

FACTORS AFFECTING THE RETENTION OF
GENERATION Y WORKERS IN FOOD INDUSTRY

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Food Industry

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This dissertation is specially dedicated to:

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LIST OF ABBREVIATIONS

CP	Compensation
ER	Employee retention
JS	Job satisfaction
L	Leadership
SPSS	Statistical Package for the Social Sciences
TD	Training and development
WE	Working environment
WLB	Work-life balance

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ABSTRACT

Human capitals and resources act as a vital asset to the organisations. Retain the talented or skilled employee is an important issue to the organisation to keep the organisation stay competitive in the industry. The leaving of the skilled employee from the organisation will give the negative impact on the organisational performance. Generation Y becomes the latest workforce in many organisations. Comparing to other generational employees, Generation Y contributed higher turnover rate. It is important to study the factors which will cause of retention of Generation Y workers. Food industry is a major contributor to Malaysia economy. It was once categorised as top priority in the Industrial Master Plan of year 1986 to 1995.

The objective of this study is to examine the relationship between the factors which are compensation, leadership, training and development, working environment, work-life balance and job satisfaction with the employee retention. The target respondents are the Generation Y workers work in the food industry within Iskandar Malaysia. In total 314 samples were collected by the researcher using the questionnaire. The samples were analysed by the statistical software SPSS. The demographic profile of respondents was analysed. The reliability test, Pearson Correlation Analysis and Multiple Regression Analysis were carried out in this study.

The findings of this study showed that the six factors being studied have a positive direct effect on the employee retention among the Generation Y workers in food industry. Job satisfaction, leadership and compensation are the top three factors that have direct effect on the employee retention in this study.

CHAPTER 1

INTRODUCTION

1.0 Introduction

The objective of this research study is to examine the six factors' relationship, which are compensations, leadership, training and development, working environment, work-life balance and job satisfaction with the dependent variable which is employee retention in food industry among the Generation Y. This research will provide more understanding about how compensations, leadership, training and development, working environment, work-life balance and job satisfaction affect the employee retention among Generation Y. In this chapter, it will present the research background, problem statement, research question, research objectives, summary of hypotheses, and also the significance of study.

1.1 Research Background

1.1.1 Employee Retention

Human capitals and resources are the most important and dynamic assets of the organisations. Although many organisations nowadays are technology driven, capital of human are still needed to operate the organisations' technology. Hence the human capitals and resources are acting as the life-blood for the organisation (Das & Baruah,

2013). According to Johnson (2000), employee retention defines as the capability to keep the capable and treasured employees that the organisation wanted for a longer period than the competitors. Each organisation wants to be high productivity, high employee retention and also profitability (Arokiasamy, 2013). Retains the valuable and talented employees is crucial to those organisations in order to remain the competitive. If the organisations are failed to retain the high performing and talented employees, it will negatively impact on the competitive advantage of the organisations (Juhdi, Pa'wan, & Hansaram, 2013; Rappaport, Bancroft, & Okum, 2003).

The retention of crucial employees is important for the organisations to remain long-term health and success. Besides, retention of key employees will extend to great customer satisfactions, good sales performance of the organisations, harmony between reporting staff and colleagues, and also effective succession planning (Das & Baruah, 2013). Hence, to hold the high performing employees for a long-term period is the priority for many organisations and it becomes the main differentiator of the human resource management (Mohammed, 2015).

High turnover rate has caused shortage of experienced or high performing employees for the organisations, and it becomes the serious issue and challenge that faced by the managers and organisations (Lalitha, 2012). Failed to retain the talented employees is not only caused the shortage of manpower, it will also lead to the loss of knowledge and experience that will impact the organisational productivity and services negatively (Ng'ethe, Iravo, & Namusonge, 2012).

The different researches on the generations in the workplace shows that the three major generations that are employed by the organisations are Baby Boomers Generation with the year 1946 to 1964, Generation X with the year 1965 to 1979, and also Generation Y that born between 1980 to 2000 (Gibson, Greenwood, & Edward Jr, 2009; Hendricks & Cope, 2013; Kapoor & Solomon, 2011; Keepnews, Brewer, Kovner, & Shin, 2010). The Baby Boomers are starting to retire from the workplaces,

and replaced by Generation Y (Sujansky & Ferri-Reed, 2009). An estimation that made by U.S. Census Bureau has predicted that the Generation Y and the next generation, Generation Z will constitute more than 50% of the global population as well as 75% will be involved as workforce by year 2025 (Bovis, Cardoso, Wright, & Gott, n.d.).

According to Glass (2007), Generation Y is the fastest growing workforce in the workplace. As cited in the study by Queiri and Dwaikat (2016), a research in 2012 by PricehousewaterCoopers (PwC) Malaysia has found that the Generation Y employees comprise more than half of the Malaysian workforce. The Generation Y employees are technological savvy, energetic and young, and able to help the organisations to attach with the young consumers. However, Generation Y employees are possessing different values with the previous generations. Low retention rate among Generation Y has caused the organisations need to cost more for recruiting and training the new employees to replace the leaving employees (Sujansky & Ferri-Reed, 2009).

According to 2013 General Industry Total Rewards Survey by Towers Watson, the Malaysian employee turnover rate in 2013 has increased 0.9% compared to 2012, which is 13.2% from 12.3%. Manufacturing industry had the highest turnover which is 24.0%, followed by business process outsourcing with 19.0%, conglomerates with 14.0%, and financial services with 13.3% (The Sun Daily, 2013). The findings of the 2015 Employee Intention Report in Malaysia by Micheal Page Malaysia has found that 44.0% of the employees worked as professionals plan to leave their current jobs in next 12 months, and only 40.0% of employees stated that only see themselves with the same jobs in next one to three years (Michael Page, 2015).

1.1.2 Food Industry in Malaysia

In Malaysia, food industry acts as a major contributor to the national economy of Malaysia. The manufacturing food industry is important to Malaysia due to it is not only provides the job opportunities to the societies, and also acts as market outlets

and value adding to the products of primary agriculture. Manufacturing food industry was once categorised as the top priority for the industrial development of Malaysia during the Industrial Master Plan (IMP) of year 1986 to 1995 (Ahmed, 2012).

There are numerous multi-national corporates (MNC) and small and medium-sized enterprises (SME) are having their production facilities in Malaysia, and most of them are focusing on the domestic demand as well as the export. Hence the Government of Malaysia is recognised the food industry as one of the vital industries which acts as the contributor to the overall national economy and also acts as the potential contributor to the export (Wahab, 2016).

The growth of food production in Malaysia is in an increasing trend. Comparison between the first seven months (January to July) of year 2014 and year 2013, the total sales of 2014 had rose 2.5% compared to 2013, which increased to RM 20.6 billion from 20.1 billion. Food exports of Malaysia had increased to RM 9.3 billion from RM 8.1 billion by 15.7%. The food products' output had increased 8.6%, caused by the production of refined palm oil which contributed 18.2%, and followed by rice which is 17.6%, while the biscuits and cookies contributed 8.7%. Besides, the production of beverage output also achieved the growth in 2014 which is 19.3% compared to the dropped in 2013 which is -6.5% (Hooi, 2016).

Based on the Eleventh Malaysia Plan (2016 to 2020), the manufacturing industry is expected to contribute the growth during the period of plan with 5.1% per annum. It is because of the industry is adopting more automation and upgrading skills to produce complex and diverse products as well as enhancing the productivity. In addition, the food manufacturing is considered as one of the key industries to enhance the growth and contribute to the overall performance of the manufacturing industry (Chin, 2015).

1.2 Problem Statement

Retention of skilled and talented employees becomes a crucial issue to the organisations and managers in the worldwide due to the rising of the employee turnover rate. The business environment is becoming more competitive nowadays, the retaining of talented employees becomes the important differentiating factors for many organisations (Samuel & Chipunza, 2009). Employee retention allows the organisations to remain the competitiveness in order to increase the global landscape (Idris, 2014). A good strategy has to be developed by the manager to retain the skilled and talented employees. It could ensure the organisations able to gain the benefits from the investment that has made to the employees (Ng'ethe, Namusonge, & Iravo, 2012).

Understand the factors that affecting the retention of valuable employees is important to the managers as well as the organisations. Most of the organisations are worrying about the ability to retain their important employees due to the good employees are in demand and hard to find a replacement (P. Brown, Fraser, Wong, Muise, & Cummings, 2013). When the skilled and talented employees are leaving from the organisations, it might impact negatively on the productivity and service delivery (Chiboiwa, Samuel, & Chipunza, 2010). In addition, skilled employees commonly are less likely to show loyalty to one organisation, they prefer to paradigm of new employment (Kumar & Santhosh, 2014).

Turnover rate is high will cause the organisations need to spend more time for training new employees as well as loss of experienced employees. High cost of the employees that caused by the turnover has huge affected the organisational profitability (Appiah, Kontar, & Asamoah, 2013). According to the Shamsuddin Bardan, the Executive Director of Malaysia Employer Federation, the replacement cost for an employee is huge, which will cost around RM 25,000 to RM 30,000 to replace the leaving employee (Lee, 2012). The leaving of employees from the

organisations will also impact the remaining employees due to the workloads will distribute to them thus increasing their burdens (Neog & Barua, 2015).

The Generation Y employees act as the latest workforce in many organisations. However, a lot of the information regarding to Generation Y employees such as characteristics, preferences, factors influencing their attitudes and behavioural intentions still remain unclear (Queiri, Yusoff, & Dwaikat, 2015). Comparing to other generational employees, the employees from Generation Y in Asian Pacific Region have the shortest service period to the organisations which only eighteen months while other generations are four years in average (Sheahan, 2008). In many industries, the workforce from Generation Y contributed a high turnover rate significantly (Sujansky & Ferri-Reed, 2009; Yusoff, Queiri, Zakaria, & Hisham, 2013). In addition, Generation Y employees have less retention intention compared to other generation (Solnet, Kralj, & Kandampully, 2012).

High tendency to jobs switching among Generation Y become a global consensus that they are difficult to retain in the organisations (Yusoff et al., 2013). The increasing of the Generation Y employees' turnover rate is not only caused the issue in organisational effectiveness, and also incurred high financial and non-financial cost as well as becoming a threat to the country's economic growth by different ways (Queiri et al., 2015). In addition, the increasing of the job leaving among Generation Y in Malaysia also caused shortage of talents (Downe, Loke, Ho, & Taiwo, 2012). The shortage of talented employees has caused many job vacancies are remained unfilled (Manpower, 2012). Hence, to study the factors influencing Generation Y retention in workplace is important. The preference of work value for Generation Y is different with previous generations. However, most of the supervisors or managers of Generation Y are come from the previous generations such as Baby Boomers and Generation X (Queiri & Dwaikat, 2016).

The study by Queiri and Dwaikat (2016) regards to the intention to quit of Generation Y employees only focused on the factors such as satisfaction with pay, stressors and

organisational strategies. According to different researchers, the retention practices include financial rewards, training and development, work environment and work-life balance (Allen, Shore, & Griffeth, 2003; Ghosh & Sahney, 2011; Pfeffer, 1994). A review study by Das & Baruah (2013) found that the factors will affect the employee retention include compensation, leadership, training and development, job satisfaction, working environment and work-life balance.

Although many researchers were studied the Malaysian employee retention or turnover intention in recent years, most of the them are focused on health-care sector and hospitality industry (AlBattat & Som, 2013; AlBattat, Som, & Helalat, 2013; Aziz, Hasbollah, Yaziz, & Ibrahim, 2017; Omar, Majid, Halim, & Johari, 2013; Rahim & Mwanri, 2014; Sangaran & Jeetesh, 2015). The studies regarding to the employee retention among Generation Y are still limited. In addition, the studies of the employee retention in food industry are also limited. Hence, gaps are shown for the researcher to carry out this study to examine the causes that affecting the employee retention among Generation Y in food industry. This study will focus on the factors include compensation, leadership, training and development and working environment as well as the work-life balance and job satisfaction toward the employee retention in food industry of Generation Y workers.

1.3 Research Questions

The research questions below are developed and designed to address the researching issue:

1. Is there a relationship between compensation and employee retention?
2. Is there a relationship between leadership and employee retention?
3. Is there a relationship between training and development and employee retention?
4. Is there a relationship between work environment and employee retention?
5. Is there a relationship between work-life balance and employee retention?
6. Is there a relationship between job satisfaction and employee retention?

1.4 Research Objectives

The objective of the study is to examine the impact of the factors on retention of employee of Generation Y workers. The objectives for the study listed as follows:

1. To examine the relationship between compensations and employee retention.
2. To examine the relationship between leadership and employee retention.
3. To examine the relationship between training and development and employee retention.
4. To examine the relationship between working environment and employee retention.
5. To examine the relationship between work-life balance and employee retention.
6. To examine the relationship between job satisfaction and employee retention.

1.5 Summary of Hypotheses

H₁: Compensation has a positive direct effect on employee retention.

H₂: Leadership has a positive direct effect on employee retention.

H₃: Training and development has a positive direct effect on employee retention.

H₄: Working environment has a positive direct effect on employee retention.

H₅: Work-life balance has a positive direct effect on employee retention.

H₆: Job satisfaction has a positive direct effect on employee retention.

1.6 Significance of the Study

The objective of the study is to examine those six factors that will influence on retention of workers among workforce of Generation Y in food industry. This study will enhance the awareness and understanding of the managers as well as organisations. In this study, the researcher will evaluate how the factors affect the

employee retention. This study contributes the guidelines to the organisations to plan the proper strategies in order to keep the skilled and talented employees.

Understanding those factors affect the employee retention allows the managers and the organisations make the improvement to retain the important employees and reduce the turnover rate. Failed to retain the skilled and talented employees is not only incur the high cost and waste of resources to find and train the replacement, leaving of the employees also will affect the organisational performance by loss of experience and knowledge. In addition, the finding of the study also acts as guidance for the organisations in order to attract the potential talented employees.

This study will provide the support and reference to the academic perspective to further study of the relationship between the six factors (compensation, leadership, training and development, work environment, work-life balance and job satisfaction) and retention of workers for the new generational workforce in food manufacturing industry. This study also contributes in the extra knowledge and theory and practice insight for the organisations how the factors will influence the retention of the crucial staffs in the organisations. Besides, the findings of the study also have important contribution to the academic researchers to understand the factors affect the retention of new generational employee and help to open up the gap for other researches.

In this study, the researcher will focus on the six factors which will affect the retention of the Generation Y employees in food manufacturing industry. The study will provide the information that allows the managers and organisations to understand the priority of the factors that need to be invested in order to retain the important employee and reduce the turnover rate in food industry.

1.7 Conclusion

This chapter offers an outline study on retention of Generation Y workers in food industry, and consists of research background, problem statements, research questions and objectives, study hypotheses and significant of study. In coming chapter will discuss the literature assess on the variables to understand the factors that affect the employee retention. Besides, proposed conceptual framework will be developed and explain the relationship of the dependent variable with independent variables, and also has a discussion on the hypotheses that developed for this study.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This chapter consists of description of the vital concepts of Generation Y, retention of employees and the dimension of the factors which are compensation, leadership, training and development, work environment, work-life balance and job satisfaction. This chapter also explains the variables that affect the employee retention among Generation Y in food manufacturing industry and defined the dependent and independent variables. Moreover, the proposed theoretical framework will be developed. The formulated hypotheses based on the relationship between the variables are also explained.

2.1 Review of the Literature

2.1.1 Generation Y

The definitions of the boundaries of Generation Y by different studies are varies. According to Martin (2005), the Generation Y-ers are those born between 1978 to 1988 while Crampton and Hodge (2006) classified the Generation Y-ers are born between 1978 to 2002. However, some studies were stated that Generation Y-ers are born from 1980 onwards. Kersten (2002) stated the range for Generation Y is 1980 to

2002, and Gurău (2012) claimed the Generation Y belongs to 1980 to 1999. In this study, the Generation Y will be categorised as those born between 1980 to 2000, and this definition were used in many previous studies that related to Generation Y (Eisner, 2005; Foley, Myrick, & Yonge, 2012; Hansen & Leuty, 2012; Stanley, 2010).

