia) Sdn.Bhd. and Hong Leng Bank Berhad who tie at 19.4 per cent separately. Next is OCBC Bank Malaysia Berhad at 19 per cent and lastly other banks such as CIMB Bank and Ambank total up to 7 per cent.

4.4 Reliability of instrument

Cronbach's alpha reliability test is an instrument that allow the researcher to generate consistent result through analyse the reliability of this study. The measurement of Cronbach's Alpha is indicated as a number 0 to 1. According to George and Mallery (2003), the closer Cronbach's Alpha coefficient to 1, the better the internal consistency of the items in the scale. According to Hair et al. (2003), most of the researchers generally consider that an alpha of 0.7 as minimum, although lower coefficients may be acceptable, but it was depending on the research objectives. The reliability test result for each variable will be shown in the following table.

Table 6: Reliability Test Result for Each Variable

Variables	Construct	N of items	Cronbach's Alpha
Dependent Variable	Employee Retention (ER)	5	0.930
Independent Variables	Competency Mapping	10	0.773
	Employee Engagement (EE)	10	0.788
	Performance Management (PM)	13	0.832
	Career Development (CD)	9	0.871

Based on table 6, it shows that all variables Cronbach's alpha are reliable since all variables achieve alpha value 0.7 and above. In short, all the variables have good internal consistency reliability that indicated that all variables in this study are more than acceptable. This shows that all the 47 items were reliable and valid to measure the dependent and independent variable.

4.5 Inferential Statistics

4.5.1 Pearson Correlation Analysis

First of all, researcher used the correlation matrix to check the pattern of relationships. The purpose is to ensure that all the variables have some relationship with each other's. The rules of thumb about correlation coefficient are as the following table. By scanning the correlation coefficients, researcher should be aware that whether there is a problem of multicolinearity exists in the data if the correlation coefficients is greater than 0.9.

Table 7: Pearson Correlation Analysis Result

Correlations

		CM	EE	PM	CD	ER
CM	Pearson Correlation	1				
	Sig. (2-tailed)					
EE	Pearson Correlation	.018	1			
	Sig. (2-tailed)	.763				
PM	Pearson Correlation	.051	.114	1		
	Sig. (2-tailed)	.400	.057			
CD	Pearson Correlation	.006	-.026	-.071	1	
	Sig. (2-tailed)	.927	.664	.236		
ER	Pearson Correlation	.006	.128*	.168**	-.325**	1
	Sig. (2-tailed)	.924	.032	.005	.000	

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

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

Table 7 shows the results of the Pearson Correlation Coefficient analysis of this study. The Pearson Correlation Coefficient for most of the variables in this study is between 0.01 - 0.20. This indicates that the majority (3 out of 4) of the independent variables (Competency mapping, employee engagement and performance management) in this study has a slight, almost negligible relationship with the dependent variable (Hair, Money, Samouel, & Page, 2007). On the other hand, the remaining 1 independent variable (career development) of this study has a Pearson Correlation Coefficient of -0.325 which is between the range of + 0.21 - ± 0.40. Therefore, these independent variables are said to have a Small but define relationship association with the dependent variable of the study (Hair, et al, 2007)

4.5.2 Regression Analysis

Table 8: Multiple Regression Result

Independent Variables	Unstandardized Coefficients (B)	Standardized Coefficients (Beta)	t-stat	p-value	VIF
Constant	2.613		3.312	0.001	
CM	-0.03	-0.01	-0.022	0.983	1.003
EE	0.216	0.105	1.858	0.064	1.014
PM	0.282	0.134	2.366	0.019	1.020
CD	-0.504	-0.313	-5.567	0.000	1.006
R				0.371	
R^2				0.138	
Adjusted R^2				0.125	
F-test				10.961	
Sig				0.000	

In table 8, the F-test is 10.961 and the p-value = 0.001 ($p<0.05$). This means that the factors influence are significantly explain the talent management and employee retention in Malaysia. Therefore, reject null hypothesis and accept alternative hypothesis. In other words, it has enough evidence to conclude that the factors influence will significantly explain employee retention. Moreover, the R^2 = 0.138 which show that is small but define relationship between these seven variables and dependent variable. The adjusted R^2 is equal to 0.125 which show that about 12.5 per cent of the variation in the talent management and employee retention is explained by the factors influence and the rest of 87.5 per cent is explained by other factors.

