

THE RELATIONSHIP BETWEEN MALAYSIA  
HUMAN RESOURCE MANAGEMENT AND  
FOREIGN EMPLOYEE RETENTION

BY

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## LIST OF ABBREVIATIONS

SD	Strongly Disagree
D	Disagree
N	Neutral
A	Agree
SA	Strongly Agree
SPSS	Statistical Package for Social Sciences
DV	Dependent Variable
IV	Independent Variable
Y	Dependent Variable
$\alpha$	Constant
$\beta_1$ to $\beta_4$	Regression coefficient for the independent variables
$X_2$ to $X_4$	Independent variables
ANOVA	Analysis of Variance
RAS	Recruitment and Selection
TAD	Training and Development
PA	Performance Appraisal
CAB	Compensation and Benefit

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## PREFACE

A company success depends on the vital capability of its employee. Company with well-planned human resource management views employee as vital asset. Human resource management also determine the effort of the company capacity to retain its talented employee. This is especially significant in Malaysia labour market which consists of multi-national with a very diverse population. Lots of previous studies focus on local human resource management to local labour, yet less focus on the issues of local human resource management on foreign employee. To be more specific, Malaysia human resource management decides the stay or leave of foreign employee in the company. We agree that the entry of foreign employee gives company additional competitiveness for its business, however, we do not place much emphasis on the welfare of foreign employee. Human resource management shows that the company is concerning on foreign employee. It is also a sign of support to encourage foreign employee to continue working in the company. Foreign employee will feel that his or her effort is being recognized and worth for the company contribution.

## ABSTRACT

The effectiveness of Malaysia human resource management would improve the tendency of foreign employee retention in the company. Although the personnel management related issues are always critical and difficult to predict, Malaysia company starting to place great emphasis on the retention of foreign employee. This can be view on the degree of importance that company place on human resource practices including recruitment and selection, training and development, performance appraisal, and compensation and benefit. A better understanding on the linkage of these human resource practices which will benefit the company as it is useful in determining the influential on foreign employee retention. This research also contributes directions for the company and future researchers by providing reliable recommendations observed during the process of this research.

## **CHAPTER 1: RESEARCH OVERVIEW**

### **1.0 Introduction**

Personnel or talent management has always been a crucial role of business operation management. Human resource management requires effort to manage human capital. Currently, broader perspective of human resource management variables attempted to retain foreign employees in Malaysia. Hence, this research objective is to discover the variables which underlie the relationship of Malaysia human resource management and foreign employee retention.

### **1.1 Research Background**

The growth of new internationalization market generates the needs for skilful foreign employees, resulted the level of human resource management competition among Malaysia company to retain talented foreign employee. Studies from Chandranshu (2012) shown that successful companies regardless of international business operation or local company depends on their adaption of human resource management to the realities of current work environment upon the innovation, creativity, and flexibility which determine the longevity of operations. Dynamics business operations contributed by wider range of motivations, value, and belief. Therefore, understanding of human resource management will prevent organization from losing unique foreign employee.

Human Resource management means systems, processes, structures, and tools that lead foreign employee's performance towards achieving organizational objectives (Abdul, 2015; Chandranshu, 2012). This enables firm to be competitive, locally responsive, flexible and capable to transfer knowledge to respond the rapid changes of national boundaries connecting to international employees (Aura, 2016). Human

resource management demonstrates not only processing administrative work but also recognise foreign employee's value in the organization (Susan, 2017). It is effective in enhancing employer-employee relationship through human resource management.

A major concern of human resource management is to retain productive foreign employee. Retaining quality foreign employee is more effective than recruiting and training new foreign employee. Company must foresee the hinder shortages of overall foreign employee to improve competitiveness of business (Managing for employee retention, 2019). From the study by Sabrina (2016), company is impossible to maintain its company standard to grow faster with inconsistent changing of new foreign employees. Especially foreign employees who possesses with special skill and learning ability, the longer they stay in the company, the more they familiar with the company operation. In the meantime, the company is losing their individuals' talent and institutional knowledge while replacing them with new employee.

Malaysia is an employment opportunities country for foreign employee with relatively higher income (Practical Guidelines for Employers on the Recruitment, Placement, Employment and Repatriation of Foreign Workers in Malaysia, 2014). The foreign employee is mainly contributed within the ASEAN country. In Malaysia, foreign employee scattered in different company occupied by companies from all sizes, from multinational companies to small and medium enterprises.

IOI Corporation Bhd is one of the most integrated palm oil plantation companies in the world comprises mainly with foreign employee. Recruitment agencies is not an option for IOI to recruit foreign employee, foreign employee is known through their family or friend who works in IOI. IOI fully utilized its human resource management of each job function and leverage its employer and employee connection to build relationship with them (Summary on migrant worker management assessment, n.d.). Moreover, less communication issues as most of the foreign employee is from Indonesia and Philippines, while they can understand Bahasa Malaysia. Also, well-established of human resource management in IOI will

develop employment contract in different version of languages according to the foreign employee's native language.