Generation Y known as Millennial, and also known as the first high-tech generation (Norum, 2003). Internet and technology act as a part of the growth process of Generation Y (Cennamo & Gardner, 2008). They are technology savvy, and the first generation is using the mobile phone, email and instant messaging service since childhood (Tyler, 2007, 2008). Hence Generation Y-ers are more adaptable with the technology comparing to the previous generations (Cennamo & Gardner, 2008; Shaw & Fairhurst, 2008).

Martin (2005) described the members of Generation Y are commonly received well education, confident, integrity, passionate, and also socially conscious. Besides of confident and well educated. Brown, Thomas, and Bosselman (2015) described that Generation Y-ers are also self-sufficient, team builders, tolerant, and possess the conscious of politics. Generation Y known as possessing the ability to perform multi-tasks and also able to take the roles as team players that globally aware (Hutchinson, Brown, & Longworth, 2012).

Many of the Generation Y employees are possessing work experience when they were students before graduated and being employed as full-time employees. Hence, Generation Y employees have their own expectation toward the jobs, such as job characteristics, choosing of employers, and achievement for the future (Wong, Wan, & Gao, 2017). Generation Y employees focus on the individualism in the job's aspects. However, they are having a realistic expectation about the first employment and salary. In addition, they pursue for fast development in new skills and knowledge (Ng, Schweitzer, & Lyons, 2010). Generation Y employees prefer and enjoy challenging works due to they able to enhance own abilities with the challenges, and also increase their work enthusiasm (E. A. Brown et al., 2015; Daud, 2016). However,

the employers need to guide the Generation Y employees with a clear direction due to they require immediate feedback towards their job performance (Daud, 2016).

2.1.2 Employee Retention

Johnson (2000) defined employee retention as the capability of an organisation to keeping and retaining the important and talented employees longer than the competitors from resigning their work. Mita, Aarti and Ravneeta (2014) defined it as a method used by organisations to hold the important workforce in order to achieve the requirements of the operation. The retention of the employees is a voluntary action by the employees that affected by the environment created by the organisations for long term. It attempts to make sure the voluntary resignation from the position will be minimised and also the employees able to stay in the company (Ng'ethe, Namusonge, et al., 2012).

The primarily objective of the employee retention to minimize the talented employees resigning from their position in the organisation due to it will impact the productivity and delivery of service negatively (Chiboiwa et al., 2010). The organisation today is not only facing the challenge in managing resources, retaining of the skilled and talented employees is also one of the biggest challenge for the organisation. Retaining the skilled and talented employee is important due to they have the ability to help the organisations stay economically competitive (Das & Baruah, 2013). Although hiring skilful and talented employees are important to the organisation, retaining the good employees are much more important than hiring (Ahlrichs, 2000).

The managers and organisations are difficult to get proper approach to keep the talented employees in order to replace the retired Baby Boomers employee (Frank, Finnegan, & Taylor, 2004). According to Vaiman and Vance (2008), the tools of retaining of the employees are categorised as intrinsic and extrinsic rewards. Intrinsic rewards define as non-monetary rewards that are intangible while the extrinsic rewards define as monetary rewards that are tangible. Messmer (2006) stated that the

retention of employees can be achieved when the benefits, allowance, good work environment and work-life balance are provided to the staffs and workers. Proper implementation of retention strategies by organisations able to ensure the employees to stay longer as well as achieve the organisational goal successfully (Davis, 2013).

The retention of the employees is important due to the organisations is not achieve cost saving and less training to be conducted to the new hired employees, it also will enhance the employees' performance and productivities, and increase the profit and achieve the organisational goals (Ahlrichs, 2000; Oladapo, 2014). Skilled and talented employees are hard to replaced and they are important to the organisational strategy and the competitiveness of the organisation in the global market (Frank et al., 2004; Leign, 2002). However, failed to retain the important employees will decrease the competitiveness of the organisation (Rappaport et al., 2003) as well as increase the risk of loss of the confidential data providing to their competitors (Frank et al., 2004).

2.1.3 Compensation

Compensation or reward is define as something that offer to the employees depended on the contribution and performance of the employee by the organisations and also considered as satisfaction of needs for the employees (Aguenza & Som, 2012). The compensation for the employees is an important factor that motivate the employees have a good work performance, and also a factor for people to search a job that meet the their expectation hence they will contribute their ability and creativity (Odunlade, 2012). The organisations usually provide monetary or non-monetary compensation for the employees based on the performance (Patnaik & Padhi, 2012).

The monetary compensations such as pension, salaries, profit sharing, bonuses, commission, overtime pay and parental leave are considered as important factor to attract the employees retain in the organisation. The non-monetary compensations such as knowledge, effort and experience, company-paid car and company-paid house are also contributed to the retention of employees (Ballentine, McKenzie, Wysocki, &

Kepner, 2003; Tourangeau, Cummings, Cranley, Ferron, & Harvey, 2010). An attractive package of compensation able to hold the potential employees (Neog & Barua, 2015). Different organisations have their own compensation strategies to retain the employees (Scott, McMullen, & Royal, 2012).

Compensations can motivate the employees to provide a good performance and behaviours. Inappropriate compensation plan will let the organisations face the difficulties by the dissatisfaction of the employees (Ng, Lam, Kumar, Ramendran, & Kadiresan, 2012). A good compensation package can enhance the social status of the organisations and also satisfied the financial and material needs of employee (Narang, 2013). The compensation plan in an organisation should has the ability to attract talented and skilled employees, and become key factor to retain the employees and also withstand the equity among them (Terera & Ngirande, 2014).

2.1.4 Leadership

Leadership defines as guidance from tutors that commonly are older or hold more senior positions that accepted or be designated in order to guide, help and monitor the employees from lower level position (Siegel, Rigsby, Agrawal, & Leavins, 1995). Leadership was defined by Gonos and Gallo (2013) as the process to affect the employees or influence the other members in order to accomplish the goals of the organisations. Limsila and Ogunlana (2008) stated that leadership can improve the organisational efficiency when it involved in management, and also acts as a tool to achieve the organisational target and attitude.

The management of the organisations are usually involved in managing, organising, making decisions, planning, and coordinating as well as recruiting talents. When the managers are having inadequate in the leadership, the management of the organisations cannot function well and affect the capability to lead the organisations' members to achieve the goals (Gonos & Gallo, 2013). Hence the leadership is crucial to the organisations. Effective leadership can bring to desired results at different level

such as individual, group and also organisations (Belias & Koustelios, 2014; Yukl & Van Fleet, 1992).

In addition, the style of leadership will give direct effect on the relationship among managers and employees. Leadership influence the performance of employees, satisfaction during the job and commitment to organisation and also the consistency performance of an organisation (Van den Berg & Wilderom, 2004). The leadership style used by the managers will affect the behaviours and thinking of the employees positively or negatively in order to achieve the common goals (Irshad & Afridi, 2007).

2.1.5 Training and Development

Training and development was described by Ng et al. (2012) as a need for the staffs and workers to learn and obtain different knowledge and specific skills hence they able to perform task and enhance the organisational skills. Training and development also defines as the growth of attitudes, knowledge and skills that required by the employees in order to perform the tasks effectively or work systematically (Tangthong, Trimetsoontorn, & Rojniruntikul, 2014). The competency of the employee will be enhanced through the training and will direct positively impact on the organisational productivity (Nadeem, 2010).

The purpose of the training and development is to establish the employees' ability in order to reach the organisations' human capital requirements for current and also the future (Ng'ethe, Iravo, et al., 2012). The objective of the organisation providing training and development to workers is also for the retention and development of skills of the employees (Hassan, Razi, Qamar, Jaffir, & Suhail, 2013). Training and development also acts as a driving force to increase the staff retention rates especially for the employees who want to pursue for career development (Chen, 2014). Tummers, Groeneveld and Lankhaar (2013) mentioned that when the training and development meets the employees' expectation, it will correlate with the retention rate of staffs positively.

Besides of the benefits for the organisations, training and development can enhance the employees' personal advantages in competitiveness (Aguenza & Som, 2012). Through the training and development, employees can enhance the specific skills, and also become more disciplined and punctual to their work hence increase the productivity and organisational performances (Gul, Akbar, & Jan, 2012). It is critical for the organisations to offer training to the employees due to it will effect on the job satisfaction and organisational commitment as well as employee retention (Jehanzeb, Rasheed, & Rasheed, 2013).

2.1.6 Working Environment

Environment of work defines as a job environment that involved in many factors that surrounding the employees such as social and cultural factors, chemical and biological factors as well as physical factors (Folger & Cropanzano, 1998). Narang (2013) described that working environment is the workplace for the employees expected to show their personal and working abilities as well as to fulfil their basic needs. In addition, working environment also acts as a crucial indicator of the turnover rate of the employees in the organisations (Zeytinoglu & Denton, 2006).

The employees usually love to work in an organisation that can provide the comfortable and harmonised working environment, and also offer suitable job designation as well as workplace privacy and spaces. It can enhance the motivation and hold the employees for long term (Wells & Thelen, 2002). A good working environment should include some factors such as well communication and collaborative culture, capable leadership, practice environment, and career development as well as sufficient number of employees (Ritter, 2011). Tummers et al. (2013) also suggested that good working environment should include job appreciation, close relationship between colleagues, and without harassment and bullying. The comfortable level in the working environment can determine employees' job

satisfaction level, and also work situation in order to enhance productivity (Noah & Steve, 2012).

The working environment with poor management will effect on the turnover of the employees (Maslach, Schaufeli, & Leiter, 2001). Besides, too much demanding of the job by physically as well as mentally will reduce the job satisfaction thus lead to poor working performance (Bordia, Restubog, Jimmieson, & Irmer, 2011). The managers and the organisations are being suggested that to promote and improve, creating and maintaining good and secure workplace environment to enhance the satisfaction of employees and build the sense of belonging to the employees toward the organisations (Fatima, 2011). When the organisations can increase the satisfaction during work of the employees toward the working environment, the level of commitment from the employees will enhance as well (Adekola, 2012).

2.1.7 Work-Life Balance

Guest (2002) defined work-life balance as a feeling of the balance between the works with the rest of the life. Kirchmeyer (2000) defined work-life balance as the individuals have achieved a satisfactory balance of work and life in all areas, through personal resources, time, energy and commitment in all aspects. Commonly, an individual show the similar time and commitment invested in the work and personal activities will be considered as having high work-life balance (Virick, Lilly, & Casper, 2007). Work-life balance defines as the personal point of view that the compatibility on the work and personal activities and inspire growth based on the current personal life priorities (Kalliath & Brough, 2008).

Work-life balance is extent to the equally engagement of the individuals regarding to their works and also able to satisfy the role of work and the family role. Three components are included in work-life balance which are balance of time, balance of involvement and balance of satisfaction (Greenhaus, Collins, & Shaw, 2003). The employees will feel the work-life balance when no conflict available between the

work and their family (Grzywacz & Carlson, 2007). Naithani (2010) stated that work-life balance is a management between the works and the activities such as with family, personal development, travel and leisure, involve in community activities as well as be volunteers.

The organisations initiated the workplace practice with the purpose in facilitate the understanding of the employees' individual life and work (McCarthy, Darcy, & Grady, 2010). The managers and organisations start to enhance the awareness and notice on the potential advantages from the work-life balance (Downes & Koekemoer, 2011). Chao (2005) stated that in order to obtain a good performance from the employees and decrease the rate of turnover, the organisations ought to provide the flexibility to their employees to balance their personal and work life. A good work-life balance should include the meaningful achievement in everyday and enjoy the moment with the four quadrants of life such as work, family, society and individuals (Ranjan & Prasad, 2013).

2.1.8 Job Satisfaction

Job satisfaction defined by Weiss (1999) as the evaluative judgment of the work by the employees positively or negatively. Job satisfaction also considered as employees' attitude towards the intrinsic or extrinsic aspects of the works, and felt it positively or negatively (Bhuiyan & Mengue, 2002; Hunt, Chonko, & Wood, 1985). Satisfaction of job acts as an attitude that created by the employees regarding to their work tasks (Pool & Pool, 2007). Buitendach and Rothmann (2009) commented that job satisfaction is a type of emotional reaction of the employees about the works.

Job satisfaction is a result of the employees think about how good of their jobs and how fit of the employees with the organisation. It also shows how the employees enjoy their works (Pool & Pool, 2007). When the organisations are offering desired rewards and opportunities, good working environment, and the personal values of the

employees are integrated into the organisation, the employees will experience job satisfaction (Buitendach & Rothmann, 2009).

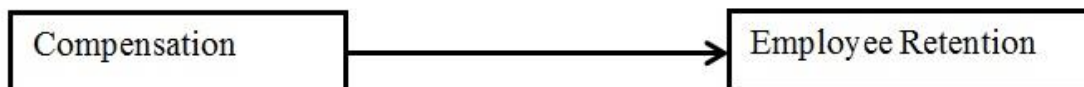
The measurement of the job satisfaction in an organisation is caused by the organisation will face the losing of good employees if the job satisfaction is low (Nadeem, 2010). The initiative and enthusiasm of the employees can be affected by the job satisfaction (Al Jenaibi, 2010). Diaz-Serrano and Cabral Vieira (2005) believed the job satisfaction able to affect the labour market behaviour and also the productivity, effort of work, absenteeism and also turnover intention. Job satisfaction is a good indicator to the personal well-being and also a predictor of the employee turnover intention (Diaz-Serrano & Cabral Vieira, 2005; Gazioglu & Tansel, 2006).

Low job satisfaction will inversely turn the retention intention of the employee to turnover (Michaels & Spector, 1982). Low job satisfaction show a significant impact on the negative employee behaviours such as absenteeism and staff leaving (Dupr é & Day, 2007; J. K. Martin & Miller, 1986). Bokti and Talib (2009) suggested that the organisations should rise the job satisfaction among the employees so as to have quality employees, good work environment, and also the work itself. Job satisfaction lead to high productivity and organisational commitment, and also reduce the absent of the employees and turnover rate (Ellickson & Logsdon, 2002).

2.2 Review of Relevant Theoretical Models

2.2.1 Model 1: Compensation and Employee Retention

Figure 2.1: Model of Compensation with Employee Retention



Note: From Haider, M., Rasli, A., Akhtar, S., Yusoff, R. B. M., Malik, O. M., Aamir, A., ... Tariq, F. (2015). The impact of human resource practices on employee retention in the telecom sector. *International Journal of Economics and Financial*, 2015(5), 63–69.

The model above created by Haider et al. (2015) and research objective is investigating the relationship between the compensation and employee retention. In this study, independent variable is compensation while the dependent variable is employee retention. The finding indicates that the significant relationship between the compensation and employee retention positively with $t=5.407$ and $p=0.0000$ ($p<0.01$). The hypothesis developed for this test which is compensation has positive relationship with employee retention is accepted. The finding shows that the compensation has positive effect on employee retention.

2.2.2 Model 2: Leadership and Employee Retention

Figure 2.2: Model of Leadership and Employee Retention

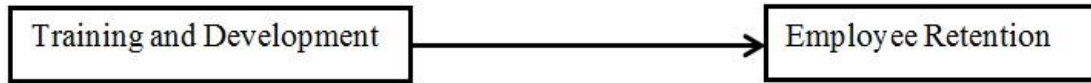


Note: From Ng'ethe, J. M., Namusonge, G. S., & Iravo, M. A. (2012). Influence of leadership style on academic staff retention in public universities in Kenya. *International Journal of Business and Social Science*, 3(21), 297–302.

Model above is developed by Ng'ethe et al. (2012). The research objective is to describe and analyse the effect of the leadership on the public universities' staff retention in Kenya. In this study, leadership is the independent variable to the employee retention which acts as the dependent variable. The result shows the leadership has the significant effect on employee retention. The hypothesis which is leadership has positive and significant influence toward employee retention is accepted. The finding reveals the employee retention of the public universities' staffs was affected by the leadership significantly.