Besides that, all the independent variables were uncorrelated with other independent variables in the equation because the multicolinearity is low (VIF <10). By refer to table 8, the results shows that the strength of relationships between all the four variables are less than 0.7, which mean that this is no multicollinearity among seven independent variables.

Based on the regression equation, researcher has calculated the statistical result: Y = 2.613–0.03 (CM) + 0.216 (EE) + 0.282(PM) - 0.504 (CD)

Y = Employee Retention

CM = Competency Mapping

EE = Employee Engagement

PM = Performance Management

CD= Career Development

From the result, it shows that decrease of 0.03 (CM), 0.504 (CD) and increase of 0.216 (EE), 0.282 (PM) in order to increase 1 unit of employee retention. In additions, among the four independent variables, employee engagement and performance management is the most important predictor in this study because it was the strongest influence on employee retention where standardize beta is 0.216 and 0.282 respectively, followed by competency mapping (0.01) and lastly career development (-0.280)

H_1: There is positive relationship between competency mapping and employee retention.
Table 8 shows that the p-value is 0.983 ($p > 0.05$). Hence, do not reject null hypothesis with at most 0.05 per cent error and conclude that there is no significant relationship between *competency mapping and employee retention.*

H_2: There is positive relationship between employee engagement and employee retention.
Table 8 shows that the p-value is 0.064 ($p > 0.05$). Hence, do not reject null hypothesis with at most 0.05 per cent error and conclude that there is no significant relationship between *employee engagement and employee retention*

H_3: There is positive relationship between performance management and employee retention
Table 8 shows that the p-value is 0.019 ($p > 0.05$). Therefore, reject null hypothesis with at most 0.05 per cent error and conclude that there is a significant relationship between *performance management and employee retention.*

H₄: There is positive relationship between career development and employee retention

Table 8 shows that the p-value is 0.000 (p>0.05). Therefore, reject null hypothesis with at most 0.05 per cent error and conclude that there is significant relationship *career development and employee retention*

4.6 Conclusion

In this chapter, the analysis had been applied by using SPSS software for data analysis. The results of dependent and independent variables had been determined for further discussions in next chapter.

CHAPTER 5

DISCUSSION AND CONCLUSION

5.0 Introduction

After completed data analysis, researcher will discuss on the findings in detailed. Hence, this chapter will thoroughly interpret the research results, provided the research limitation and recommended for future study. This chapter will end with conclusion of entire study.

5.1 Summary of Statistical Analysis

5.1.1 Descriptive analysis

For demographic variable, the outcome display in table 5 showed that female respondents are more than male respondents. Female respondents consist of 59.5 per cent whereas male consist of 40.5 per cent. Most of the respondents fall in the age group of 26 to 30 years old which consist of 53.4 per cent. In additions, 45.9 per cent respondents are Chinese respondents which possess the highest portion in race category. For education level, more than 85.0 per cent of respondents possess of Bachelor Degree holders. With regards to the year of employment of the respondents, majority of the respondents had worked more than 3 years less than 5 years which consist of 38.4 per cent. Lastly, most of the respondents worked in Malayan Banking Berhad which comprises of 20.1 per cent.

5.1.2 Reliability Analysis

After descriptive analysis, researcher needs to test against reliability analysis to ensure that all the variables tested are reliable. All the forty seven variables were tested through the Cronbach's Alpha test for its reliability. According to Hair et al. (2003), most of the researchers generally consider that an alpha of 0.7 as minimum which means all the variables is acceptable. Finally, a total of forty seven variables will be used for further inferential

analysis. The highest Cronbach's Alpha for each variable is employee retention (0.930), follow by career development (0.871), performance management (0.832) and employee engagement (0.788). Lastly, the lowest level of Cronbach's Alpha is competency mapping (0.773). The Cronbach's Alpha for all the variables is above 0.7 which mean all the variables are accepted for this study.

5.1.3 Inferential Analysis

5.1.3.1 Pearson Correlations Analysis

The relationship between competency mapping, employee engagement, performance management and career development with employee retention are measured under Pearson Correlation Analysis.