## 1.2 Research Problem

These days, Malaysia advances towards a developed nation in 2020. Company has become more concern about positive relationships with foreign employee satisfaction as a result of better company performance and profitability (Heskett, 2003). Nonetheless, human resource management could be a complicated procedure even though managing a local team. Especially hiring foreigner, this will lead the trend of workforce gradually shifts in values and expectations.

Foreign employee retention in Malaysia impossible solely rely on existing human resource management models. This is because of unplanned and unstructured flow of human resource management that affects the research. Generally, different nations of foreign employee lead behaviour, expectations, work value, work attitude differently which may crash with the local workplaces (Wattanacharoensil, 2017).

The worsen of situation in Malaysia with the shortage of foreign employee from the recent government polices banned on illegal foreign employee could cost the economy lost up to billions (Ratna, 2017). Government has imposed freeze on employment in January to July 2016. Construction, plantation, and agriculture are the sectors which suffered the most during the freeze on employment as these sectors daily business operation is mainly depend on foreign employee (Ratna, 2017). The supply of foreign employee has increased by years and disrupt the employment of local employee. In view of the surplus, strict regulation imposed to restrict the hire of foreign employee to protect the interest of local employee.

Therefore, the company failures such as lack of productivity may happen due to insufficient of skilful foreign employee. The shortage of foreign employee obstructs the incoming of qualified foreign employee while the remaining is unskilful and ageing population. To take this issue seriously, company aims to improve foreign employee retention, by highlighting the influential of Malaysia human resource management on foreign employee retention.

## **1.3 Research Objectives & Research Questions**

### **1.3.1 General Objective**

This research objective is to study the relationship between Malaysia human resource management and foreign employee retention. From this research, researchers would gain better understanding of how significant of Malaysia human resource management on foreign employee retention. The overall research consists of three independent variables include recruitment and selection, training and development, and compensation and benefit.

### **1.3.2 Specific Objectives**

To be more clearly, there are three specific objectives established to discuss the relationship of each variables influencing the foreign employee retention in Malaysia.

- i. To identify the significant relationship between Malaysia recruitment and selection towards foreign employee retention.
- ii. To identify the significant relationship between Malaysia training and development towards foreign employee retention.
- iii. To identify the significant relationship between Malaysia performance appraisal towards foreign employee retention.
- iv. To identify the significant relationship between Malaysia compensation and benefit towards foreign employee retention.

### **1.3.3 Research Questions**

The research questions of this study:

- i. Does recruitment and selection improves Malaysia human resource management on foreign employee retention?
- ii. Does training and development improves Malaysia human resource management on foreign employee retention?
- iii. Does performance appraisal improves Malaysia human resource management on foreign employee retention?
- iv. Does compensation and benefit improves Malaysia human resource management on foreign employee retention?

## 1.4 Research Significance

Company must understand upon the human resource management applied towards foreign employee with global perspective to local concepts and pressures (Pawan, 2002). Flexibility of Malaysia human resource management had begun due to the increasing of globalization business which brings domestic company contact with different nations employee (Hendry,1991). The advancement of human resource management shall collect comprehensive latest data and realize the current public consciousness in Malaysia. By saying this, it should be at the core management of the organization that hires foreign employee of the interest in operating business operations. Every interest organization in Malaysia must behave flexible according to their company structure aligning different nations at the heart of local context.

To date, company success to retain high performance foreign employee reduces short-term cost spending on hiring, training, and leverages productivity (Hiroshi, 2011). In long run, the long-term foreign employee will gain organization-specific knowledge, transfer of skills from country of origin to produce similar patterns or service adjustment for Malaysia. With high employee retention, company does not have to suffer shortage of talented foreign employee when business expansion. Company does not require additional foreign employee supply to replace job vacant and not exceeding the number of foreigners in Malaysia labour market at 2.1 million (Pook, 2016). Meanwhile, retention prevent the increasing supply of foreign employees that drives low wage (Cheong, 2017).

In particularly, company must protect foreign employee social security and secures the work condition including sponsor visas and work permits. Once the work visa approved, foreign employee obtains the right to work in Malaysia and allowances no longer included in the minimum salary level. This means that they are protected from being exploited by the employer for minimum salary. Moreover, foreign employee with valid approval is entitled for SOCSO and Employment Injury Scheme (EIS) under the Employees' Social Security Act 1969 effective from January 1, 2019. With complying the Malaysia Law, the interest of mutual parties are being protected.

## 1.5 Chapter Layout

### Chapter 1

Chapter 1 gives an insight for better understand on the background and significance of this study. Meanwhile, identify the research problem on the research topic in order to have accurate decision to determine the research objective and questions to be solved throughout the study.

### Chapter 2

Chapter 2 involves studies from previous researchers needed to be done to find out the accurate theories to support the conceptual framework and propose hypotheses for the variables. This chapter provides clearer mindset on the relationship of variables.

### Chapter 3

Chapter 3 involves the process of developing a new set of questionnaire appropriate for this study and discuss the techniques use to filter and analyse the questionnaire collected from the target respondents.

