

**EFFECT OF EMPOWERMENT, TRAINING,
COMPENSATION, AND APPRAISAL ON
UTAR LECTURER'S RETENTION**

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- (1) This undergraduate research project is the end result of our own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.
- (2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.
- (3) Equal contribution has been made by each group member in completing the research project.
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LIST OF ABBREVIATION

DV	Dependent Variables
IV	Independent Variables
Sig.	Significant
SPSS	Statistical Package for Social Science
UTAR	University Tunku Abdul Rahman
HRM	Human Resource Management
e.g.	exempli gratia (for example).
UK	United Kingdom
US	Unites Stated of America
HR	Human Resource
TQM	Total Quality Management
Exp.	Example
i.e.	id est (that is)
APA	American Psychological Association
SODEMC	Software Development & Multimedia Services Centre
ANOVA	Analysis of Variance
PhD	Doctor of Philosophy

PREFACE

This research topic is “Effect of Empowerment, Training, Compensation, and Appraisal on UTAR Lecturer’s Retention”. In every organization, employees are the backbone to carry out the operations. In order to retain the best talent in the organization, organization must realize what is actually needed by the employees.

In this research, researchers will identify on the factors that will influence the retention of employees in the education industry nowadays. This research is conducted as the number of resignation of employee increase nowadays compared to the past. This shows that their needs have not been fulfilled and they switch their jobs in order to satisfy those needs. Therefore, researchers distribute questionnaires to find out more about the factors that affect employee’s retention and the result of the research is important to researchers in order to identify it.

Therefore, the overall research is to find more in depth and detailed information about employee trust and it is useful for researchers to learn about the significance of the factors in this paper on the retention of employees.

ABSTRACT

The main objective of this research project is to analyze the factors that affecting retention of lecturers in education industry. The factors that will affect the retention which will be discussed later included empowerment, training, compensation, and appraisal. Past study done by others researchers will help to develop the hypothesis in this research project.

Researchers had conducted the survey in UTAR Perak Campus to test the relationship between those factors and lecturer's retention. A sample size of 280 respondents in a questionnaire method had been conducted. Researchers used the SPSS program to run the reliability analysis, significance analysis, and correlation coefficient analysis to analyze and interpret the data.

As a result, researchers found that empowerment, training, compensation, and appraisal have significant positive relationship with lecturer's retention. Next, researchers discussed the findings and suggested some recommendation for all the factors. Lastly, researchers come out the future study and conclusion to close up the entire study.

Chapter 1: Introduction

1.0 Introduction

The employees are the backbone of an organization. Hence, the retention of the employees is important in keeping the organization on track. In order to retain the best talents, strategies aimed at satisfying employee's needs are implemented, regardless of global companies or small-sized firms.

This research study is to investigate how the empowerment by UTAR management, as one of the main employee satisfaction contribution, affects the retention of employees. This research study will be focused on whether empowerment has direct effect on employee retention among lecturers in UTAR and whether existing training & development, performance appraisal system and compensation system contribute to the retention.

In this chapter, there will be discussion on background of the research, problem definition and the objective of the research along with research questions, hypotheses of the study, significance of the research, chapter layout and conclusion on whole chapter.

1.1 Background of the study

Generally, organization would retain their personnel for a specified period to utilize their skills and competencies to complete certain projects or execute tasks (Retrieved from retention.naukrihub.com). In another word, we can understand it as employee retention where the scope of task, is however, often larger than a simple task and more preferably a job in real world. Retaining the desirable employees is beneficial to an organization in gaining competitive advantage that cannot be substituted by other competitors in terms of producing high morale and satisfied coworkers who will provide better customer service and enhanced productivity, which subsequently resulting in sales generating, customer

satisfaction, smooth management succession and improved organizational learning (M. Heathfield, 2005).

In explaining factors contributing to employee retention, it is essential to consider motivational theories as motivated employees tend to stay with an organization longer. To illustrate further, an employee will be motivated to carry out his job if given sufficient guidance through training & development, appraised through effective performance standard and compensated equally according performance standard. Through the understanding of various well-known motivational theories such as Maslow's Need Hierarchy and McClelland's Need Theory, we can point out the critical factors that have implication toward retention practices focus on physical and emotional needs, working environment, supervision, responsibilities, supervision, fairness & equity, employee development and feedback on performance (Ramlall, 2004). In this study, we aim to study how employees regard importance of equity of compensation, job design through training and expectancy toward effective performance management on their retention.

Many companies running their business without conducting appropriate training program toward their employees. The companies may discount the importance of training program. The companies may feel that the cost of conducting training program is high. This makes them refuse provide continual training program to their employees. A continual training program and support by management are important in retaining employees. Training program can increase their confidence of their ability in working.

They need a proper training program and support to increase their morale and motivation in working and thus increase their performance. Special training should be provided if required. The training program should be conducted continuously and not for a short period to improve the employees. A short-term training program cannot make sure the employees master the newly assigned task. Hence, training program should be conducted in gradual and long-term.

In many companies, the management neglects to offer praise on the good performance by the employees. This makes the employees difficult to know the

desired performance of the management. Without such guidance, the employees will not know whether they achieve the desired performance of the management. Indirectly, they will become apprehensive about their job requirements and how to handle unstructured situations. An effective appraisal system should be created to motivate the employees who achieved good performance. An effective appraisal system clearly defined the desired outcomes of an organization and the reward of the desired outcomes. Hence, it will increase employees' motivation to achieve the performance and thus enhance productivity of an organization.

Nowadays, organizations have realized the importance of employee compensation system in achieving the productivity and creativity of employees. An effective compensation system is assumed to lead to greater employee commitment and better employee retention and loyalty. The performance, motivation and satisfaction of the employee are proportionately affected by the desired rewards of the employee from the employer (Mottaz, 1988). Hence, it is crucial to implement a good compensation policy in retaining competent employees.

According to Locke and Schweiger(1979), employee satisfaction significantly related to participation in decision-making process. In many organizations, decision-making process concentrated on the top management. These decisions directly affect the lower level employees. The employees tend to be passive because they are not involved in the decision-making process. Hence, empowerment should be implemented in organizations because they are in a better position to understand and appreciate their situations. In empowerment, decision-making process delegated to lower level employees and they are given more authority to make business decisions. Thus, they are given more opportunity to contribute to the organizations. They tend to have a sense of ownership in the organization and remain with the organization.

Malaysia's education sector has always been centered by government to emphasize higher education level provided to the citizens. Malaysia's Ministry of Higher Education thrives to create an outstanding higher education environment for establishment of internationally competitive education institutions in order to nurture knowledgeable, competent and globally competitive human resource base

(Rosdi & Harris, 2010). Economic Planning Unit (2008) revealed that privatisation of higher education institutions stimulates intense rivalries to match offer for competent high qualification academicians (Hashim and Mahmood, 2011). In addition, the emphasis on continuing upgrading institutions through global ranking further forces them to focus greater concern on employee retention practices (Lew, 2009). Subsequently, we would try to discover how empowerment has been used by these private institutions to assert commitment of members which was similar to study done by Choong, Wong & Lau (2011) to increase commitment through mastering their psychological empowerment.

1.2 Problem statement

There are many retention practices implementation around the globe operated routinely by either small setups or big enterprise, even in private education sector. As mentioned previously, strong competition especially in developing nation like Malaysia, which has scarce high education talent, makes employee retention a significant move in keeping competitive edge. Institutions tend to satisfy employee's satisfaction in their job by providing support to their motivational aspects, such as self-esteem, self-fulfillment and basic needs. The problem remains on whether how great is the effect of each aspect having toward overall employee's retention.

Empowerment is the process in which the employees are involved in decision-making, are appreciated and provided proper training and support. Nowadays, many organizations are trying to delegate the decision-making process to the lower level employees. According to Bowen and Lawler (1995), there is a significant relationship between employee empowerment and intent to leave. Laschinger, Finegan and Sharmian (2002) showed that empowerment leads to higher job satisfaction among employees. At the same time, there are plenty of ways of executing this process whether by providing adequate training, market competitive compensation or effective performance management.

Many organizations in Malaysia do not provide continual training program for their employees; been less effective in appraisal by ignoring the results (Kennedy

& Daim, 2009); and compensation systems are not adequate to provide the desired reward to the academicians especially under current working condition where less respect and recognition has been given to their contribution (2005). These factors made the employees lose their interest to their job and incline for turnover options either to better offers within or out of education industry.

On top of that, management sometimes neglects to clarify the objectives of training & development programs and performance management. Employees often confused by management's decision to implement any organizational development activity as they might afraid of the backlash of these programs to their job security or even career prospect. Moreover, an untrained supervisor might misunderstand employee engagement as giving directives rather than coaching and support in managing subordinates' performance (Gruman & Saks, 2011), hence undermines employees' participation in engaging critical decisions.

In order to solve this problem, the study will investigate employees' perception on influence of empowerment, training, performance appraisal and compensation on their retention with an institution through surveying the UTAR lecturers. The research outcome will reflect degree of impact of empowerment and other elements to academicians' retention with a higher education institution namely UTAR in this study.

1.3 Research Objectives

1.3.1 General Objective

The study's main purpose aims at reflecting how empowerment training, job appraisal and compensation affect lecturers in their retention with UTAR. The research tends to prove the significant impact of these variables to employee retention through interviewing the academicians in UTAR and formulating empirical statistical result to strengthen the argument.

1.3.2 Specific Objectives

Few researches have been done related to factor affecting private education institution academician retention with the firm. Hence, this research will provide an empirical study of how significant is empowerment to affect academicians' decision to remain with firms. The empowerment would be more specifically appeared in forms of training, performance appraisal and compensation to better investigate influence of empowerment.

To be more specific, it studies on effectiveness of existing training programs in retaining employee from the academicians' perception. By collecting academicians' opinions, it would reflect how they perceive as satisfactory development which may enhance their future career planning and job promotion.

Moreover, the study conducts research on how academicians prefer to be appraised with their performance on both academic teaching and research paperwork, and how they perceive their performance effect on their compensation level. It further probes satisfaction of academicians toward existing appraisal standard and system; subsequently discovers impact of appraisal system toward their compensation payment.

1.4 Research Questions

1. How do training programs affect employee retention?
2. How do appraisal standards affect employee retention?
3. How does empowerment play its role in affecting employee retention?
4. Does employee perceive compensation package as an essential element toward their decision to stay loyalty with an organization?

1.5 Hypotheses of Study

Employee Training

H₀ : There is no significant relationship between employee training and employee retention.

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

Appraisal System

H₀ : There is no significant relationship between appraisal system and employee retention.

H₁ : There is significant relationship between appraisal system and employee retention.

Employee Compensation

H₀ : There is no significant relationship between employee compensation and employee retention.

H₁ : There is significant relationship between employee compensation and employee retention.

Employee Empowerment

H₀ : There is no significant relationship between employee empowerment and employee retention.

H₁ : There is significant relationship between employee empowerment and employee retention.

1.6 Significance of Study

This research project major objective is to provide better understanding in the relationship of employee empowerment and employee retention in UTAR. It will provide useful information of relationship between employee retention and employee compensation, appraisal system, employee empowerment and employee training.

The purpose of this study will help readers to better understand and use as a guide or information to many higher education institutions in Malaysia regarding the relationship of employee empowerment and employee retention. It will also provide range of solution toward employee retention in Universities. Hence, it enables many universities to identify what are the major factors to be used to retain their employees through better knowledge of the motivational aspect toward achieving academician satisfaction.

1.7 Chapter layout

This research project contain of all 5 chapters that conducted to study the relationship between employee empowerment and employee retention in UTAR, as follow:

Chapter 1 – Introduction

This chapter contains the introduction of the background and problem statement of this research project. In this chapter, it also contain the research objective, research question and hypothesis to be tested in regard of better understanding on impact of employee empowerment, employee training, employee compensation and appraisal system on employee retention in UTAR.

Chapter 2 – Literature Review

Literature reviews provide guidance to the research topic through reviewing related journals by other researchers. Besides, it also contains the review of relevant theoretical framework through numerous journal article, internet, theses, books and other references to construct the foundation of proposed framework of this study. Hence, it helps to hypothesize the relationship of both dependant and independent variables.

Chapter 3 – Research Methodology

In this chapter, it outlines the research design, data collection method and specified sampling design in regard of target population, sampling element, sampling size and etc. Moreover, it also highlights the type of

instrument used in the research, measurement of scale, data processing and data analysis.

Chapter 4 – Research Result

The description of research analysis is to be outlined in this chapter. The research result related to research question and hypothesis is also presented in this chapter. Outcome will be presented in statistical format and assisted by using SPSS software to provide empirical evidence to the study.

Chapter 5 – Discussion and Conclusion

The summary of statistical analysis and discussion of major finding of study are outlined in this last chapter of the research project. It will also state the implication and limitation of the research studied. At last, researcher's recommendation is provided in this chapter, as well as the conclusion of the whole research project.

1.8 Conclusion

In this Chapter 1, the introduction of research background and problem statement are outlined to provide reader better understanding before going in depth. This chapter also include research objective, research question, hypothesis of the study and significance of the study. Further study of literature review, research methodology, research result and discussion and conclusion is to be presented in the following chapter.

Chapter 2: Literature Review

2.0 Introduction

This chapter will focus on discussion of influence of employee empowerment to their retention with the firm in the background of private higher education institution in Malaysia. Recent research will be reviewed in the context to take an overview of how other authors in the related study field evaluate impact of empowerment, as well as other HRM practices, to employee reaction to commit to a firm. Researcher will outline relevant study review on employee retention, employee empowerment, employee training & development, performance appraisal and employee compensation individually, and subsequently justify the hypotheses previously formulated in Chapter 1 with empirical studies by other authors. Based on the field studies, researcher will formulate a proposed framework for this study based upon relevant theoretical framework.

2.1 Review of Literature

2.1.1 Definition and Review of Employee Retention

Employee retention refers to policies and practices companies use to prevent valuable employees from leaving their job. It involves taking measures to encourage employees to remain in the organization for the maximum period of time. Hiring knowledgeable people for the job is essential for an employer. But retention is even more important than hiring. This is true as many employers have underestimated costs associated with turnover of key staffs (Ahlrichs, 2000). Turnover costs can incurred with issues such as reference checks, security clearance, temporary worker costs, relocation costs, formal training costs and induction expenses (Kotz é and Roodt, 2005). Other invincible costs and hidden costs such as missed deadlines, loss of organizational knowledge, lower morale, clients negative perception of company image may also take place.

This is why retaining top talent has become a primary concern for many organizations today. Managers have to exert a lot of effort in ensuring the employee's turnover are always low, as they are gaining increasing awareness of which, Meaghan et al. (2002), employees are critical to organization since their values to the organization are not easily replicated. Many critical analysis are conducted to minimize the possible occurrence of shortage of highly-skilled employees who possess specific knowledge to perform at high levels, as such event will lead to unfavorable condition to many organizations who failed to retain these high performers. They would be left with an understaffed, less qualified workforce that will directly reduce their competitiveness in that particular industry. (Rappaport, Bancroft, & Okum, 2003).

Most researchers (Bluedorn, 1982; Kalliath and Beck,2001) have attempted to answer the question of what determines people's intention to quit, unfortunately to date, there has been little consistency in findings. Therefore, there are several reasons why people quit their current job and switch for other organization. The extend of the job stress, low commitment in the organization; and job dissatisfaction usually result in resignation of employees, (Firth 2007). Abundant studies have also certified the relation between satisfaction and behavioral intentions such as employee's retention and spread the word of mouth (Anderson and Sullivan, 1993).

Numerous studies showed how can high employees involvement be relate to the intention of leaving an organization (Arthur 1994). Lacking of opportunities to learn and self development in the workplace can be the key for employee dissatisfaction which leads to turnover. Other studies also indicated that employees will retain in their organization if he or she has a good relationship with the people he or she is working around with (Clarke 2001). Organizations are therefore suggested to provide team building opportunities, where interaction and discussion can be carried out not only within but outside their working hours (Johns et al 2001).

This is why managers today must taken care of their employees personal feelings toward the job and satisfaction levels from their working conditions, superiors and peers, as these are the keys to ensure employee retention. The success and

survivability of organizations is heavily dependent on customer evaluations (Jolliffe & Farnsworth, 2003, p. 312), whereby the organization must put effort in satisfying their employees since the relationship between customer satisfaction and employees satisfaction are significant.

In summary, the literature defines retention as continuing relation between employees and their organization and turnover as “any permanent departure beyond organizational boundaries” (Cascio, 1995, p. 581). The benefits of retention are saving cost for further recruitment, fewer training to be conduct for new candidates, improve productivity, increase employees performance and thus increase profits and meet their organizational goals and objectives. Below we will discussed the relationship between each of the human resource management practices with employees retention and employees turnover, which are the impacts from employee empowerment, employee training & development, performance appraisal and employee compensation.

2.1.2 Definition and Review of Employee Empowerment

Generally, empowerment is delegating the power of decision and action to the employees and giving more responsibility and authority to complete their task (Dr. Yasar F. Jarrar & Professor Mohamed Zairi, 2010). It means that employees have sufficient authority to determine how they perform their tasks. In a broader view, empowerment includes involvement of employee in goal-setting, decision-making and motivational techniques and enabling employees to work in a participative environment (Osborne, 2002). Undeniably, empowered employees are identified as powerful drive in organization's success (Kaye & Jordan-Evans, 2001). It is because they are more motivated and committed to organizational operation. According to Hummayoun Naeem and Muhammad Iqbal Saif in 2010, employee empowerment can create sense of belongingness and ownership towards the current organization. They tend to be more confident and perform well. Indirectly, it will increase service quality and customer satisfaction.

Empowerment can be studied in two aspects: (1) psychological and (2) structural (Joel, 2004). Psychological empowerment can be defined as the process that enhances the self-efficacy among employee through the delegating of power and removal of formal organizational practices and informal techniques (Conger and Kanungo, 1988, as cited in Joel, 2004). Riggio (1990) considered psychological empowerment as a process that increases personal power and authority (Joel, 2004). Spreitzer (1995) made some improvements on the psychological empowerment construct model that developed by Thomas and Velthouse(1990) by renaming the meaningfulness dimension as “meaning” and the choice dimension as “self-determination” that developed by Thomas and Velthouse in 1990. After the improvement, the four dimension of psychological empowerment are: (1) meaning, (2) self-determination, (3) competence, (4) impact. In conclusion, psychological empowerment can create a sense of greater power to make change among organizational members.

Structural empowerment emphasized on management practices to create change in workplace as opposed to psychological empowerment (Joel, 2004). However, Corsun and Enz (1999) indicated that changes in job scope and top management intentions were not sufficient to empower employees. Managerial influence must be involved to empower employees better (Joel, 2004). The criteria of structural empowerment are discreet and isolated functions within the organization (Joel, 2004). Eylon and Bamberger (2000, as cited in Joel, 2004) indicated that structural empowerment is a set of strategies and actions used by management. The responsibility of the employee was to carry out the strategies and actions by manager (Joel, 2004).

Many researchers concluded that employee empowerment can be used as a method to satisfy employees in an organization. Satisfied employees will play their major role and take initiative to create customer satisfaction (Hummayoun Naeem and Muhammad Iqbal Saif, 2010). According to Osborne and Plastrik in 2000, the empowered employees are given the opportunities to set up their work schedule, establish work arrangements and conduct performance appraisals. The employee can involve in the communication with the suppliers, planning process and budgeting process in the organization. However, the performance evaluation

should be conducted regularly to make sure the empowered employee is making the right decision. According to Choong, Wong and Lau in 2011, deans and head of departments of higher educational institutions have to give the freedom to the lecturers and tutors in conducting lecture or tutorial classes, administrative work and inspection of students' research works. This action can boost the creativity of academicians in conducting research work and sharing knowledge to the student in educational institutions. Their research will not be limited to certain scope or level. Hence, the educational institution can be more effective to produce students with a higher level of critical thinking and problem-solving with a crew of high-quality lecturers.

According to Mason, Wehmeyer, Field, Doren and Jones in 2004, self-determination is the ability of understanding current and future circumstances, developing methods to achieve short-term and long-term goals and making self-directed decisions. In self-determination concept, it is vital to recognize the individual and organizational goals. When they are certain and clear to their goals and needs, it will be easier to create a sense of empowerment. Thus, they will be more motivated in accomplishing their tasks when they are given power and autonomy in decision-making process. When employees have some control over their tasks, they tend to pay more effort in completing their assigned tasks. However, they need information to make better decision (Osborne and Plastrik, 2000). According to Randolph in 1995, the empowered managers and employees are provided with a clear vision and sufficient information to achieve the goals appropriate for their positions. Top management must make sure the empowered employee can assess to the relevant information.

Lastly, empowerment creates employees' sense of personal power and allows them to serve the customers well (Lashley, 1995b). Undeniably, employee empowerment is a vital feature in modern organizations. It leads to positive change among organizational members. When employees are given more authority and power in making decision, they will feel more empowered. Empowered employees are expected to perform more effective and efficient as compared to those working in centralized organizational structure because they feel that they are not a part of the organization. They tend to remain in the

organization and perform better (Choong, Wong and Lau, 2011). However, training plays a crucial role in employee empowerment. In order to make empowerment to be more effective, employee needs specific knowledge and skills as most job responsibilities are continually evolving as the company matures. A well-trained employee can make a better decision and qualify for a higher level of empowerment. Hence, the role of training cannot be underestimated in delegating authority or power to employees. If not, the empowerment without skill building and training development is a failure.

2.1.3 Definition and Review of Training

Nowadays, the implications of employees benefit decisions are among the most relevant for remaining competitive in the labor market. From a total compensation perspective, indirect compensation or in another word called benefits accountable for an important role in the retention of employees. In order to remain performance, competitiveness and innovation, knowledge and skills of the workforce in an organization have become increasingly important (Lawler, Mohrman, & Ledford, 1998; Martocchio & Baldwin, 1997). Workplace learning and continuous improvement are now considered indispensable for an organization to stay competitive (Salas & Cannon-Bowers, 2001). One of the benefits for employees to facilitate workplace learning and continuous improvement is through TRAINING.

According to Goldstein (1980) and Latham (1988), training is defined as the systematic acquisition and development of the knowledge, skills, and attitudes required by employees to adequately perform an assigned job or task to boost performance in the job environment. Training should impart new knowledge and skills if the training is relevant, meet employee and organizational needs, efficiently and effectively designed and delivered (Salas, 1999). When the results of training reflected in improvements in relevant knowledge and the acquisition of relevant skills, employee job performance should improve provided that the skills learned in training transfer to the job (Baldwin & Ford, 1998; Salas, 1999). Improvement in performance such as productivity, quality, and services are the training outcomes provided that the job is strategically aligned to the

organization's needs. For individual, if the desired needs of employee were fulfilled through the training programs provided, there is no doubt the desired outcome by the organization, retention on employees, will be reached.