The result in table 7 shows that most of the independent variables are significantly except for competency mapping. Apart from that, all variables are positively related to employee retention except for career development.

5.1.3.2 Multiple Regressions Analysis

In table 8, p-value = 0.001 (p<0.05). This means that the factors influence are significantly explain the talent management and employee retention in Malaysia. Therefore, reject null hypothesis and accept alternative hypothesis. This means that the talent management variable is significantly explain the employee retention behaviour. Besides, the adjusted R^2 is equal to 0.125 which implied that about 12.5 per cent of the variation in the talent management and employee retention behaviour is explained by the factors influence. In another words, 87.5 per cent remained unexplained which means there could be other factors that may influence employee retention.

Based on and Miller (1992) recommendation, they suggested that the value of R^2 should be equal to or greater than 0.10 in order for the variance explained of a particular endogenous construct to be deemed acceptable. The adjusted R^2 value for this study is relative low

however as suggested by Falk and Miller it is still acceptable. The low value of R^2 may due to the external environment factor.

From the result, it shows that decrease of 0.03 (CM), 0.504 (CD) and increase of 0.216 (EE), 0.282 (PM) in order to increase 1 unit of employee retention. In additions, among the four independent variables, employee engagement and performance management is the most important predictor in this study because it was the strongest influence on employee retention where standardize beta is 0.216 and 0.282 respectively, followed by competency mapping (0.01) and lastly career development (-0.280).

Based on the regression equation, researcher has calculated the statistical result: Y = 2.613– 0.03 (CM) + 0.216 (EE) + 0.282(PM) - 0.504 (CD)

5.2 Discussion on Major Findings

Table 9: Summary of Results on the Hypotheses Testing

Hypotheses	Values Scored	Decision
H_1: There is a positive relationship between competency mapping and employee retention.	ß = -0.03 p (0.983) > 0.050	Not Supported
H_2: There is a positive relationship between employee engagement and employee retention.	ß = 0.216 p (0.064) > 0.050	Not Supported
H_3: There is a positive relationship between performance management and employee retention	ß = 0.282 p (0.019) < 0.050	Supported
H_4: There is a positive relationship between career development and employee retention.	ß = -0.504 p (0.000) < 0.050	Supported

Note. Developed for this study

This study is conducted to determine whether competency mapping, employee engagement, performance management and career development have a positive relationship with employee retention in the banking and finance industry in Malaysia. There are four hypotheses

proposed in this study and only the second hypothesis was supported while two is not supported. The results were summarized in Table XX.

5.2.1 Relationship of competency mapping and employee retention

H_1: There is a positive relationship between competency mapping and employee retention

The result obtained showed the path coefficient was -0.03 and p value was 0.983. As p-value was higher than 0.05, hence H1 was not supported.

The result is inconsistent with Nair (2012) study where results indicate that respondents agree that alignment of employee competencies and job description increase in employee retention. This maybe because that employee believes that this is the organization obligation to enhance the potential of the employee by developing competences as abilities competitive advantage of an organization and also individual potential.

However extrinsic reward is known as the essential tool in retaining talent (Vaiman et al, 2008). As the employee is getting more and more capable and skill they may tend to seek for better opportunity with higher pay instead of staying with the same company.

The study therefore concludes that there is no significant influence of competency mapping and employee's retention.

5.2.2 Relationship of employee engagement and employee retention

H_2: There is a positive relationship between employee engagement and employee retention

The result obtained showed the path coefficient was 0.216 and p-value was 0.064. As p-value was higher than 0.05, hence H_2 was not supported.

There are many researches, articles and publications that showed that employee engagement had significant relationship with employee retention. However, this study found out that there is a negative relationship between employee engagement and employee retention. This

finding is in line with Miller (2007), where the research noted that employee engagement had an impact on employee retention however the link between both is not straightforward thus cannot assure the relationship between employee engagement and employee retention.

According to survey from Blessing White (2011), it showed that increase in employee engagement does not result in employee retention. In an organization where employee is highly engage less than two-thirds plan to stay with the current organization for the coming year. At times, employee leaves the organization due to better offer from other organization even though he/she is highly engaged.

In addition, Bates (2004) suggested that increase in employee engagement could impact retention unfavorably. He claims that increase in employee engagement by providing more training and development opportunity will lead employee to search for better opportunity outside of the current organization.