### Chapter 4

Chapter 4 involves collection of questionnaires from 150 respondents and proceed with the descriptive analysis. Meanwhile, scale measurement and inferential test on are conducted to support the proposed hypotheses.

### Chapter 5

Discussion on the major findings and limitation encountered by providing recommendations for improvement.

## **1.6 Conclusion**

All in all, Chapter 1 provides a clear direction on the content for the following chapter. A brief explanation on the research background, research objectives, research questions, and research significance.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.0 Introduction**

Chapter 2 discusses about the overview of underlying theory, dependent variable, independent variables, conceptual framework, and proposed hypotheses. The research topic is supported by the underlying theory.

### **2.1 Review of Underlying Theory**

#### **2.1.1 Social Exchange Theory**

In workplace, social exchange theory defines as the exchange of positive relationship between employer and employee interactions in terms of responsibility and benefit formed overtime (Blau, 1964). The interactions between employer and employee are mutually beneficial and changeable according to the decision of one party. Based on Emerson (1976), social exchange theory is concerned to individual psychological behaviour when forming connection with one another. Emerson (1976) also propose that power, conformity, status, leadership, and justice that hold inner part of every individual that control individual behaviour in describing this theory. With social exchange relationship, concern on employer and regular work performance from employee suggests on the continual retention or termination of contract (Cropanzano, 2007). Similarly, employee can build recognizable social exchange relationship with his or her immediate supervisor, co-workers, organizations, supplier, and customer which both parties allow to derive benefit from responsibility and commitment for positive relationship. The breakage of social exchange relationship happens when one perceived unethical behaviour at workplace such as violation of conscience, distrust the promise, and breach of employment contract. Human resource management involves in social exchange theory whenever the company takes care of employee's welfare (Anoopa, 2019). This will

lead to reciprocate relationship, leading to expected relationship. Employee will feel necessary to return the favours with positive attitude include affective commitment, loyal to the company, and productive work performance. In such, social exchange theory is used to support the human resource management to enhance employee retention outcome (Davies, 2005).

### **2.1.2 Resource-based View Theory**

Resource-based view theory provides a linkage between human resource management and company competitiveness in the sense of leading company competitiveness (Wright P. M., 2001). The foundation of this theory, human resource management efficiency guides to higher company performance for retaining potential employee (Gerhart, 1996). Company can develop business competitiveness with bundles of potential internal resources to differentiate itself from others (Barney, 1991). In the primary assumption, company success is considered as its specific capability, and unique resources. As such, internal resources rather than external resources, are viewed as the significant factors deciding company failure or success. At the same time, human resource management may be applied importantly to the social stage of employee, that is, retaining the employee unique value. According to Barney (1991), employee is one of the assets in control by the company for survived in the competition by creating competitive advantages consist characteristics such as valuable, rare, and cannot be imitated by competitors. Moreover, previous studies have been argued that positive outcome can be derived through integration of best human resource managements and resource-based view theory to meet the criteria of company competitiveness (Dirk, 2010).

## 2.2 Review of Variables

### 2.2.1 Dependent Variable: Foreign Employee Retention

Foreign employee refers to non-Malaysian citizen who legally employ in Malaysia that fully rely on temporary visas and work permits (Practical Guidelines for Employers on the Recruitment, Placement, Employment and Repatriation of Foreign Workers in Malaysia, 2014).

In general, employee retention can be defined as firm's effort to support employee to stay over a long period based on employee job performance (Chaminade, 2007). To be more specific, comprehensive set of human resource management of any company is implemented to retain their human capital (Shekshnia, 1994). In order to increase the degree of employee retention, scholars have extended the concept from the first step which is to recruit the right people underlying resource-based view theory (Freyermuth, Retaining employees in a tightening labor market, 2007).

Considering this, foreign employee retention may be considered as continual long-term initiative to adapt in Malaysia. However, company competitiveness may be affected due to the challenges to retain foreign employee because loss of unique could cause the breakdown of production and profitability (Sigler, 1999).

Due to the dynamic nature of foreign employees who have introduced different perspectives on work values and personal needs (Aida, 2014). Money alone does not satisfy the consciousness of foreign employee to stay in Malaysia company for long-term (Aida, 2014). Research conducted overtime have found that foreign employee is concerned with the retention factors such as internal recruitment, individual career management, financial incentives, and employer image (Annies, 2009).

Statement from Bartram (2012), effective recruitment practices, training development, and transparent reward systems, that meet foreign employee

expectations are the key to promote foreign employee integration. As such, foreign employee is either express desire to stay or leave the organization through the view of appropriate human resource practices in the workplace.

### **2.2.2 Independent Variable: Recruitment and Selection**

Recruitment refers to generate pool of eligible candidates to further proceed for employee selection, by way of attracting as much candidates as possible to submit their application and go through selection procedure to fill up the vacant positions in the company (Ali, 2015). Montana and Charnov (2000) stated that recruitment and selection include sourcing candidates through various techniques, in such advertising on job platform is the most commonly use method in Malaysia, following by employing interview and test. The selection of candidates' procedure associated upon the result of interviews and tests in order to ensure that employee has the ability and qualification to perform the job responsibility. Recruitment and selection acts as the core component practice which recognizes and recruit people necessitate in an organization and govern the successful of employee retention in the long term (James, 1996).