In the theory of human capital theory which used by scholars to explain organizational training decisions, training is an investment that should be justified according to its expected outcomes. Human capital theory suggests that training cost should be paid for when the firm is able to achieve acceptable financial returns to the training investment compared to alternative uses of how its financial resources could be employed (Becker, 1964).

A successful organization is thought to invest more than other organizations in training and development programs (Kraiger, 2003). According to Dolezalek (2005), Salas and Cannon-Bowers (2001), the large amount of outlay that spend by organizations each year on formal training and development programs is made with the expectation that their investment in training will lead to improvements in organizational performance or results, as well as the main studies in this paper, employee retention.

What is the main linkage between training and employee retention? According to Doll (2000), although there are several factors that influence the decision to leave an organization, one factor that is linked with the decision to stay in the organization is through training program. In this research, we found that retention has a direct and causal relationship with employee needs and motivation. The Maslow's Hierarchy of Needs, which is one of the most powerful motivation theory models, is used in this research as an effective retention protocol.

Abraham Maslow's Hierarchy of Needs which was introduced by Maslow (1954), used as a means to aid in understanding human behavior. Maslow's model has been studied in various disciplines. In business, it is viewed as a model to understand motivation, while in social sciences including adult learning, psychology, sociology and education, it is used as a model for understanding individual needs. Despite of the discipline, this model has been and continues to

be used for understanding what the driving forces are, or what is essential to individuals.

This model is divided into 5 levels, from bottom to top which are physiological, safety, belongingness, self-esteem and lastly self-actualization. Each of these five levels of Maslow's hierarchy of needs relates to optimal retention strategy. In order to optimize retention rates, many organizations have been employing strategies as the introduction of this model of needs. When applied to the organization model, meeting the self-actualization and self-esteem needs of an employee tend to contribute more on retention effort. Physiological, safety and social needs are important as well, however, it must be under criteria that the working environment is preferable for working.

The bottom level is the physiological level which is the basic human needs for human survival such as food, water and shelter. This model main concept is unless an individual's basic needs have been fulfilled, the upper levels in the pyramid are of no relevance as the lower needs have been met.

When the basic survival needs have been met, the individual moves to the next level and seeks safety, not only physical, but also mental safety, which including free from anxiety and stress. Stress appears to be constant in our culture nowadays. According to Ashkanasy and Hartel (2000), who are consultants in workplace health, said that the work life of modern employee today is more pressured than any other time in the history of work. Training accounts an important position in this level because worker consciously and subconsciously relates training to safety. For example, a lecturer in a college who trained on how to effectively conduct a class is said to be safer (on teaching method) than another lecturer who is asked to learn by accumulate experience during teaching without any guidance. The worker also associates the willingness of the company to spend resources, time and money on his/her training as an assurance that he/she is valuable to the company. In line with Maslow (2000), he suggested that 'it is a rare individual who is completely secure in his work environment' but training helps (p.2).

In third level of social belongingness, individuals seek pleasant working relationship with co-workers, peers, and others in the organization's hierarchy, in order to find their place in formal and informal work groups. Training provides the individual with additional opportunities to meet people in the place of employment, to explore others with the same interests or job responsibilities, and to establish more network of communication. Although much consideration is given to the technical aspects of training, the social element cannot and should not be underestimated for establishing firmer workplace bonds. Thus, although Maslow relates training to only security and self-actualization, we recommend that training relates to social belongingness and self-esteem as well.

Having obtained relationship and belongingness security, it is the possible to look to the fourth level, self-esteem. In this arena the individual seek to feel competent, confident and self-assured. Self-esteem in the organization is based on the individual's successful performance appraisals, incentives, rewards received and recognitions obtained, which all enhance self-confidence. As the individual obtains training, it presents an opportunity to feel and actually be more productive and confident in the work environment. As individual's confidence level grows, there is greater chance to be rewarded, recognized and obtained positive performance appraisals. Working in such pleasant environment, an employee will feel more comfortable and less intention to leave the current working status.

Finally is the highest level in this model, self-actualization. According to Goble (1970), self-actualization is the desire to become more and more what one is, to become everything that one is capable of becoming. As stated in this model, self-actualization is fundamentally equals to the goals for education, learning environments and creativity. Training allows the individual to move toward self-actualization. It enables employees to develop their potential, to learn new things, to take risk, and to feel even more confident in what one does. As employees learn in the working environment, Maslow suggests that, 'Duty becomes pleasure and pleasure is merged with duty' (2000, p25).

As conclusion for this variable, Maslow model provide a means for understanding the needs of an individual and also employee by the organization to design best

training program which makes the employee more secure, enhances feelings of belongingness and self-esteem, and provides the opportunity for self-actualization, which in the end directly increase the rate of employee retention in organization.

2.1.4 Definition and Review of Compensation

One of the most critical issues facing by corporate leader of different industry is employee retention to avoid shortage of skilled, talented and professional employees. Retention is defined as “the ability to hold onto those employees you want to keep, for longer than your competitors” (Johnson, 2000). Some researchers think that the retention analysis should be considered at more level because the “influences” of retention can arises at multiple levels (Klein et al., 1994; Klein and Kozlowski, 2000; Raudenbush and Bryk, 2002; Yammarino and Dansereau, 2004). Moreover, one of the most powerful tools to retain employees is by using compensation not just in the form of cash, but also non-cash and benefits.

Compensation had been defined in many term by many researcher, but in this research, compensation are which including that are something, typically money, awarded to someone as a compensation for injury, loss or suffering, money received by an employee from an employer as a salary or wages, or do/give something to somebody in return. Compensation is not only in the form of money, but also in non-cash form. Benefits, such as pension, life and health insurance, and retirement plans, and allowances that include company cars or subsidized transportation, represent a significant pay element in many large firms. In addition, for tax advantages and economies of scale of purchasing that make it economically advantageous for the firm to provide those element, the compensation are always viewed benefits as a tools for attracting and retaining desired employees. According to Oyer [2005], for example, develops a simple model demonstrating that firms can use benefits to effectively match compensation to economic conditions because the costs of cutting wages are always greater than cutting benefits. Even and Macpherson [2001] postulate that benefits can affect productivity by setting employees' compensation to invest in company specific knowledge. Thus, compensation is one of the most effective

methods to retain, motivate and attract talented and also potential knowledgeable worker to serve the company.

Researchers argue that workforce instability prevents employees from developing long-lasting interpersonal relationships and maintaining continuous knowledge transfer, both in a domestic (Inkpen & Tsang, 2005) and an expatriate setting (Lazarova & Tarique, 2005). Accordingly, whether an organization manages to retain their employees or not it always depend on the availability of retention incentives as well as the organization's propensity and ability to apply them (Maertz & Campion, 1998). Some researcher think that the use of expatriates frequently entails high pay differentials between local staff and assignees, which are likely to reduce locals' perceived distributive justice (Toh & DeNisi, 2003) and thus the retention capacity of compensation practices. Moreover, the environment is also one of the factor that will affect the retention of employees, because labor market perspective concentrates on turnover predictors that are primarily determined by the organization's external environment and includes factors such as unemployment rate (Carsten & Spector, 1987) or alternative job opportunities (Gerhart, 1990). Employment relationships differ in terms of what constitutes functional retention for the organization (Williams, 1999) and will require different retention practices to effectively retain employees (Griffeth et al., 1999; Lepak & Snell, 1999).

Furthermore, existing research information show that a number of studies have found that effort to retain employee is a challenge for organizations, as different organizations using different tools and method to retain employees (American Management Association, 2001). In order for a company to overcome it turnover, it is important for company to understand their employee needs. If the retention strategies are not properly planned and developed in the business processes, the all effort since recruitment will ultimately be fail (Earle, 2003). This had been proof by many researchers that attractive compensation is one of the most important factors to retain employees, because it fulfills the financial and material desires by the employees. According to Bokemeier & Lacy, 1986, rewards are very important for job satisfaction because it fulfills the basic needs and also helps to attain the higher level of company objective. Earnings is the way by which worker

get to know that how much they are gaining by dedicating their effort and time, and skills in a task. An organization's reward system can affect the performance of the employee and their desire to remain employed (e.g., Bamberger & Meshoulam, 2000, MacDuffie, 1995). Moreover, Hytter (2007) demonstrated that workplace factors such as rewards, leadership style, career opportunities, the training and development of skills, physical working conditions, and the balance between professional and personal life have an indirect influence. But, Tang et al. (2000) found that earning more money has only an indirect influence on employee retention; it is of influence when the job satisfaction of an employee is low.

Based on Porter and Steers (1973), extrinsic rewards (e.g., pay, benefits) and advancement opportunities, should be related to staying because employees are sensitive to receiving fair rewards for their efforts and may leave when opportunities to receive greater rewards exist elsewhere. There is also some research information show in different industry. Goodrich Jeanne, Paula M. Singer(2004) stated that pay, benefits, perquisites, the work environment and the intrinsic rewards that it offers, all need to be used to attract employees needs and wants. Namasivayam et al. (2006) explained that it is important for companies to understand what motivates their employees to increase retention. They study on Smith Travel Research's Hospitality Compensation and Benefit Survey from 2001-2003 concluded that competitive total compensation system does effect hotel RevPar positively. Sturman (2006) found that, "Compensation can be a powerful tool for managing employees, but that the effects of base pay are different from those of raises, which in turn are different from those of bonuses." Furthermore, Heneman and Schwab (1985) hypothesized that there were four dimensions of compensation satisfaction: pay levels, benefits, raises, and pay structure. Their findings concluded that total compensation satisfaction was a "multidimensional construct." Finally, Williams et al. (2007) conducted a comprehensive meta-analysis and found that employee organizational commitment was related to dimensions in compensation satisfaction.

2.1.5 Definition and Review of Performance Appraisal

Performance appraisal is a process of inspecting and evaluating an individual's performance in his duty to facilitate the decision of career development of the individual. It evaluates the individual overall contribution to the organization through assessment of his internal characteristics, working performance and his capability to pursue higher position in organization (Gruman & Saks,2011). In order to enhance organizations' ability to survive through turbulent environment, mostly top corporations take great concern on managing the performance measures of their employees. It is common understanding that top talents are keys to business success today, but how a company manages its talents or human resources would be the fundamental to all the success where effective structure of performance measurement would ensure company fully utilize its competitive resources to maximum.

Measurement of performance by each company can be different and vary according to each job nature, scope of operation and internal culture. The appraisal system is not usually inherited to another company because the system must be tailored to the corresponding company's attributes (Henderson, 1984, p. 54). The objectives of performance appraisal often lie in disclosing company's expectation toward employees through their supervisor for them to overview and get feedback on their performance, subsequently indentify areas of training and development in order to assist to employees' career development. By doing this, employees will acknowledge how to perform to achieve company expectation and which scope of action is prohibited by company. On the other hand, supervisors need to appraise subordinates' performance in order to ensure and monitor consistent contribution toward smooth company operation as they may add training session for necessary improvement (*Boice and Kleiner,1997*). By having both sides of appraiser and respondent to understand the objective of this mechanism, performance management will be enhanced throughout the organization where overall performance will be monitored and effective communication would be transmitted. This result in bolstering morale for employees as they develop themselves through the appraisal and adjust themselves better into the organization's system (Beer, 1981).

Even though performance appraisal has been deemed as the most effective way to guard performance management, some studies reject the fact that all parties hold the same view on effectiveness of this measurement. As example, Ishaq, Iqbal & Zaheer (2009) studied different views are held by male and females managers regarding the effectiveness of performance appraisal compared to employees. It is common that when some companies invest heavily in performance appraisal, they haven't come out with an effective result as highly expected. This is due to most employees resent the appraisal process, including the higher management as they may have less concern over its importance or deemed it as an unfriendly evaluation toward their capabilities in work. This reflects the weakness of performance appraisal in the fact that it lacks a standardized structure and tends to be subjective in judging employee performance; as example, Behaviourally Anchored Rating Scales (BARs) rates performance in fixed scales that do not reflect real contribution paid by employees; while 360 degree feedback process does not appreciate employees' personal effort in group works in terms of creativity and initiatives (Lu & Gu, 2009). The root to the problem is appraisal, usually the supervisor, conducted by a rater who is presumably objective and precise in judging performance of an employee (*Kumar, 2005*). Yet, people tend to be subjective when they are judging due to environmental factors and individual characteristics. They usually use their own principles and values in proposition of other person, as example, a strict and task-oriented leader may only judge a subordinate from perspective of his task performance rather than how he interacts with group members. Hence, for an appraisal to be effective, it must at first place conducted by an appropriate manager.

With a competent appraisal system, company will be able to transfer its expectation on employees efficiently while employees will have better understanding on scope of duty clarification, hence resulting in better employee morale and higher retention desire. However, the appraisal is a consistent process that must be conducted periodically as the appraiser tends to be selective in memorizing employees performance where recent or highlighted event is often the most frequent impression. This will further eradicate the halo effect, or more

specifically preferred but unconscious impression by appraiser, to maximize implication of performance review (*Boice and Kleiner, 1997*).

360 degree Feedback

Among all the tools that are used in performance appraisal, 360-degree evaluation is the most appropriate instrument to be implemented in higher institution academicians' performance management where lecturers receive feedback from upper supervisor to lower student level. It is substantially important for lecturers to guide their performance in both teaching and academic duty such as doing research reports in balanced to enhance a university's development. Therefore, evaluation on lecturers from both supervisor and student can make this balance achievable through feedback on both teaching and academic performance of lecturers. However, it is often difficult to achieve a precise evaluation as human bias is inevitable, but Ramli, Mohamad & Sulaiman (2010) illustrated that many past studies indicated lecturers have improved performance based on feedback from students which result in enhanced teaching style, hence producing effective student learning.

360-degree feedback, also called multi-source feedback systems (MSFSs) or multisource performance review, has been widely used in many companies especially big corporation as tool for performance management since 1970s. It is an involvement of traditional one-way performance evaluation directly from supervisor, where feedback is often in the form of mandatory directives without consideration of subordinates' opinion. Much different from the conventional method, 360-degree evaluation collects review from subordinates' upper directive such as supervisor to their lower assistants, clients and also peer colleagues. Moreover, it is also a method of self-review for an employee to comment on own performance and expectation towards company which is conducted to understand self-development and subsequently improve performance. The greatest difference between this method compared to other evaluation tool is in the evaluator, who needs to be an anonymous to employee and provide feedback only to employee personally without disclosure to anyone else (M. Schullery, E. Schullery, Knudstrup & Pfaff, 2009). This ultimately protects the privacy of an employee who might be sensitive to be criticized publicly, and allows employee to

acknowledge his or her weakness to improve continuously. Hence, employee would be more preferably accept the evaluation open-minded and develops more effectively in organization.

This tool has been widely used around the globe where its history proves its value and effectiveness in real environment application. In UK, the application of MSFs has started in as early as 1990s but widely adopted around early 1990s, where its application is even being recognized by United Kingdom through incorporation of the system throughout government departments by setting up as Best Practice guidelines in regulating the business industries (Brutus, Derayeh, Fletcher, Bailey, Velazquez, Kan, Simon and Labath, 2006).

There are reasons why such system could gain popularity around the world despite of its own weaknesses and dynamic nature of macro environment. First, the nature of job nowadays has been more diversified and requires multi-task ability to cope with the workload while the conventional one-way narrow communication provides too little useable information to fulfil basic job information requirement (Predescu, 2010). Next, in order to survive through competitive environment, much corporation has been delegating power (empowerment) and frequently reducing human resources (downsizing) (Tornow and London, 1998), hence employees need to be independent in term of developing their own careers by acquiring opinions from all direction or simply self-review critically in order to make through the ranks (promotion). The system, however, would still fail if organization is structurally or culturally problematic (Lepsinger, Lucia, 1997), but will provide usefulness in facilitating consensus on performance standard between management and employee through various information shared in open communication, if used properly; moreover, it reveals non-biased opinion from employees' surrounding to provide equitable judgment on their performance (Predescu, 2010).

2.2 Review of Relevant Theoretical Models

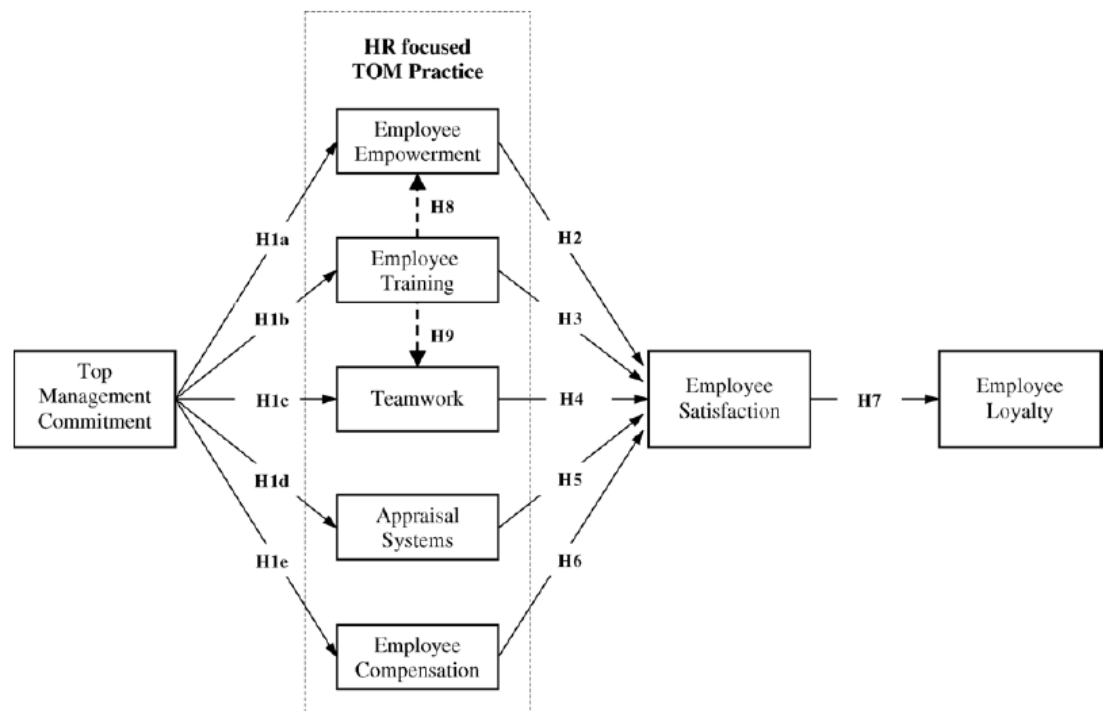


Figure 2.1 Theoretical Framework Model
Adopted from Journal of Operation Management 24, 2006

In the HR-focused TQM practices, top management is the key driver to develop employee and utilize their skills. HR focused TQM practice and employee satisfaction will be the intermediate endogenous variables. They will lead to employee loyalty (endogenous variable). To be straightforward, the present study will focus on the relationships among HR-focused TQM practices, employee satisfaction and employee loyalty. Generally, HR-focused TQM practices included employee empowerment, employee training, teamwork, an effective appraisal system and employee compensation system. In order to achieve employee satisfaction, top management should clarify the goal to be achieved, involve employee in decision-making process, provide sufficient training, encourage teamwork among employees and create effective employee compensation system and appraisal system. In order to support employees, top management plays an important role in allocating resources to employees and evaluating their performance regularly. With the support from top management, employees will be satisfied and tend to remain in the organization.

2.3 Proposed Theoretical/ Conceptual Framework

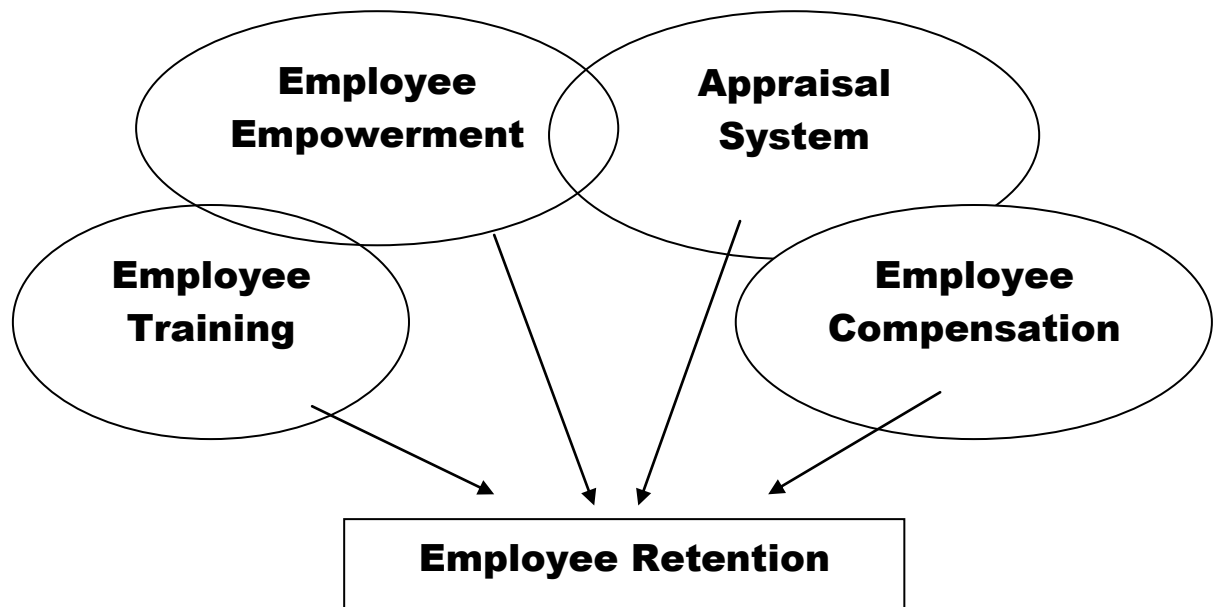


Figure 2.2 Proposed Framework Model

Extracted from the relevant theoretical framework from previous section, this study picks four of the independent variables: employee training, empowerment, appraisal and compensation and illustrates their impact on employee retention. The study aims to study the interrelationship between the independent variables and employee retention by conducting research on how these 4 variables affect the retention of UTAR's lecturers. To illustrate, the study tries to figure how appraisal aligns to compensation and how training helps employee gain empowerment. In short, the proposed framework suggests how training, empowerment, appraisal and compensation can be linked together in reaching a conclusion of becoming significant factors of an employee's retention with a firm.