The study therefore concludes that there is no significant influence of employee engagement and employee's retention.

5.2.3 Relationship of performance management and employee retention

H$_3$: There is a positive relationship between performance management and employee retention

The result obtained showed the path coefficient was 0.282 and p value was 0.019. As p-value was higher than 0.05, hence H$_3$ was supported.

The finding concurred with Eric et al,. (2012) research on effectiveness of human resource management practices on employee retention. The study studies how employee is being regards for its importance of their empowerment, job design through training and expectancy and equity of compensation toward effective performance management on employee retention. The studies found out that performance management is significant to employee retention. In addition, Thiriku (2013) research on factor affecting employee retention

discovered that if the organization is weak in performance management practices it will result in low employee retention. This showed that the more effective the organization performance management it will result higher employee retention.

The study therefore concludes that there is a significant positive influence of performance management and employee's retention.

5.2.4 Relationship of career development and employee retention

H_4: There is a positive relationship between career development and employee retention

The result obtained showed the path coefficient was -0.504 and p value was 0.000. As p-value was higher than 0.05, hence H_4 was supported.

The finding is coincides with the study by Chitalu (2011), whose finding showed that one of the key factors of retaining talented employee is through training and career development opportunities. In addition, Waleed (2011) research also concluded that proper training and career development have a positive relationship to employee retention as it makes the employees feel that the organization recognize their strength and creates opportunity to further develop their qualities. Nyanjom (2013) studies also ranked career development as the most important factors that influencing employee retention.

The study therefore concludes that there is a significant positive influence of career development and employee's retention.

5.3 Managerial Implication

The findings of this study have an important implication for employers especially those in banking and finance industry. The results indicated that performance management and career development had a significant relation on employee retention. Through the findings of this study, it helps to provide a guideline for leadership in design and implement effective human

resources policies and remuneration to retain the organization talent. This allows the organization to have the competitive advantage against other competitors.

This research will also provide an insight to the organization as how talent management influence in employees retention so the organization is able to better in developing, promoting and retaining talent to meet the current and future business needs. Since performance management and career development had the most significant the organization should pay more attention on these two factors to keep the employee with the organization for a longer period of time.

Leadership or human resource should have training and development scheduled for every employees and continuously up skill and develops the talent in the organization. Through training and development program the employee will be more capable and this will indirectly help the organization to increase in the organization productivity and eventually lead to profit making.

5.4 Limitation

There are several limitations related to this study have been identified by the researcher. This study is a cross-sectional study in which data only collected at a point of time. Hence, the researchers could not observe the turnover behaviour of the respondents since this study relied on the perceptions of the respondents and not action of the respondents. Moreover, employees' turnover intention constantly changes from time to time due to many changeable influences. In short, this research only able to describe employees' perception at one point of time.

Financial and banking institutions customer service is a very broad area and it encompasses customer servicing from all ranges such as counter customer server representative, call centre customer service officer, sales customer service officer and so forth. Therefore, different job functions will behave differently towards talent management and employee retention. As a result, it is hard to generalize all serving industry are such.

Another additional limitation of this study is that this study is limited to customer service representatives in financial institutions and banking institutions thus it is not able to generalize the whole servicing industry. Moreover, snowball sampling was used as a method of data collection which this study fails to generalize from the results obtained.

5.5 Recommendation

In order to overcome the limitation in this study, researcher hereby proposed some suggestions to overcome those limitations in this study.

Firstly, researcher proposed to adopt longitudinal study on talent management on employee retention. This research method allows the research to capture the changes of employees 'perception and trace on the trends of employees' turnover intention at more than one point of time. The result of this study maybe invalid in the future due to changes in the HR recruitment and retention method. Thus, longitudinal study is more suitable for future research.

Secondly, the researcher suggested to widen the scope of the research not limiting to just finance and banking institution but to include other industry customer servicing representative. This will allow the researcher to get an overall picture and accurate result on the customer servicing employees' perception on talent management on employee retention..