In Malaysia, selection involves valid selection of foreign employee from different countries in view of the characteristics and quality possesses to perform job (Husien, 2012). A good integration of recruitment and selection aids to retain foreign employee with value, rare, that is not easily understood and imitate by outsiders (Phillips, 2015).

According to Mohamed (2012), employability of foreign employee is about their capability to make transitions between jobs and roles from origin country to meet new job requirement in Malaysia. Employability not only depends on one's knowledge, skills, and abilities but also the way that employer views them as whether one able to fulfil specific job requirement (Mohamed, 2012). As practical matter, employer predicts who will be the good foreign employee through the proficiency in their field to perform job

specification that would otherwise cannot be completed by domestic workers.

On the other hand, internal recruitment such as job posting reduces the time company dealing with employee retention because existing foreign employee is given promotion opportunities within their current company, whereas, employer saves time from handling opening filled from outside (Peter C., 2019). Meanwhile, employer must create measurement criterion to identify the employee whom fits with company culture (Peter C., 2019).

### **2.2.3 Independent variable: Training and Development**

Training and development means transfer of new knowledge and ability for completing designated responsibility at workplace. Training and development highly engaged practices manipulated by employer to shape foreign employee with outstanding attitudes, knowledges and skills in align with company goal (Raymond, 2016). Training is a range of planned activity which safeguard foreign employee to obtain new skills and predicted behaviour accordingly to job duties (Aina, 1992). Training and development is a procedure of expanding quick forecaster that influence efficiency and adjustment foreign employee behaviour to the right track (Tahir, 2014).

Based on Falola (2014), the researcher believed that regular training and development will earn competitive linkage to foreign employee retention. This including on the job training and off the job training. On the job training plays a vital role during work. While off the job training conducted away from work, it allows employee to focus entirely on training (Zareen, 2013).

In this case, IOI Corporation executed comprehensive training programs including briefing on company background, rules and regulations, safety training and Malaysia culture in various of languages such as English, Bahasa Malaysia, Bahasa Indonesia, Bangladeshi and Tagalong for foreign

employee (Sudhakaran, 2018). This is to ensure that foreign employee understand every single of the terms and regulations of the company.

Training and development effort utilized by Malaysia company aims at foreign employee achievement and mould them to talented one to be retained in the future. McDowall and Saunders (2010) stated that if the foreign employees are flexible and experience, they are keen to acquire new knowledge and skills. Likewise, they have confidence to value the company, at the same time the organization will value them through visible signs of management training to further their career needs. Meanwhile, this will inspire them to work best which in-turn to improve the foreign employee retention in Malaysia.

#### **2.2.4 Independent Variable: Performance Appraisal**

The importance of performance appraisal is increasing in the nature of current business environment which is to achieve company goals and retain excellent employee performance for company competitiveness (Chen, 2012). Attorney (2007) studied that employer barely influence the attributes of his or her employee, however, the employee's attitude can be influenced upon job performance in result of demonstrating loyalty towards company. Performance appraisal is a tool to measure individual's work performance to meet objective personnel decision (Gardner, 2008). The process of obtaining, analysing, and recording employee's performance over time that considered worth to the company (Armstrong, 2009). Through performance appraisal, employer can identify the strengths and weaknesses of employee, so that it allows employer to take further action for employee performance improvement (Gardner, 2008). According to Onyije (2015), performance appraisal supports human resource management decisions including promotions, training, terminations, and pay level. It accompanies employee to achieve rewards such as promotion and increase pay level on the

distinctive past performance and delivers the message that best performance appraisal will pay-off with rewards.

Additionally, one of the gaining popular performance appraisal systems among large and small enterprise in Malaysia, namely 360-degree performance appraisal (Lepsinger, 2009). The process includes the view from immediate superior, co-worker, and customer. Meanwhile, it also comprises the self-assessment of employee, following by immediate superior assessment, subordinate assessment, and peer assessment (Idowu, 2017). Evaluation of employee through multiple degree and angles to ensure employee's performance is accurate. Also, employee preferred the use of 360-degree appraisal as it is more accurately reflect their performance (Sahoo, 2012). It is also effective for employer by supplying comprehensive information for future training and compensation needs.

Furthermore, graphical rating scales is the most commonly used performance appraisal among companies (Woods, 2012). Employers use rating scales to rate the employee range from poor to excellent depending on the individual being evaluated. It is considered requiring least cost to develop performance appraisal by only select the performance result in rating-scale on the performance factors (Woods, 2012).

### **2.2.5 Independent Variable: Compensation and Benefit**

Compensation and benefit attracts, retains and motivates employee by leading them to release their knowledges and skills in result for combination of attractive salary and benefits (Pooja, 2019). Recently, Malaysian Law has upgraded compensation and benefit package to combination of mix benefit including social security, medical and wellness programs on foreign employee. The compensation and benefit package vary according to the potential and responsibilities of employee. To retain competent employee, employer will offer attractive compensation and benefit package other than

Malaysian Law. This is because, solely rely on government benefit is not sufficient for the necessities of life for low wages foreign employee to remain at a low wage job (Richard, 2003).