2.4 Hypotheses Development

Employee Empowerment

H_0 : There is no significant relationship between employee empowerment and employee retention.

H_1 : There is significant relationship between employee empowerment and employee retention.

In this competitive market, retaining competent and capable workforce is important in any organization. High turnover rate in an organization may affect the reputation and image of the organization. Employee replacement is problematic and costly because the organization has to train a new employee if an experienced employee resigned. Some studies have identified that lack of job dissatisfaction (Moore, 2002) and low level of empowerment (Boundrias et al., 2009) and low levels of support of superiors (Hatton and Emerson, 1998) may lead to turnover (Salman, Iqbal and Chandran, 2010). Human resources policies must focus at gaining more self-governing to the employee to avoid turnover and job burnout (Salman, Iqbal and Chandran, 2010). Huselid & Becker (2000) found that HR policies play a strategic role in employee retention through stimulating skilled labour. The goal-setting process that involves employee can enhance employee empowerment as employee consider himself more empowered knowing his or her job (Stanfield and Longenecker, 2006).

Empowered employees tend to be more confident and try to give their best to employer because they are given more authority in decision-making process (Hummayoun Naeem and Muhammad Iqbal Saif, 2010). Employee empowerment can create a feeling of obligation among employees to stay in organization. Hence, the employees will tend to remain in the organization even when face pressure from others that intend to leave the organization because they feel that they are a part of the organization (Choong, Wong and Lau, 2011). In essence, the intention to remain or leave the organization among the employees is based on the job satisfaction of employees. The individual with higher job satisfaction tend to more committed to the organization. They will be more likely to remain in the organization.

Appraisal System

H_0 : There is no significant relationship between appraisal system and employee retention.

H_1 : There is significant relationship between appraisal system and employee retention.

As extracted from the literature review, performance appraisal plays the role as medium of communication between management and employee. An effective appraisal would result in enhanced employee development from feedback as well as better employee satisfaction comprehension by company.

However, if appraisal is simply applied as a tool of measurement and monitoring, problems would arise where tension overwhelming both the evaluator and respondent. Webster, Beehr & Love (2011) studied how work stressors can result in role ambiguity and conflict, and subsequently causing increased job dissatisfaction and turnover. It is mentioned in the literature review that appraisal can be stressful to both evaluator and respondent if both parties do not take concern of its importance or confusing message is produced from the appraisal. Similar to a negotiation, stress can affect an employee's job performance where he or she might be too concerned with the effect of the appraisal to career development or compensation (O'Connor, Arnold & Maurizio, 2010).

In advance of stress factor that may cause appraisal to generate negative reaction of respondent, other factor such as perceived fairness may apply in the scenario on how employee may deem an appraisal standard to be equally equitable to judge their ability and effort. Sudin (2011) recently came out with a study on how perceived fairness during appraisal process may influence employee satisfaction and resulted in positive relationship between all organizational justice variables and performance appraisal circumstances from data collected among Malaysia companies. Apart from fairness, studies found out the evaluator problem during appraisal process as managers tend to be personally intentional in choosing his way of conducting appraisal. From Spence & Keeping (2011) research, we obtain a conclusion that appraisal research has shifted from measurement issue to rater

cognition in which rater establish, encode, and retrieve judgments about performance to increase appraisal accuracy; at the same time, evaluators focus on thriving good subordinate relationship, solid reputation and adjusted to company objective. This may distort the appraisal system which eventually creating employee confusion and frustration.

Employee Compensation

H_0 : There is no significant relationship between employee compensation and employee retention.

H_1 : There is significant relationship between employee compensation and employee retention.

Many research had show that employee position and length of employment were traditionally what determined wages in most companies. And there are numbers of research explained with evidence show that compensation satisfaction plays an important part in employee retention. DiPietro and Condly (2007) used the Commitment and Necessary Effort (CANE) model of motivation to find how hospitality employees are motivated. They discovered that nonfinancial compensation or the quality of the work environment played an important part on employee turnover intentions. Companies are in danger of creating an unsatisfactory working environment if there is no any compensation planning. Williams et al. (2007) found that if employees are satisfied with how the company operates and communicates its compensation policies, they remained committed to the organization. Furthermore, an organization's reward system can affect the performance of the employee and their desire to remain employed (e.g., Bamberger & Meshoulam, 2000, MacDuffie, 1995). There are also numbers of researchers demonstrate that there is a great deal of inter-individual difference in understanding the significance of financial rewards for employee retention (Pfeffer, 1998; Woodruffe, 1999).

Training and Development

H1: There is a significant positive relationship between training practices and rate of employee retention

H0: There is no significant relationship between training practices and rate of employee retention

Huselid (1995) suggested that perceptions of HR practices such as providing training and job security by the company are important determinants of employee retention. Moreover, some studies also state that HR practices such as benefit and training are positively related to retention because the practices motivate employees and “lock” them to their jobs (Lazear 1986; Madrian, 1994; Gruber & Madrian, 1994), which are so called employee retention.

According to Landsman (2004), he suggested that training is a valuable activity for enhancing skills and improving staff performance, and that training can address some of the factors contributing to staff retention, such as perceived support from the supervisor, the agency, and community. Training can define roles more clearly to employees, thereby minimizing job stress. Organization with sufficient training opportunities should thus have higher retention rate.

However, training alone cannot address all of the factors contributing to staff retention, however, such as excessive caseloads and promotional opportunities within the agency. It is, therefore, reasonable to say that training can play a role in improving retention, but it may not be sufficient to improve retention if other systematic barriers are not addressed.

2.5 Conclusion

This section provides support of plenty past researches on relevant field to provide sufficient insight on the study's variables. Using these insights as references, the study builds a fundamental theoretical framework with strong backups which have been proven empirically. The main purpose of this section is to provide summary of study on relevant field and critically reviewed by authors to create a sustainable

foundation. Given a replica of research model through this section, research methods will be formulated to discuss ways of collecting and analyzing data to empirically test the hypothesis.

Chapter 3: Research Methodology

3.0 Introduction

Research methodology is a documented process for management of projects that contains procedures, definitions and explanations of techniques used to collect, store, analyze and present information as part of a research process in a given discipline (Retrieved from Wikipedia). This chapter describe the practice used in this research where quantitative data was collected using the non probability self administered questionnaire that consist of questions with 5-points Likert scales distributed to our samples of individuals. In analyzing the data collected, Statistical Package for the Social Sciences (SPSS) technique will be employ. This section will also introduce the sampling techniques used in order to collect information from target population using questionnaire in scale rating manner to be implemented into the SPSS program to process the reliability test and subsequent empirical analysis for next chapter.

3.1 Research Design

Research design is an overall framework of a research that explains the direction and method to be used in the study to gather the information needed, either from primary or secondary sources (Malhotra, 2007). This section will reveal the framework of this study on how to gather information to test the hypotheses using the chosen methodology and the rationale of choosing the methodology.

First, it is essential to identify the approach to be used in research design as the classification will impact on decision of research design in later stage. According to Neuman (2006), quantitative approach has the characteristic of measuring objective facts using variables where data is separated from theory, statistically analyzed and emphasized with its reliability. Compared to qualitative approach that conduct research for generating knowledge on human behavior and why & how of such behavior, current study that aims to reflect how empowerment, training, job appraisal and compensation affect lecturers in their retention with

UTAR, as stated in chapter 1, would prefer the use of quantitative approach. Under this approach, the study would develop hypotheses that consist of all the variables to empirically investigate the above statement via statistical technique.

Table 3.1 Comparison of Basic Research Design

	Exploratory	Descriptive	Causal
Objective:	Discovery of ideas and insights	Describe market characteristics or functions	Determine cause and effect relationships
Characteristics:	Flexible, versatile Often the front end of total research design	Marked by the prior formulation of specific hypotheses Preplanned and structured design	Manipulation of one or more independent variables Control of other mediating variables
Methods:	Expert surveys Pilot surveys Secondary data Qualitative research	Secondary data Surveys Panels Observation and other data	Experiments

Source : Malhotra (2007)

According to the table above, Malhotra (2007) constructed the comparison of 3 basic research designs which are exploratory, descriptive and causal research. Due to adoption of quantitative approach, it is inevitably that the study will be carrying out causal research where the hypotheses formulated in earlier chapter consisting

of all the variables will be empirically investigated using statistical technique such as charts, tables and other statistical measurements to prove the cause and effect relationship between employee retention and the independent factors, i.e. empowerment, training, compensation and appraisal.

3.2 Data Collection Methods

In this section, there would be illustration on what methods will be used in collecting the primary and secondary data in order to empirically test the formulated hypotheses, and hence solving the research questions.

In choosing a specific methodology, researchers often concern on few aspects such as the degree of structure, quantifiable, researcher obtrusiveness, and objectivity (Pollack and Panacek, 2000). Due to the broad and exploratory characteristic of the studies research question, such as “How do training programs affect employee retention?” structured method would be most appropriate. The variables used in this research are all less quantifiable in the sense that retention, empowerment, training, remuneration, and appraisal are qualitative elements that are difficult to be expressed in numerical format. Researcher obtrusiveness and objectivity are emphasized and concerned during data collection to prevent inconsistent behavior and promote accuracy of the research method.

3.2.1 Primary Data

In collecting primary data, the study uses psychological scale which assemble respondents' perception on variables under a combined questionnaire to evaluate their psychological trait (Pollack and Panacek, 2000). By adopting previous established instrument, reliability of the survey would increase as test has already been implemented on the previous studies as well as time consuming survey construction can be avoided. Moreover, using 5-point Likert scale with anchor of (1) “strongly disagree” to (5) “strongly agree” can reduce variability in the results processing while simplify coding, analysis, and interpretation of data at the same time. The only disadvantage that might emerge is the survey may not be measuring what researcher's desire precisely.

For this study, a questionnaire consisting four main variables, namely employee empowerment, training and development, employee compensation and performance appraisal, is conducted by extracting sources from few established questionnaire. The questionnaire would be distributed to sampling amount of lecturers in UTAR to fill up and later be tested of the result using SPSS software. Prior to the data processing, a pilot study would be conducted with detail to be specified in later section to enable the reliability of this instrument to be empirically tested.

The main purpose of conducting questionnaire to retrieve the primary information from the study's population is to use these raw data to generate meaningful information via SPSS program to eventually test the previous hypotheses and research questions. By adding review on how all the information from questionnaire effectively reflect the connection of the variables of study; the primary data would become a fundamental source of research evidence to indicate the implication of the whole research.

3.2.2 Secondary Data

To better support the argument of the study, inclusion of secondary sources is essential to make the study looks reliable. The secondary sources are those of other works and reference by another individual or group that are used to generate needed information for the study. They are generally legally protected under law such as copyright to preserve the right of original author to authorize the use of his or her works. Hence, it is important that these works are being cited well or being permitted to use to prevent the study from being involved in any legal dispute.

In this study, most secondary data are extracted from online resource such as online databases, internet findings or other sources. The journal articles of relevant study field are adopted from Emerald Library Database, Proquest Database and ScienceDirect database which can be found in UTAR online library databases. Proper citation and referencing are done with work extracting from these resources which is all following the APA referencing style. The previous

studies related to employee retention, empowerment, training, compensation and appraisal, as well as local & foreign education institution development, have been helpful in building the fundamental of previous chapters especially in literature review as the past field researches form the foundation for theoretical framework of current study.

In addition, web site resources have also been utilized in some part of this study where important citations are made to be assembled as part of the study. These sites are found by using search engine such as Mozilla browser to facilitate the direct linkage to useful sites that can assist the development of current research.

3.3 Sampling Design

3.3.1 Target Population

According to Hair and Bush (2006), target population is said to be a specified group of people or object for which questions can be asked or observed made to develop required data structures and information. Therefore, the target population in the research is focus on the lecturers and tutors in University of Tunku Abdul Rahman regardless of campuses.

3.3.2 Sampling Frame & Sampling Location

The sampling frame can be defined as set of source materials from which the sample is selected. The definition also encompasses the purpose of sampling frames, which is to provide a means for choosing the particular members of the target population that are to be interviewed in the survey (Anthony G. Turner, 2003). However, sampling location is a place where a research is conducted or/and a place where information is acquired.

In this research, the respondents are from the lecturers and tutors that work in University Tunku Abdul Rahman. The survey was conduct in selected area. For Perak Campus, survey is conduct around the Faculty of Business and Finance.

Furthermore, in order to acquire more data from lecturers and tutors in the University, the survey was conducted in other campuses, it include Sungai Long Campus, Petaling Jaya Campus, and Setapak Campus.

3.3.3 Sampling Element

In this research, the respondent will be taking part are lecturers and tutors from all faculty in the University. It is included all the campuses of University Tunku Abdul Rahman. To identify sampling element of this research criteria include:

- any lecturers or tutors that currently work in the campuses.
- any lecturers or tutors from any campuses, including Kampar campus, Petaling Jaya Campus, Sungai Long Campus, and Setapak Campus.

3.3.4 Sampling Technique

According to Malhotra (2007), non-probability sampling is less expensive, less time consuming, and require only little sampling skills. Therefore, this sampling technique is adopted to conduct survey in this research. Moreover, units of sample in this research are selected on the basis of personal judgment or convenient because information and targeted respondent is readily and available.

3.3.5 Sampling Size

Malhotra and Peterson (2006) and Zikmund (2003) stated that, larger the sampling size of a research, the more accurate the data generated but the sample size will be different due to different situation. In this research, sampling size is determine accordingly by using sample size formula adopted from Krejcie, R.V., and Morgan, D.E. (1970). The total targeted population in this research is counting according to the University's staff directory. There are approximately 1080 lecturers and tutor from all campuses in this University and the information is adopted in the last updated date of 22 July 2011 by SODEMC 2003-2011 UTAR. Therefore, according to the formula used, the sample size in this research

will be 278. 300 copies of questionnaire are distributed to all campuses, 100 questionnaires distributed using e-mail, 200 copies questionnaire distributed by researchers in all faculties of Kampar campus. However, there are total of 280 copies of questionnaire are returned to conduct further research in next chapter.

3.4 Research Instrument

The research instrument that used by our group is questionnaire. The purpose of using questionnaires survey is because of the direct response and feedback from the respondents that can be collected in short period of time and in an easier manner. This is because the responses are gathered in a standardized way by using questionnaire so we can save our time in collect the data and responses, as well as a cheaper way to generate data from potentially greater amount of respondents.

3.4.1 Questionnaire Design

For this research, the questions in the questionnaire are closed-ended or structured in order to ease the process of analyzing the data from respondents. Thus, the results gathered from respondents will increase the speed and accuracy of recording, as well as more comparable. The questions are adopted and modified from previous research papers conducted by other researchers. The questions are designed by simple English to reduce misunderstanding and uncertainties on the questions by the respondents.

This questionnaire consisted of two parts, section A is general information which consisted of nominal scale, ordinal scale, interval scale and lastly ratio scale. In section B, it consists of questions of four factors which have the impact on the employee retention, where the four variables are empowerment, compensation, training and development, and appraisal system. The questions will be formed in a five point Likert scale which allows respondents to indicate how strongly agree or disagree with the statement provided. It will lead to a better understanding towards the factors that have the impact on retention of UTAR lecturers.

3.4.2 Pilot Test

A pilot, or feasibility test, is a small experiment designed to test logistics and gather information prior to a larger study, in order to improve the latter's quality and efficiency. We are going to apply pilot test in our research which it can reveal deficiencies in the design of a proposed experiment or procedure and these can then be addressed before time and resources are expended on large scale studies. Pilot test will assess the reliability of questionnaires before it is distributed to our samples. Its role is to pre-test the designed questionnaire that will be conducted before the actual survey. The purpose of pilot test is to help researchers to identify the problems of questionnaire before the actual survey as well as gauge the reliability of the questionnaires.

There are 30 sets of questionnaire will be randomly distributed to the lecturers in Block G of Perak UTAR campus. Questionnaires consist of 25 fixed alternative questions. Fixed alternative questions are the questions in which respondents are given specific, limited-alternative responses and asked to choose the one closest to their own view. The reasons we choose fixed-alternative question is because it required less interview skill, take less time, and are easier for the respondent to answer. The respondent is requested to answer the questionnaire and will be collected within three days. After collecting the questionnaires, the data collected will be used to conduct reliability test by using SPSS program. This SPSS test is important to ensure the reliability of the survey conducted as well as to improve the questionnaire quality before the actual survey takes place. This process is essential for researcher to make adjustment in the questionnaire in order to improve the reliability of this test.

The activities that are going to involve include checking the instruction given to investigators are comprehensible, investigators and technicians are sufficiently skilled in procedures and the reliability and validity of result. Besides that, this activity need to assess whether the level of intervention is appropriate and identify adverse effects caused by the procedure, and the effectiveness of action to reduce them.

3.5 Construct measurement

Operational in construct measurement is the process of identifying scales that correspond to variance in a concept involved in a research process. However, the scale is a device that providing a range of values that correspond to different characteristics of amounts of a characteristic exhibited in observing a concept. It is also a tool or mechanism by which individuals are distinguished as to how they differ from one another on the variables of interest to our study.

In our study, we are implementing nominal scale, ordinal scale and ratio scale as scaling technique in section A which consists of 11 questions. Besides that, we use Likert scale as our scaling technique in section B. There are total of 16 questions which designed based on Likert scale.

3.5.1 Likert Scale

Likert scale is a psychometric scale commonly used in questionnaires, and is the most widely used scale in survey research, such that the term is often used interchangeably with rating scale even though the two are not synonymous. When responding to a Likert questionnaire item, respondents specify their level of agreement to a statement. A Likert scale is a statement which the respondent is asked to evaluate according to any kind of subjective or objective criteria: generally the level of agreement or disagreement is measured. Usually there are five ordered response levels are used. The format of typical five-level likert scale is:

No.	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I have the opportunity to determine how I do the job.	1	2	3	4	5

1. Strongly disagree
2. Disagree

3. Neutral
4. Agree
5. Strongly agree

3.5.2 Nominal Scale

Nominal scale represents the most elementary level of measurement. Nominal scale assigns a value to an object for identification or classification purposes. The value can be but does not have to be a number because no quantities are being represented. In this questionnaire, the nominal scale questions which are used to acquire personal information of respondents. For example:

1. Gender:

- Male
- Female

3. Marital status:

- Single
- Married

6. Do you work as a lecturer at another university/college as well as this university/college?

- Yes
- No – proceed to question 8

3.5.3 Ordinal Scale

As for ordinal scale questions, they have nominal properties, but they also allows things to be arranged based on how much of some concept they possess. In other words, an ordinal scale is a ranking scale. However, it does not tell the value of the interval between rankings. It possesses description and order, but we do not know how far apart the descriptors are on the scale because ordinal scale does not possesses distance or origin, which means that we have no way of knowing whether the object ranked second is a close second or distant second (Malhotra & Peterson, 2006). The example of ordinal scale question in the questionnaire:

4. Highest education completed:

- Degree
- Master
- PhD

3.5.4 Ratio Scale

For ratio scale, it represent the highest form of measurement in that they have all the properties of interval scales with the additional attribute of representing absolute quantities. The ratio scale overcomes the disadvantage of the arbitrary origin point of the interval scale, in that it has an absolute zero point, which is meaningful measurement point. Besides that, ratio scale also provided iconic measurement. The example of ratio scale in the questionnaire of this study is:

10. How long have you been working as a lecturer?

Where possible exclude extended periods of absence (e.g. career breaks).

- This is my First Year
- 1-2 Years
- 3-5 Years
- 6-10 Years
- 11-15 Years
- 16-20 Years
- More than 20 years

3.5.5 Origin and Measure of Construct

Table 3.2 Source Model of Construct Measurement

Items	Construct Measurement	Sources
Empowerment	<ul style="list-style-type: none"> ● I have the opportunity to determine how I do the job. ● I take appropriate action without waiting for approval. ● My work makes good use of my skill and 	(Paula M. Short & James S. Rinehart, 1992)

	<p>ability.</p> <ul style="list-style-type: none"> ● I make decision about implementation of new program in the university ● I believe that I am empowering student. 	
Compensation	<ul style="list-style-type: none"> ● I am satisfied with the pay that I receive. ● I earn more than others who do similar work at other universities/colleges. ● My pay encourages me to improve the quality of my work. ● I will receive a reward if I do something to improve my work. ● The non-monetary benefits, such as vacation time and medical insurance that I receive here are better than those I could get at similar universities/colleges. 	(Minjoon Jun, Shaohan Cai & Hojung Shin, 2006)
Training and Development	<ul style="list-style-type: none"> ● I am sent to extend higher qualification program. ● I have received sufficient training at firm to do my job effectively. ● I am trained in quality improvement skills ● I am arranged with a mentor to facilitate career planning. ● I am given training at a regular basis. 	(Minjoon Jun, Shaohan Cai & Hojung Shin, 2006)
Appraisal System	<ul style="list-style-type: none"> ● The quality of my work is an important factor in evaluating my job performance. ● I am regularly given feedback on my job performance. ● I am satisfied with existing performance appraisal system. ● The performance ratings were done periodically. 	(Minjoon Jun, Shaohan Cai & Hojung Shin, 2006)

	<ul style="list-style-type: none"> ● The performance rating is helpful to identify my strength and weakness. 	
Employee Retention	<ul style="list-style-type: none"> ● I am prepared to put in a great deal of effort beyond what is normally expected in order to help this university to be successful. ● I plan to make this university my own career. ● I feel a lot of loyalty to this university. ● This is the best university for me to work for. ● I would recommend this university to a friend if he/she is looking for a job. 	(Minjoon Jun, Shaohan Cai & Hojung Shin, 2006)

Empowerment

Question 1: I have the opportunity to determine how I do my job.

In the educational institution, empowerment should be defined as delegation of the power of decision and action to the lecturers to complete their task in the university. It can be supported by Dr. Yasar F. Jarrar & Professor Mohamed Zairi, 2010. It is to identify whether lecturers have chance to arrange their work task.

Question 2: I take appropriate action without waiting for approval.

Mason, Wehmeyer, Field, Doren and Jones in 2004 stated that self-determination is the ability of understanding current and future circumstances, developing methods to achieve short-term and long-term goals and making self-directed decisions. This question is to show the self-determination of the lecturers.

Question 3: My work makes good use of my skill and ability.