2.2.3 Model 3: Training and Development and Employee Retention

Figure 2.3: Model of Training and Development and Employee Retention

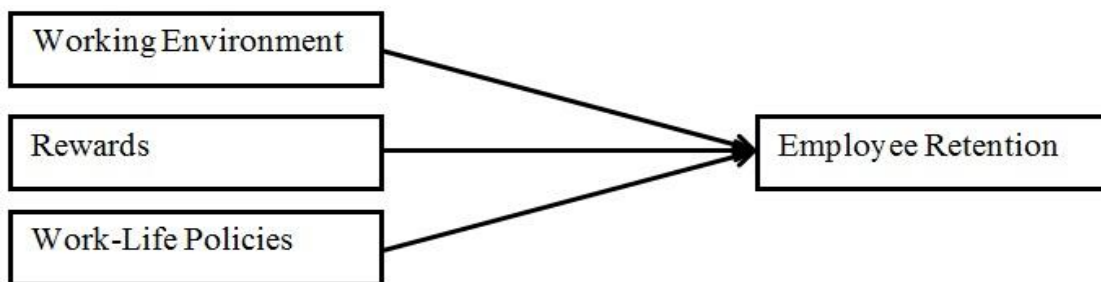


Note: From Ldama, J., & Bazza, M. I. (2015). Effect of training and development on employees' retention in selected commercial banks in Adamawa State-Nigeria. *European Journal of Business and Management*, 7(36), 96–101.

This model is created by Ldama and Bazza (2015) to examine the influence of the training and development on the staffs retention in commercial bank in Adamawa State of Nigeria. The mode's hypothesis is there is training and development has positive relationship with retention of bank staffs. In this study, independent variable is training and development while employee retention acted as dependent variable. The result shows that the training and development has strong influence to the retention of bank staffs significantly. Based on the result obtained, the hypothesis is accepted and concluded that the training and development has affected on employee retention positively.

2.2.4 Model 4: Working Environment, Rewards and Work-life Policies and Employee Retention

Figure 2.4: Model of Working Environment, Rewards and Work-life Policies Employee Retention

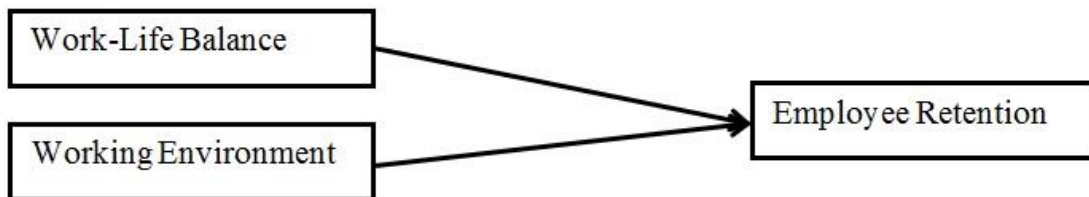


Note: From Shoaib, M., Noor, A., Tirmizi, S. R., & Bashir, S. (2009). Determinants of employee retention in telecom sector of Pakistan. *Proceedings of the 2nd CBRC, Lahore, Pakistan, 14*, 1–18.

This model is developed by Shoaib, Noor, Tirmizi and Bashir (2009) and the research purpose is to analyse the impact of the working environment, rewards and policies of work-life on retention of the employees. The developed hypotheses for this study are the better environment for working, rewards and policies of work-life have significant impact on retention of the employees. Those three factors act as independent variables and employee retention as dependent variable. The finding of the study reveals that the working environment has affected on employee retention significantly and positively with $t=7.240$ and $p<0.01$. Rewards shows significant positive impact on the employee retention with $t=6.312$ and $p<0.01$. Work-life policies also shows positive influence on the employee retention with $t=5.652$ and $p<0.01$. Those hypotheses are accepted in this study.

2.2.5 Model 5: Work-Life Balance, Working Environment and Employee Retention

Figure 2.5: Model of Work-Life Balance, Working Environment and Employee Retention



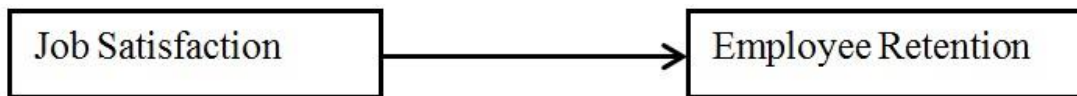
Note: Akila, R. (2012). A study on employee retention among executives at BGR Energy Systems Ltd, Chennai. *International Journal of Marketing, Financial Services and Management Research*, 1(9), 18–32.

This model is developed by (Akila, 2012) to explore the relationship between the work-life balance, working environment and retention of important staffs in BGR Energy System Ltd, Chennai. In this study, work-life balance and working environment are the independent variables while employee retention is the dependent variable. The hypotheses developed for this model are there is the relationship between work-life balance and working environment with employee retention. The

finding of the research reveals that the correlation between work-life balance and employee retention, and also between working environment and employee retention. In addition, the research shows the work-life balance gave significant impact on the retention of the employee.

2.2.6 Model 6: Job Satisfaction and Employee Retention

Figure 2.6: Model of Job Satisfaction and Employee Retention

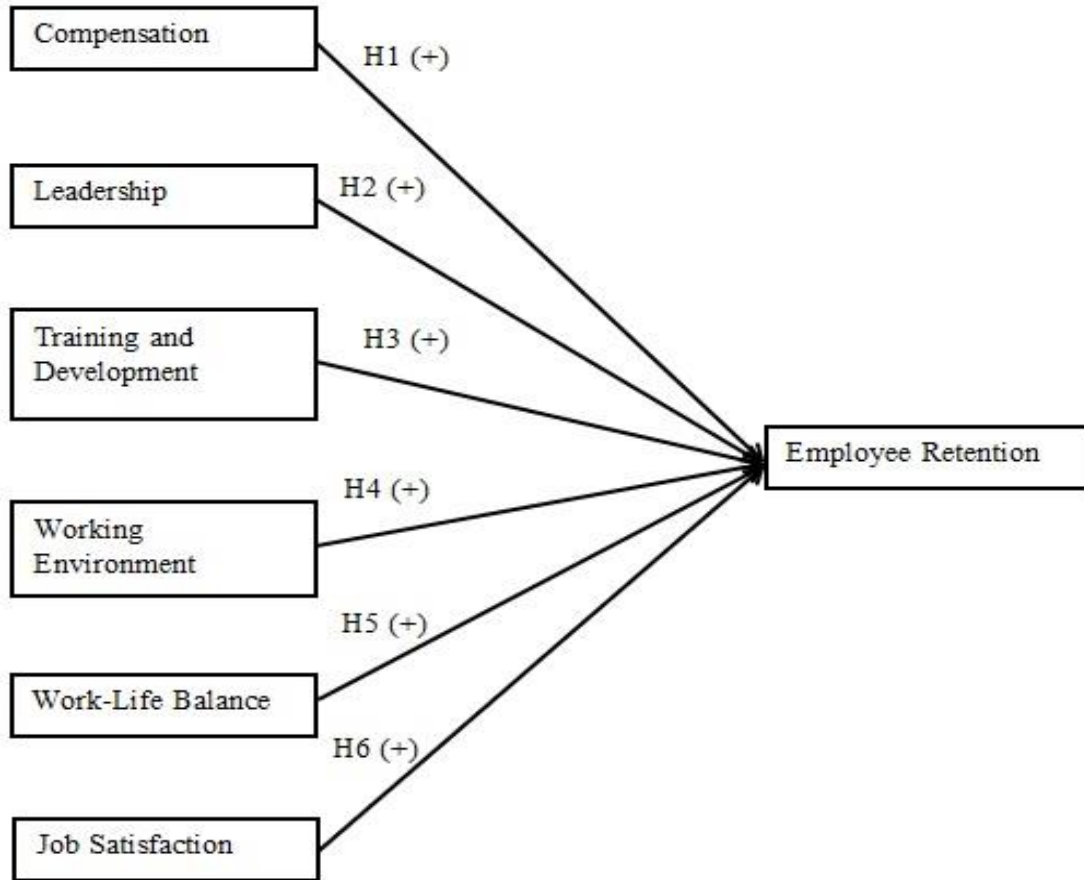


Note: From Anis, A., Rehman, K., Rehman, I., Khan, M. A., & Humayoun, A. A. (2011). Impact of organizational commitment on job satisfaction and employee retention in pharmaceutical industry. *African Journal of Business Management*, 5(17), 7316–7324.

This model is developed by Anis, Rehman, Rehman, Khan and Humayoun (2011) to explore the relationship of the job satisfaction with employee retention. The hypothesis for the model is job satisfaction has a positive relationship with employee retention. The result shows that the significant relationship available between job satisfaction and employee retention with $p=0.000$ ($p<0.05$). The hypothesis is accepted in this study. The study shows that the job satisfaction will influence the retention of employees in the organisations.

2.3 Proposed Research Framework

Figure 2.7: Proposed Research Framework



Note: Developed for the research

Figure 2.7 displays the conceptual framework that proposed for this study. This framework proposed that the six dimensions such as compensation, leadership, training and development, working environment, work-life balance and job satisfaction have \influence on the employee retention positively. In total six relevant theoretical models have been reviewed and adapted for this study. The model of compensation adapted from the studies by Haider et al. (2015) and Shoaib et al. (2009) is contributed for the compensation with employee retention. The model of leadership is adapted from the studies by Ng’ethe et al. (2012) is contributed to the leadership with the employee retention. The model of training and development is adapted from

the studies by Ldama and Bazza (2015) covered the training and development with employee retention. The model of working environment and work-life balance are adapted from the studies by Akila, (2012) and Shoaib et al. (2009) covered the working environment and work-life balance with retention of vital employees. The model of job satisfaction developed by Anis et al. (2011) covered the job satisfaction with the employee retention.

The proposed conceptual framework consists of the variables from all the reviewed models, such as compensation, compensation, leadership, training and development, working environment, work-life balance, job satisfaction, and employee retention. This conceptual framework will study the effect of the factors to the employee retention of the workers among Generation Y in food manufacturing industry.

2.4 Hypotheses Development

2.4.1 The Relationship between Compensation and Employee Retention

A study conducted by Terera and Ngirande (2014) stated the compensation is an important factor to attract and keep the talents in the company. Compensation is one of the dimensions will impact on the behaviour of the employee in the organisation through their attitudes. Appiah, Kontar and Asamoah (2013) stated that if the employees are dissatisfied to the compensation, they will try to search for new opportunities. Low salary and rewards will cause the employees feel job dissatisfaction and lead to turnover (Greenberg & Baron, 2008). Hence, compensation can be a predictor of the turnover of staffs (Pitts, Marvel, & Fernandez, 2011).

The study by Lockwood (2006) found that the package of compensation can lead to retention, and also can be a strong indicator for the organisation and the employees. Compensation will influence the turnover by voluntary and involuntary. Zingheim, Schuster and Dertien (2009) stated that although competitive package of pay and benefit is not the most important factor will affect the employee retention, but it still

acts as an important element that will impact on the retention of employees. According to Hausknecht, Rodda and Howard (2009), extrinsic rewards such as pay and benefits will contribute to the retention of the employees. The study by Hong et al. (2012) found the compensation has the relationship with the employee retention positively. Hytter (2007) concluded that reward and retention of employee has a correlation relationship.

After reviewed the previous studies about the compensation and employee retention, the proposed hypothesis shows as below:

H₁: Compensation has a positive direct effect on employee retention.

2.4.2 The Relationship between Leadership and Employee Retention

Leadership acts as an interaction process among the supervisors and the employees when the leader tries to give the influence to the employees to affect their behaviours in order to achieve the goals (Voon, Lo, Ngui, & Ayob, 2011). Leadership style will affect the employees directly or indirectly to decide to stay or leave the organisation. The leaving of the employees might cause by leaving of the manager but not the organisation (Azeez, 2017). The study by Kroon and Freese (2013) stated that the leadership acts as important role in the retention of the employees. George (2015) mentioned that there is two perspectives of the management will effect on the employee retention, and leadership style acts as one of the perspectives besides of management support.

The study of Ellett, Ellis and Westbrook (2007) shows that leadership along with the supportive and quality supervision has impact the retention positively. Wakabi (2016) found the leadership style and retention of staff has a positive relationship in the organisations. Duffield and O'Brien-Pallas (2003) found the leadership and employee retention has correlation relationship, and the leadership will contribute to the

retention of employees. The study by Welding (2011) found that the managers and employee has a significant relationship on the turnover rate.

After reviewed the previous studies about the leadership and employee retention, the proposed hypothesis shows as below

H₂: Leadership has a positive direct effect on employee retention.

2.4.3 The Relationship between Training and Development and Employee Retention

Training and development is educational content or approach that planned for sharing the organisational culture, and transfer the knowledge and skills to the employees such as workplace skills, creative idea, leadership development and problem solving methods (Jehanzeb & Bashir, 2013). Through the training and development the employees can find themselves more comfortable to the environment and know how to face the challenge (Elnaga & Imran, 2013). Employees will think about the training and development as the important element to the overall growth of their career and they will be encouraged to stay and develop their career path in the organisation (Salami, 2008). The study by Horwitz, Heng and Quazi (2003) stated that personal and professional growth can be used to determine the employee retention and the opportunities for promotion will enhance the intention to stay.

Through training and development the organisation can enhance the rate of retention and lead to decrease of turnover (Hassan et al., 2013). Leidner and Smith (2013) found that training and development was improved the loyalty of the staffs. The study by Jehanzeb and Bashir (2013) found that the training and development of the employee has significant relationship with the retention of the employees. The study by Deery (2008) shows the retention among the employees will be increased through the job training. Kroon and Freese (2013) also found that the opportunities of the development have positive impact on the commitment to stay of the employees.

After reviewed the previous studies about the training and development and employee retention, the proposed hypothesis shows as below:

H₃: Training and development has a positive direct effect on employee retention.

2.4.4 The Relationship between Working Environment and Employee Retention

Working environment should be well designed thus can meet the satisfaction among the employees, and also allows the free flow of the ideas to increase the motivation among the employees hence lead the employees provide long-term commitment (Wells & Thelen, 2002). The management of working environment with the conditions such as attractive, innovative, satisfactory and motivation among the employees will lead them towards common goals and direction (Taiwo, 2010). Bakotic and Babic (2013) found that if the employees are under a difficult working environment, they will feel dissatisfaction to their works. A good working environment provided by the organisation will cause the staffs and workers sense that they are being valued and difference, and will work harder and stay in the organisation (Ramlall, 2003)

Shoaib et al. (2009) stated that working environment is a crucial element to determine the retention of the employees besides of the high salary to play to retain the important employees. The study by Spence, Leiter, Day and Gilin, (2009) found that a favourable working environment for the employee will contribute to the employee retention in the organisation. In addition, the study by Narang (2013) reveals that the respondents agreed that environment of the work will influence on retention and satisfaction. Basak and Ghosh (2011) revealed that the employees will feel comfortable and satisfied to their works in a good working environment. The study of Zeytinoglu and Denton (2006) revealed that the working environment will impact on the employees' intention of stay decision in the organisation.

After reviewed the previous studies about the working environment and employee retention, the proposed hypothesis shows as below:

H₄: Working environment has a positive direct effect on employee retention.

2.4.5 The Relationship between Work-Life Balance and Job Satisfaction

Work-life balance is getting important in affecting the employees' intention and decision to stay in the organisation. Ellenbecker (2004) stated that the flexible schedule of work will make the employees to take care of their personal life and professional life, and lead to longer staying in the organisation. The model proposed by Shoaib et al. (2009) had explained the employees' behaviours on work-life balance and employee retention in the organisation. Pasewark and Viator (2006) mentioned that the flexible work arrangement is vital to the work family support in their study, and acts as an important predictor in the employee retention. The study by Deery (2008) stated that the work-life balance plays an important role and has direct relationship with the retention decision in the organisation of the employees.

The study by Osman (2013) found that the work-life balance will provide employees the emotional support and reduce the turnover intention. Loan-Clarke, Arnold, Coombs, Hartley and Bosley (2010) found the organisation provide the employees to fulfil the family responsibilities will enhance the retention of employees. The study of Shoaib et al. (2009) shows the work-life balance possesses a positive relationship with and effect on the employee retention directly. A study of the Japanese firms had showed the implementation of work-family balance policies has an impact on the level of turnover of female employees significantly (Yanadoria & Katob, 2010). The study by Mita et al. (2014) found the work-life balance possesses the direct relationship with the decision to continue staying in the organisation of the employees.

After reviewed the previous studies about the work-life balance and employee retention, the proposed hypothesis shows as below:

H₅: Work-life balance has a positive direct effect on employee retention.