Compensation and benefit remains a key part of retention and recruitment to retain competitive employees. Benefits as mitigator role, in exchange of low compensations for higher benefits (Richard, 2003). Based on the wage theory, all foreign employees experience differential compensation and benefit needs, therefore, employers must short them in accordance to their preferred mix of pays and benefits (Richard, 2003).

In addition, company is recommended to design the flexible reward plans in dominion for each foreign employee in different nations. Company which has high dominion high tax bases, revenue, and employment control are more open-handed with the compensation and benefit pay. Moreover, compensation will be more closely associated to performance along with serving as an achievement for higher rewards. Furthermore, employer requires to take into consideration differences of labour law, taxes law and extend of social security coverage that may affect employee's compensation and benefit package (Frances, 2005). Whereas, various compensation and benefit packages vary according to the company's philosophy and culture.

Lastly, a successful compensation and benefit plan must be developed by employer including the transparent positioning of pay level to recruit and retain employees, and the recognition of benefits approach for employees (Frances, 2005).



## **2.4 Hypotheses Development**

### **2.4.1 Relationship between Malaysia Recruitment and Selection and Foreign Employee Retention in Malaysia**

Hazrina (n.d.) stated that recruitment and selection are both interrelated in order to retain foreign employees. From the research of Ong C. H. (2018), it has shown that the relationship between recruitment and selection on foreign employee retention. The recruitment and selection are either happen internally or externally of an organization in a result-based effective manner. Based on Jha and Bhattacharyya (2012), recruitment and selection enhances the attraction of potential foreign employee. Effective job selection process helps to develop good first impression, because foreign employee will remember the first impression and thus has commitment to remain his or her job experience longer. Foreign employee chosen from valid job previews has high retention possibility (Bonn, 1992). Convincing job previews can be used in the recruitment process to enhance the cognitive interaction at foreign employee entry stage.

SHRM (2012) stated that recruitment and selection provides the opportunity for foreign employee to engage as part of the member in the company. Cameron (2010) revealed that as this process involves recruit and select the sincere foreign employees who are appropriate to fill vacant position as to improve foreign employee retention. In terms of retention, employer should also ensure the applicants able to deal with unavoidable negative aspect of the job, leading to trust, loyalty, commitment, and retention.

H1: There is a significant relationship between Malaysia recruitment and selection towards foreign employee retention

### **2.4.2 Relationship between Malaysia Training and Development towards Foreign Employee Retention**

According to Aguinis (2009), the significance of training and development brings positive consequences such foreign employee retention. From the past researches, scholars stated that training and development goal has been widespread into leading employee behaviour towards company expected result (Lunenburg, 2011). Accordingly, the company has made increasing diversity training investment for the purpose of realizing the change situation and challenges work environment that foreign employee will face when working in Malaysia (Hansson, 2009).

As Malaysia has stepped into 21st centuries, the company will improve training and development to ensure foreign employee has participated in local dynamic labour market. Based on the research (Vasudevan, 2014), the combination of training and development programs are useful to examine the best methods which influences most the dependent variable. To be more specific, the organization demands effort, skills, and experience from employee. Meanwhile, the employee retention depends on the encouragement and training programs provided by the organization. This view is supported on the relationship which highlighted that management of training and development can determine the result of foreign employee retention.

H2: There is a significant relationship between Malaysia training and development towards foreign employee retention

### **2.4.3 Relationship between Malaysia Performance Appraisal and Foreign Employee Retention**

In the previous researches, researchers believed that constructive performance appraisal is interconnected to foreign employee retention (Ikramullah, 2011). Foreign employees willing to contribute effort to stay

in the organization if they perceive the company concerns on their opinions and feedbacks. Performance appraisal reduces the behaviour problems and improves employee performance and retention (Ong C. H., 2018). In Malaysia company, result-based rating and rewarding based on the performance is necessary as it helps the employer to determine which individual to retain (Ong C. H., 2018). According to Kelly (2008), she conducted survey among foreign employees as 80% of them encourage the implementation of appraisal system and 45% of them hope the employer to improve on current appraisal system. Besides, performance appraisal helps to identify individual capability and encourages for further development.

Additionally, performance appraisal also considered as a useful communication method where employer and employee can provide feedback to each other. Mondy (2014) stated that through the process of performance appraisal, employer can implement expectations on foreign employee as a standard for them to move in the right track. Meanwhile, employer must ensure that foreign employee understands the expectation of employer on appraisal system since it determines foreign employee retention to the organization.

Ong (2018) stated that identification and motivation are the purpose of appraisal system. Therefore, researchers have highlighted that employer should implement accurate and measurable appraisal system for keeping purpose that is importantly decide the employee retention (Ong C. H., 2018).