According to Osborne and Plastrik in 2000, the empowered employees are given the opportunities to set up their work schedule, establish work arrangements and conduct performance appraisals. This question is to determine whether the lecturers make good use of their skill and ability to conduct their classes.

Question 4: I make decision about implementation of new program in the university.

According to Choong, Wong and Lau in 2011, deans and head of departments of higher educational institutions have to give the freedom to the lecturers and tutors in conducting lecture or tutorial classes, administrative work and inspection of students' research works. Therefore, the implementation of new program should involve the lecturers and tutors in the university to make sure the program is suited to the students. This question is to make sure lecturers are involving in decision-making process.

Question 5: I believe that I am empowering student.

Hummayoun Naeem and Muhammad Iqbal Saif stated that employee empowerment can create sense of belongingness and ownership towards the current organization. They tend to be more confident and perform well. This question is to show the effectiveness of empowered lecturer in empowering students to make them more confident.

Training and Development

Question 1: I am sent to extend higher qualification program.

In literature review, according to Goble (1970), self-actualization is the desire to become everything that one is capable of, and this is tested through this question.

Question 2: I have received sufficient training at firm to do my job effectively.

For a lecturer to be safer (in term of teaching effectiveness), it is important that the training provided is sufficient for them to conduct teaching effectively and reduce the stressor of ineffective teaching.

Question 3: I am trained in quality improvement skills.

Individual always seek to feel confident, competent, and self-assured. As one's confidence level grows, the chance to be rewarded will be higher. Received rewards, obtained recognitions or praises from others are needed for one's self-esteem. In order to fulfill the needs for self-esteem, individuals must be trained in proper way to pursue quality improvement skills, and this question help to test on this area.

Question 4: I am arranged with a mentor to facilitate career planning.

According to Salas (1999), training should impart new knowledge and skills if the training is relevant, meet employee and organizational needs, efficiently and effectively designed and delivered. A mentor's roles included the statement stated by Salas (1999) above and this question is aimed to test on this.

Question 5: I am given training at a regular basis.

According to Kraiger (2003), a successful organization is thought to invest more than other organizations in training and development programs. Regular basis of training provided to employee shows that the organization is indeed paying

attention to the advancement of employees, and this question is aimed to test on this issue.

Compensation

Question 1: I am satisfied with the pay that I receive.

Many people believe that compensation is one of the biggest factors that will affect employee's retention, because compensation traditionally viewed as a mean for attracting retaining employees. Therefore, this question able to help researchers to understand whether the lecturers are paid accordingly to their desire compensation.

Question 2: I earn more than others who do similar work at other universities/colleges.

In this question, the researcher determine the level of benefits and compensation using a question asking target respondent whether their position benefit level in current University relative to other University. This is usually use by many company with benchmarking studies to set employees compensation level. This will help to attract and retain employees.

Question 3: My pay encourages me to improve the quality of my work.

Economic models developed by Marino and Zabochnik [2008], Oyer [2008], and Zou [1997] indicate that benefits can also improve incentives and employee productivity. Therefore, in this question it able to determine whether pay that received by lecturers will either motivated them to work more harder nor there will be no effect to the performance of lecturers.

Question4: I will receive a reward if I do something to improve my work.

Employees are sensitive to receiving fair reward in return with their effort and may leave the company if they receive greater reward that offer by outside employers. According to Porter and Steers in their previous research, the turnover among employees is high if their employer treated them poorly or do not support them, in other word do not reward them accordingly in return with employees effort.

Question5: The non-monetary benefits, such as vacation time and medical insurance that I receive here are better than those I could get at similar universities/colleges.

Different employees required different benefits from employer. It is difficult for employees to get back their current benefits if they change jobs, if the potential employers do not offer them the same benefits or not provided to the new employees until they work for the employer for a specific amount of time.

Appraisal System

Question 1 : The quality of my work is an important factor in evaluating my job performance.

In appraisal system factor, question 1 can be related to literature review in term that supervisors need to monitor subordinates' performance to ensure smooth operation. This reflects the importance of performance outcome standard as supervisor needs to make sure quality contribution is asserted through the appraisal system.

Question 2 : I am regularly given feedback on my job performance.

Question 2 measures lecturers' perception on effectiveness of appraisal feedback which have been emphasized as an important process through support of Ramli, Mohamad & Sulaiman (2010).

Question 3 : I am satisfied with existing performance appraisal system.

It is also stated that different employees may have opposite view on appraisal's effectiveness even if evaluated under same system (Ishaq, Iqbal & Zaheer, 2009) as this would be tested through question 3.

Question 4 : The performance ratings were done periodically.

Meanwhile, question 4 is attempted to test whether if periodical appraisal process can really eradicate the halo effect, or more specifically preferred but unconscious impression by appraiser as suggested by *Boice and Kleiner (1997)*.

Question 5 : The performance rating is helpful to identify my strength and weakness.

Gruman & Saks (2011) stated that appraisal ratings measure individual's overall contribution to the organization through assessment of his internal characteristics, working performance and his capability to pursue higher position in organization; this reflects the purpose of formulating question 5 to test if lecturers have been able to self-measure effectively through the rating scale under existing appraisal system in university.

Retention System

Question 1 : I am prepared to put in a great deal of effort beyond what is normally expected in order to help this university to be successful.

An important part in retention system is with employee satisfaction that affects its performance that enhance the customer satisfaction level. This is the reason why many organisations today exert extra effort in satisfying their employees as their long term success and sustainability relies on these people, as suggested by (Jolliffe & Farnsworth, 2003, p. 312).

Question 2 : I plan to make this company my own career.

Question 2 measures lecturers' desirability on continually work for their current university and take them as their personal careers. This question reflects the perceptions on the suitability of treatments that the lecturers have received based on the effort that they have contributed to the organization. Therefore, we are to examine to what extent did UTAR realize the costs associated with turnover Ahrichs (2000) and whether the actions taken to retain their lecturers are sufficient.

Question 3 : I feel a lot of loyalty to this organization.

Loyalty can be viewed as a determinant of employees retention and turnover rate. Increasing numbers of disloyal employees will lead to higher turnover rate. These turnover rate could be caused by job stress, low commitment in the organization; and job dissatisfaction which usually leads to resignation, (Firth 2004), employees involvement (Arthur 1994), relationship with colleagues (Clarke 2001) etc.

Question 4 : This is the best organization for me to work for.

Meanwhile, question 4 attempts to test whether if the interest of employees are always protected or pursued through analysing the turnover rate of the lecturers, which is very critical to an organization's reputation and viewed as permanent departure beyond organizational boundaries (Cascio, 1995, p. 581).

Question 5 : I would recommend this company to a friend if he/she is looking for a job.

Question 5 measures the intensity of effort made by employers to obtain and retain the best talent in their organisation. Therefore, if the employees felt their values to the organization which is not easily replicated are being appreciated, Meaghan et al. (2002) , there are high chance that they would recommend a friend who is looking for a job or transfer to consider their current organization.

3.6 Data Processing

Data is meaningless and a collection of numbers, characters and other outputs that are unprocessed. Data collected should be converted into information to make it meaningful and useful. In 2003, Zikmund has stated that the editing and coding of data should be done to convert raw data into information. The information can be transferred or stored in a computer or other storage device.

Pilot test will be conducted to edit and check the questionnaires of this research. To gain more reliable, accurate and consistent data, researchers would be present to ensure the respondents for the pilot test completed their questionnaires. Researchers were attended to solve any inquires, misunderstandings and confusion of the respondents. The appropriate changes have been made in the questionnaire. It is to ensure the reliability of data.

This research can progress through the actual data collection and also through the analysis of data using SPSS (Statistically Packages for Social Science) program. Relevant questionnaire items were pre-coded accordingly before analyzing the data.

3.7 Data analysis

3.7.1 Descriptive Analysis

Data analysis is the process of converting unprocessed data into useful information. To analyze the data collected, the SPSS (Statistically Packages for Social Science) program will be used. The SPSS has been chosen to complete the data analysis process of this research. Data analysis process can be done by editing, coding and keying in the required data into SPSS program.

According to Zikmund (2003), descriptive analysis refers to the conversion of data into a classification that will allow certain characteristics of a sample taken to be measured and analyzed. It included descriptive analysis of age, gender, income and others. In the descriptive analysis we used frequency analysis on a set of data. Frequency analysis is used to organize and summarize the number of times a

descriptive variable occurs (Zikmund, 2003). To show the frequency of each variable, bar charts, histograms and pie charts are used.

Bar chart is a classic method for numerical comparisons. A bar chart can show data in the form of bars that can display either vertically and horizontally. Hence, it is a classic diagram that usually gives a good picture of the data. A pie chart is a circular chart in which the circle is divided into sectors. Each sector visually represents an item in data set to match the amount of the item as a percentage or proportion of the total data set.

To show the data more effectively, histogram was used. A histogram can be said as a graphical representation to show a visual impression of the distribution of data. The total area of the histogram is equal to the number of data. A histogram may also be useful to display relative frequencies of the data. It also shows the proportion that fall into each of several categories.

3.7.2 Scale Measurement

Cronbach Alpha Reliability Analysis

Correlation indicates the strength and direction of linear association between two random variables (Cooper and Schindler, 2006). Pearson's correlation coefficient is used to analysis the relationship between the variable. Most of the data collected will be analyzed using SPSS Cronbach's Alpha. Reliability is the degree to which measures are free from error (Zikmund, 2003). Hence, Cronbach Alpha is acceptable and suitable to measure to the reliability of the items in the questionnaires. In the section 2 of the questionnaire, the researcher would like to test the reliability to measure the result is consistent and accurate. The evaluation of the Cronbach Alpha:

Table 3.3 Alpha Coefficient Range

Alpha Coefficient Range	Strength of Association
<0.6	Poor

0.6 to < 0.7	Moderate
0.7 to < 0.8	Good
0.8 to < 0.9	Very Good
0.9	Excellent

If the alpha is more than 0.95, it should be inspected carefully.

3.7.3 Inferential Analysis

One-way ANOVA

ANOVA is a technique to analyze the effects of one treatment variables on an interval-scale dependent variable. It was used to identify the statistical significant differences between the means occur between two or more groups (Mark, Philip and Adrian, 2007). ANOVA is a “one-way” test because there is only one dependent variable. Researcher used the one-way ANOVA test to identify whether there is significant association between each of the variables. It is appropriate to implement in qualification part in section 1 of the questionnaire. It is to test the respondent's value for the level of significance in the employee retention. The variance within group will be based on F-test. If p-value is less than significant level 0.05 then reject the null hypothesis, otherwise do not reject.

Pearson Correlation Coefficient

The correlation coefficient examines the strength of the linear relationship between two variables. The value of correlation is range from +1 to -1. When the correlation coefficient is +1 it indicates that two variables have a perfect positive relationship and value of -1 means perfect negative relationship. The closer the value of r to +1 or -1, the stronger the degree of association between X and Y. if the value of r is equal to zero, then there is no association between X and Y.

In this research, the researcher used Pearson Coefficient to measure the linear association between the four factors (employee compensation, appraisal system, empowerment and training development) and employee retention.

Multiple Regressions

Multiple regressions are an analysis of association that simultaneously develops a mathematical relationship between two or more independent variables and an interval-scaled dependent variable. Multiple regressions can build a set of independent variables that explain the proportion of the variance in dependent variables at significant level through multiple correlation tests. The equation of the multiple regressions is as follows:

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \dots$$

Table 3.4 Multiple Regression

Y_i	Dependent variables
β_0	Estimated constant
β_{1-4}	Coefficients associated with the predictor variables
X_{1-4}	Predictors (independent) variables that influence the dependent variable

3.8 Conclusion

This section introduces the methodology used by this research to identify, collect, organize, process and analyze the required data to transform into meaningful information for further inference in next chapter. It mainly focuses on how does the study decides to collect its primary data from target population and the instrument used in order to implement the process of analysis using SPSS

software . It is stated in this section on which tests are going to be implemented in order to generate useful information for the study to test the hypotheses formulated to achieve its objectives. The findings and discussion on result will be further discussed in next chapter.

Chapter 4: Research Results

4.0 Introduction

This section conducts descriptive and inferential analysis based upon statistic data generated from previous chapter using the data collected in primary survey. It reflects the result of the data processing via SPSS software where reliability of instrument has been further tested to show study validity. Moreover, the demographic and instrument construct information will be presented in an organized manner through charts and tables. This chapter shows the characteristics of population and how does independent variables react toward dependent variable which indirectly indicate the result of hypotheses testing. This chapter will be relatively important to generate conclusion of the entire study and hence determine the implication of the study.

4.1 Descriptive Analysis

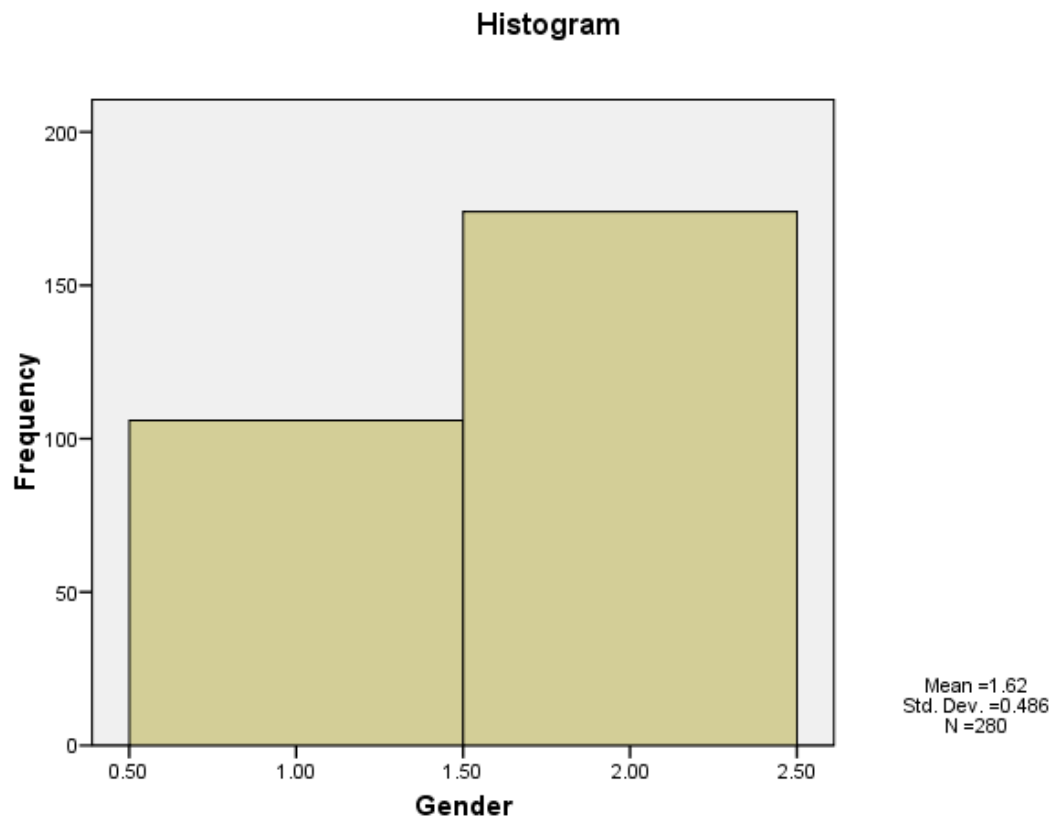
4.1.1 Respondent Demographic Profile

Table 4.1.1: Respondent's gender
Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	106	37.9	37.9	37.9
	Female	174	62.1	62.1	100.0
	Total	280	100.0	100.0	

Source: Developed for the research

Figure 4.1.1 Respondent's gender



Source: Developed for the research.

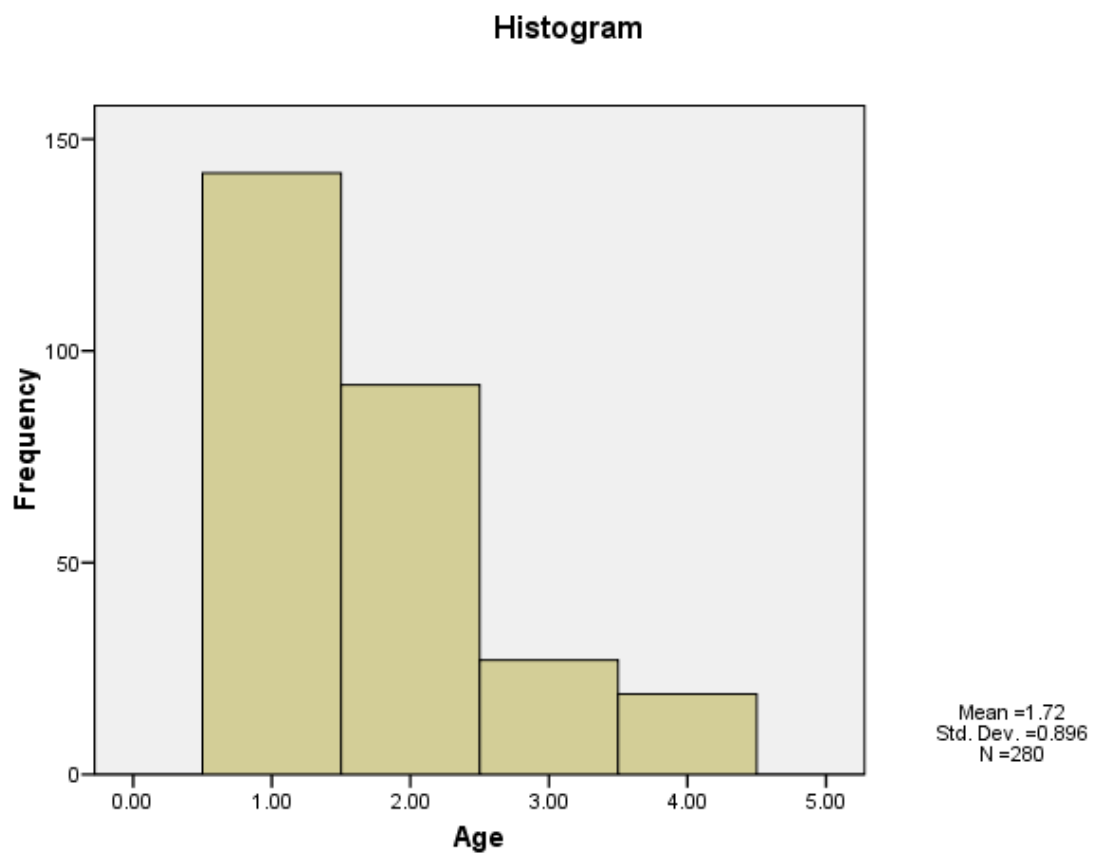
The survey questionnaire is distributed to 280 lecturers currently employing in UTAR. From the figure above, it shows that there are 106 out of the total population surveyed represent male while another 174 represent female.

Table 4.1.2: Respondent's Age

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25-30	142	50.7	50.7	50.7
	30-40	92	32.9	32.9	83.6
	40-50	27	9.6	9.6	93.2
	50-60	19	6.8	6.8	100.0
Total		280	100.0	100.0	

Source: Developed for the research

Figure 4.1.2 Respondent's Marital Status



Source: Developed for the research.

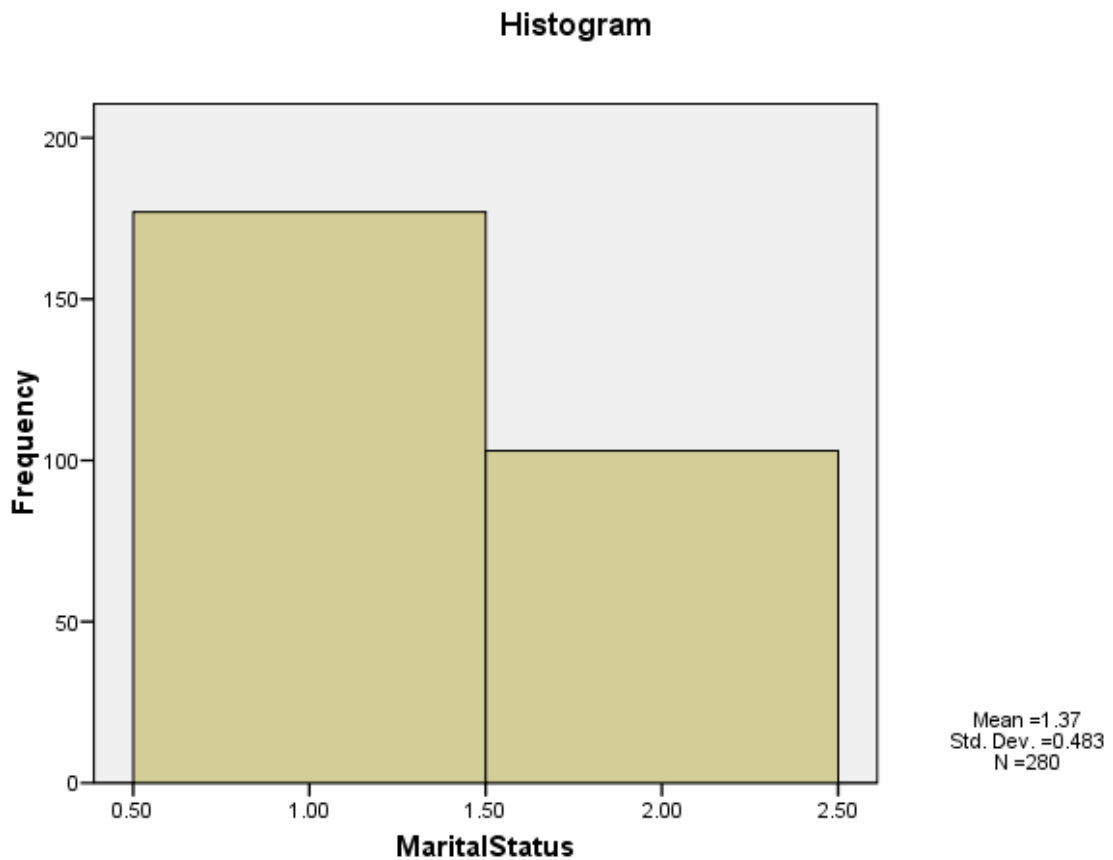
Based on the above table and histogram, there are 142 respondents (50.7%) within the age of 25-30; 92 respondents (32.9%) within the age of 30-40; 27 respondents (9.6%) within the age of 40-50; and 19 respondents (6.8%) within the age of 50-60.