Lastly, researcher would recommend on one-to-one communication to reduce/avoid the misunderstanding the respondents have when answering the questionnaire. When respondents are uncertain, unclear or facing difficulty in answering the questionnaire the researcher can immediately explain and justify for the respondents. Besides, the researcher can also explain to those respondents who have poor understanding of English using other language to help the respondent to understand. Through one to one communication it can avoid and reduce inaccurate and inappropriate data collected from the respondents.

5.6 Suggestion for further study

A future research proposal envisages a solution to overcome the limitations of study, as well as areas that deserve further investigation. Thus, other researchers can fill up the research gap in the future.

First of all, the research result shows that there are about 12.5 per cent is explained by the dependent variable in this study on employee retention. However, there are still 87.5 per cent that is explained by other factors. Thus it is recommended that the other researchers can analysis the remaining 87.5 per cent unknown factors. Future research can include other relevant variables such as compensation, recruitment and training and development as part of the variables for future study.

In addition, competency mapping had the least influence in this study that contributes to employee retention behaviour. Future research can further investigate the reason that make competency mapping the least influence among all four variable. Furthermore, future research may examine whether aspects in demographic such as age group, race and employee levels had significant different in perception of talent management in employee retention. According to research by Waithiegeni (2015) it was found that there is a significant different between age groups. The result showed that age is able to weaken and strengthen the relationship between the dependent variables towards employee retention. Therefore it is worth to further investigate whether there is any significant relation between demographic and employees' retention.

Lastly, in order to obtain more insight into how to retain the employee, future study may include interview. By having interview, it allowed the research to understand better what and how the variable(s) affect their decision to stay or leave the organization.

5.7 Conclusion

This study focused on whether there is a positive relationship between competency mapping, employee engagement, performance management and career development toward employee retention in finance and banking industry in Malaysia.

The major findings in this study concluded that only performance management and career development have a positive relation with employee retention. This showed that banking and

finance institutes should focus more on performance management and career development to increase the employee retention in the organization.

There are limited studies and findings on talent management on employee retention in Malaysia thus leading to limited studies to reference to. Further researchers can be conducted on employees' retention with other talent management behaviour.

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APPENDICES

Appendix A: Survey Questionnaire Form

<u>SURVEY ON THE ROLE OF TALENT MANAGEMENT IN EMPLOYEE RETENTION</u>

I am Yong Pui Chee, a student pursuing Master of Business Administration in UTAR. I am conducting a research project on the topic the role of talent management in employee retention and highly appreciate your co-operation in order to complete the survey. The objective of this research is to examine the effect of talent management on employee retention in service industry.

The questionnaire is anonymous and confidential. This survey contains only two sections, which should take no more than 30 minutes to complete. All the information collected will be kept confidential. We will be more than willing to answer any questions or clarify any issues that need further explanation.

Thank you for your precious time and participation in this survey.

Yours Faithfully,

Yong Pui Chee

SURVEY QUESTIONAIRE

Section A: Demographics

Please tick (√) according to the answers in the boxes that best represents you.

Gender

□Male   □Female

Age

□Below 25 years old   □26-30 years old

□31-35 years old   □36-40 years old

□41-45 years old   □46 years old and above

Race

□Chinese   □Indian

□Malay   □Others

Educational level

□High School Graduate   □ College Graduate

□Bachelor Degree   □Masters Degree

Years of employment

□Below 1 year   □ Above 1 year less than 3 years

□Above 3 years less than 5 years   □ 5 years and above

Working in

□ American Express (Malaysia) Sdn. Bhd.

□ Hong Leong Bank Berhad

□ Malayan Banking Berhad

□ OCBC Bank Malaysia Berhad

□ Public Bank Berhad

□ Others. Please Specific

Section B: Factors Influencing Employee Retention

This section consists of 4 parts and please answers each statement by circling the answer.

(1)= Strongly Disagree (SD)

(2)= Disagree (D)

(3)= Neutral (N)

(4)= Agree (A)

(5)= Strongly Agree (SA)

Part 1: Competencies mapping

The following statements reflects that banking organization used competency mapping in identifying key capabilities (i.e. skills, knowledge, abilities, and behaviours) for an organization and/or a job and incorporating those abilities throughout the specific trade, profession, or job position of the organization.