H3: There is a significant relationship between Malaysia performance appraisal towards foreign employee retention in Malaysia

#### **2.4.4 Relationship between Malaysia Compensation and Benefit towards Foreign Employee Retention**

According to Maqsood (2015), the compensation and benefit given to the foreign employee is the primary factor related to the foreign employee

intention to stay in the organization. Compensation and benefit has direct relationship to influence foreign employee decision to retain in the organization (Yamamoto, 2013). The tendency of foreign employee to leave the organization has specific connection to the insufficient of pay (Maqsood, 2015). Many of the companies willing to offer high above market rate compensation to retain high-performance foreign employee (Maqsood, 2015). This is because, reward will influence foreign employee intention shifts to competitor organization while the reward of competitor is higher than current company (Tangthong, 2014). On the other hand, previous research emphasized that financial reward is not the only method to retain foreign employee when the organization has reached their maximum pay level (McKeen, 2009).

Based on Yamamoto (2013), foreign employee perceives that welfare benefits can affect their decision to stay in the organization. This indicates that employer supports their foreign employee and family daily life. Hence, company with attractive compensation and benefit package tend to retain talented foreign employee targets at pay and benefits provided by the company (Ong C. H., 2019).

H4: There is a significant relationship between Malaysia compensation and benefit towards foreign employee retention

## **2.5 Conclusion**

This chapter fundamentally focus on the literature review from the published online journal. Moreover, hypotheses have been established supported by the published study to answer the research questions and objectives.

## **CHAPTER 3: METHODOLOGY**

### **3.0 Introduction**

Chapter 3 is discussing about the primary and secondary data used to gather data. This chapter also includes the techniques apply for research design, sampling design, research instrument, pilot study, construct measurement, data processing, and data analysis.

### **3.1 Research Design**

Research design structures all the elements to propose a research work. It is a combination of planned strategy in control of the collection and analysis, in result of presenting logical decisions (Akhtar, 2016). Research is conducted once the objectives and concepts have been developed. This research is to identify the relationship between Malaysia Human Resource Management and foreign employee retention based on the reliable approaches to ensure the research work comes out with logical result. Quantitative research has been applied in this research. The numerical data would be quantified in order to support the research hypotheses (Oberiri, 2017). Moreover, the objective of this study is to identify the positive causal link between independent and dependent variables (Sekaran, 2012).

## **3.2 Sampling Design**

### **3.2.1 Target Population**

The target population is the total group of people that researcher intends to collect information from them which they given identity to represent the interest of population (Hair, 2003). The targeted respondents for this study are legal foreign employees from China, Philippines, Indonesia, India, Myanmar and Bangladesh working in Malaysia company.

### **3.2.2 Sampling Frame and Sampling Location**

Sampling frame and sampling location are specific group of people that represent as sample for the population (Greener, 2008). The sample can be taken from any organization dispersed all over Malaysia. Sampling in this research focus on foreign employees from different organization including food and beverage, manufacturing, service, construction and agriculture.

### **3.2.3 Sampling Elements**

Sampling elements can be defined as members have the equally chances to be selected for research purpose (Greener, 2008). Legal foreign employees working in Malaysia organization, regardless of part-time or full-time, age, gender, experience, years of working are targeted. The questionnaire will only distribute for those who willing to participate as respondents to support the research objective.

### **3.2.4 Sampling Techniques**

Non-probability sampling method is selected in this research. The reason for chosen non-probability sampling method is because of cost and time effective than probability method. Moreover, convenience and judgemental method are applied. Convenience method involves the selection of foreign employees that are available to approach. Judgemental method involves selection of respondents who have the similar opinion that are more fit to support the research.

### **3.2.5 Sampling Size**

Adequate sample size means identification of minimum number of participants chosen from target population. The sample size should be based on the previous data outcome as an evidence to examine the effective of sample size (Burmeister, 2012). 150 respondents have been targeted in this research, while pilot test on 30 respondents before distributing to the remaining 120 respondents.

## **3.3 Data Collection Methods**

### **3.3.1 Primary Data**

Primary data involves collection of first-hand data for the current research (Currie, 2015). The first-hand data would further analyse and summarise to reach a final decision. In this research, questionnaire has been selected as the method to collect primary data from the target respondents. This required extra time and effort to distribute the questionnaire and analyse the reliability of result.

### **3.3.2 Secondary Data**

Secondary data involves study historical data that has been collected and proven by the previous researchers. It is useful in generating new purpose for future research. Meanwhile, it is useful to adds credibility to the first-hand finding. In this research, online resources and UTAR e-databases has been utilized for searching journal, report, article, and textbook.

## **3.4 Research Instrument**

### **3.4.1 Questionnaire Design**

The research questions established in the beginning to determine the formation of questionnaire. Questionnaire formation must referring to secondary data which has been proven by the previous researchers (N.Ross & Kenneth, 2005).

The questions are designed in closed-ended questions. Respondents are required to respond answer questions in limited options. The close-ended questions ensure the respondent can complete the survey in expected time given. This type of question is commonly used to measure the social attitudes easier for the collection of viewpoints toward the relationship of variables (Rani, 2012).