Table 4.1.3: Respondent's Marital Status

		MaritalStatus			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	177	63.2	63.2	63.2
	Married	103	36.8	36.8	100.0
Total		280	100.0	100.0	

Source: Developed for the research.

Figure 4.1.3 Respondent's Marital Status



Source: Developed for the research

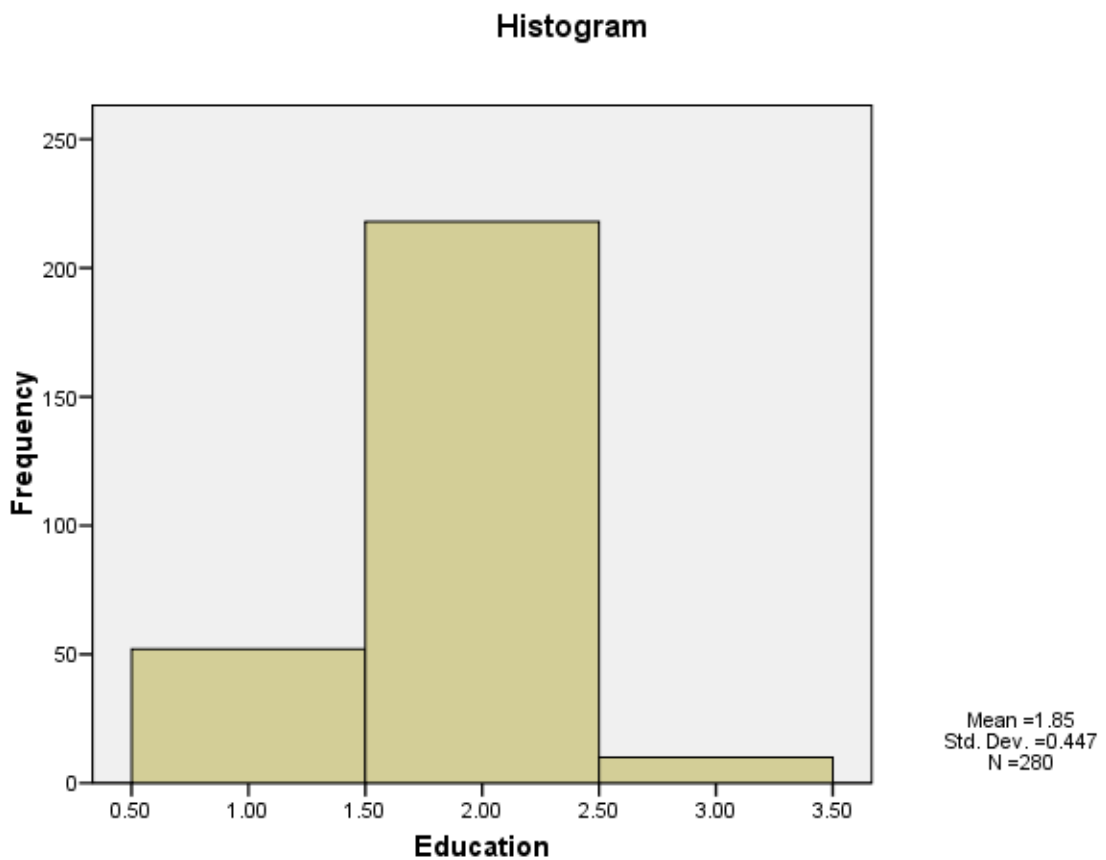
Based on the table and histogram, it shows that 177 respondents (63.2%) are single while another 103 respondents (36.8%) are married out of total 280 respondents.

Table 4.1.4: Respondent's Education Level

		Education			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Degree	52	18.6	18.6	18.6
	Master	218	77.9	77.9	96.4
	PhD	10	3.6	3.6	100.0
	Total	280	100.0	100.0	

Source: Developed for the research

Figure 4.1.4 Respondent's Education Level



Source: Developed for the research.

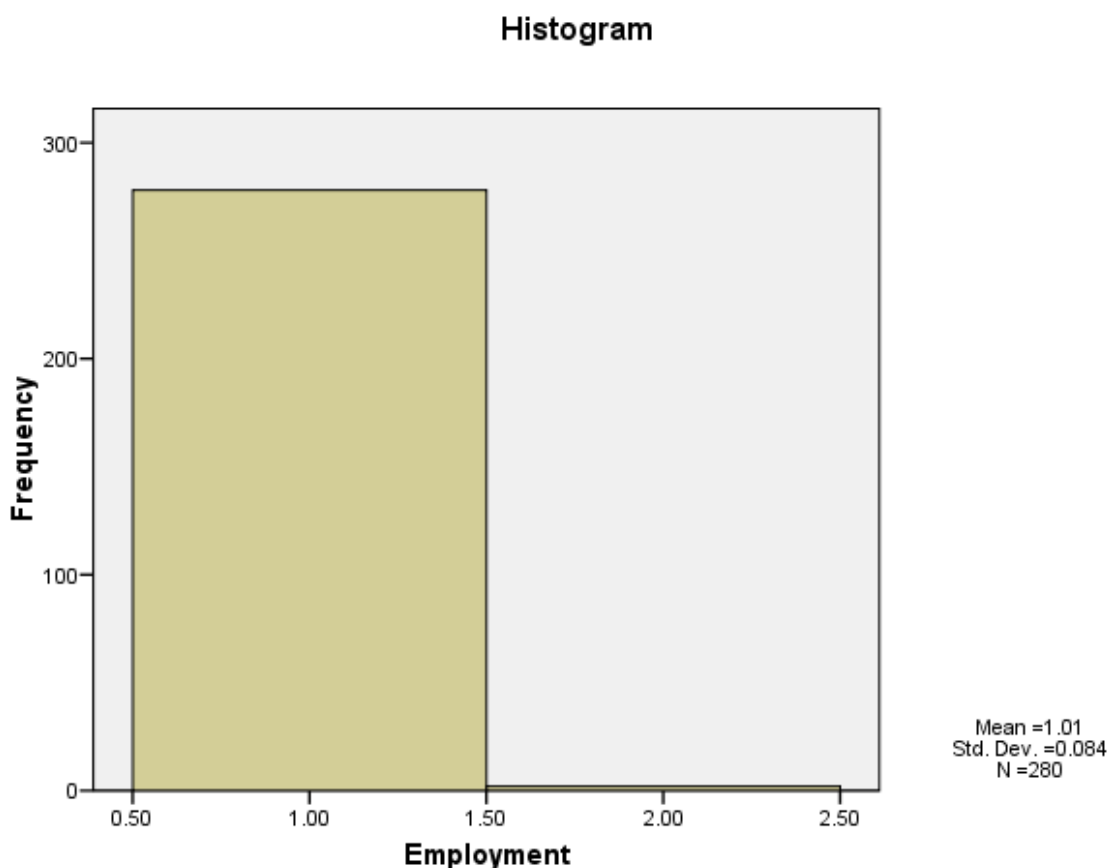
Based on the table and figure, there are 52 respondents (18.6%) who hold degree level, 218 respondents (77.9%) who hold Master level, while another 10 respondents who hold PhD level out of total 280 respondents.

Table 4.1.5: Respondent's Employment Status

		Employment			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Full-time	278	99.3	99.3	99.3
	Part-time (50%-90% of full-time hours)	2	.7	.7	100.0
	Total	280	100.0	100.0	

Source: Developed for the research

Figure 4.1.5 Respondent's Employment Status



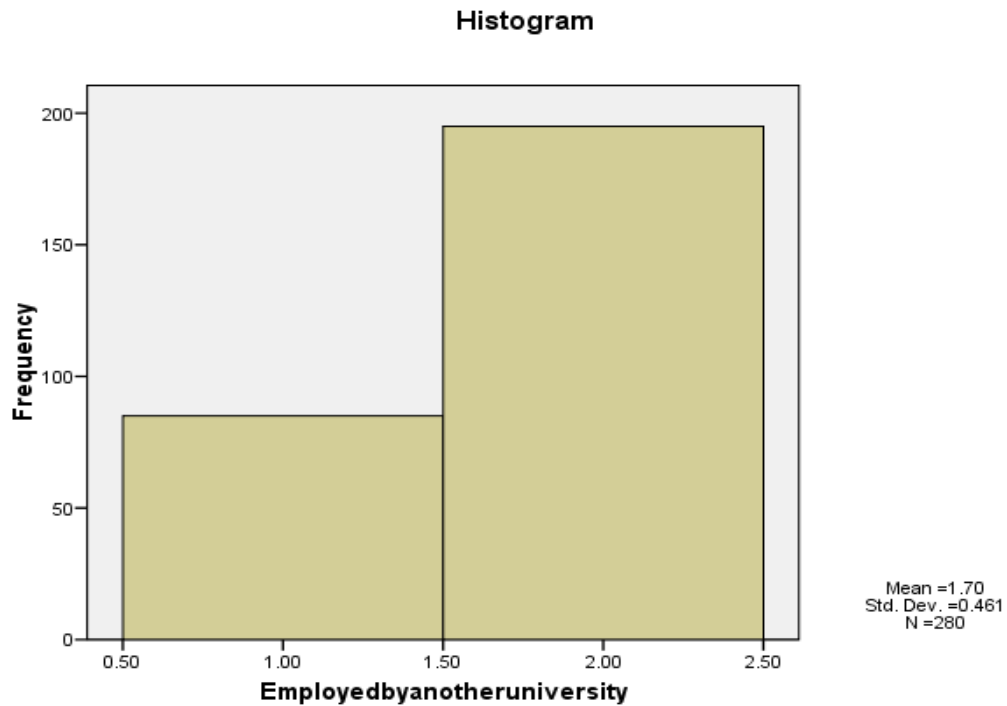
Source: Developed for the research

Based on the figures above, there are 278 respondents surveyed, who represent major population, working as full time lecturer in UTAR. The minority 2 respondents who received surveyed represent the other part-time lecturers.

Table 4.1.6 Respondents' experience of being employed by another university

Employedbyanotheruniversity					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	85	30.4	30.4	30.4
	No	195	69.6	69.6	100.0
Total		280	100.0	100.0	

Figure 4.1.6 Respondents' experience of being employed by another university



Source: Developed for the research.

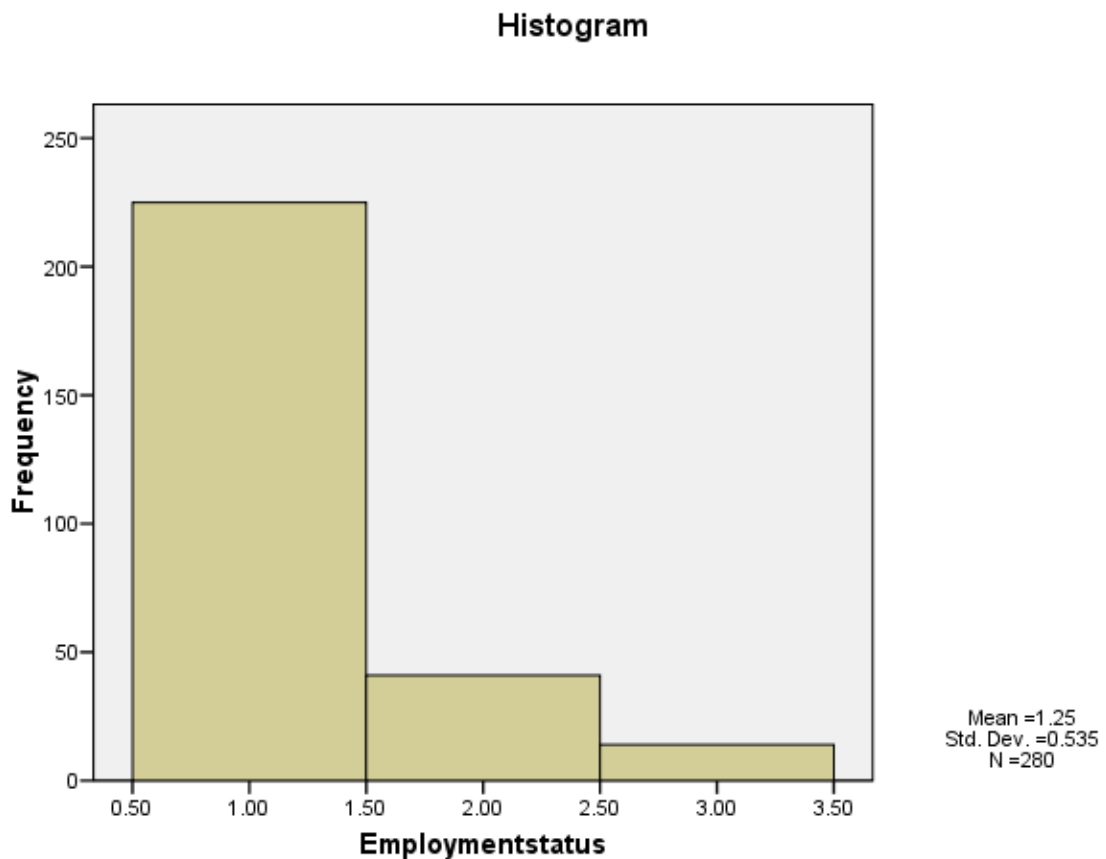
The figure above shows that majority of the respondents have the experience of being lecturer in another university, which amounts to 69.6% representing 195 respondents from the total respondents. Meanwhile, 30.4% of them do not have the experience of being employed by another university representing 85 respondents.

Table 4.1.7 Respondents' employment status in this university

		Employmentstatus			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Permanent Employment	225	80.4	80.4	80.4
	Fixed term contract for a period of more than 1 academic-year	41	14.6	14.6	95.0
	Fixed-term contract for a period of 1 academic-year or less	14	5.0	5.0	100.0
	Total	280	100.0	100.0	

Source: Developed for the research.

Figure 4.1.7 Respondents' employment status in this university



Source: Developed for the research.

There are three categories of employment status in this university. There are permanent contract, fixed-term contract for a period of more than 1 academic-year and fixed-term contract for a period for 1 academic-year or less. Based on the figure, it illustrates that 80.4% (225 respondents) of them are employed under permanent contract, 14.6% (41 respondents) of them are employed under fixed-

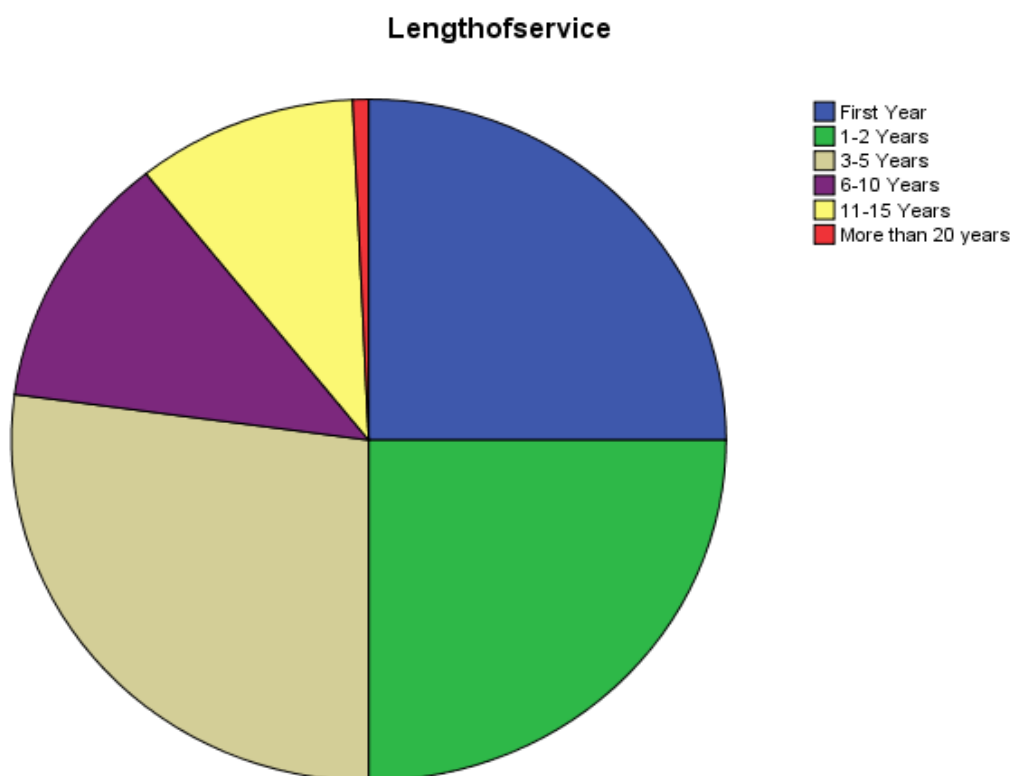
term contract for a period of more than 1 academic-year and the remaining 5% (14 respondents) falls in the category of fixed-term contract for a period for 1 academic-year or less.

Table 4.1.8 Respondents' length of service as a lecturer

		Lengthofservice			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	First Year	70	25.0	25.0	25.0
	1-2 Years	70	25.0	25.0	50.0
	3-5 Years	76	27.1	27.1	77.1
	6-10 Years	34	12.1	12.1	89.3
	11-15 Years	28	10.0	10.0	99.3
	More than 20 years	2	.7	.7	100.0
	Total	280	100.0	100.0	

Source: Developed for the research

Figure 4.1.8 Respondents' length of service as a lecturer



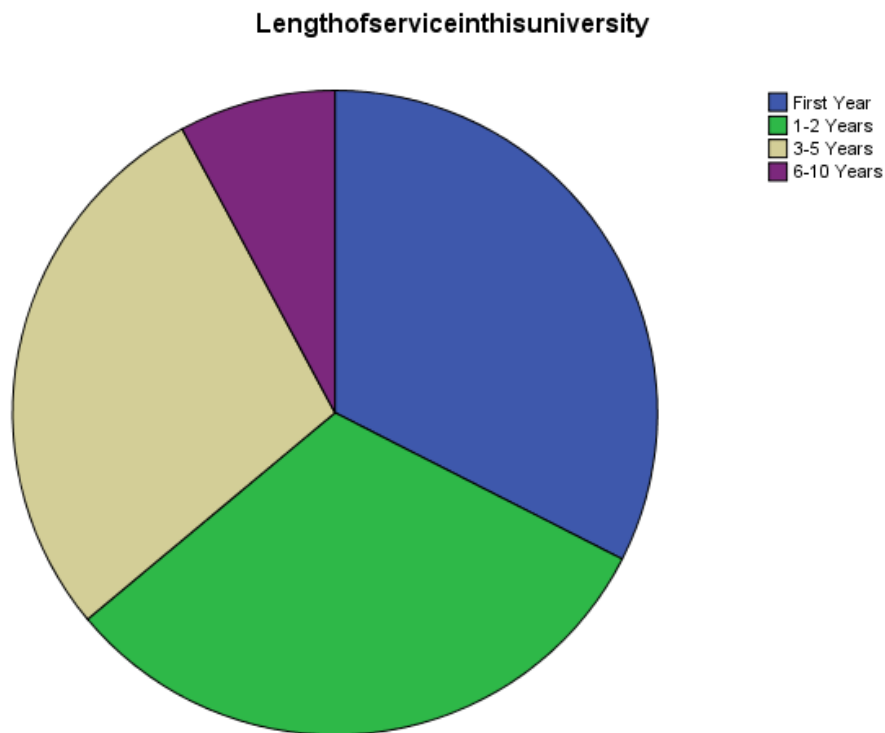
There are six categories of length of service as a lecturer: first year, one to two years, three to five years, six to ten years, eleven to fifteen years and more than 20 years. According to table and figure 5, we found that most of the respondents have been working as a lecturer with account to 27.1% (76 respondents) of total

respondents. It is followed by first-year lecturer and lecturer with one and two years experience with 25% (70 respondents). 12.1% (34 respondents) of them have been working as a lecturer for six to ten years. Meanwhile, 10% (28 respondents) of them have been working as a lecturer for eleven to fifteen years. Lastly, the remaining 0.7% (2 respondents) falls in the category of more than 20 years working experience

Table 4.1.9 Respondents' length of service in this university

		Lengthofserviceinthisuniversity			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	First Year	91	32.5	32.5	32.5
	1-2 Years	88	31.4	31.4	63.9
	3-5 Years	79	28.2	28.2	92.1
	6-10 Years	22	7.9	7.9	100.0
	Total	280	100.0	100.0	

Figure 4.1.9 Respondents' length of service in this university



Sorce: developed for the research.

There are 4 categories of length of service in this university. There are first year, one to two years, three to five years and six to ten years. Based on table 4.1.1.8 and figure 4.8, 32.5% (91 respondents) of them are at their first year accordingly while 31.4% of them (88 respondents) have been working in this university for one to years and 28.2% of them (79 respondents) have been working in this university for three to five years. Lastly, the remaining respondents are illustrated in the chart consist of 7.9% (22 respondents) at the category of six to ten years

4.1.2 Central Tendencies Measurement of Constructs

Table 4.2.1 Central Tendencies Measurement

		Statistics				
		average summated of empowerment	average summated of compensation	average summated of training	average summated of appraisal	average summated of retention
N	Valid	280	280	280	280	280
	Missing	0	0	0	0	0
Mean		3.4100	2.9886	3.5914	3.3843	3.4179
Std. Deviation		.65114	.68774	.70181	.72144	.75146

Source: Developed from the research

Based on the above statistics, the mean and standard deviation of criterion variable of retention has a mean (μ) of 3.4179 and standard deviation (σ) of 0.72144. However, for each of the predictor variable are as followed:

- Empowerment, $\mu = 3.4100$ and $\sigma = 0.65114$
- Compensation, $\mu = 2.9886$ and $\sigma = 0.68774$
- Training, $\mu = 3.5914$ and $\sigma = 0.70181$
- Appraisal, $\mu = 3.3843$ and $\sigma = 0.72144$

4.2 Scale Measurement

As mentioned in previous chapter, the study would use Cronbach Alpha to measure the reliability of the items in the questionnaires for consistency and accuracy. The reliability test has been implemented during the pilot test stage to identify and enhance the survey instrument to better reflect its validity. After collecting the pilot test result, these 30 copies of result data are keyed into SPSS software to generate result through Cronbach Alpha. The result is as following :

The result show that all variables include empowerment, compensation, training, appraisal and retention have all achieved result at satisfactory level. This is especially true for retention as dependent variable which has achieved “very good” strength of association while other 4 independent variables also at least achieving “good” strength of association. This reflects that the instrument used in the study is firm and valid enough to

generate accurate information that will be needed to test the research questions, and hence producing convincing meaningful findings. Subsequently, the reliable instrument can be distributed to target respondent for substantive study.