No	Questions	SD	D	N	A	SA
1.	The organization encourages you to constant developing your capabilities					
2.	The organization always emphasise the importance of different competencies for different tasks.					
3.	The organization always assess your performance on individual competencies.					
4.	Alignment of your competencies and job description help in better retention of employees					
5.	Tasks/Assignments in your department are distributed based on your specific competencies.					
6.	The HR department frequently undertakes gap analysis to guide you on development path					
7.	The organization regularly undertakes competency mapping to improve recruitment and selection in your department					
8.	The organization have competency gap analysis to help identify your training needs					
9.	You are always being encourage to undertake self-development initiatives					
10.	All employees in your department are granted the opportunity to utilize talents, skills and resources					

11. In your opinion do you think competency assessment of staff in your organization increases employee retention?

[ ] Yes [ ] No

12. In your opinion, how percentage does you think competencies mapping increase in staff retention in your organization?

[ ] 1-25% [ ] 26-50% [ ] 51-75% [ ] 76-100%

Part 2: Employee Engagement

The following statements reflects that bank having the right condition in engaging employee to give their best to work each day, committed to the bank's mission and values, motivated to contribute to the bank success with an enhanced sense of their own well-being.

No	Questions	SD	D	N	A	SA
1.	You are aware the expectation the leader/organization have on you					
2.	Important decisions in the department are always made by your supervisor					
3.	All supervisors in this your organization have a good relationship with staff					
4.	Your good performance are always being recognize in the department					
5.	You are never consult on important matters before implementing them					
6.	You always get updates about organizational issues through internal communications					
7.	You are always motivated through encouragement and affirmation					
8.	You are given the opportunity to handle tasks and responsibilities that are outside your domain.					
9.	You rarely get opportunities to share information and new ideas					
10.	On-going and constructive feedback on your performance are provided					

11. In your opinion, do you think staff involvement in decision making in your organization increases retention?

[ ] Yes [ ] No

12. In your opinion do you think staff engagement in your organization increases employee retention?

[ ] 1 – 25 % [ ] 26 – 50% [ ] 51 – 70% [ ] 70 -100%

Part 3: Performance Management

The following statements reflects a process where managers and employees work together in setting objectives, assessing progress and providing on-going coaching and feedback to ensure that employees are meeting the bank objectives and the career goals.

No	Questions	SD	D	N	A	SA
1.	Promotion in your organization is not based on seniority but on performance					
2.	Your department targets and tasks due date are clearly communicated					
3.	The organization has mechanisms in place to ensure your performance and feedback					
4.	Your good performance is being rewarded in the organization					
5.	You are provided with opportunities for growth and development in the organization					
6.	The organization conducts your performance reviews regularly					
7.	Performance reviews in the organization provides you with accurate information about your strengths, weaknesses and development areas.					
8.	Your weaknesses detected in the appraisal always lead to training and development					
9.	You involve in decisions that impact their work performance					
10.	Regular feedback on your performance is conducted on a regular basis					
11.	The HR department is responsive to your training and development needs					
12.	Internal appointments in this organization are done in a fair manner					
13.	Before a vacancy is advertised to public, effort is made to tap from the internal talent pool					

14) In your opinion, do you think performance management practices in your organization increase employee retention?

[ ] Yes [ ] No

15) In your opinion do you think performance management practices in your organization increases employee retention?

[ ] 1-25% [ ] 26-50% [ ] 51-75% [ ] 76-100%

Part 4: Career Development

The following statements reflect career development is the lifelong process of managing your life, learning and work. It involves developing the skills and knowledge that enable you to plan and move toward a personally determined and evolving preferred future.

No	Questions	SD	D	N	A	SA
1.	The organization always plans on your career development					
2.	Leader/ Manager frequently mentor you to grow professionally					
3.	Your career development benefits are in place in this organization					
4.	Your career development programs offered are linked to your career needs					
5.	Every effort is made to use skills or create capacity internally before outsourcing					
6.	In the organization, progress and career development policy is clearly outlined and made known to all employees					
7.	The organization has in-house development programmes to develop you					
8.	The organization has an employee development strategy which is clearly understood by all the employees.					
9.	The organization has provision of career mentors					

10) In your opinion, is lack of adequate career development opportunities by your organization one of the main reasons why employees leave for employment elsewhere?