2.4.6 The Relationship between Job Satisfaction and Employee Retention

Lane, Esser, Holte and McCusker (2010) stated that job satisfaction is an important factor that caused the employees choose the what organisations to work and also has the effect on the retention or turnover intention among employees. In the study of factors influencing the staff retention in Scottish tourism industry, the findings show the factors have the effect on job satisfaction are also influence on the employee retention (Martin, Mactaggart, & Bowden, 2006). The study of the factors affect the nurses retention by Leurer, Donnelly and Domm (2007) found that high job satisfaction can help to increase the retention rate. The study by Mahmoud (2008) found that the poor compensation will lead to low job satisfaction then influence on the employee retention. According to Mor Barak, Nissly and Levin (2001), the relationship among the retention and turnover is inverted.

A study of Egan and Kadushin (2004) found that the employees with high level of satisfaction will choose to stay in the organisations while they will leave the organisations when they felt dissatisfaction. Brough and Frame (2004) proved that the job satisfaction can be acted as a predictor for the intention of turnover among the police personnel. The study among the IT professional by Rahman, Naqvi and Ramay (2008) shows that job satisfaction will impact on the turnover intention negatively. The study by Harman, Blum, M., Stefani and Taho (2009) found that job satisfaction is significantly affect the leaving intention of the employees from their position. Vos and Meganck (2009) revealed that the job satisfaction is an important factor cause the voluntary turnover. In the study by Paillé, Fournier and Lamontagne (2011) for the improvement of employee retention has discovered that the job satisfaction has the effect on the intention of employees' leaving.

After reviewed the previous studies about the job satisfaction and employee retention, the proposed hypothesis shows as below:

H₆: Job satisfaction has a positive direct effect on employee retention.

2.5 Conclusion

The chapter concentrated the literature review for the six dimensions such as compensation, leadership, training and development, working environment, work-life balance and job satisfaction, and also the Generation Y and employee retention. Chapter 2 reviews the relationship of factors with the employee retention among the Generation Y in food industry. The proposed conceptual framework of the study had presented in this chapter. Besides, hypotheses of this study have been developed in order to be tested after the literature review. The coming chapter will concentrate on the research design and methodology that are utilised for the data analysis in this study.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

Research methodology was using specify procedures and methods to collect accurate and appropriate information for the study. This chapter will elaborate on the methods that how the researcher carried out for the study which is the factors (compensation, leadership, training and development, working environment, work-life balance and job satisfaction) that affecting the employee retention among the Generation Y in food industry. This chapter contains research design, data collection methods, sample design, research instrument, construct measurement, data processing and data analysis.

3.1 Research Design

In this section, it explains the study design for employee retention among the Generation Y in food industry of Malaysia. As mentioned by Zikmund (2003), research design is the core plan for a study to describe the procedures and methods that collecting, analysing and evaluating the data and information. Research design shows the way how the researcher implements the project practically, and acts as a framework for the project guidance in gathering and analysing the data (Saunders, Lewis, & Thornhill, 2012). Zikmund, Babin, Carr and Griffi (2010) indicated that

there are two types of research design for a study and they are qualitative method and quantitative method.

Qualitative method acts as an approach that includes interview in semi-structure or unstructured form, participation observation and analysis of the content well as the narrative analysis for the achievement of the person, and also gather, analyse and interpret the data and information. Quantitative method is an approach that using for compute, analyse and evaluate the collected data and information that consist of rating scales, questionnaires in structured form, and also the structured observation (Zikmund et al., 2010).

3.1.1 Quantitative Method

Quantitative research method was carried out in this study. According to Saunders et al. (2012), quantitative method is an approach that produce the numerical data by using the collected data for the study. Zikmund et al. (2010) stated that the quantitative method is a deliberate method that used to understand the models by using empirical investigation, traditional or computational mathematical. Due to the quantitative method can enclose the widespread population, it is more appropriate and effective to test and examine the hypotheses of the study and also develop the numerical models as well as the theories to the study. In addition, the gathered information and also the data that collected by quantitative method is in the form of number or statistics such as percentage or rates.

3.1.2 Causal Research

In this study, the causal research is chosen. The relationship of cause-and-effect between the variables is studied by casual research (Zikmund et al., 2010). Causal research can be used to study how the impacts of the independent variables influence the dependent variable. Comparing to other technique, causal research is more appropriate for the researcher uses in this study to examine the relationship between

the independent variables include compensation, leadership, training and development, working environment, work-life balance and job satisfaction, and the dependent variable (employee retention) for the employee of Generation Y in food industry.

3.2 Data Collection Methods

The information and data takes the significant role in the research due to the data that collected by the researcher will be interpreted and converted into the meaningful information from the raw data. The primary data and the secondary data act as two types of data in a study (Zikmund et al., 2010). Using a suitable method to get the precise data is important due to the inappropriate method will cause inaccurate results. In this study, the researcher is using the questionnaire for the primary data for the data collection.

3.2.1 Primary Data

Primary data is described as those data and information obtained via the first hand (Saunders et al., 2012). Sekaran and Bougie (2003) state that comparing to secondary data, the primary data is more credible and reliable as well as objective due to the data is not published yet. The self-administered questionnaire is used in this study to gather the quantitative data. Zikmund et al. (2010) mentioned the self-administered questionnaire is filled by the respondents alone and no assistance received from the researcher. The questionnaire that used in this study is revised and adopted from relevant research journals rather than develop own questions in order to confirm the questions accuracy and distributed to the targeted respondents. Most of the respondents are dislike on long feedback questionnaire and personal interview, hence the questionnaire will be simple and clear in order to obtain adequate feedback and prevent data error.

3.3 Sampling Design

The sampling is described as choosing sample from large population. The sampling technique is crucial to increase the data collection validity and make sure the sample can represent the population. Through the sampling the researcher can reduce the data that need to be collected and make a conclusion to represent the whole population (Zikmund, 2003). Sampling design helps the researcher to obtain better understanding to the characteristics, and also standardize the population elements easily.

3.3.1 Target Population

Sekaran and Bougie (2003) stated target population as the entire group that consists of the individuals that the researcher wants and interests to study. The researcher will examine the relationship between the six factors and the retention of Generation Y workers work in food industry in this study. The targeted the respondents for the study are the Generation Y born from 1980 to 2000 who are defined by Eisner (2005). According to Department of Statistics Malaysia, Generation Y consists of 38.2% of the population or about 10.8 million in Malaysia (Lau, 2014).

As mentioned at previous chapters, the numbers of Generation Y as the workforce are getting higher and started to replace the older generations such as Baby Boomers in the workplace. In addition, Generation Y is expected will be the largest workforce in the next few years. Hence the study of the factors that affecting the employee retention is important to the managers and organisations in order to sustain the competitiveness, and also provides the information to the academic purpose.

3.3.2 Sampling Elements

The respondents in the study are the Malaysian employees who are Generation Y and currently working in food industry. In recent years, the studies of the employee retention or turnover in Malaysia are focused on health-care sector and hospitality industry (AlBattat & Som, 2013; AlBattat et al., 2013; Aziz et al., 2017; Omar et al., 2013; Rahim & Mwanri, 2014; Sangaran & Jeetesh, 2015). The studies of the employee retention in food industry are still limited. The research gap had raised the interest of the researcher to study retention factors among the Generation Y workers in food industry. Hence, the food industry is selected to study the employee retention among Generation Y in Malaysia.

The respondents have different background and come from different levels. They provided their experience and the knowledge to this study. In addition, the questionnaires are distributed to the respondents in different ranges such as year of born, gender, marital status, education levels, years of working experience, and job positions. This information helps the researcher to obtain different sights from the respondents with different background and allow the study becomes more reliable.

3.3.3 Sampling Size

The Central Limit Theorem indicated that the size of the samples have to be 30 or higher in order to be measured as a large size of sample (Sekaran & Bougie, 2003). According to the rule of thumb, the numbers of sample more than 300 will be measured as good sample size, while 200 will be considered as fair sample size and 100 is poor sample size (Manning & Munro, 2007). Saunders et al. (2012) commented that the sample size with 300 samples is able to represent a large population. Thus the sample size is 300 in this study.

According to those survey response rate study of the journals published in year 2000 and 2005 by Baruch and Holtom (2008), the production (manufacturing) sector

response rate was having maximum 91.2% and average 50.3% response rate. Hence, more than 300 questionnaires were distributed to the selected samples, to ensure the questionnaires can be collected with minimum 300 samples for the study.

3.3.4 Sampling Technique

Two main types of the sampling techniques are available for the researcher to conduct the study. Probability sampling techniques and non-probability sampling techniques are the types of sampling technique. The probability sampling technique is the samples are selecting from the population which is being known, and the types of probability sampling technique include cluster sampling, systematic sampling, stratified sampling and simple random sampling. The non-probability sampling technique is the samples are selecting from the unknown population and the types of this technique include snowball sampling, quota sampling, judgment sampling and convenience sampling (Zikmund et al., 2010).

This study is using the probability sampling technique, and simple random sampling is selected to be the part of the method. In Malaysia, there are five economic corridors currently play the roles as the platforms to promote the business incentives and free trade in each investment regions. The five corridors are Iskandar Malaysia in Southern Johor (IRDA), Northern Corridor Economic Region (NCER), East Coast Economic Region (ECER), Sabah Development Corridor (SDC) and Sarawak Corridor of Renewable Energy (SCORE) (Ali, 2017; MIDA, 2018). Five economic corridors were written on five paper slips separately and put into a box. One slip was picked randomly by the researcher from the box to determine the sample location for the study. Iskandar Malaysia in Southern Johor is selected for the study.

The questionnaires had distributed to the Generation Y respondents who are working in food manufacturing companies in Iskandar Malaysia. The questionnaire is set by using English as the language, and the researcher will explain to the respondents who

cannot understand English with the language they understand such as Mandarin and Malay language.

3.3.5 Sampling Frame and Sampling Location

The sampling frame is defined as a method that offered for selecting the respondent from the targeted population for the study. The relationship between the selected population and department of selection is the major consideration for the appropriate frame (Zikmund et al., 2010). The questionnaires for this study are distributed through the employees work in the companies in Iskandar Malaysia in Southern Johor.

The research is targeted the food manufacturing companies in Iskandar Malaysia as the sampling location. According to the Department of Statistics Malaysia, Johor had achieved the top 3 of the economic growth with 5.7% in 2016 along with Labuan and Kuala Lumpur, and also listed as top 5 of the GDP contribution by state with 9.4% in 2016 along with Selangor, Kuala Lumpur, Sarawak and Pulau Pinang. In the performance based on the sector, Johor also achieved top 3 in the manufacturing sector (12.6%) and agriculture sector (15.7%) in 2016 (DOSM, 2017).

Comparing to the other four economic corridors, Iskandar Malaysia was the most successful economic growth corridor in Malaysia. The size of Iskandar Malaysia is two times larger than Hong Kong and three times larger than Singapore. Since 2006, Iskandar Malaysia had received RM 208 billion in the investment. The manufacturing sector in the Johor was the top investment destination in Malaysia. From 2010 to 2015, manufacturing sector of Johor received RM 86.3 billion in investment, and also created more than 20,000 job opportunities (Musa, 2016).

The food processing is selected and promoted in the manufacturing sectors in Iskandar Malaysia, as an important region driven for the economic growth corridor (Iskandar Malaysia, 2016). There are a lot of food manufacturers are available in

Iskandar Malaysia included MNC and SME food manufacturers. Hence the researcher is easier to collect the data and information for this study.

3.4 Research Instrument

3.4.1 Origin of Constructs

The questionnaire's questions in used in the study were adapted and adopted from different researchers, include Rowden and Ahmad (1999), Demo, Neiva, Nunes, and Rozzett (2012), Stringer (2006), Hooi (2007), Singh (2010), Moyes and Redd (2008), Kalbers and Cenker (2007), and Kyndt, Dochy, Michielsen and Moeyaert (2009). Table 3.1 shows the questions and the questions' contributors for the questionnaire that used in this study:

Table 3.1: Origin of Constructs of the Questionnaires

Section A		
Information	Items	Adapted/Adopted from
Demographic Profile	6	Self-developed
Section B		
Independent Variables	Items	Adapted/Adopted from
Compensation	5	Rowden & Ahmad (1999)
Leadership	5	Stringer (2006)
Training and Development	6	Hooi (2007)
Working Environment	6	Demo, Neiva, Nunes, & Rozzett (2012)
Work-Life Balance	5	Singh (2010)
Job Satisfaction	7	Moyes & Redd (2008)
Dependent Variable	Items	Adapted/Adopted from
Employee Retention	6	Kalbers & Cenker (2007) / Kyndt, Dochy, Michielsen, & Moeyaert (2009)
Total	45	

Note: Developed for this study.

The questionnaire is developed by the questions that used in past studies from different researchers. Section A is developed by the researcher in this study, the questions include year of born, gender, marital status, education levels, years of working experience, and job positions. Section B is the questions focused on the independent variables and dependent variables for this study. For questions of the independent variables, compensation is adapted from Rowden and Ahmad (1999). Working environment is adapted from the study by Demo, Neiva, Nunes, and Rozzett (2012), and leadership is adopted from the study by Stringer (2006). The questions of

training and development is adapted from the study Hooi (2007) while the work-life Balance is adopted from the study by Singh (2010). The questions of job satisfaction is adopted from the study by Moyes & Redd (2008) For dependent variable, the questions of employee retention is modified from the studies by Kalbers & Cenker (2007), and Kyndt, Dochy, Michielsen and Moeyaert (2009).

3.4.2 Questionnaire Design

The design questionnaire process is vital because the researcher wants to gain the relevant and accurate information from the respondents for the study. There are two types of questions for the questionnaire, one is open-ended question and another one is close-ended question. This study, the close-ended questions are used for by the researcher. Using the close-ended questions will allow the respondents provide the more specific and limited alternative response by selecting the best answer to represent the point of views of the respondents (Zikmund et al., 2010).

The questionnaire presented two different sections, which are Section A and Section B. Section A is used to gather the information and data regards to the profile of demographic of the respondents, such as the year of born, gender, marital status, education levels, years of working experience, and job positions. This data allow the researcher has a clear sight and understanding on the demographic information about the respondents.

The objective of the Section B is collecting the data about the independent variable for this study such as compensation, leadership, training and development, working environment, work-life balance and job satisfaction, and also the data for the dependent variable which is employee retention. The Five-Likert scale is used for the questions in the survey for this study to test the response of the samples. The Likert scale is ranging from strongly disagree to strongly agree. Likert scale is widely used as a method to collect the answers from the respondents for the survey study. Likert scale helps the researcher to obtain a overall estimation of results and conclusion for a

particular topic, experience or the feeling that is required by the study (Losby & Wetmore, 2012).

3.4.3 Pilot Study

Before the research performed, a pre-test instrument that is pilot study will be used (Polit, Beck, & Hungler, 2001). The pilot test enable the researcher to investigate the survey instruments, find out the error that present in the survey instrument, research instrument validation, and proposed method validation (Baker, 1994).

According to Polit et al. (2001), the small scale version of sample is adequate for the pilot study. To perform the pilot study, generally the reasonable respondents' numbers that needed for pilot study is the 10% to 20% of the exact study sample size (Baker, 1994). The pilot study for this study is enrolled 30 respondents by distributed 30 sets of questionnaires randomly to them. The data collected for pilot test is analysed by SPSS software. The result needs to have more than 0.70 for the value of reliability to show that the variables are good for the exact study. The questionnaire is improved and amended upon the feedbacks from the respondents, such as certain phrase or words are offensive or cannot understand by the respondents.

Table 3.2: Reliability Statistics (Pilot Test)

Variables	Cronbach's Alpha	Number of Items
Compensation	0.870	5
Leadership	0.857	5
Training and Development	0.851	6
Working Environment	0.806	6
Work-life Balance	0.855	5
Job Satisfaction	0.880	7
Employee Retention	0.903	6

Note: Developed for this study.