4.3 Inferential Analysis

4.3.1 Pearson Correlation Test

Table 4.3.1.1 Empowerment Correlation Result

Correlations			
		average summatod of empowermen t	average summatod of retention
average summatod of empowerment	Pearson Correlation Sig. (2-tailed) N	1 280	.417** 280
average summatod of retention	Pearson Correlation Sig. (2-tailed) N	.417** 280	1 280

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

Employee Empowerment

H_0 : There is no significant relationship between employee empowerment and employee retention.

H_1 : There is significant relationship between employee empowerment and employee retention.

Based on the Pearson test, it shows that there is significantly positive relationship between independent variable empowerment and dependent variable retention. The value of 0.417 indicate empowerment is positively correlated to retention, i.e. if empowerment of an employee is raised, it will likely to generate higher retention to the organization.

Table 4.3.1.2 Compensation Correlation Result

Correlations

		average summated of retention	average summated of compensation
average summated of retention	Pearson Correlation	1	.608**
	Sig. (2-tailed)		.000
	N	280	280
average summated of compensation	Pearson Correlation	.608**	1
	Sig. (2-tailed)	.000	
	N	280	280

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

Employee Compensation

H_0 : There is no significant relationship between employee compensation and employee retention.

H_1 : There is significant relationship between employee compensation and employee retention.

Based on the Pearson test, it shows that there is significantly positive relationship between independent variable compensation and dependent variable retention. The value of 0.608 indicate compensation is positively correlated to retention, i.e. if compensation of an employee is raised, it will likely to generate higher retention to the organization.

Table 4.3.1.3 Training Correlation Result

Correlations

		average summated of retention	average summated of training
average summated of retention	Pearson Correlation	1	.485**
	Sig. (2-tailed)		.000
	N	280	280
average summated of training	Pearson Correlation	.485**	1
	Sig. (2-tailed)	.000	
	N	280	280

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

Employee Training

H₀ : There is no significant relationship between employee training and employee retention.

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

Based on the Pearson test, it shows that there is significantly positive relationship between independent variable training and dependent variable retention. The value of 0.485 indicate training is positively correlated to retention, i.e. if training for an employee is increased, it will likely to generate higher retention to the organization.

Table 4.3.1.4 Appraisal Correlation Result

Correlations

		average summated of retention	average summated of appraisal
average summated of retention	Pearson Correlation	1	.579**
	Sig. (2-tailed)		.000
	N	280	280
average summated of appraisal	Pearson Correlation	.579**	1
	Sig. (2-tailed)	.000	
	N	280	280

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

Appraisal System

H₀ : There is no significant relationship between appraisal system and employee retention.

H₁ : There is significant relationship between appraisal system and employee retention.

Based on the Pearson test, it shows that there is significantly positive relationship between independent variable appraisal and dependent variable retention. The value of 0.579 indicate appraisal is positively correlated to retention, i.e. if appraisal for an employee is well-implemented, it will likely to generate higher retention to the organization.

The correlation coefficient examines the strength of the linear relationship between two variables but it does not provide fundamental to bring on accept or reject decision on formulated hypothesis as it only shows the overall pattern and general relationship among the variables.

4.3.2 Multiple Linear Regression

4.3.2.1 Model summary

Table 4.3.2.1 Multiple Regression Model Summary

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.680 ^a	.463	.455	.55463

a. Predictors: (Constant), average summated of appraisal, average summated of empowerment, average summated of compensation, average summated of training

b. Dependent Variable: average summated of retention

Source: Developed from the research

According to the model summary above, the R square value had gain 0.680, which is 68 percent. These mean that 68% of dependent variable of retention can be explained by it 4 independent variable. The independent variable refer to include empowerment, compensation, training and appraisal system in this research, it will conclude that 32% (100% - 68%) of dependent variable of retention is explained by other potential factors. The value of adjusted R square with value of 0.463 which 46.3% represented the significant contribution of the 4 independent variable toward dependent variable.

4.3.2.2 ANOVA

Table 4.3.2.2 ANOVA Model Summary

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	72.955	4	18.239	59.290	.000 ^a
	Residual	84.595	275	.308		
	Total	157.551	279			

a. Predictors: (Constant), average summated of appraisal, average summated of empowerment, average summated of compensation, average summated of training

b. Dependent Variable: average summated of retention

Source: Developed from the research

Table above determine satisfactory result as the significance level of the model is not over or smaller than 0.05. Thus, model that used in this research is good.

4.3.2.3 Multiple Regression Analysis

Table 4.3.2.3 Multiple Regression Coefficient Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.577	.208		2.778	.006
	average summated of empowerment	.047	.063	.041	.750	.454
	average summated of compensation	.413	.062	.378	6.692	.000
	average summated of training	.155	.062	.145	2.496	.013
	average summated of appraisal	.262	.065	.252	4.042	.000

a. Dependent Variable: average summated of retention

Source: Developed from the research

Multiple Regression equation:

$$Y = C + \beta X_1 + \beta X_2 + \beta X_3 + \dots + \beta X_n$$

Y= Prediction relationship of types of variables toward retention.

C= Constant value.

β = Unstandardized coefficient.

X= Dimension of independent variable (empowerment, compensation, training and appraisal system).

Based on the above table, the researchers is able to derive the following equation:

$$Y = 0.577 + 0.047X_1 + 0.413X_2 + 0.155X_3 + 0.262X_4$$

This can be interpreted that the increase of 1 unit of empowerment (X₁) may incur the raise of 0.047 units in retention (Y). However, for the independent variable of compensation, every 1 unit of increase will incur the raise of 0.413 units in dependent variable, retention. On the others hand, 1 unit increase in training may cause 0.155 units of retention to increase. Finally, appraisal variable also have a constant relation with retention, it is every 1 unit increase in appraisal with incur the raise of 0.262 units in retention.

The highest beta indicates the independent variable is the most significant variable toward it dependent variable. From the table above, the independent variable of compensation has the highest positive beta of 0.378, this mean that the independent variable of compensation has contribute the most and has stronger effect toward the retention if compare to others independent variable.

4.4 Conclusion

This section has presented the entire relevant statistic from demographic data and inferential data as well. By using the SPSS software, tables and figures are constructed to present the information in organized manner. These analyses are being used to further prove the hypotheses test previously formulated. It outlines

the reliability result of the survey instrument and determines the relationship between the variables to eventually test the research questions. The deeper analysis of findings will be discussed in next chapter to close up the entire study.

CHAPTER 5: DISCUSSION AND CONCLUSION

5.0 Introduction

This section will be the continuance of Chapter 4 where it will be more towards summarization of the analyses and combination of major findings from these analyses. It will be a medium for discussion of meaningful finding obtained through the whole study and its contribution to the related field study. Moreover, it will discuss constraint of current study and how others can use this research as fundamental to construct new study to further investigate the topic in discussion.

5.1 Summary of Statistical Analyses

5.1.1 Summary of Descriptive Analysis

The survey questionnaire is distributed to 280 lecturers currently employing in UTAR. It shows that there are 106 out of the total population surveyed represent male while another 174 represent female. Meanwhile, there are 142 respondents (50.7%) within the age of 25-30; 92 respondents (32.9%) within the age of 30-40; 27 respondents (9.6%) within the age of 40-50; and 19 respondents (6.8%) within the age of 50-60. It shows that 177 respondents (63.2%) are single while another 103 respondents (36.8%) are married out of total 280 respondents.

From the education level aspect, there are 52 respondents (18.6%) who hold degree level, 218 respondents (77.9%) who hold Master level, while another 10 respondents who hold PhD level out of total 280 respondents. Regarding the employment status, there are 278 respondents surveyed, who represent major population, working as full time lecturer in UTAR. The minority 2 respondents who received surveyed represent the other part-time lecturers. In addition, it shows that majority of the respondents have the experience of being lecturer in another university, which amounts to 69.6% representing 195 respondents from the total respondents. Meanwhile, 30.4% of them do not have the experience of being employed by another university representing 85 respondents.

There are three categories of employment status in this university, i.e. permanent contract, fixed-term contract for a period of more than 1 academic-year and fixed-term contract for a period for 1 academic-year or less where the result shows that 80.4% (225 respondents) of them are employed under permanent contract, 14.6% (41 respondents) of them are employed under fixed-term contract for a period of more than 1 academic-year and the remaining 5% (14 respondents) falls in the category of fixed-term contract for a period for 1 academic-year or less.

There are six categories of length of service as a lecturer: first year, one to two years, three to five years, six to ten years, eleven to fifteen years and more than 20 years. According to result on previous chapter, study found that most of the respondents have been working as a lecturer with account to 27.1% (76 respondents) of total respondents. It is followed by first-year lecturer and lecturer with one and two years experience with 25% (70 respondents). 12.1% (34 respondents) of them have been working as a lecturer for six to ten years. Meanwhile, 10% (28 respondents) of them have been working as a lecturer for eleven to fifteen years. Lastly, the remaining 0.7% (2 respondents) falls in the category of more than 20 years working experience

There are 4 categories of length of service in this university, i.e. first year, one to two years, three to five years and six to ten years. As summarized previously, 32.5% (91 respondents) of them are at their first year accordingly while 31.4% of them (88 respondents) have been working in this university for one to years and 28.2% of them (79 respondents) have been working in this university for three to five years. Lastly, the remaining respondents are illustrated in the chart consist of 7.9% (22 respondents) at the category of six to ten years

Regarding the central tendencies measurement, the mean and standard deviation of criterion variable of retention has a mean (μ) of 3.4179 and standard deviation (σ) of 0.72144. However, for each of the predictor variable are as followed:

- Empowerment, $\mu = 3.4100$ and $\sigma = 0.65114$
- Compensation, $\mu = 2.9886$ and $\sigma = 0.68774$
- Training, $\mu = 3.5914$ and $\sigma = 0.70181$
- Appraisal, $\mu = 3.3843$ and $\sigma = 0.72144$

5.1.2 Summary of Scale Measurement

There are 30 copies of questionnaire distributed to conduct the pilot test. The result data are keyed into SPSS software to generate result through Cronbach Alpha. It shows that all variables include empowerment, compensation, training, appraisal and retention have all achieved result at satisfactory level. This is especially true for retention as dependent variable which has achieved “very good” strength of association while other 4 independent variables also at least achieving “good” strength of association.

5.1.3 Summary of Pearson Correlation Test

Employee Empowerment

Based on the Pearson test, it shows that there is significantly positive relationship between independent variable empowerment and dependent variable retention. The value of 0.417 indicate empowerment is positively correlated to retention.

Employee Compensation

Based on the Pearson test, it shows that there is significantly positive relationship between independent variable compensation and dependent variable retention. The value of 0.608 indicate compensation is positively correlated to retention.

Employee Training

Based on the Pearson test, it shows that there is significantly positive relationship between independent variable training and dependent variable retention. The value of 0.485 indicate training is positively correlated to retention.

Appraisal System

Based on the Pearson test, it shows that there is significantly positive relationship between independent variable appraisal and dependent variable retention. The value of 0.579 indicate appraisal is positively correlated to retention.

5.1.4 Summary of Multiple Linear Regression

The regression model shows that the R square value had gain 0.680, which is 68 percent. These mean that 68% of dependent variable of retention can be explained by it 4 independent variable. The independent variable refer to include empowerment, compensation, training and appraisal system in this research, it will conclude that 32% (100% - 68%) of dependent variable of retention is explained by other potential factors. The value of adjusted R square with value of 0.463 which 46.3% represented the significant contribution of the 4 independent variable toward dependent variable.

The ANOVA Table determine satisfactory result as the significance level of the model is not over or smaller than 0.05. Thus, model that used in this research is good.

As for the multiple regression analysis, the result summarized as follow :

Multiple Regression equation:

$$Y = C + \beta X_1 + \beta X_2 + \beta X_3 + \dots + \beta X_n$$

Y= Prediction relationship of types of variables toward retention.

C= Constant value.

β = Unstandardized coefficient.

X= Dimension of independent variable (empowerment, compensation, training and appraisal system).

Based on the above table, the researchers is able to derive the following equation:

$$Y = 0.577 + 0.047X_1 + 0.413X_2 + 0.155X_3 + 0.262X_4$$

This can be interpreted that the increase of 1 unit of empowerment (X1) may incur the raise of 0.047 units in retention (Y). However, for the independent variable of compensation, every 1 unit of increase will incur the raise of 0.413 units in dependent variable, retention. On the others hand, 1 unit increase in training may cause 0.155 units of retention to increase. Finally, appraisal variable also have a constant relation with retention, it is every 1 unit increase in appraisal with incur the raise of 0.262 units in retention.

The highest beta indicates the independent variable is the most significant variable toward it dependent variable. From the table above, the independent variable of compensation has the highest positive beta of 0.378, this mean that the independent variable of compensation has contribute the most and has stronger effect toward the retention if compare to others independent variable.

5.2 Discussions of Major Findings

Table 5.1: Summary of Results

Hypothesis	Result	Supported
H ₁ : There is significant relationship between employee empowerment and employee retention.	r =0.417 p=0.454 (p > 0.05)	No
H ₂ : There is significant relationship between employee compensation and employee retention.	r = 0.608 p = 0.00 (p < 0.01)	Yes
H ₃ : There is significant relationship between employee training and employee retention.	r = 0.485 p = 0.013 (p < 0.05)	Yes
H ₄ : There is significant relationship between appraisal system and employee retention.	r = 0.579 p = 0.00 (p < 0.01)	Yes

H₁ : There is significant relationship between employee empowerment and employee retention.

From the hypotheses testing in chapter 4, it shows that there is significantly positive relationship between independent variable empowerment and dependent variable retention. The value of 0.417 indicate empowerment is positively correlated to retention. However, $p=0.454$ ($p>0.05$). Hence, H₁ is not supported.

Generally, the raise of empowerment of an employee will likely to generate higher retention to the organization. According to Carol Yeh in 2002, an empowering culture nourishes empowering leaders, accelerates the implementation of empowering practices, and encourages employees to be self-managing. However, in countries with high power distance such as Taiwan, Japan and other Asian countries, empowerment may not be implemented effectively. In a Taiwanese's research, employees of local Taiwan companies rated empowering leaders and empowering culture as lowest. This result can show agreement with the paternalistic leadership style of traditional Chinese firms. Leaders in Chinese regard subordinates as their children (Lin, 1991, pp. 33—34). Leaders (parents) arrange most of the important tasks for the employees (children). Without empowerment, the employees (children) will remain in the same organization due to the paternalistic leadership style. Employees (children) will loyal to their leaders (parent). UTAR is an Asian company. Therefore, empowerment may not be regarded as an important factor in retaining employees due to the paternalistic leadership style of traditional Chinese firms. Employee may feel that a centralized organizational structure can lead organizational success. Moreover, according to Carol Yeh in 2002, in Eastern cultures, with age comes respect. Older employees tend to have more work experience and are more likely to be assigned jobs that require autonomy. Hence, empowerment in Eastern culture may associate with the age of the employee. An older employees may rate an empowerment environment more favourably.

From the results above, these results indicate that the relationship is correlated but not significant.

H₂ : There is significant relationship between employee compensation and employee retention.

From the hypotheses testing, it shows that there is significantly positive relationship between independent variable compensation and dependent variable retention. The value of 0.608 indicate compensation is positively correlated to retention and its p-value is 0.00 ($p < 0.01$). Hence, H₂ is supported.

H₃ : There is significant relationship between employee training and employee retention.

From the hypotheses testing, it shows that there is significantly positive relationship between independent variable training and dependent variable retention. The value of 0.485 indicate training is positively correlated to retention and its p-value is 0.013 ($p < 0.05$). Hence, H₃ is supported.

H₄ : There is significant relationship between appraisal system and employee retention.

From the hypotheses testing, it shows that there is significantly positive relationship between independent variable appraisal and dependent variable retention. The value of 0.579 indicate appraisal is positively correlated to retention and its p-value is 0.00 ($p < 0.01$). Hence, H₄ is supported.

5.3 Implications of Study

5.3.1 Managerial Implications

The findings found from this study will be particularly useful for top organization to understand how they can do better to improve their employee retention strategy. The research explores how employees perceive the importance of empowerment,

training, compensation and appraisal aspects when they make decision to stay loyalty with an organization. These aspects are all essential human resource tools that often been utilized by most of the corporation nowadays to facilitate their strategic management.

Based on the findings generated, employees are generally concerned with all these aspects as result shows close relationship between these independent variables and employee retention. Hence, manager must be sensitive to needs of employees in learning new skills & knowledge, delegation of power on action and decision, desire for competitive compensation package and recognition on existing appraisal system. The study assumes that if an organization fulfils employee satisfaction in all these aspects, there will be higher possibility that the retention rate would be boosting in that organization.

Moreover, this study reveals an opportunity for organization to manipulate these four aspects to attract potential talents. By establishing a reputable image as an organization, the organization will directly become favourites among the workers. When an organization is able to motivate its employees in a more specific manner, it will directly increase productivity and efficiency of its operation.

5.4 Limitation of the study

In this research, researchers encountered a few limitations. The researchers solved the problems faced to make sure the research can be done in time.

Single source of respondent

In this research, 280 respondents from the same university were chosen to conduct a research. It was hard to make sure the result of the research can be estimated accurately. The single source of respondent was difficult to determine the research objective well and effectively. Moreover, the respondents were chosen from a single private university in Malaysia. The views and needs of lecturers from other universities might be different due to the different working environment in different universities.

Short time frame

Time constraint was one of the problems that the researchers faced. To complete the research, the researchers have to gather information, collect supporting document, conduct survey and run the entire test to show the reliability of the results within limited time. The time that given to complete this research was insufficient to complete the research.

Lack of knowledge

The design of questionnaire may be not so accurate to pinpoint the lecturers' views due to lacking of experience and knowledge. Since researchers do this research for the first time, there may be a lot of error in the design of the questionnaire and conduct of SPSS test.

Respondents' biasness

Respondents tend to be biased in answering the questionnaire provided by the researchers because the respondents were chosen from a single private university. The views of lecturers may be different in different universities. They have the tendency to agree or disagree with certain questions since they were working in a similar working environment. This may lead to inaccuracy and unreliability of the answer.

Lack of secondary data

There are a lot of researches conducted regarding the empowerment, training, compensation and appraisal system of the employee in different industry. However, this research was linked with educational industry. The journals and articles that found are limited to support this research topic. Moreover, the articles found might be outdated and not suit to the research topic. Hence, the sufficiency of the secondary data is one of the limitations that researchers faced.

5.5 Recommendation for future research

There is many other factors influencing the employee's retention except the empowerment, compensation system, training program and appraisal system. Researchers should carry out the research about employees' retention continuously due to it is a very important factor in an organization. In the dynamic working environment and changes of human force, retaining competent employee should be a vital issue in many organizations.

There are some constrains need to be solved in order to get more accurate information about employee retention. An increase of the source of respondents is needed in the future research. Single respondent source may be not large enough to determine the accuracy of the research. Researchers are encouraged to conduct their survey in the universities all around the Malaysia and involve more respondents. Hence, the result will be more consistent, reliable and accurate when a larger sample size used.

The researchers should involve all level of lecturers in the survey of this research. Senior lecturers should be involved in the survey to ensure the accuracy of the result. Moreover, the researchers should have sufficient time to conduct their survey.

Furthermore, researchers suggest using probability sampling, this is because when a component of the population has a known chance of being chosen as subjects in the sample and non-bias exist, researchers may get a more accurate result. Probability sampling involves the selection of a sample from a population randomly. Probability sampling is more complicated, time-consuming and costly than non-probability sampling. However, probability sampling can get a more accurate result and respondents may not be biased in answering the survey's questions because they were chosen randomly.

5.6 Conclusion

As what the study has shown, there are significant relationship between the factors of training, compensation and appraisal on UTAR lecturer's retention. However, the factor of empowerment is not so significantly related to employee retention as founded from this study. This reflects the major finding of this study on how different culture might have different expectation on determining their employment satisfaction and retention.

Prior to the result, the study provide empirical evidence that supports all the above independent variables to be significantly affecting the employee retention. Most of the researchers agree with these statements as shown in Chapter 2 by providing all the empirical evidence from each study's result. Hence, the formulated hypotheses are constructed according to these researchers' fundamental findings as foundation, and awaited to be tested in later stages through this study's result.

After establishing firm and reasonable design instrument, primary data is gathered from the targeted respondent, i.e. lecturers in UTAR, to implement these data into SPSS software to process meaningful information. Eventually, just as shown from Chapter 4, the result came out with findings of empowerment as the only independent variable to not been supported by this study. To illustrate this situation, the study carried out further investigation and countered the opposing result with supporting journals.

As conclusion, the whole study successfully identify that training, compensation and appraisal is a fundamental consideration for UTAR lecturers' retention decision; while empowerment is less fundamental to lecturers' consideration as this can be attributed to the Asian culture characteristic of higher authority conformity.

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Appendix A



UNIVERSITI TUNKU ABDUL RAHMAN

19th July 2011

To Whom It May Concern

Dear Sir/Madam

Permission to Conduct Survey

This is to confirm that the following students are currently pursuing their *Bachelor of Business Administration (Hons)* program at the Faculty of Business and Finance, Universiti Tunku Abdul Rahman (UTAR) Perak Campus.

I would be most grateful if you could assist them by allowing them to conduct their research at your institution. All information collected will be kept confidential and used only for academic purposes.

The students are as follows:

Name of Student	Student ID	Mobile Phone No.
Lam Zheng Hao	09ABB01850	016-9176839
Lee Chak Tak	08ABB06588	017-7671883
Eric Ng Chee Hong	09ABB01917	012-3275700
Ng Yee Kiat	09ABB01499	012-3838259
Ong Yong Guan	09ABB02349	012-9809159

If you need further verification, please do not hesitate to contact me.

Thank you.

Yours sincerely

.....
Fong Chee Yang
Head of Department
Faculty of Business and Finance
Email: fongcy@utar.edu.my

.....
Thanaletchumi a/p Letchumanan
Supervisor
Faculty of Business and Finance
Email: thana@utar.edu.my

Appendix B



**UNIVERSITI TUNKU ABDUL
RAHMAN**
Faculty of Business and Finance

BACHELOR OF BUSINESS ADMINISTRATION
FINAL YEAR PROJECT

**TITLE OF TOPIC: Effect of Empowerment, Training,
Compensation & Appraisal on UTAR Lecturers' Retention**
Survey Questionnaire

Dear respondent,

I am final year undergraduate student of Bachelor of Business Administration, from Universiti Tunku Abdul Rahman (UTAR). The **purpose** of this survey is to study how factors of employee empowerment, training & development, compensation package and performance appraisal significantly impact UTAR lecturers' decision of retention.