[ ] Yes [ ] No

11) In your opinion do you think career development opportunities offered by your organization associated with employee retention?

[ ] 1 – 25 % [ ] 26 – 50% [ ] 51 – 75% [ ] 76 -100%

Part 5: Employee Retention

The following statements reflect the ability of the bank to retain its employees from leaving the bank.

No	Questions	SD	D	N	A	SA
1.	You think a lot about leaving organization					
2.	You actively searching for an alternative to the organization					
3.	As soon as it is possible, you will leave the organization					
4.	If you had another job offer that paid the same you will leave here in a minutes.					
5.	You will likely leave the organization within 12 months?					

6. Do you have an intention to leave the organization in 3 or 6 months?

[ ] Yes [ ] No

Appendix B: Frequency Results on Respondents' Demographical Information

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	113	40.5	40.5	40.5
	Female	166	59.5	59.5	100.0
	Total	279	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 25 years old	45	16.1	16.1	16.1
	26-30 years old	149	53.4	53.4	69.5
	31-35 years old	43	15.4	15.4	84.9
	36-40 years old	25	9.0	9.0	93.9
	41-45 years old	8	2.9	2.9	96.8
	46 years old and above	9	3.2	3.2	100.0
	Total	279	100.0	100.0	

Race

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Chinese	128	45.9	45.9	45.9
	Indian	48	17.2	17.2	63.1
	Malay	98	35.1	35.1	98.2
	Others	5	1.8	1.8	100.0
	Total	279	100.0	100.0	

Educational

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High School Graduate	2	.7	.7	.7
	College Graduate	14	5.0	5.0	5.7
	Bachelor Degree	247	88.5	88.5	94.3
	Masters Degree	16	5.7	5.7	100.0
	Total	279	100.0	100.0	

Employment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 1 year	27	9.7	9.7	9.7
	Above 1 year less than 3 years	91	32.6	32.6	42.3
	Above 3 years less than 5 years	107	38.4	38.4	80.6
	5 years and above	54	19.4	19.4	100.0
	Total	279	100.0	100.0	

Working

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	American Express (Malaysia) Sdn. Bhd.	54	19.4	19.4	19.4
	Hong Leong Bank Berhad	54	19.4	19.4	38.7
	Malayan Banking Berhad	56	20.1	20.1	58.8
	OCBC Bank Malaysia Berhad	53	19.0	19.0	77.8
	Public Bank Berhad	55	19.7	19.7	97.5
	Others	7	2.5	2.5	100.0
	Total	279	100.0	100.0	

Appendix C: Cronbach's Alpha Using Reliability Test

Competency Mapping

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.773	.784	10

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The organization encourages you to constant developing your capabilities	31.77	17.686	.530	.743
The organization always emphasise the importance of different competencies for different tasks.	31.95	17.497	.523	.743
The organization always assess your performance on individual competencies.	31.86	21.233	-.065	.823
Alignment of your competencies and job description help in better retention of employees	32.02	17.597	.517	.744
Tasks/Assignments in your department are distributed based on your specific competencies.	32.50	17.855	.442	.753
The HR department frequently undertakes gap analysis to guide you on development path	32.28	17.913	.449	.752

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The organization regularly undertakes competency mapping to improve recruitment and selection in your department	32.30	17.188	.500	.745
The organization have competency gap analysis to help identify your training needs	32.16	17.270	.485	.747
You are always being encourage to undertake self-development initiatives	31.79	17.570	.526	.743
All employees in your department are granted the opportunity to utilize talents, skills and resources	31.83	17.085	.634	.730

Employee Engagement

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.788	.792	10

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
You are aware the expectation the leader/organization have on you	32.29	19.424	.503	.765
Important decisions in the department are always made by your supervisor	32.44	19.175	.514	.763

All supervisors in this your organization have a good relationship with staff	32.27	19.268	.493	.766
Your good performance are always being recognize in the department	32.42	19.015	.536	.761
You are consult on important matters before implementing them	32.47	20.041	.387	.778
You always get updates about organizational issues through internal communications	32.52	19.538	.439	.772
You are always motivated through encouragement and affirmation	32.72	19.168	.474	.768
You are given the opportunity to handle tasks and responsibilities that are outside your domain.	32.66	19.470	.495	.766
You get opportunities to share information and new ideas	32.82	19.896	.373	.780
On-going and constructive feedback on your performance are provided	33.30	18.808	.399	.781