This research consists of two sections which are Section A and Section B. Section A collects personal information designed in multiple choice questions. Moreover, Section B contains five parts of questions which are 4 independent variables and 1 dependent variable. 5 sub-questions consist in every part of Section B. Likert scale is applied in this section to evaluate the opinion of every statement. The Likert Scale ranges from 1=Strong Disagree; 2=Disagree; 3=Neutral; 4=Agree; 5=Strongly Agree.

### 3.4.2 Pilot Study

The purpose of the pilot test allows researchers to identify the appropriateness of proposed questionnaire which is to ensure the feasibility on questionnaire design. Firstly, 30 sets of questionnaires distributed to respondents to test the validity and feasibility before the approach to the large group of respondents. The questionnaires distributed to employed foreign employees around Sungai Long and Kajang area. The determination of questionnaire validity will be proceeded on SPSS pilot test after collecting back 30 sets of answered questionnaires from respondents.

Table 3.1: Pilot Study Reliability Test

No.	Variable	No. of Items	Cronbach's Alpha	Strength of Association
1	Foreign Employee Retention	5	0.884	Very Good
2	Recruitment and Selection	5	0.977	Excellent
3	Training and Development	5	0.973	Excellent
4	Performance Appraisal	5	0.956	Excellent
5	Compensation and Benefit	5	0.979	Excellent

Source: Developed for the research

Cronbach's alpha is applied in the multiple questionnaire to measure the internal consistency of reliability (Douglas, 2014). Table 3.1 shows the result of variables from 30 sets of pilot test. It has shown that compensation and benefit has highest Cronbach's alpha of 0.979 which is excellent strength of association. Next, foreign employee retention has the lowest Cronbach's alpha of 0.884, but it still falls under very good strength of association. The result of Cronbach's alpha for performance appraisal of 0.956 which is in excellent strength of association. Furthermore, recruitment and selection and training and development obtains Cronbach's Alpha of 0.977 and 0.973 respectively which possess excellent strength of association.

### 3.5 Construct Measurement

#### 3.5.1 Original Source of Construct Measurement

Table 3.2: Origin of Construct Measurement

No.	Item	Modification
<b>Foreign Employee Retention</b>  Author: (Nazdratu, 2014)	a. The organization given attention on the employees.	a. My organization has shown effort to retain me in the organization.
	b. My expectations were met after i joined the organization.	b. My expectations are being satisfied in the organization.
	c. External pressures caused me to/ may cause me to leave my job.	c. External factors caused me to quit the organization.
	d. The organization empowers its employees.	d. The organization recognized my effort.
	e. My job is insecure.	e. My job has given me security to stay in the organization.
<b>Recruitment and Selection</b>  Author: (Hsu, n.d.)	a. Have security employment.	a. Personal confidential information is protected during the hiring process.
	b. Have adopted own recruitment & selection approach to the job.	b. My organization encourages realistic recruitment & selection method.

	c. Have opportunities for advancement to higher level jobs	c. Available opportunities for job promotion.
	d. Fully use your skills and abilities on the job	d. Perceive my skills and abilities for better job opportunities.
	e. Have sufficient time left for your personal or family life	e. I have adequate time for personal consideration on the job acceptance.
<p><b>Training and Development</b></p> <p>Author: (Palwasha, 2018)</p>	a. My head of department provides adequate time for me to attend training.	a. My organization provides adequate time with on the job training and off the job training for me.
	b. My institution provides extensive training for the faculty's development.	b. My organization provides comprehensive training for my job professional development.
	c. My institution provides developmental training programs for the employee every year.	c. My institution provides developmental training programs for my personal development.
	d. In my institution, there is formal developmental training to teach new academic staff the skills they need to perform their jobs.	d. My organization has been given orientation training program for me during my new joined.

	e. My institution provides formal developmental training to faculty members in order to increase their chances of promotion in this institution.	e. My organization provides formal development training for me to increase the opportunities of promotion.
<p><b>Performance Appraisal</b></p> <p>Author: (Harpreet, 2018 )</p>	a. Communication with the staff is easy.	a. Communication with the members in my organization is easy.
	b. The suggestions given by employees are considered.	b. My organization has concerned on my feedback.
	c. I have great working relationship with my colleagues.	c. I have positive working relationship with my immediate-supérieurs and colleagues.
	d. Appraisal system is fair and unbiased.	d. Appraisal system provided by my organization is always fair and unbiased.
	e. Help in career progression.	e. Appraisal system provided by my organization is useful in job promotion opportunities.
<p><b>Compensation and Benefit</b></p> <p>Author: (Harpreet, 2018 )</p>	a. Salary breakup is satisfactory.	a. Base salary breakup is realistic and unbiased.

	b. Performance based incentives are given.	b. Additional bonuses, commissions, and merits pay have been given as performance-based incentive.
	c. Yearly bonus is given in time & extra payment is given for overtime.	c. Reasonable annual bonus and overtime payment rate have been given on time.
	d. Reward and other benefits.	d. There are benefits such as meal allowances and house allowances subsidized to motivate me.
	e. Adequate leaves are given.	e. There are adequate paid leaves given to help me de-stress.