3.5 Construct Measurement

The exploration instrument utilised for this study is the questionnaire and it was consisting of the questions' lists to gather the data from the respondents that needed by the researcher. There are four measurement scales that used to examine and investigate the different types of data and information and lead the data to sufficient measurement, such as nominal scale, ordinal scale, interval scale and ratio scale (Zikmund, 2003)

3.5.1 Nominal Scale

Nominal scale is used for the information that without the quantitative value. The nominal scale is assign the specific group or categories for a value (Sekaran & Bougie, 2003). Usually use for the naming variable. The demographic profiles from the respondents for the Section A of the questionnaire are collected by nominal scale and ordinal scale. The information that is using the nominal scale includes gender and marital status in the questionnaire for this study.

3.5.2 Ordinal Scale

A ranking scale that without the interval value between the ranking is ordinal scale (Sekaran & Bougie, 2003). The ordinal scale is collecting the information from the respondents in the Section A which is the demographic profile along with the nominal scale. The information that is collected by the ordinal scale include the year of born, education levels, years of working experience, and job positions.

3.5.3 Likert Scale (Interval Scale)

The Five-Likert scale is used as the interval scale to gather all data from the respondents in Section B of questionnaire. Interval scale is used to measure the different scale in the preferences among the respondents (Sekaran & Bougie, 2003). The questions in the Section B include the both independent and dependent variables, and measured by the Five-Likert scale. The respondents had answered the questions based on the five alternative options which represented by the numbers ranging from 1 to 5, which 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly agree.

3.6 Data Processing

The data processing is collecting and controlling those information in order to convey the important data. Data checking acts as an main step for the data processing due to it allows the researcher to make sure the questionnaires taken back from the respondents are filled completely and correctly (Zikmund et al., 2010). The missing data will cause the data that entered unto the system become inaccurate during data analysis. Hence the data checking allows the researcher to reduce and detect the questionnaires that cannot be accepted or incomplete. Those questionnaires will be removed by the researcher to enhance the reliability for the tests.

3.7 Data Analysis Method

The SPSS (Statistical Package for the Social Sciences) software is used to perform the data analysis. SPSS is the software that coordinates the entire analysis process by coordinating the whole analytical procedure of the study, from scheduling and information collection to investigation, reporting and deployment. The data and information that obtained in for this study is inserted into the SPSS and few analyses that available in SPSS are performed include Descriptive Analysis, Reliability Analysis, Correlation Analysis, and Multiple Regression Analysis.

3.7.1 Descriptive Analysis

Descriptive analysis is used to describe those basic elements of data and information to the study. Descriptive analysis represents an informative method that organising, summarising and presenting the data. The central tendency and measure of variability are measured for the descriptive analysis. Descriptive analysis uses the average, frequency distribution and percentage of the information of respondents' demographic profile.

3.7.2 Reliability Analysis

Reliability determines the level of scale that produces the consistent results when the approximations or tests were being repeated many times (Zikmund et al., 2010). The reliability analysis is controlled by obtaining the amount of the system diversity in the scale. The reliability analysis is determined by the relationship among the scores obtained from the different samples of the scale. If reliability of the test is high, the scale will produce the predictable and consistent result in order to show the results obtained are reliable.

The Cronbach's alpha acts as the most often value to indicate the reliability measurement. The Cronbach's alpha is frequently used to define the scale reliability that developed from various Likert scale questions in the questionnaires (Zikmund et al., 2010). In this study the Five-Likert scale questionnaire is used. Hence the Cronbach's alpha is used for reliability analysis in this study. The analysis is performed by SPSS software. The Cronbach's alpha measurement shows at Table 3.2:

Table 3.3: Cronbach's alpha Measurement

Coefficient Alpha (α) Range	Strength of Association
< 0.6	Poor Reliability
0.6 to < 0.7	Moderate Reliability
0.7 to < 0.8	Good Reliability
0.8 to < 0.9	Very Good Reliability
0.90 or Above	Excellent Reliability

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

3.7.3 Pearson Correlation Analysis

To explore the relationship between the various variables, the correlation method will be used. In this study, the Pearson Correlation Analysis was selected to measure the strength of association for the relationship among the independent variables and dependent variables. The analysis was performed by SPSS software.

The range of value of the Pearson Correlation Analysis is from +1 to -1. If the value is more than 0, it will indicate that the relationship is positive association while below 0 will be negative association. When the result value is 0, it means that no relationship is available between the variables (Hinkle, Wiersma, & Jurs, 2003). The Table 3.3 shows the measurement of correlation:

Table 3.4: Measurement of Pearson Correlation

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

Note: Hinkle, D. E., Wiersma, W. & Jurs, S. G. (2003). *Applied Statistics for the Behavioural Sciences*. Boston: Houghton Mifflin.

3.7.4 Multiple Regression

Multiple regression analysis is generally utilised for the determination of the relationship between the both variables and used as the prediction for the dependent variable (Y) value that influenced by the independent variable (X) value. To perform the multiple regression analysis, the independent variables and dependent variable should be metric and interval scales. The variable that to be predicted and explained is the dependent variable (Y) (Zikmund et al., 2010). The relationship between independents variables and dependent variable is expressed in the equation below:

$$ER = a + b_1CP + b_2L + b_3TD + b_4WE + b_5WLB + b_6JS$$

Where, ER = Employee retention

a = Constant value, value of Y when X equal to 0

CP = Compensation

L = Leadership

TD = Training and development

WE = Working environment

WLB = Work-life balance

JS = Job satisfaction

The employee retention is acted as dependent variable when researcher was testing on the factors that affect the employee retention. Hence the factors (compensation, leadership, training and development, working environment, work-life balance and job satisfaction) are the independent variable. The multiple regression analysis lets researcher to examine and analysis whether the relationships between the variables in this study are significant.

3.8 Conclusion

The methods that used for this study had described and discussed in this chapter. The SPSS software is used to analysis all the data that collected from the respondents for this study. Next chapter will highlight on result interpretation of this study.

CHAPTER 4

RESEARCH RESULTS

4.0 Introduction

Chapter 4 shows the overview of the findings analysed from the collected data by researcher. The results were analysed by the statistical software “IBM SPSS Statistics (SPSS)”. The results analysed according to the objectives of the study to examine the six factors affecting employee retention of the Generation Y workers in food industry. The tests conducted in this study included descriptive analysis, reliability test, and inferential analysis which are Pearson Correlation Analysis and Multiple Regression.

4.1 Response Rate

Table 4.1: Response Rate of Questionnaires

Questionnaires Distributed	350
Total Response	314
Total Response Rate (%)	89.71%

Note: Developed for this study.

In order to obtain 300 samples, 350 sets of questionnaires were dispersed to the respondents working in food companies at Iskandar Malaysia. In total 314 questionnaires were received by the researcher, indicating a response rate of 89.71%. All received questionnaires were checked to ensure all the questions have been answered. Based on Saunders et al. (2012), 300 samples as sample size is enough to represent a large population.

4.2 Descriptive Analysis

The data of the respondents' demographic profile were analysed by the descriptive analysis. The information and data analysed through the descriptive analysis included gender, born year, marital status, education level, job position and work experience. In total 314 responses collected by the researcher will be explained and displayed in tables and bar charts to make the data easier to understand.

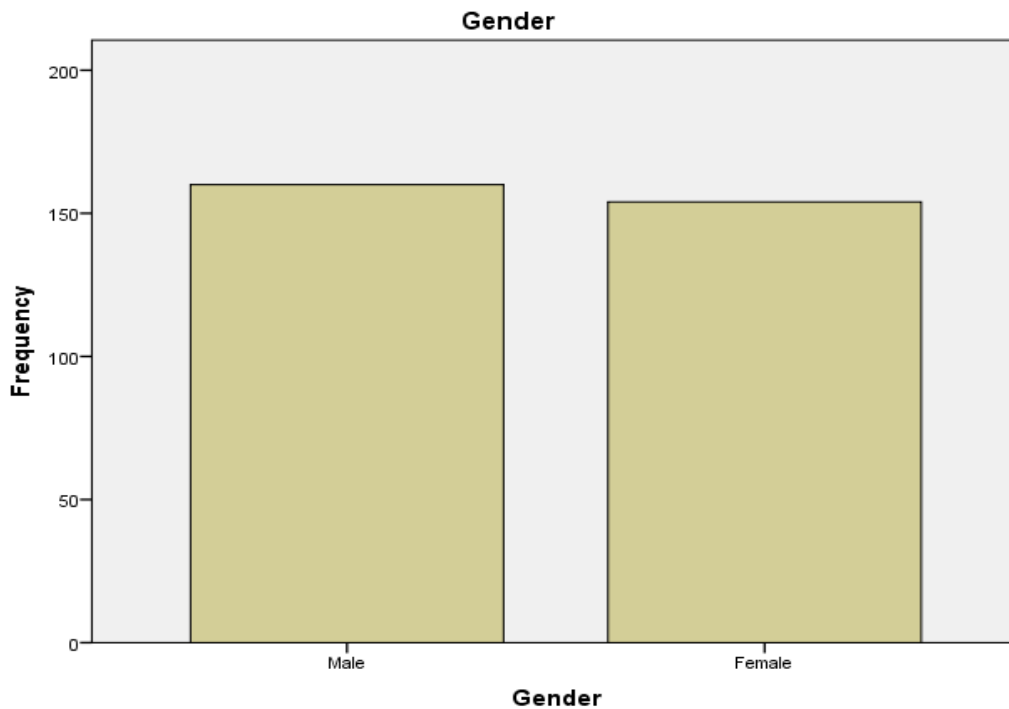
4.2.1 Gender

Table 4.2: Frequency Table of Respondents' Gender

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	160	51.0	51.0	51.0
	Female	154	49.0	49.0	100.0
	Total	314	100.0	100.0	

Note: Developed for this study.

Figure 4.1: Bar Chart of Respondents' Gender



Note: Developed for this study.

The Table 4.2 and Figure 4.1 show the frequency and percentage of the gender of the respondents collected by the researcher for this study. Based on the results demonstrated in the Table 4.2 and Figure 4.1, the male respondents consist of 160 respondents out of total number of respondents, or 51.0% of total number of respondents collected by the researcher. The numbers of female respondents are 154 or 49.0% of the respondents collected by the researcher. In comparison, the numbers of male respondents are slightly higher than the female respondents.

4.2.2 Born Year

Table 4.3: Frequency Table of Respondents' Born Year

		Born Year			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1980 to 1985	63	20.1	20.1	20.1
	1986 to 1990	109	34.7	34.7	54.8
	1991 to 1995	91	29.0	29.0	83.8
	1996 to 2000	51	16.2	16.2	100.0
Total		314	100.0	100.0	

Note: Developed for this study.

Figure 4.2: Bar Chart of Respondents' Born Year



Note: Developed for this study.

The Table 4.3 and Figure 4.2 show the frequency and percentage of the born year of the respondents collected by the researcher for this study. The respondents were categorised into four different born year groups, which are 1980 to 1985, 1986 to 1990, 1991 to 1995, and 1996 to 2000. The largest born year group is 1986 to 1990, which contained 109 respondents or 34.7% of total number 314 respondents. Second largest born year group is 1991 to 1995, which consists of 91 respondents or 29.0% of the total number of respondents, and followed by 1980 to 1985, which consists of 63 respondents or 20.1% of the total number of respondents. Lastly, 1996 to 2000 is the smallest born year group, which consists of 51 respondents or 16.2% of the total number of respondents.

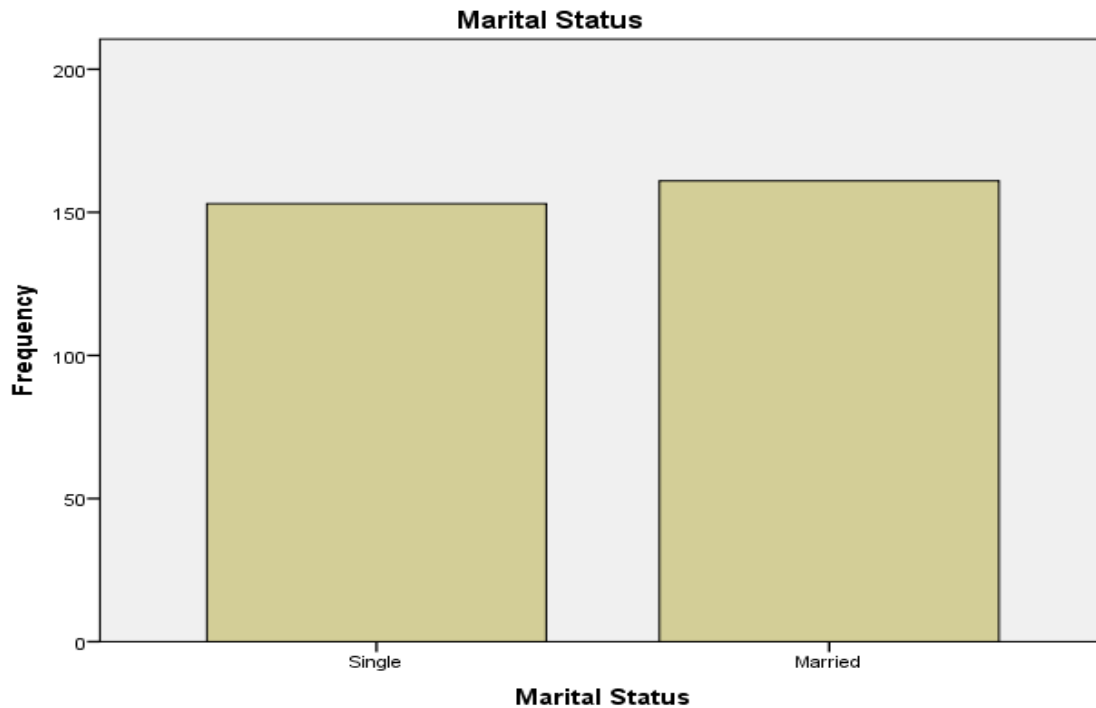
4.2.3 Marital Status

Table 4.4: Frequency Table of Respondents' Marital Status

Marital Status					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	153	48.7	48.7	48.7
	Married	161	51.3	51.3	100.0
	Total	314	100.0	100.0	

Note: Developed for this study.

Figure 4.3: Bar Chart of Respondents' Marital Status



Note: Developed for this study.

From results shown in the Table 4.4 and Figure 4.3, the numbers of respondents with single status are 153, and contributing 48.7% of the total number of respondents collected by the researcher. In comparison, the numbers of respondents with married status are slightly higher than single status, which contained 161 respondents, or 51.3% of the total number of collected respondents.

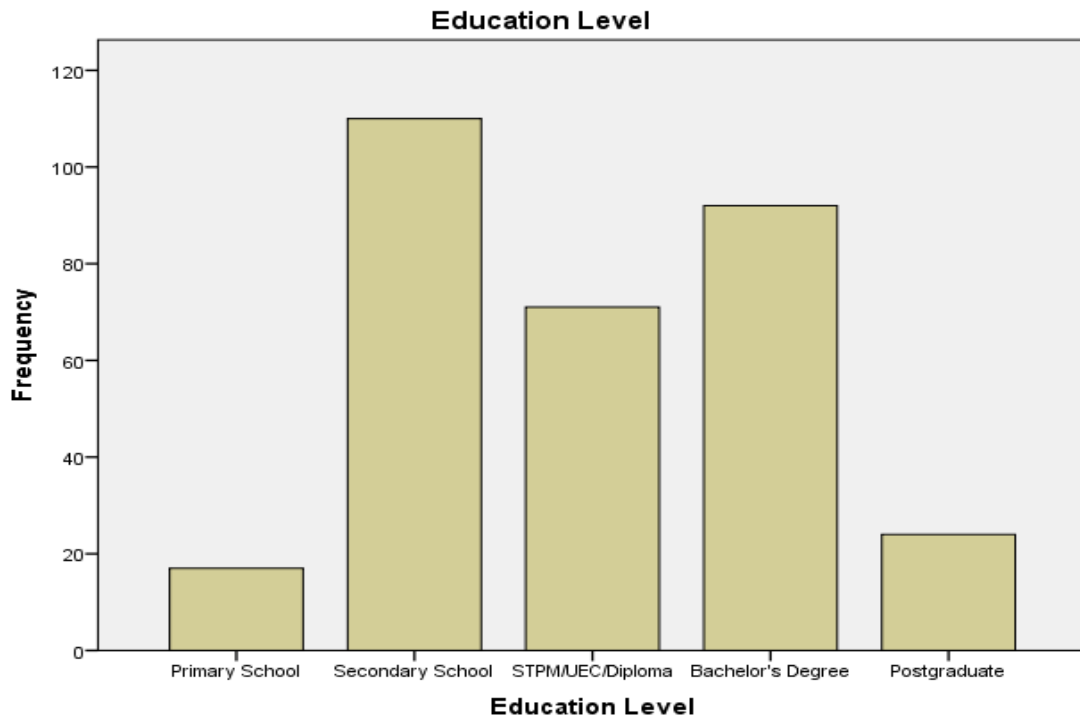
4.2.4 Education Level

Table 4.5: Frequency Table of Respondents' Education Level

		Education Level			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary School	17	5.4	5.4	5.4
	Secondary School	110	35.0	35.0	40.4
	STPM/UEC/Diploma	71	22.6	22.6	63.1
	Bachelor's Degree	92	29.3	29.3	92.4
	Postgraduate	24	7.6	7.6	100.0
	Total	314	100.0	100.0	

Note: Developed for this study.