Thank you for your participation.

Instructions:

- 1) There are **TWO (2)** sections in this questionnaire. Please answer **ALL** questions in **ALL** sections.
- 2) Completion of this form will take you approximately 15 to 20 minutes.
- 3) Please feel free to share your comment in the space provided. The contents of this questionnaire will be kept **strictly confidential**.

Appendix C

Questionnaire:

Section A: Demographic Profile

Please place a tick “√” or fill in the blank for each of the following:

1. Gender:

- Male
- Female

2. Age:

- 25-30
- 30-40
- 40-50
- 50-60

3. Marital status:

- Single
- Married

4. Higher education completed:

- Degree
- Master
- PhD

5. What is your employment status as a lecturer?

Part-time employment is where the contracted hours of work represent less than 90 per cent of the normal or statutory number of hours of work for a full-time employee over a complete academic year. Please consider your employment status for all of your teaching jobs combined.

-
- Full-time
- Part-time (50-90% of full-time hours)
- Part-time (less than 50% of full-time hours)

6. Have you worked as a lecturer at another university/college previously?

- Yes
- No – proceed to question 8

7. If ‘Yes’ in the previous question, please indicate in how many other university/college you work as a lecturer.

Please write in a number: ____

8. What is your employment status as a lecturer at this university?

Please do not consider the probationary period of a contract as a separate contract.

- Permanent employment (an on-going contract with no fixed end-point before the age of retirement)
- Fixed term contract for a period of more than 1 school-year
- Fixed-term contract for a period of 1 school-year or less

9. How long have you been working as a lecturer?

Where possible exclude extended periods of absence (e.g. career breaks).

- This is my First Year
- 1-2 Years
- 3-5 Years
- 6-10 Years
- 11-15 Years
- 16-20 Years
- More than 20 years

10. How long have you been working as a lecturer at this university/college?

Where possible exclude extended periods of absence (e.g. career breaks).

- This is my First Year
- 1-2 Years
- 3-5 Years
- 6-10 Years
- 11-15 Years
- 16-20 Years
- More than 20 years

Section B:

Please circle your answer to each statement using 5 Likert scale [(1) = strongly disagree; (2) = disagree; (3) = neutral; (4) = agree and (5) = strongly agree]

Factor 1 Empowerment

No.	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I have the opportunity to determine how I do the job.	1	2	3	4	5
2	I take appropriate action without waiting for approval.	1	2	3	4	5
3	My work makes good use of my skill and ability.	1	2	3	4	5
4	I make decision about implementation of new program in the university	1	2	3	4	5
5	I believe that I am empowering student.	1	2	3	4	5

Factor 2 Compensation

No.	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I am satisfied with the pay that I receive.	1	2	3	4	5
2	I earn more than others who do similar work at other universities/colleges.	1	2	3	4	5
3	My pay encourages me to improve the quality of my work.	1	2	3	4	5
4	I will receive a reward if I do something to improve my work.	1	2	3	4	5
5	The non-monetary benefits, such as vacation time and medical insurance that I receive here are better than those I could get at similar universities/colleges.	1	2	3	4	5

Factor 3 Training and Development

No.	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I am requested to further my study.	1	2	3	4	5
2	I have received sufficient training at firm to do my job effectively.	1	2	3	4	5
3	I am trained in quality improvement skills	1	2	3	4	5
4	I am arranged with a mentor to facilitate career planning.	1	2	3	4	5
5	I am given training at a regular basis.	1	2	3	4	5

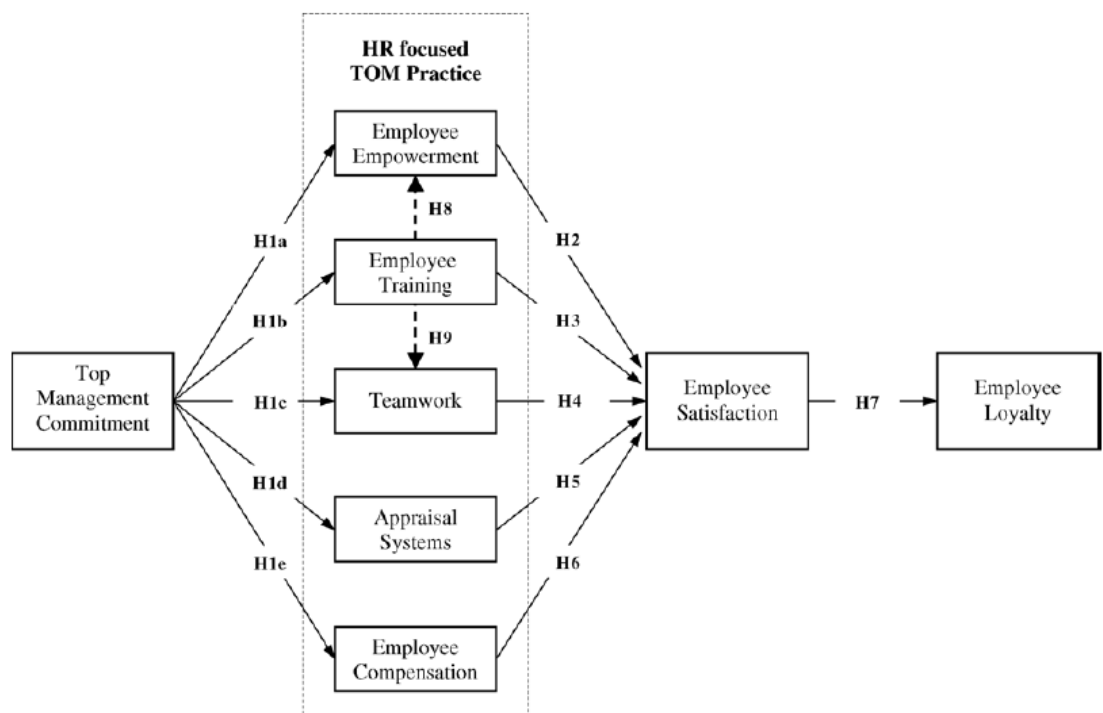
Factor 4 Appraisal System

No.	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	The quality of my work is an important factor in evaluating my job performance.	1	2	3	4	5
2	I am regularly given feedback on my job performance.	1	2	3	4	5
3	I am satisfied with existing performance appraisal system.	1	2	3	4	5
4	The performance ratings were done periodically.	1	2	3	4	5
5	The performance rating is helpful to identify my strength and weakness.	1	2	3	4	5

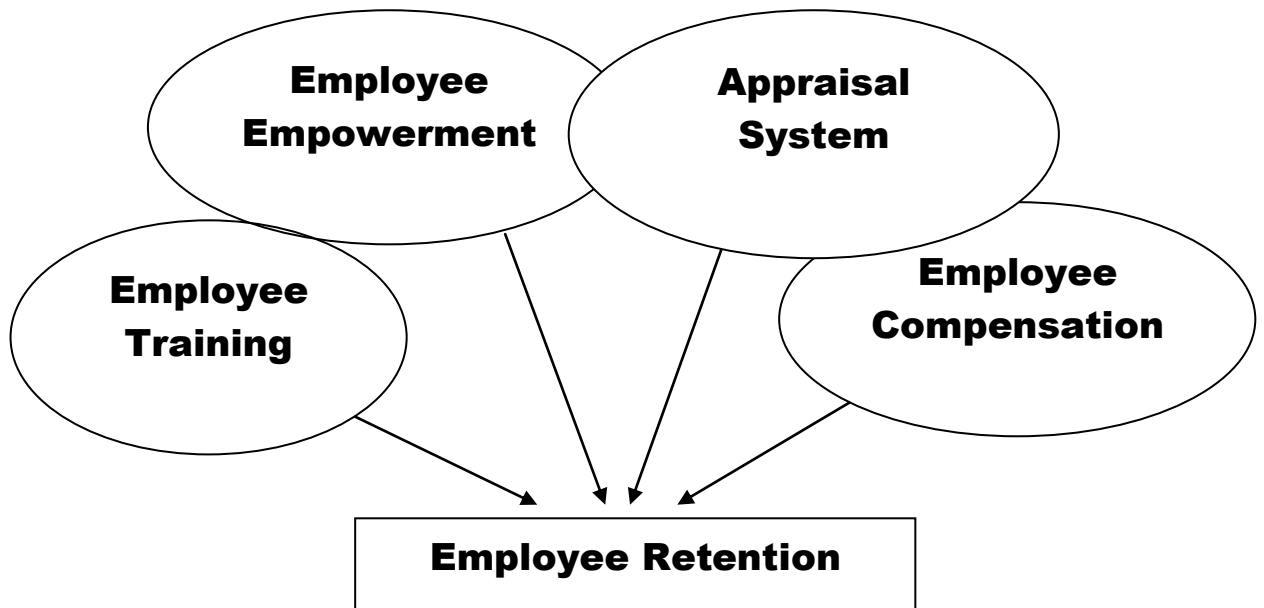
Factor 5 Employee Retention

No.	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I am prepared to put in a great deal of effort beyond what is normally expected in order to help this university to be successful.	1	2	3	4	5
2	I plan to make this company my own career.	1	2	3	4	5
3	I feel a lot of loyalty to this organization.	1	2	3	4	5
4	This is the best organization for me to work for.	1	2	3	4	5
5	I would recommend this company to a friend if he/she is looking for a job.	1	2	3	4	5

Appendix 2.1 Theoretical Framework Model



Appendix 2.2 Proposed Framework Model



Appendix 3.1 Comparison of Basic Research Design

	Exploratory	Descriptive	Causal
Objective:	Discovery of ideas and insights	Describe market characteristics or functions	Determine cause and effect relationships
Characteristics:	Flexible, versatile Often the front end of total research design	Marked by the prior formulation of specific hypotheses Preplanned and structured design	Manipulation of one or more independent variables Control of other mediating variables
Methods:	Expert surveys Pilot surveys Secondary data Qualitative research	Secondary data Surveys Panels Observation and other data	Experiments

Appendix 3.2 Source Model of Construct Measurement

Items	Construct Measurement	Sources
Empowerment	<ul style="list-style-type: none"> ● I have the opportunity to determine how I do the job. ● I take appropriate action without waiting for approval. ● My work makes good use of my skill and ability. ● I make decision about implementation of new program in the university ● I believe that I am empowering student. 	(Paula M. Short & James S. Rinehart, 1992)
Compensation	<ul style="list-style-type: none"> ● I am satisfied with the pay that I receive. ● I earn more than others who do similar work at other universities/colleges. ● My pay encourages me to improve the quality of my work. ● I will receive a reward if I do something to improve my work. ● The non-monetary benefits, such as vacation time and medical insurance that I receive here are better than those I could get at similar universities/colleges. 	(Minjoon Jun, Shaohan Cai & Hojung Shin, 2006)
Training and Development	<ul style="list-style-type: none"> ● I am sent to extend higher qualification program. ● I have received sufficient training at firm to do my job effectively. ● I am trained in quality improvement skills ● I am arranged with a mentor to facilitate career planning. ● I am given training at a regular basis. 	(Minjoon Jun, Shaohan Cai & Hojung Shin, 2006)

Appraisal System	<ul style="list-style-type: none"> ● The quality of my work is an important factor in evaluating my job performance. ● I am regularly given feedback on my job performance. ● I am satisfied with existing performance appraisal system. ● The performance ratings were done periodically. ● The performance rating is helpful to identify my strength and weakness. 	(Minjoon Jun, Shaohan Cai & Hojung Shin, 2006)
Employee Retention	<ul style="list-style-type: none"> ● I am prepared to put in a great deal of effort beyond what is normally expected in order to help this university to be successful. ● I plan to make this university my own career. ● I feel a lot of loyalty to this university. ● This is the best university for me to work for. ● I would recommend this university to a friend if he/she is looking for a job. 	(Minjoon Jun, Shaohan Cai & Hojung Shin, 2006)

Appendix 3.3 Alpha Coefficient Range

Alpha Coefficient Range	Strength of Association
<0.6	Poor
0.6 to < 0.7	Moderate
0.7 to < 0.8	Good
0.8 to < 0.9	Very Good
0.9	Excellent

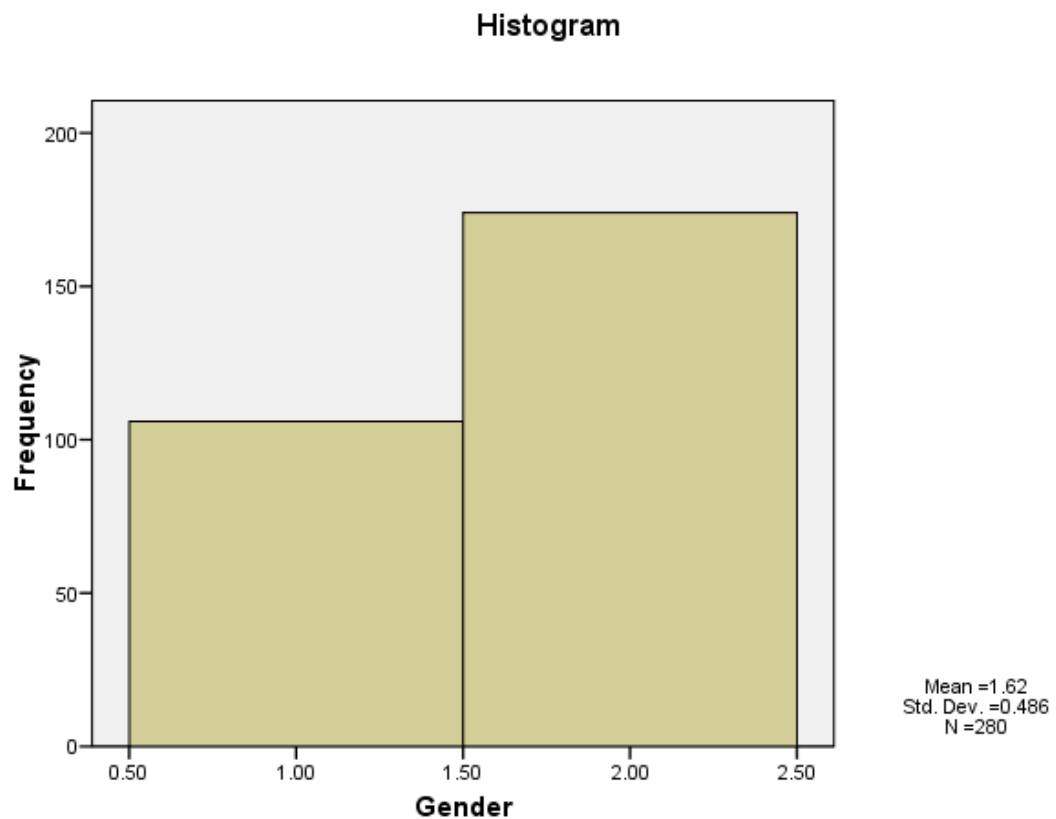
Appendix 3.4 Multiple Regression

Y_i	Dependent variables
β_0	Estimated constant
β_{1-4}	Coefficients associated with the predictor variables
X_{1-4}	Predictors (independent) variables that influence the dependent variable

Appendix 4.1.1(a) Table of Respondent Gender

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	106	37.9	37.9	37.9
	Female	174	62.1	62.1	100.0
	Total	280	100.0	100.0	

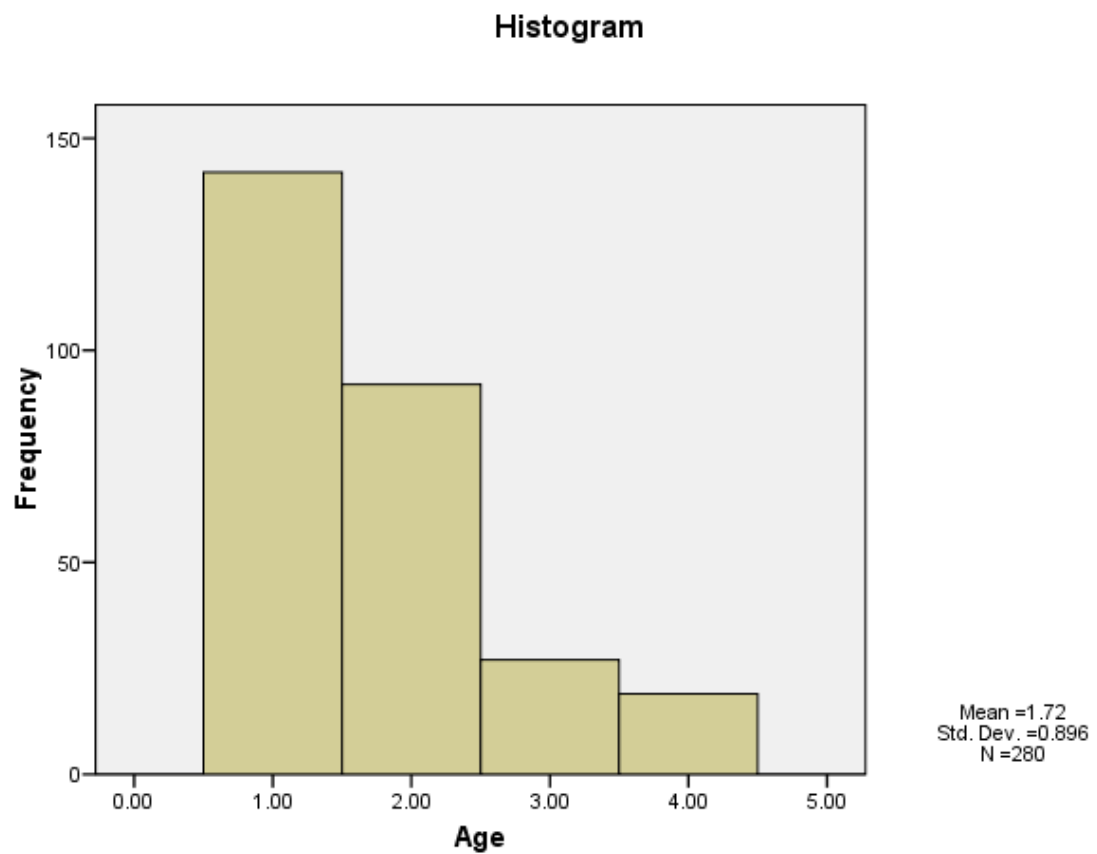
Appendix 4.1.1(b) Figure of Respondent Gender



Appendix 4.1.2(a) Table of Respondent Age

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25-30	142	50.7	50.7	50.7
	30-40	92	32.9	32.9	83.6
	40-50	27	9.6	9.6	93.2
	50-60	19	6.8	6.8	100.0
	Total	280	100.0	100.0	

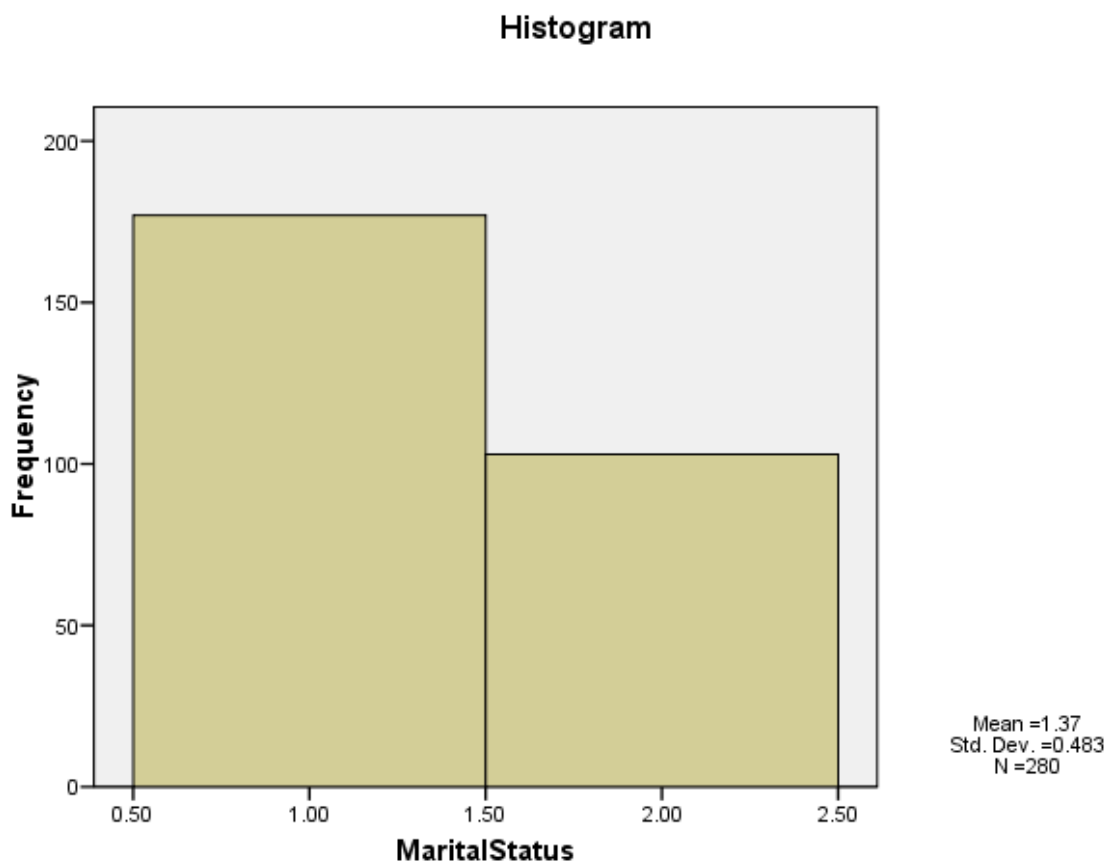
Appendix 4.1.2(b) Figure of Respondent Age



Appendix 4.1.3(a) Table of Respondent Marital Status

		MaritalStatus			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	177	63.2	63.2	63.2
	Married	103	36.8	36.8	100.0
	Total	280	100.0	100.0	