Performance Management

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.828	.832	13

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Promotion in your organization is not based on seniority but on performance	43.19	31.951	.588	.808
Your department targets and tasks due date are clearly communicated	43.33	31.891	.610	.806
The organization has mechanisms in place to ensure your performance and feedback	43.44	32.038	.574	.809
Your good performance is rarely being rewarded in the organization	43.89	32.829	.449	.818
You are provided with opportunities for growth and development in the organization	43.65	33.357	.418	.820
The organization conducts your performance reviews regularly	43.68	32.104	.484	.815
Performance reviews in the organization provides you with accurate information about your strengths, weaknesses and development areas.	43.49	31.409	.565	.809
Your weaknesses detected in the appraisal always lead to training and development	43.14	32.605	.522	.813
You involve in decisions that impact their work performance	43.26	36.624	.044	.849
Regular feedback on your performance is conducted on a regular basis	43.09	32.718	.510	.814
The HR department is responsive to your training and development needs	43.21	32.944	.478	.816

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Internal appointments in this organization are done in a fair manner	43.37	32.853	.511	.814
Before a vacancy is advertised to public, effort is made to tap from the internal talent pool	43.22	32.860	.451	.818

Career Development

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.871	.864	9

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The organization always plans on your career development	29.89	23.315	.679	.850
Leader/ Manager frequently mentor you to grow professionally	29.39	28.900	.206	.887
Your career development benefits are in place in this organization	29.69	23.653	.793	.840
Your career development programs offered are linked to your career needs	29.66	24.699	.657	.853
Every effort is made to use skills or create capacity internally before outsourcing	29.35	28.243	.389	.873

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
In the organization, progress and career development policy is clearly outlined and made known to all employees	29.68	24.378	.635	.854
The organization has in-house development programmes to develop you	29.77	24.046	.676	.850
The organization has an employee development strategy which is clearly understood by all the employees.	29.77	22.722	.808	.837
The organization has provision of career mentors	30.03	24.441	.586	.860

Employee Retention

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.930	.931	5

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
You think a lot about leaving organization	9.93	16.121	.813	.915
You actively searching for an alternative to the organization	10.07	16.301	.814	.914
As soon as it is possible, you will leave the organization	10.09	15.693	.873	.903
If you had another job offer that paid the same you will leave here in a minutes.	10.53	17.056	.798	.918

You will likely leave the organization within 12 months?	10.10	15.647	.791	.920

Appendix D: Pearson Correlation Coefficient Test

Correlations

		CMTotal	ERTotal	EETotal	PMTotal	CDTotal
CMTotal	Pearson Correlation	1	.006	.018	.051	.006
	Sig. (2-tailed)		.924	.763	.400	.927
	N	279	279	279	279	279
ERTotal	Pearson Correlation	.006	1	.128[*]	.168[**]	-.325[**]
	Sig. (2-tailed)	.924		.032	.005	.000
	N	279	279	279	279	279
EETotal	Pearson Correlation	.018	.128[*]	1	.114	-.026
	Sig. (2-tailed)	.763	.032		.057	.664
	N	279	279	279	279	279
PMTotal	Pearson Correlation	.051	.168[**]	.114	1	-.071
	Sig. (2-tailed)	.400	.005	.057		.236
	N	279	279	279	279	279
CDTotal	Pearson Correlation	.006	-.325[**]	-.026	-.071	1
	Sig. (2-tailed)	.927	.000	.664	.236	
	N	279	279	279	279	279

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

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

Appendix E: Multiple Regression Test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	2.613	.789		3.312	.001	1.060	4.167					
	CMAve	-.003	.121	-.001	-.022	.983	-.240	.235	.006	-.001	-.001	.997	1.003
	EEAve	.216	.116	.105	1.858	.064	-.013	.445	.128	.112	.104	.986	1.014
	PMAve	.282	.119	.134	2.366	.019	.047	.517	.168	.142	.133	.980	1.020
	CDAve	-.504	.091	-.313	-5.567	.000	-.682	-.326	-.325	-.319	-.312	.995	1.006

a. Dependent Variable: ERAve