Figure 4.4: Bar Chart of Respondents' Education Level



Note: Developed for this study.

As results shown in Table 4.5 and Figure 4.4, most of the respondents are with the education level of Secondary School, which consist of 110 respondents, or 35.0% of the total number of respondents. The Bachelor’s Degree is the second largest education level in this study with 92 respondents (29.3%) and followed by STPM/UEC/Diploma with 71 respondents (22.3%). In total 24 respondents (7.6%) hold the Postgraduate Degree and only 17 respondents (5.4%) are with Primary School level.

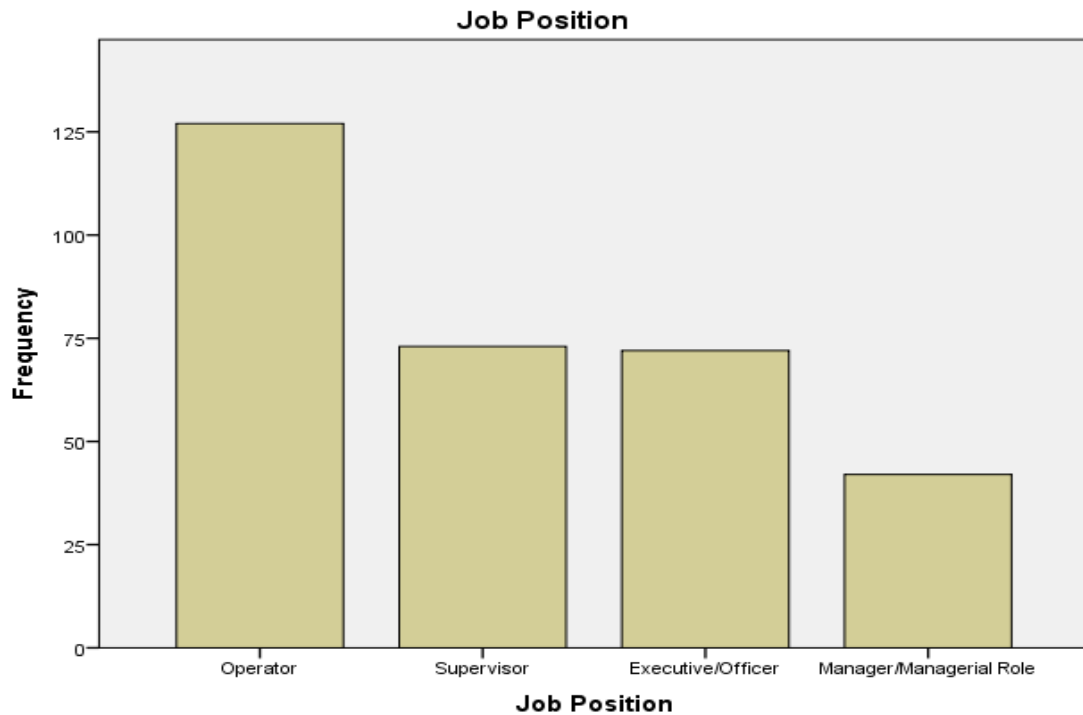
4.2.5 Job Position

Table 4.6: Frequency Table of Respondents’ Job Position

		Job Position			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Operator	127	40.4	40.4	40.4
	Supervisor	73	23.2	23.2	63.7
	Executive/Officer	72	22.9	22.9	86.6
	Manager/Managerial Role	42	13.4	13.4	100.0
	Total	314	100.0	100.0	

Note: Developed for this study.

Figure 4.5: Bar Chart of Respondents' Job Position



Note: Developed for this study.

The Table 4.6 and Figure 4.5 indicated that the most of the respondents work as Operator in this study with 127 respondents and accounted 40.4% of total number of respondents. The respondents work as Supervisor consists of 73 respondents with 23.2% of total number of respondents. Executive/Officer level is slightly lower than Supervisor level with 72 respondents (22.9%). Lastly, only 42 respondents (13.4%) are involved in Manager/Managerial Role level in this study.

4.2.6 Work Experience

Table 4.7: Frequency Table of Work Experience

		Work Experience			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 1 year	40	12.7	12.7	12.7
	1 to 5 years	93	29.6	29.6	42.4
	5 to 10 years	97	30.9	30.9	73.2
	more than 10 years	84	26.8	26.8	100.0
	Total	314	100.0	100.0	

Note: Developed for this study.

Figure 4.6: Bar Chart of Respondents' Work Experience



Note: Developed for this study.

With regards to work experience years of the collected respondents, the most of the respondents already working for 5 to 10 years, consist of 97 respondents (30.9%) and followed by the respondents have been working for 1 to 5 years with 93 respondents (29.6%). The respondents have been working for more than 10 years comprised of 84 respondents (26.8%) while the respondents have working experience less than 1 year is the smallest group in this study with only 40 respondents 12.7%.

4.3 Reliability Analysis

Table 4.8: Reliability Analysis Results for Dependent Variable and Independent Variables

Reliability Statistics			
Variables	Construct	N of Items	Cronbach's Alpha
Dependent Variable	Employee Retention	6	0.895
Independent Variables	Compensation	5	0.888
	Leadership	5	0.883
	Training and Development	6	0.897
	Working Environment	6	0.891
	Work-Life Balance	5	0.886
	Job Satisfaction	7	0.898

Note: Developed for this study.

Reliability analysis allows the researcher to create a predictable and consistent result in the study. The reliability of the questions of the questionnaire is generally indicated by the Cronbach's alpha measurement. The items in the scale will show a better internal consistency when coefficient of Cronbach's alpha is near toward 1 (George & Mallery, 2003). Generally the researcher will consider the minimum Cronbach's alpha coefficient is 0.7. However, the lower coefficients can be still considered based on objective of the study (Hair, Bush, & Ortinau, 2003)

As the reliability analysis results displayed in the Table 4.8, all variables include dependent variable as well as independent variables had obtained the Cronbach's alpha values more than 0.8. As the dependent variable in this study, employee retention has 6 items in the construct, and achieved the alpha value with 0.895. For the independent variables, compensation, leadership and work-life balance have 5 items in the constructs, and obtained the alpha values with 0.888, 0.883 and 0.886 respectively. Training and development, and working environment have 6 items in the constructs, and the alpha values are 0.897 and 0.891. Job satisfaction has 7 items in the construct and achieved 0.898 for the alpha value. As mentioned by Zikmund et al (2010), the coefficient of Cronbach's alpha obtains 0.8 to no more than 0.9 can be considered as very good reliability. Hence, the items within all the variables possess a high reliability for this study.

4.4 Inferential Analysis

The information and data gathered from respondents by the researcher will be analysed and interpreted by inferential analysis. Pearson's correlation analysis and multiple regression analysis are conducted to analyse and interpret the data and the relationship between the dependent variable and independent variables in this study. In this study, 95% confidence level ($p < 0.05$) was used to determine the significance level of results. The analysed results will be shown and interpreted as following.

4.4.1 Pearson's Correlation Coefficient Analysis

Correlation matrix is checking the relationship between the variables in this study. Correlation analysis allows the researcher to analyse and interpret the relationship between the variables. Correlation coefficient, r measures the linear association (strength and direction) among variables especially independent variables with the dependent variables.

Table 4.9: Pearson's Correlation Analysis Results

		Correlations^b						
		Compe nsation	Leaders hip	Trainin g and Develop ment	Worki ng Envir onme nt	Work- Life Balance	Job Satisfac tion	Employ ee Retenti on
Compen sation	Pearson Correlation Sig. (2- tailed)	1						
Leaders hip	Pearson Correlation Sig. (2- tailed)	0.947** 0.000	1					
Trainin g and Develop ment	Pearson Correlation Sig. (2- tailed)	0.689** 0.000	0.721** 0.000	1				
Workin g Envir onment	Pearson Correlation Sig. (2- tailed)	0.890** 0.000	0.905** 0.000	0.690** 0.000	1			
Work- Life Balance	Pearson Correlation Sig. (2- tailed)	0.741** 0.000	0.733** 0.000	0.874** 0.000	0.691** 0.000	1		
Job Satisfac tion	Pearson Correlation Sig. (2- tailed)	0.722** 0.000	0.736** 0.000	0.886** 0.000	0.714** 0.000	0.902** 0.000	1	
Employ ee Retentio n	Pearson Correlation Sig. (2- tailed)	0.852** 0.000	0.860** 0.000	0.823** 0.000	0.830** 0.000	0.844** 0.000	0.848** 0.000	1

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

Note: Developed for this study.

The results of Pearson's correlation analysis presented in Table 4.9 shown correlations of employee retention with all independent variables (compensation, leadership, training and development, working environment, work-life balance and job satisfaction) are statistically significant with p-value less than 0.05. The correlation coefficients, r between the employee retention with all the independent variables are above 0.8.

Based on the standard measurement of Pearson correlation illustrated in Table 3.4 (Hinkle et al., 2003), all independent variables have a high positive correlation with the employee retention. The r between employee retention and the leadership is the highest r within all independent variables, which is 0.860, followed by compensation and job satisfaction with 0.852 and 0.848 respectively. Work-life balance obtained 0.844, while working environment achieved 0.830. Training and development is the lowest among the independent variables, which is 0.823 for the correlation coefficient with employee retention.

In addition, most of the correlation coefficients between the independent variables had obtained more than 0.7, the findings indicated as high positive correlation. However, working environment with work-life balance ($r=0.691$), training and development with working environment (0.690), and compensation with training and development ($r=0.689$) had showed a moderate positive correlation relationship compared to others. Nonetheless, the Table 4.9 found that the compensation with leadership ($r=0.947$), leadership with working environment ($r=0.905$), and work-life balance with job satisfaction ($r=0.902$) had showed a very high positive correlation relationship.

4.4.2 Multiple Regression Analysis

Table 4.10: Model Summary of Multiple Regression Analysis

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	0.928 ^a	0.862	0.859	0.38373	0.862	319.255	6	307	0.000	1.523

a. Predictors: (Constant), Job Satisfaction, Working Environment, Training and Development, Compensation, Work-life Balance, Leadership

b. Dependent Variable: Employee Retention

Note: Developed for this study.

Based on the analysed result in Table 4.10, the multiple correlation coefficient (R) shown on the Model Summary table is using all the predictors at the same time and the value is 0.928. The adjusted R^2 obtained the result is 0.859, it means 85.9% of variance in the employee retention can be predicted from six different factors, which are compensation, leadership, training and development, working environment, work-life balance and job satisfaction. Nonetheless, the 14.1% variance of employee retention can be explained by other factors. The Durbin-Watson value is 1.523. Based on the rule of thumb, the value in the range of 1.5 to 2.5 is considered as no autocorrelation. The value less than 1 or more than 3 could be cause for concern (Field, 2009).

Table 4.11: ANOVA Test of Multiple Regression Analysis

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	282.055	6	47.009	319.255	0.000 ^b
Residual	45.205	307	0.147		
Total	327.260	313			

a. Dependent Variable: Employee Retention

b. Predictors: (Constant), Job Satisfaction, Working Environment, Training and Development, Compensation, Work-life Balance, Leadership

Note: Developed for this study.

The Table 4.11 shows the F-value is 319.255, and the p-value is 0.000 ($p < 0.05$). This result shows all different factors (compensation, leadership, training and development, working environment, work-life balance and job satisfaction) in this study possess significant relationship with dependent variable. It shows that this model is appropriate and reliable to examine the relationship among independent and dependent variable.

Table 4.12: Coefficient Table of Multiple Regression Analysis

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-0.138	0.081		-1.707	0.089
Compensation	0.177	0.072	0.175	2.451	0.015
Leadership	0.193	0.076	0.191	2.528	0.012
Training and Development	0.134	0.052	0.131	2.575	0.011
Working Environment	0.150	0.055	0.143	2.725	0.007
Work-life Balance	0.176	0.056	0.177	3.155	0.002
Job Satisfaction	0.212	0.059	0.204	3.590	0.000

a. Dependent Variable: Employee Retention

Note: Developed for this study.

According to the result shown in Table 4.13, the model's equation is formed as the following:

$$\text{Employee retention} = -0.138 + 0.177x_1 + 0.193x_2 + 0.134x_3 + 0.150x_4 + 0.176x_5 + 0.212x_6$$

x_1 = Compensation

x_2 = Leadership

x_3 = Training and Development

x_4 = Working Environment

x_5 = Work-life Balance

x_6 = Job Satisfaction

H₁: Compensation has a positive direct effect on employee retention.

The Table 4.13 shown the compensation and employee retention has a value of t-statistic of 2.451 ($t > 1.96$), and $p = 0.015$ ($p < 0.05$). Hence, the H₁ is supported at 0.05 level, and do not reject H₁. The result indicated that the compensation has positive effect on the employee retention directly and significantly. The hypothesis H₁ indicated that the each additional score of independent variable (compensation) coefficient is increased, on average, the score of employee retention will increase by 0.177.

H₂: Leadership has a positive direct effect on employee retention.

According to the result shown in the Table 4.13, the leadership and employee retention has obtained the t-statistic value of 2.528 ($t > 1.96$) and $p = 0.012$ ($p < 0.05$). The result indicated the leadership possesses a direct positive effect on the employee retention. Hence, H₂ is significant and supported at 0.05 level, and do not reject H₂. The hypothesis H₂ indicated that the independent variable (leadership) coefficient increase each additional score on leadership, on average, the score of employee retention will increase by 0.193.

H₃: Training and development has a positive direct effect on employee retention.

Table 4.13 shows the relationship among training and development and employee retention has value of t-statistic of 2.575 ($t > 1.96$) and $p = 0.011$ ($p < 0.05$). The result means the training and development is direct positive effect on the retention of workers in this study. Hence, H₃ is significant and supported at 0.05 level, and do not reject H₃. The hypothesis H₃ indicated that the independent variable (training and development) coefficient increase each additional score training and development, on average, the score of employee retention will increase by 0.134.

H₄: Working environment has a positive direct effect on employee retention.

Based on Table 4.13, the relationship of working environment and retention of workers has a value of t-statistic of 2.725 ($t > 1.96$), and $p = 0.007$ ($p < 0.05$). Hence, the H₄ is supported at 0.05 level, and do not reject H₄. The result means the working environment has positive effect on employee retention directly and significantly. The hypothesis H₄ indicated that the each additional score of independent variable (working environment) coefficient is increased, on average, the score of employee retention will increase by 0.150.