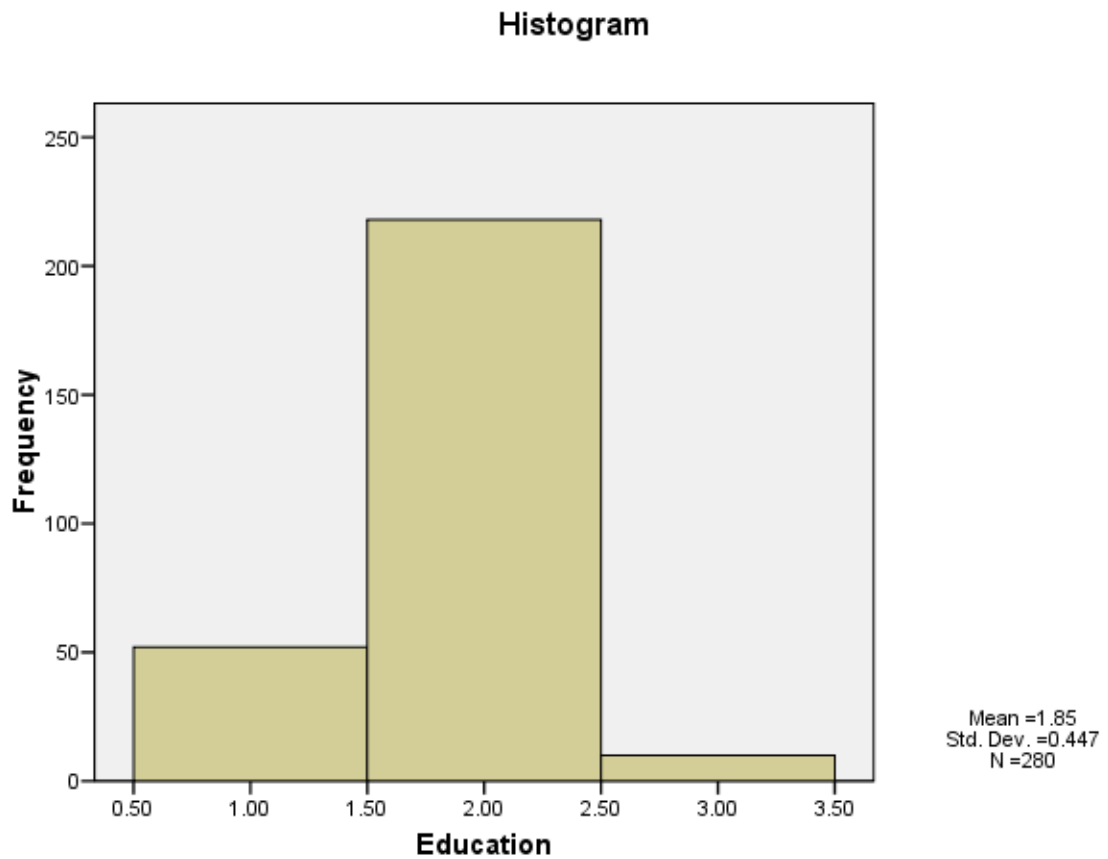
Appendix 4.1.3(b) Figure of Respondent Marital Status



Appendix 4.1.4(a) Table of Respondent Education Level

		Education			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Degree	52	18.6	18.6	18.6
	Master	218	77.9	77.9	96.4
	PhD	10	3.6	3.6	100.0
	Total	280	100.0	100.0	

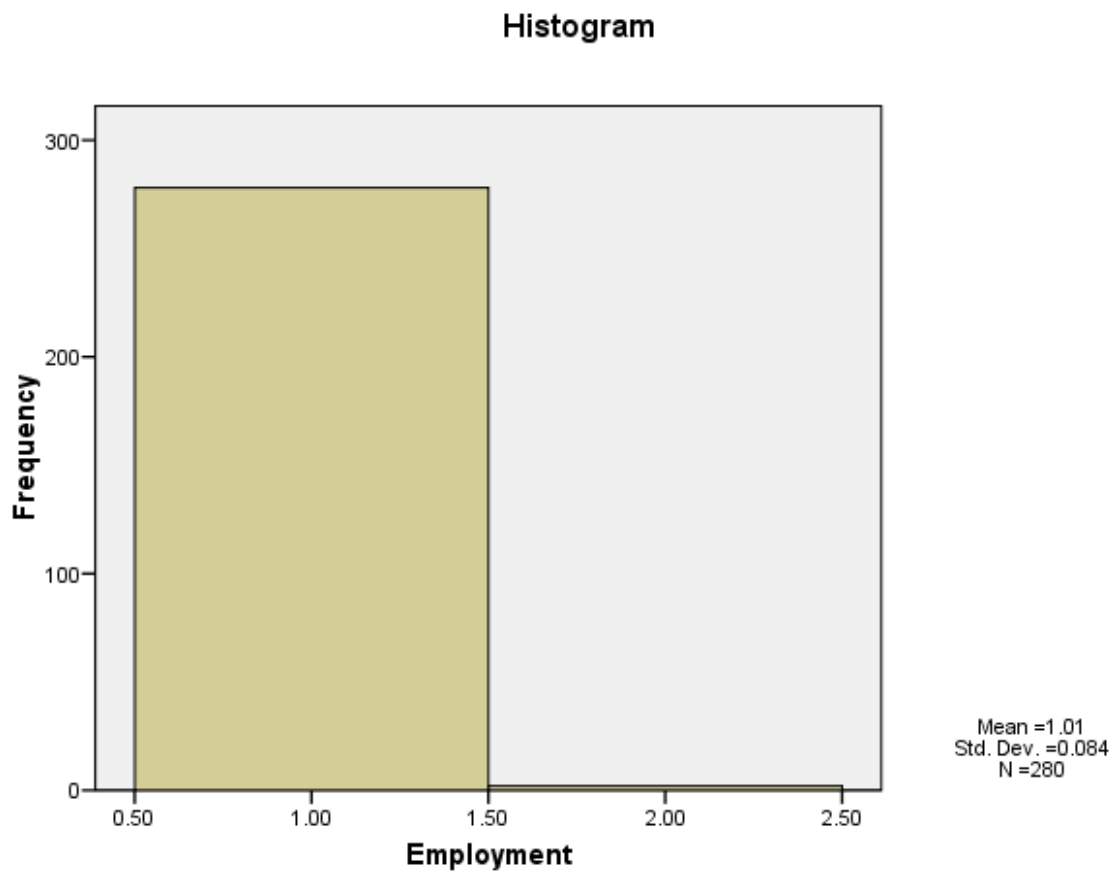
Appendix 4.1.4(b) Figure of Respondent Education Level



Appendix 4.1.5(a) Table of Respondent Employment Status

		Employment			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Full-time	278	99.3	99.3	99.3
	Part-time (50%-90% of full-time hours)	2	.7	.7	100.0
	Total	280	100.0	100.0	

Appendix 4.1.5(b) Figure of Employment Status

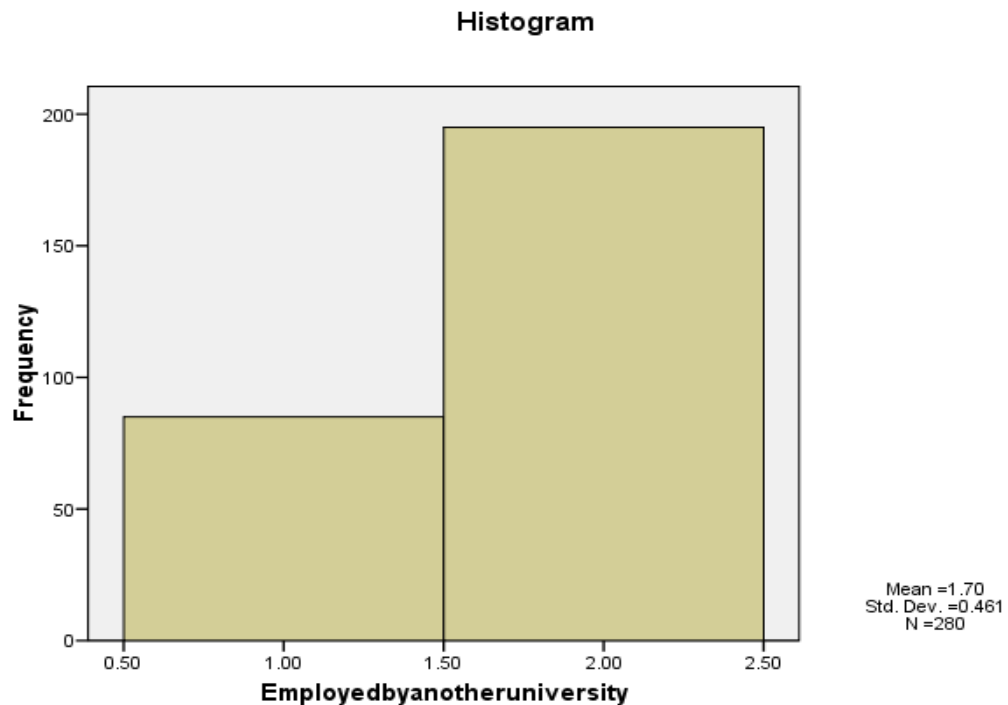


Appendix 4.1.6(a) Table of Respondent experience of being employed by another university

Employedbyanotheruniversity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	85	30.4	30.4	30.4
	No	195	69.6	69.6	100.0
Total		280	100.0	100.0	

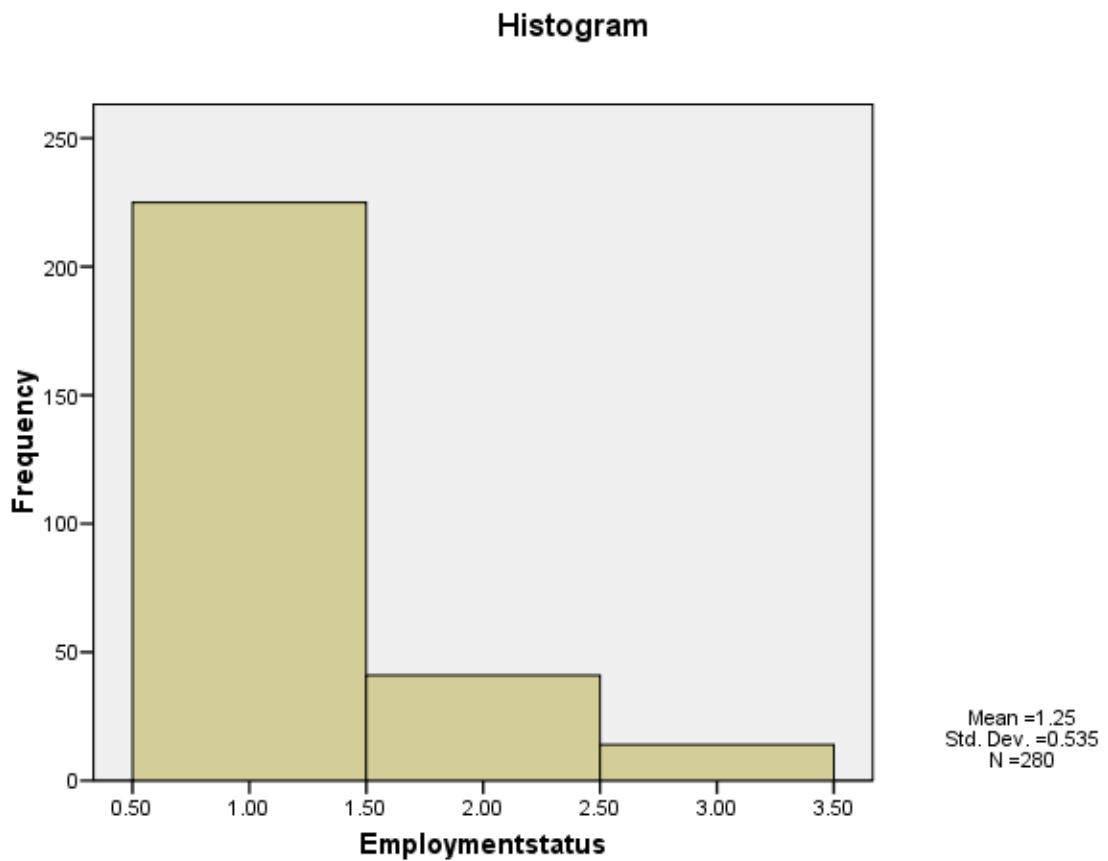
Appendix 4.1.6(b) Figure of Respondents' experience of being employed by another university



Appendix 4.1.7(a) Table of Respondents' employment status in this university

		Employmentstatus			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Permanent Employment	225	80.4	80.4	80.4
	Fixed term contract for a period of more than 1 academic-year	41	14.6	14.6	95.0
	Fixed-term contract for a period of 1 academic-year or less	14	5.0	5.0	100.0
	Total	280	100.0	100.0	

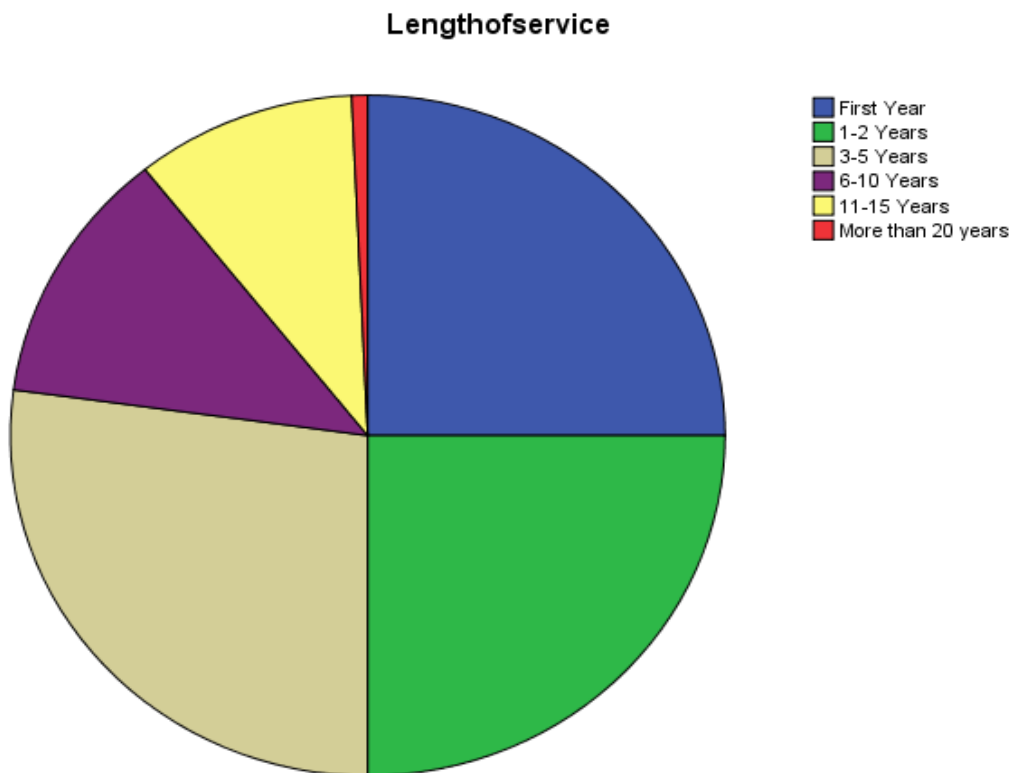
Appendix 4.1.7(b) Figure of Respondents' employment status in this university



Appendix 4.1.8(a) Table of Respondents' length of service as a lecturer

		Lengthofservice			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	First Year	70	25.0	25.0	25.0
	1-2 Years	70	25.0	25.0	50.0
	3-5 Years	76	27.1	27.1	77.1
	6-10 Years	34	12.1	12.1	89.3
	11-15 Years	28	10.0	10.0	99.3
	More than 20 years	2	.7	.7	100.0
	Total	280	100.0	100.0	

Appendix 4.1.8(b) Figure of Respondents' length of service as a lecturer

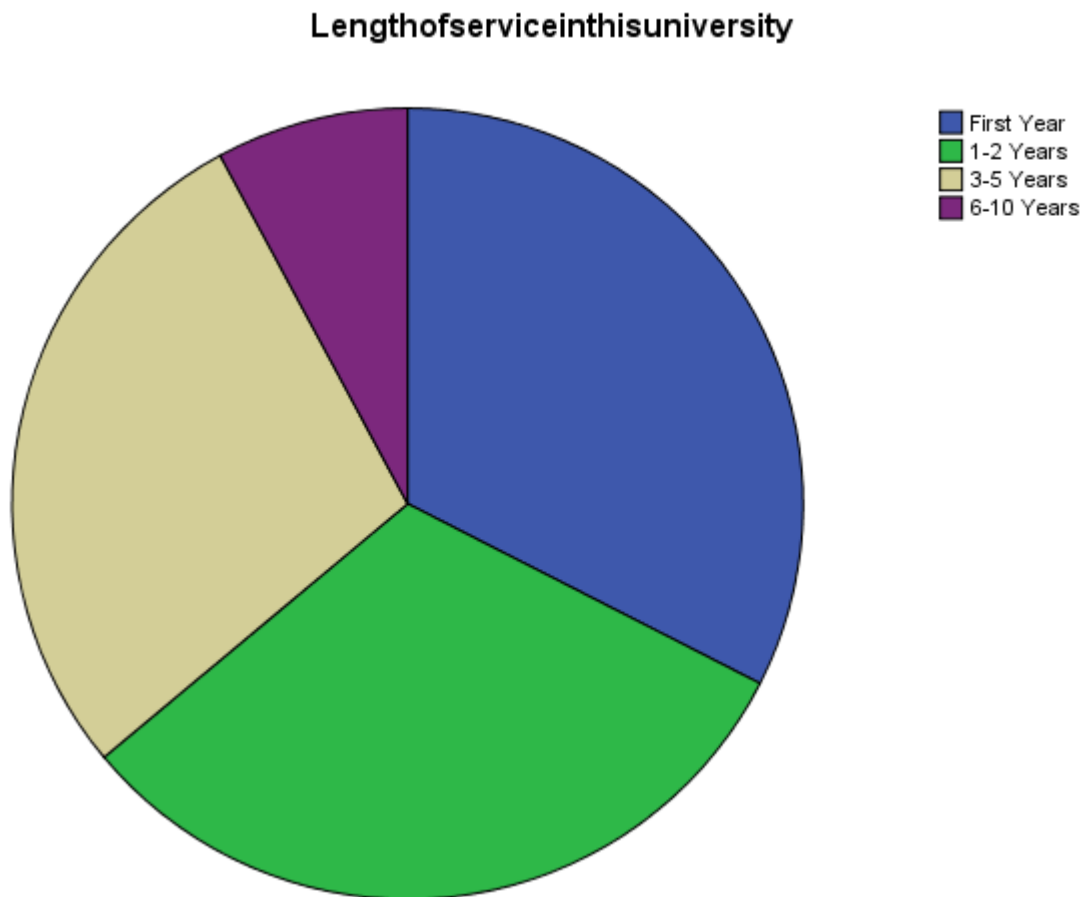


Appendix 4.1.9(a) Table of Respondents' length of service in this university

Lengthofserviceinthisuniversity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	First Year	91	32.5	32.5	32.5
	1-2 Years	88	31.4	31.4	63.9
	3-5 Years	79	28.2	28.2	92.1
	6-10 Years	22	7.9	7.9	100.0
	Total	280	100.0	100.0	

Appendix 4.1.9(b) Figure of Respondents' length of service in this university



Appendix 4.2.1 Table of Central Tendencies Measurement of Constructs

Statistics

		average summated of empowerment	average summated of compensation	average summated of training	average summated of appraisal	average summated of retention
N	Valid	280	280	280	280	280
	Missing	0	0	0	0	0
Mean		3.4100	2.9886	3.5914	3.3843	3.4179
Std. Deviation		.65114	.68774	.70181	.72144	.75146

Appendix 4.3.1.1 Table of Pearson Correlation Test for Empowerment Variable

Correlations

		average summated of empowerment	average summated of retention
average summated of empowerment	Pearson Correlation	1	.417**
	Sig. (2-tailed)		.000
	N	280	280
average summated of retention	Pearson Correlation	.417**	1
	Sig. (2-tailed)	.000	
	N	280	280

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

Appendix 4.3.1.2 Table of Pearson Correlation Test for Compensation Variable

Correlations

		average summated of retention	average summated of compensation
average summated of retention	Pearson Correlation	1	.608**
	Sig. (2-tailed)		.000
	N	280	280
average summated of compensation	Pearson Correlation	.608**	1
	Sig. (2-tailed)	.000	
	N	280	280

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

Appendix 4.3.1.3 Table of Pearson Correlation Test for Training Variable

Correlations

		average summated of retention	average summated of training
average summated of retention	Pearson Correlation	1	.485**
	Sig. (2-tailed)		.000
	N	280	280
average summated of training	Pearson Correlation	.485**	1
	Sig. (2-tailed)	.000	
	N	280	280

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

Appendix 4.3.1.4 Table of Pearson Correlation Test for Appraisal Variable

Correlations

		average summated of retention	average summated of appraisal
average summated of retention	Pearson Correlation	1	.579**
	Sig. (2-tailed)		.000
	N	280	280
average summated of appraisal	Pearson Correlation	.579**	1
	Sig. (2-tailed)	.000	
	N	280	280

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

Appendix 4.3.2.1 Table of Multiple Regression Model summary

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.680 ^a	.463	.455	.55463

a. Predictors: (Constant), average summated of appraisal, average summated of empowerment, average summated of compensation, average summated of training

b. Dependent Variable: average summated of retention

Appendix 4.3.2.2 Summary Table of ANOVA

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	72.955	4	18.239	59.290	.000 ^a
	Residual	84.595	275	.308		
	Total	157.551	279			

a. Predictors: (Constant), average summated of appraisal, average summated of empowerment, average summated of compensation, average summated of training

b. Dependent Variable: average summated of retention

Appendix 4.3.2.3 Multiple Regression Coefficient Analysis

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.577	.208		2.778	.006
	average summated of empowerment	.047	.063	.041	.750	.454
	average summated of compensation	.413	.062	.378	6.692	.000
	average summated of training	.155	.062	.145	2.496	.013
	average summated of appraisal	.262	.065	.252	4.042	.000

a. Dependent Variable: average summated of retention

Appendix 5.1: Table of Summary of Results

Hypothesis	Result	Supported
H ₁ : There is significant relationship between employee empowerment and employee retention.	r =0.417 p=0.454 (p > 0.05)	No
H ₂ : There is significant relationship between employee compensation and employee retention.	r = 0.608 p = 0.00 (p < 0.01)	Yes
H ₃ : There is significant relationship between employee training and employee retention.	r = 0.485 p = 0.013 (p < 0.05)	Yes
H ₄ : There is significant relationship between appraisal system and employee retention.	r = 0.579 p = 0.00 (p < 0.01)	Yes