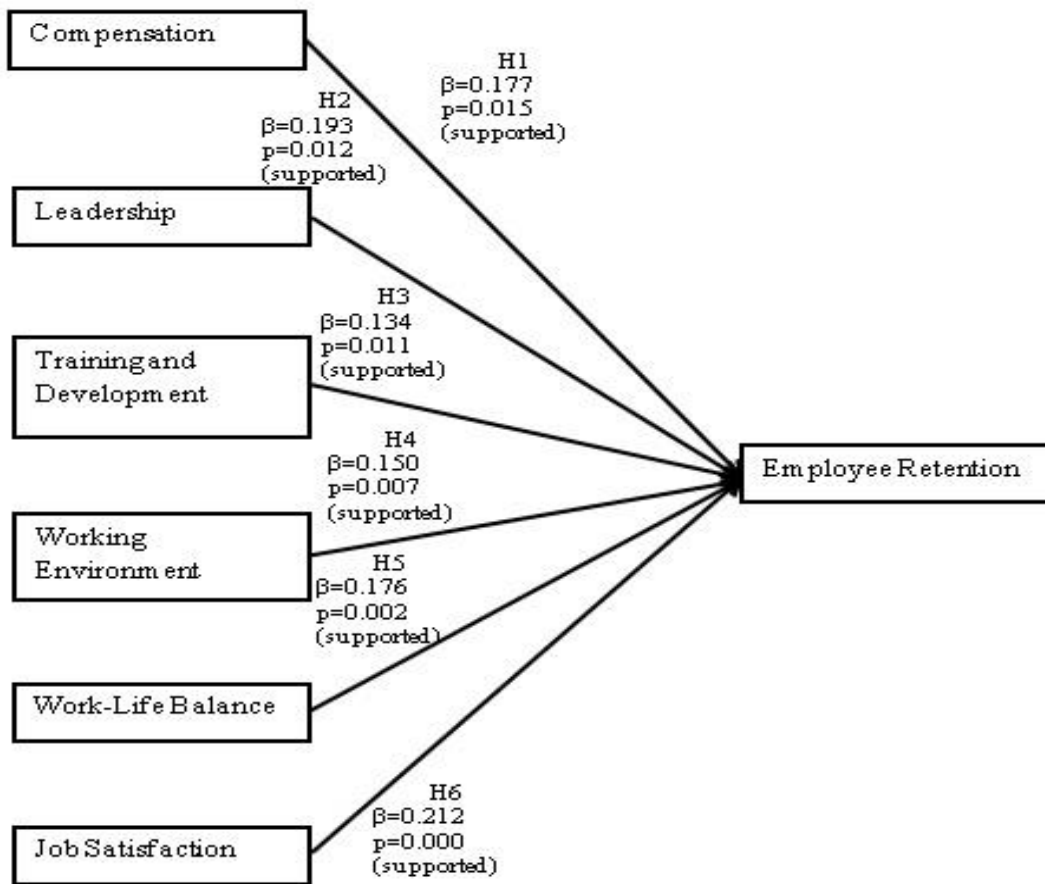
H₅: Work-life balance has a positive direct effect on employee retention.

Table 4.13 displays the work-life balance and employee retention has value of t-statistic of 3.155 ($t > 1.96$) and $p = 0.002$ ($p < 0.05$). It indicated the work-life balance is direct positive affect the employee retention for this study. Hence, H₅ is significant and supported at 0.05 level, and do not reject H₅. The hypothesis H₅ indicated that the independent variable (work-life balance) coefficient increase each additional score work-life balance, on average, the score of employee retention will increase by 0.176.

H₆: Job satisfaction has a positive direct effect on employee retention.

According to the result shown in the Table 4.13, job satisfaction and employee retention has obtained t-statistic value of 3.590 ($t > 1.96$) and $p = 0.000$ ($p < 0.05$). This result indicated the job satisfaction has direct positive effect on the employee retention. Hence, H₆ is significant and supported at 0.05 level, and do not reject H₆. The hypothesis H₆ indicated that the independent variable (job satisfaction) coefficient increase each additional score on job satisfaction, on average, the score of employee retention will increase by 0.212.

Figure 4.7: Results of the Theoretical Framework



Note: Developed for this study.

4.5 Conclusion

SPSS used to analyse the collected data of the respondents. The chapter indicated findings of relationship and strength between the different independent variables with the dependent variable. Subsequently, the results in Chapter 4 are determined for the more discussion in the coming chapter. In addition, implications and limitations faced during the study and recommendations will be discussed also in the coming chapter.

CHAPTER 5

DISCUSSION AND CONCLUSION

5.0 Introduction

This chapter, researcher will discuss all details of the finding after all the data collected by the researcher had completed the data analysis. The researcher will interpret the findings of study. Subsequently, the implication and limitation of study, and the recommendations for this study in future will also be discussed in this chapter. Lastly, the study conclusion will conclude the relationship between factors (compensation, leadership, training and development, working environment, work-life balance and job satisfaction) and employee retention among the Generation Y workers in food industry.

5.1 Summary of Statistical Analysis

5.1.1 Descriptive Analysis

The analysis of demographic profile indicated most of the respondents are male and consist of 51% compare to female which is 49% of respondents. The majority of the respondents are born from 1986 to 1990, which consist of 34.7% of the respondents.

The respondents with married status possess of 51.3% and respondents with single status are 48.7%. For level of education, majority of respondents have secondary school level, which is 35.0% of the respondents. Majority of respondents worked as operators, they consist of 40.4%. For the working experience, most respondents have been worked for 5 to 10 years, which consist of 30.9% among the respondents.

5.1.2 Reliability Analysis

To examine the reliability of variables tested in this study, reliability analysis was performed. All variables were tested by the Cronbach's alpha for the reliability analysis. All the variables in this study have attained the Cronbach's alpha value above 0.8. As dependent variable for this study, employee retention obtained the Cronbach's alpha value 0.895. Job satisfaction is the highest within independent variables, which is 0.898 and followed by training and development which obtained the alpha value is 0.897. Working environment achieved the alpha value 0.891, and compensation obtained 0.888 for the reliability. Work-life balance and leadership were obtained 0.886 and 0.883 respectively. According to Hair et al. (2003), the variables obtained minimum 0.7 for Cronbach's alpha value is acceptable. Hence, all the variables tested are reliable in this study.

5.1.3 Inferential Analysis

5.1.3.1 Pearson's Correlation Analysis

Relationship between compensation, leadership, training and development, working environment, work-life balance and job satisfaction with retention of workers are analysed by Pearson's Correlation Analysis.

The results illustrated in Table 4.9, all independent variables obtained the values more than 0.8 with the dependent variable. In addition, p-value for all independent

variables with dependent variable obtained 0.000 ($p < 0.05$). It shows that all the factors have high positive correlation with employee retention significantly.

5.1.3.2 Multiple Regressions Analysis

The result shows in Table 4.10, the adjusted R^2 is 0.859, it means about 85.9% of the variance in employee retention can be predicted from the six factors being tested in this study. However, 14.1% variance of employee retention is affected by other factors. ANOVA test (Table 4.11) shows the F-value is 319.255 while p-value obtained 0.000 ($p < 0.05$), it indicates that all independent variables are predictor of the dependent variable.

The results shown in Table 4.12, all factors are positively influence the employee retention among the Generation Y workers in food industry. Job satisfaction was the strongest predictor compared to other factors in influencing employee retention, with the beta value of 0.212. Training and development was the weakest predictor in this study with beta value of 0.134. Leadership and compensation achieved a beta value 0.193 and 0.177 respectively, while work-life balance is 0.176 and working environment is 0.150.

The employee retention can be predicted by the regression equation below:

$$\text{Employee retention} = -0.138 + 0.177x_1 + 0.193x_2 + 0.134x_3 + 0.150x_4 + 0.176x_5 + 0.212x_6$$

x_1 = Compensation

x_2 = Leadership

x_3 = Training and Development

x_4 = Working Environment

x_5 = Work-life Balance

x_6 = Job Satisfaction

5.2 Discussion on Major Findings

Table 5.1: Results of the Hypotheses Testing

Hypotheses	Values Scored	Decision
H ₁ : Compensation has a positive direct effect on employee retention.	$\beta = 0.177$ p-value = 0.015 < 0.05	Supported
H ₂ : Leadership has a positive direct effect on employee retention.	$\beta = 0.193$ p-value = 0.012 < 0.05	Supported
H ₃ : Training and development has a positive direct effect on employee retention.	$\beta = 0.134$ p-value = 0.011 < 0.05	Supported
H ₄ : Working environment has a positive direct effect on employee retention.	$\beta = 0.150$ p-value = 0.007 < 0.05	Supported
H ₅ : Work-life balance has a positive direct effect on employee retention.	$\beta = 0.176$ p-value = 0.002 < 0.05	Supported
H ₆ : Job satisfaction has a positive direct effect on employee retention.	$\beta = 0.212$ p-value = 0.000 < 0.05	Supported

Note: Developed for this study.

This study is carried out to examine the six different factors have a positive direct effect on retention of Generation Y workers in food industry. In total six hypotheses were proposed in this study, all hypotheses are supported. The results of the study were summarised in Table 5.1.

5.2.1 Relationship between Compensation and Employee Retention

H₁: Compensation has a positive direct effect on employee retention.

Obtained results for compensation are $\beta=0.177$ and $p\text{-value}=0.015$ ($p<0.05$). The results were shown that a positive significant relationship between compensation and retention of workers is presented among the Generation Y in the food industry. Hence, H₁ was supported as the p-value shows lesser than 0.05.

The result of compensation in this study is aligned with the similar employee retention studies in the past. The study by Hong, Lam, Kumar, Ramendran and Kadiresan (2012) employee compensation has positive relationship with employee retention significantly with $p=0.00$. Another similar study by Mabaso (2016) had found that the compensation is significant related to the retention of talent with the result $r=0.652$ and $p<0.01$.

A fair system of compensation can help the organisation to attract the talents and also keep the important employees. The employees will have a sense of appreciation by the organisation upon their contribution and performance if they paid well (Lai, 2011). The compensation can treated as a motivator for the employee retention strategy to keep the important employees in the organisation (Gardner, Dyne, & Pierce, 2004; Sandhya & Kumar, 2011).

5.2.2 Relationship between Leadership and Employee Retention

H₂: Leadership has a positive direct effect on employee retention.

According to the results obtained for leadership found the leadership has a positive significant relationship with retention of workers among the Generation Y in food industry. The results obtained shown $\beta=0.193$ and $p\text{-value}=0.012$ ($p<0.05$). Thus, H₂ was supported as the p-value is lesser than 0.05.

The finding of leadership has supported by the past studies. Few studies on hospital nurses and healthcare sectors found that leadership was directly influence staff retention (Kleinman, 2004; Taunton, Boyle, Woods, Hansen, & Bott, 1997; Weberg, 2010). The study by Ng'ethe, Namusonge and Iravo (2012) indicated that leadership has inversely impact on turnover intention of academic staff.

Duffield, Roche, Blay and Stasa (2011) found that nurse leader shows an important role in creating job satisfaction and good working environment, and then increase the staff retention level. Hersey, Blanchard and Johnson (2000) stated that the difference style of leadership must be used by the managers based on the situation and also understand the expectation and needs of the different employees.

5.2.3 Relationship between Training and Development and Employee Retention

H₃: Training and development has a positive direct effect on employee retention.

The results for the training and development in this study are $\beta=0.134$ and $p\text{-value}=0.011$ ($p<0.05$). It is known that training and development possesses positive direct effect on the retention among Generation Y workers in food industry. As $p\text{-value}$ is lesser than 0.05, H₃ was supported.

The study by Clark, Smith and Uota (2013) found that an organisation providing training to their staff more than twice a year will increase retention period of employee. Hong et al. (2012) found the training and development has significant and positive relationship with retention of staffs with the $p\text{-value}$ less than 0.05. The study by Messmer (2000) highlighted that the training and career development acted as a critical factor in the retention of employee.

An organisation trains its workers well with latest technologies can keep the competitiveness of the organisation in the competitive world (Tomlinson, 2002).

Providing the job-related training by the organisation can increase the capability of the employee in problem solving (Acton & Golden, 2002). Through appropriated training provided by organisation to the employee can enhance their confident and update the information for current operation, and also the employees can work under minimum supervision and contribute more to the organisation (Ahlfors, 2011).

5.2.4 Relationship between Working Environment and Employee Retention

H₄: Working environment has a positive direct effect on employee retention.

The obtained results for working environment are $\beta=0.150$ and $p\text{-value}=0.007$ ($p<0.05$). The results were shown a positive significant relationship between the working environment and retention of workers is available among the Generation Y in the food industry. Hence, H₄ was supported as p-value shows the value lesser than 0.05.

The finding on working environment obtained similar result as few past studies. The study by Msengeti and Obwogi (2015) on the employee retention was found the work place environment is positively affect the employee retention. In addition, a study by Westerman and Yamamura (2007) indicated that work environment fit of goal orientation and system is significant to younger generation (Generation X and Y) than Baby Boomers in job satisfaction and employee retention. The job satisfaction and retention of staffs and workers level will be enhanced under a positive working environment (C. M. Duffield et al., 2011).

Earle (2003) commented that employees spend majority of time in the workplace, hence a good environment is provided by an organisation will make the employees enjoying, feel energised and a sense of appreciate from their employer, and influence the retention intention. When the organisations are providing the appropriate privacy level and controls of sound in the work place can enhance the level of commitment

and motivation of employees, and also increase the satisfaction and retention (Wells & Thelen, 2002)

5.2.5 Relationship between Work-Life Balance and Employee Retention

H₅: Work-life balance has a positive direct effect on employee retention.

In accordance to the obtained results, work-life balance shown a positive direct influence on the retention of workers among Generation Y in food industry, as the $\beta=0.176$ and $p\text{-value}=0.002$ ($p<0.05$). Hence, H₅ was supported as $p\text{-value}$ obtained the value lesser than 0.05.

Few past studies had supported the finding of work-life balance on employee retention in this study. Hashim, Azman, Ghani and Sabri (2016) found the work-life balance shown relationship with employee retention. Deery (2008) found that the work-life balance is taking important role in the direct impact on the employee decision on retain or leave the organisation.

The study of Huang, Lawler and Lei (2007) found that the quality of work-life acts as an important predictor for the employee turnover intention as well as the commitment outcomes. Ahmad and Omar (2010) found that the family-supportive work culture has positive relationship with intention of turnover of employees.

5.2.6 Relationship between Job Satisfaction and Employee Retention

H₆: Job satisfaction has a positive direct effect on employee retention.

Based on results obtained in this study for job satisfaction, it found that the job satisfaction has positive significant relationship with the retention of Generation Y workers in food industry. The results obtained shown $\beta=0.212$ and $p\text{-value}=0.000$ ($p<0.05$). Thus, H₃ was supported as $p\text{-value}$ is obtained lesser than 0.05.

The result supported by past related studies on the job satisfaction and employee retention. The study by Kwenin, Muathe and Nzulwa (2013) found the job satisfaction is positively related to the employee retention. Memon, Panhwar and Rohra (2010) found that when the employees are pleased to the job, they are more likely to stay in the organisation. The satisfaction acts as a critical predictor for the intention of turnover in the study by Lee-Kelley, Blackman and Hurst (2009).

The study by the Tnay, Othman, Siong and Lim (2013) stated that the factors on satisfaction of job have a negative relationship with the intention of leaving of employees significantly. Job satisfaction acts as a degree of the employees have the positive emotion for their roles of work. Job satisfaction is crucial to the employee well-being and the effectiveness of the organisation (Collins, 2007).

5.3 Implications on the Study

The findings of the study have provided the understanding into the frame of mind for the Generation Y workers in the food industry. The results of the study have indicated that the factors such as compensation, leadership, training and development, working environment, work-life balance and job satisfaction have the significant impact on the employee retention among the Generation Y workers in food industry. A guideline has provided by the findings of the study to the organisation's policies, compensation system and the management style to retain the talents in the organisation, and stay the competitiveness in industry.

The findings of the study also provided some insight to the food companies or organisations as how the factors being studied in this study affect retention of the Generation Y workers in food companies, thus the companies can develop a better planning to attract, promote and retain key employees in companies to fulfil the current and future needs in the industry. The companies or the organisations can emphasize on improve the factors that they are lacking or relatively weak in the

companies' policy in order to keep the important employee for a longer period with the companies.

A comprehensive company's or organisation's policy and planning should be implemented in order to fulfil the needs of the employees, and also take a good care of the feelings of the employee. The findings of the study are not only provided a guideline for the Generation Y and food industry, they also can be the references for other industries to retain the skilful and important workers in the organisations. Understanding the factors influence on the employee retention will be a competitive advantage to the company or organisation.

5.4 Limitation of the Study

Few limitations were found throughout the conduct of this study. The first limitation met by the researcher is the time constraint. The objectives of this study have been achieved. However the accuracy and quality of the study can be enhanced if the study can take longer time to collect the data. A valid and representative data and results can be collected when the sample size is larger.

The second limitation of this study is the findings are based on samples collected only from an economic corridor in Malaysia, which is Iskandar Malaysia in Southern Johor. Thus, it becomes a limitation for this study due to the Generation Y workers in Iskandar Malaysia might not be able to represent the entire Generation Y population due to the pressure of society, thinking, needs, beliefs and other factors toward the staying in the organisation are different. Hence different areas might affect the thoughts of Generation Y workers continue staying in food industry.

Food industry is a broad as well as complex collective of businesses to supply the food to the population. It includes the agriculture for raw material supply, procurement, manufacturing and processing, marketing, distribution, customer services and etc. Due to the time constraint, the sample collection did not take the

consideration of the differences between the components of food industry. The Generation Y workers in in each component have different function of job and needs for retain in the organisation, Hence it will affect the factors on employee retention. These finding of study might not be representative enough for the whole Generation Y workers in food industry in Malaysia.

In addition, this study had also collect the demographic profile which are year of born, gender, marital status, education levels, years of working experience, and job positions. However, the demographic profiles of the respondents were not taken into the consideration that different background of the workers might have different expectations and needs toward the company or organisation. The demographic profile might has the impact on the thinking, needs, knowledge and others then affect the result of employee retention.

5.5 Recommendation

The researcher had proposed some suggestions to overcome the limitation that available in this study. Overcome the limitations allows the better research can be conducted in the future. Suitable solutions and improvements are needed to be undertaken to solve the limitations.

First, a longer period of time should be spent to conduct this study and collecting the data. Spending more time allows the researcher to collect larger amount of samples. Enhance the sample size become larger can make the findings become more accurate and reliable. Although collecting larger sample size will spend more time and fund, it will offer a better results for the study, and make the results can be more representative of the whole population.

Second, the study of the factors affecting the employee retention among the Generation Y workers in food industry can be conducted in other economic corridors in Malaysia due to the difference regions might present different pressure of society,

thinking, needs, beliefs and other factors that will affect the intention of staying in the organisation. The findings of the future research can be compared with this study to examine whether those factors that affecting employee retention is similar or involves the other different factors. Different sampling frame and research framework also can provide a guideline for the organisations to develop a better strategy to retain the important employees.

Third, the different components in the food industry have different job functions, and causes the factors affecting the employee retention of the Generation Y workers are different. Hence the researcher is suggested that the study regarding to each component in food industry can be conducted to obtain more insight of the factors to retain the Generation Y workers in Malaysia, and also make the collected data more representative to the Generation Y population in Malaysia.

Lastly, the future study of the employee retention of Generation Y workers in food industry can take consideration of the demographic profile such as are year of born, gender, marital status, education levels, years of working experience, and job positions to develop the research framework. The respondents with different demographic profile will have the different point of views, needs, expectation, experience and thinking towards the intention of retention in the organisation. Thus analysing the demographic profile will increase the reliability and quality of the findings of the study. The results can be more representative to the whole Generation Y population who worked in food industry in Malaysia.

5.6 Conclusion

This study examined relationship among the factors which are compensation, leadership, training and development, working environment, work-life balance and job satisfaction with the employee retention among Generation Y workers in food industry in Malaysia.

This study was found that all independent variables being studied have positive direct effect on employee retention. Among the independent variables, job satisfaction, leadership and compensation are the highest effect on employee retention among Generation Y workers in food industry. These findings showed that the companies in food industry can concentrate on these three factors to enhance the retention rate of the employees.

The studies of the employee retention among the Generation Y in Malaysia are limited, and the studies about the employee retention in food industry are limited too. Hence it leads to limited studies to refer for this study. In addition, few limitations are also being faced by the researcher. The future study of the employee retention among the Generation Y could be done with other retention factors to discover more information among the Generation Y workers.

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APPENDICES

Appendix A: Survey Questionnaire Form



UNIVERSITI TUNKU ABDUL RAHMAN

Research Topic: Factors Affecting the Retention of Generation Y Workers in Food Industry

Dear Participant,

I'm a postgraduate student from Universiti Tunku Abdul Rahman (UTAR), Faculty of Accountancy and Management (FAM) majoring in Master of Business Administration. I'm studying a research project on "Factors Affecting The Retention of Generation Y Workers In Food Industry". The objective of this survey is to understand relationship between the six factors and employee retention in the food industry among the Generation Y.

This questionnaire will take approximately 8-10 minutes to complete. Please be informed that all information collected from this survey is solely for final year report writing. Under the Personal Data Protection Act (PDPA) 2010, it is assured that all information collected will be kept confidential and no publications will contain information from which you may be identified.

If you do not wish to participate, simply discard the questionnaires. Completing and returning the questionnaire constitutes your consent to participate. Keep this letter for your records. If you have any questions regarding the research, contact KOH YAN HORNG at +60167208148 or DR. KOMATHI A/P MUNUSAMY, supervisor at Faculty of Accountancy and Management, Universiti Tunku Abdul Rahman (UTAR)

Lot Pt 21144, Jalan Sungai Long, Bandar Sungai Long, Cheras 43000 Kajang, Selangor. If you have any questions regarding your right as a research participant, please contact the institutional review board office at UTAR.

Thank you for taking the time to assist me in my educational endeavours.

Yours sincerely,

Koh Yan Horng

Part A: Demographic Information

Please complete the following details and place (✓) in the appropriate answer.

1. Gender:
 Male Female
2. Born Year:
 1980 to 1985
 1986 to 1990
 1991 to 1995
 1996 to 2000
3. Marital Status:
 Single Married
4. Education level:
 Primary School
 Secondary School
 STPM/UEC/Diploma
 Bachelor's Degree
 Postgraduate

B2 Leadership		SD	D	N	A	SA
L1	My leader understands my job and needs.	1	2	3	4	5
L2	My leader recognizes my potential.	1	2	3	4	5
L3	Regardless of how much authority I built into my position, my leader would use his or her power to help me solve my work problems.	1	2	3	4	5
L4	I have enough confidence in my leader that I would defend and justify his or her decision if he or she were not present to do so.	1	2	3	4	5
L5	My working relationship with my leader is effective.	1	2	3	4	5

B3 Training and Development		SD	D	N	A	SA
TD1	The company does a good job of providing the training/skill building I needed to improve my job performance.	1	2	3	4	5
TD2	The company does a good job of providing opportunities for development and growth for all employees.	1	2	3	4	5
TD3	I am given the training and support I need to do my job effectively.	1	2	3	4	5
TD4	I am given a real opportunity to improve my skills in this company.	1	2	3	4	5
TD5	I am provided with adequate opportunities for career growth.	1	2	3	4	5
TD6	I have the opportunity to learn skills that will improve my chances for promotion.	1	2	3	4	5

B4 Working Environment		SD	D	N	A	SA
WE1	The company I work for provides basic benefits (e.g., health care, transportation assistance, food aid, etc.).	1	2	3	4	5
WE2	The company I work for has programs or processes that help employees cope with incidents and prevent workplace accidents.	1	2	3	4	5
WE3	The company I work for is concerned with the safety of their employees by having access control of people who enter the company building/facilities.	1	2	3	4	5
WE4	The company I work for provides additional benefits (e.g., membership in gyms, country clubs, and other establishments, etc.).	1	2	3	4	5
WE5	The facilities and physical condition (lighting, ventilation, noise and temperature) of the company I work for are ergonomic, comfortable, and appropriate.	1	2	3	4	5
WE6	The company I work for is concerned with my health and quality of life.	1	2	3	4	5

B5 Work-Life Balance		SD	D	N	A	SA
WLB1	The company allows me to take time off for personal issues.	1	2	3	4	5
WLB2	Job sharing between two or more people on a full time job in my company.	1	2	3	4	5
WLB3	The company allows using telecommuting to work from home or outside of my central workplace.	1	2	3	4	5
WLB4	Referral services are provided by the company for my personal matter.	1	2	3	4	5
WLB5	The company treats all employees in the same way when using “work-life balance” policies.	1	2	3	4	5

B6	Job Satisfaction	SD	D	N	A	SA
JS1	I feel sense of pride in doing my job.	1	2	3	4	5
JS2	My job is enjoyable.	1	2	3	4	5
JS3	I am satisfied with my choice of employer.	1	2	3	4	5
JS4	I am satisfied with my choice of profession.	1	2	3	4	5
JS5	I look forward to going to work.	1	2	3	4	5
JS6	Current job meets my pre-employment expectations.	1	2	3	4	5
JS7	I feel my job is meaningful.	1	2	3	4	5

Part C: Employee Retention

Please circle only one answer that best reflects your opinion on employee retention in your company.

- Strongly Disagree (SD) – 1
- Disagree (D) – 2
- Neither Agree nor Disagree (N) – 3
- Agree (A) – 4
- Strongly Agree (SA) – 5

C1	Employee Retention	SD	D	N	A	SA
ER1	I do not plan to actively look for a job with a new employer within the next year.	1	2	3	4	5
ER2	I seldom think about quitting my job.	1	2	3	4	5
ER3	I will not voluntarily leave this company within the next three years.	1	2	3	4	5
ER4	I see a future for myself within this company.	1	2	3	4	5
ER5	The work within this company gives me satisfaction.	1	2	3	4	5
ER6	I love working for this company.	1	2	3	4	5

Thank you again for your participation.
Your time and opinions are greatly appreciated!

Appendix B: Frequency Results on Respondents' Demographical Information

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	160	51.0	51.0	51.0
	Female	154	49.0	49.0	100.0
	Total	314	100.0	100.0	

Born Year

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1980 to 1985	63	20.1	20.1	20.1
	1986 to 1990	109	34.7	34.7	54.8
	1991 to 1995	91	29.0	29.0	83.8
	1996 to 2000	51	16.2	16.2	100.0
	Total	314	100.0	100.0	

Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	153	48.7	48.7	48.7
	Married	161	51.3	51.3	100.0
	Total	314	100.0	100.0	

Education Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary School	17	5.4	5.4	5.4
	Secondary School	110	35.0	35.0	40.4
	STPM/UEC/Diploma	71	22.6	22.6	63.1
	Bachelor's Degree	92	29.3	29.3	92.4
	Postgraduate	24	7.6	7.6	100.0
	Total	314	100.0	100.0	

		Job Position			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Operator	127	40.4	40.4	40.4
	Supervisor	73	23.2	23.2	63.7
	Executive/Officer	72	22.9	22.9	86.6
	Manager/Managerial Role	42	13.4	13.4	100.0
	Total	314	100.0	100.0	

		Work Experience			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 1 year	40	12.7	12.7	12.7
	1 to 5 years	93	29.6	29.6	42.4
	5 to 10 years	97	30.9	30.9	73.2
	more than 10 years	84	26.8	26.8	100.0
	Total	314	100.0	100.0	

Appendix C: Cronbach's Alpha Using Reliability Test

Compensation

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.888	.889	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
I feel I am being paid a fair amount for the work I do	12.6274	16.810	.799	.658	.848
I feel satisfied with my chances for salary increases	12.8758	16.403	.734	.548	.862
I feel satisfied with the benefits I receive	12.9172	17.488	.653	.426	.880
The benefits I receive are as good as most other organizations offer	12.8854	17.060	.691	.500	.872
The benefit package I have is equitable	12.7580	16.376	.769	.623	.854

Leadership

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.883	.885	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
My leader understands my job and needs	12.7006	17.239	.766	.587	.849
My leader recognizes my potential	12.8376	16.654	.727	.534	.857
Regardless of how much authority I built into my position, my leader would use his or her power to help me solve my work problems	12.8344	17.174	.682	.472	.867
I have enough confidence in my leader that I would defend and justify his or her decision if he or she were not present to do so	12.8439	16.829	.696	.491	.864
My working relationship with my leader is effective	12.7707	16.497	.735	.547	.855

Training and Development

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.897	.897	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
The company does a good job of providing the training/skill building I needed to improve my job performance	16.0064	25.010	.752	.576	.874
The company does a good job of providing opportunities for development and growth for all employees	16.0318	25.795	.671	.462	.886
I am given the training and support I need to do my job effectively	16.0541	24.946	.715	.515	.880
I am given a real opportunity to improve my skills in this company	16.0796	25.869	.693	.499	.883
I am provided with adequate opportunities for career growth	16.0860	25.050	.739	.560	.876
I have the opportunity to learn skills that will improve my chances for promotion	16.1115	25.128	.759	.585	.873

Working Environment

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.891	.892	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
The company I work for provides basic benefits (e.g., health care, transportation assistance, food aid, etc.).	16.1083	23.924	.769	.598	.863
The company I work for has programs or processes that help employees cope with incidents and prevent workplace accidents	16.1051	23.737	.698	.520	.874
The company I work for is concerned with the safety of their employees by having access control of people who enter the company building/facilities	16.1624	24.469	.687	.473	.875
The company I work for provides additional benefits (e.g., membership in gyms, country clubs, and other establishments, etc.).	16.2484	23.344	.672	.480	.879
The facilities and physical condition (lighting, ventilation, noise and temperature) of the company I work for are ergonomic, comfortable, and appropriate	16.0860	23.951	.721	.537	.870
The company I work for is concerned with my health and quality of life	16.1529	24.405	.720	.532	.870

Work-life Balance

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.886	.887	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
The company allows me to take time off for personal issues	12.6879	17.896	.763	.584	.854
Job sharing between two or more people on a full time job in my company	12.8280	17.127	.737	.548	.858
The company allows using telecommuting to work from home or outside of my central workplace	12.7229	16.904	.732	.542	.860
Referral services are provided by the company for my personal matter	12.7484	16.962	.720	.523	.863
The company treats all employees in the same way when using "work-life balance" policies	12.7070	18.093	.679	.465	.872

Job Satisfaction

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.898	.899	7

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
I feel sense of pride in doing my job	18.8917	34.832	.775	.611	.875
My job is enjoyable	18.9841	35.901	.680	.492	.886
I am satisfied with my choice of employer	19.0701	35.273	.679	.473	.886
I am satisfied with my choice of profession	18.9713	35.958	.637	.439	.891
I look forward to going to work	18.9873	35.444	.683	.504	.885
Current job meets my pre-employment expectations	19.0000	35.374	.718	.547	.881
I feel my job is meaningful	19.0701	35.203	.751	.584	.878

Employee Retention

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.895	.896	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
I do not plan to actively look for a job with a new employer within the next year	15.9236	26.972	.769	.611	.870
I seldom think about quitting my job	15.9968	25.613	.733	.569	.875
I will not voluntarily leave this company within the next three years	15.9618	26.995	.703	.509	.879
I see a future for myself within this company	15.9490	27.058	.679	.500	.883
The work within this company gives me satisfaction	16.0605	26.964	.697	.514	.880
I love working for this company	15.9841	26.514	.735	.563	.874

Appendix D: Pearson Correlation Coefficient Test

Correlations^b

		compensation	leadership	training	environment	worklife	satisfaction	retention
compensation	Pearson Correlation	1	.947**	.689**	.890**	.741**	.722**	.852**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
leadership	Pearson Correlation	.947**	1	.721**	.905**	.733**	.736**	.860**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
training	Pearson Correlation	.689**	.721**	1	.690**	.874**	.886**	.823**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
environment	Pearson Correlation	.890**	.905**	.690**	1	.691**	.714**	.830**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
worklife	Pearson Correlation	.741**	.733**	.874**	.691**	1	.902**	.844**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
satisfaction	Pearson Correlation	.722**	.736**	.886**	.714**	.902**	1	.848**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
retention	Pearson Correlation	.852**	.860**	.823**	.830**	.844**	.848**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	

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

b. Listwise N=314

Appendix E: Multiple Regression Test

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics		
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF	
	1	(Constant)	-.138			.081					
	compensation	.177	.072	.175	2.451	.015	.852	.139	.052	.088	11.390
	leadership	.193	.076	.191	2.528	.012	.860	.143	.054	.079	12.676
	training	.134	.052	.131	2.575	.011	.823	.145	.055	.174	5.735
	environment	.150	.055	.143	2.725	.007	.830	.154	.058	.164	6.085
	worklife	.176	.056	.177	3.155	.002	.844	.177	.067	.143	6.976
	satisfaction	.212	.059	.204	3.590	.000	.848	.201	.076	.139	7.182

a. Dependent Variable: retention