### **3.5.2 Scale of Measurement**

In this research, there are three types measurement levels used included nominal, ordinal and interval are applied.

Section A consists nominal and ordinal measurement. Nominal scale classifies personal profile into different groups according to gender, nationality, education level, marital status and so on. Meanwhile, ordinal scale allows personal profile to be arranged in order of each case in one class including age, hours of work, fixed salary and so forth.

Section B comprises interval scale measurement to identify the foreign employee retention with the tendency of four independent variables. As mentioned, five-point Likert Scale is adopted in Section B.

## **3.6 Data Processing**

### **3.6.1 Questionnaire Checking**

Questionnaire checking is the first step to check the accuracy of questionnaire. Each of the questions referring to the previous studies which reliabilities have been proven by the previous researchers. Reliable questionnaires from previous studies would ensure the formation of valid questionnaire in this research to test the reliability. Also, modification of grammar and words have done during the construct management from existing questionnaire to build a new set of questionnaire for this research.

### **3.6.2 Data Editing**

Data editing is to filter the reliable responses. The process of detecting the errors and amending accordingly from the collecting feedback. It is to

ensure the error would not affect the overall respondents' result. This action will improve the accuracy and coherence of the result analysis.

### **3.6.3 Data Coding**

The data coding transforms the value in questionnaire to numerical characteristics to represent each value that is suitable for SPSS to perform analysis.

### **3.6.4 Data Transcribing**

The final is data transcribing. It involves decoding the questionnaire in numerical form to SPSS for analyzation and interpretation. Pilot study reliability test will be conducted to analyse the respond of small size of respondents on SPSS before proceeding to the large group.

## **3.7 Data Analysis**

### **3.7.1 Descriptive Analysis**

Descriptive analysis means of simply transforming completed questionnaires from respondents and process to form that can be easily interpret and understand (William, 2003). Accordingly, descriptive analysis simplifies data into table, chart, and graph to describe the outcome of questionnaires. Besides, proper summarize of data into numerical and graphical statistics can generate useful insight in the study.

### 3.7.2 Scale Measurement (Reliability Analysis for Pilot Test)

Reliability test is concerned with the ability of questionnaires to measure consistently and associated with validity (Mohsen, 2011). Questionnaires itself cannot be valid unless it is reliable. Therefore, calculating Cronbach's alpha performs as a common practice to measure the internal consistency which expresses in number between 0 and 1. Internal consistency shows the extend of inter-relatedness through the strength of association. The table below shown the measurement of Cronbach's alpha.

Table 3.3: Cronbach's Alpha Rules of Thumb

Cronbach's Alpha	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

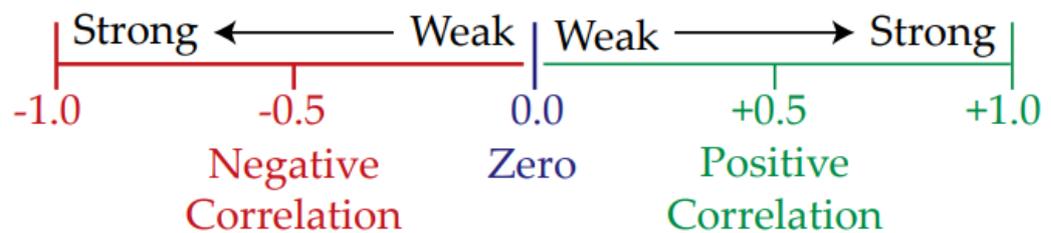
Source: Hair, Samouel, Money, and Page (2007)

### 3.7.3 Inferential Analysis

#### 3.7.3.1 Pearson Correlation Coefficient Analysis

Pearson correlation coefficient indicates the association between two variables which measures on the strength or extent of an association and its direction (NJ, 2017). The value ranges from -1 to +1. If the variables are perfectly positive between two variables, it shows a +1 of correlation coefficient. In contrast, correlation coefficient of -1 denotes that the two variables are perfectly negative, while correlation coefficient of zero denotes no relationship between two variables. The diagram below shown the strength and direction of correlation coefficient.

Diagram 3.3 Correlation Coefficient Strength & Direction



Source: NJ and Gogtay (2017)

#### 3.7.3.2 Multiple Linear Regression Analysis

The multiple linear regression focuses on the relationship between multiple independent variables and a dependent variable (Gulden, 2013). This method allows researchers to reach conclusion size of effects on the structure which multiple variables simultaneously interact with the outcome. Multiple linear regression is formulated as below:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$$

Y= Dependent Variable

$\alpha$ = Constant

$\beta_1$  to  $\beta_4$ = Regression coefficient for the independent variables

$X_1$  to  $X_4$ = Independent variables

### **3.8 Conclusion**

This chapter explained the research design for this research as well as construct measurement for questionnaires and techniques for data collection and data processing.

## **CHAPTER 4: DATA ANALYSIS**

### **4.0 Introduction**

Chapter 4 involves collection of questionnaires from 150 respondents and proceed with the descriptive analysis such as demographic profile. Meanwhile, scale measurement on reliability test and inferential test on the consistency.

### **4.1 Descriptive Analysis**

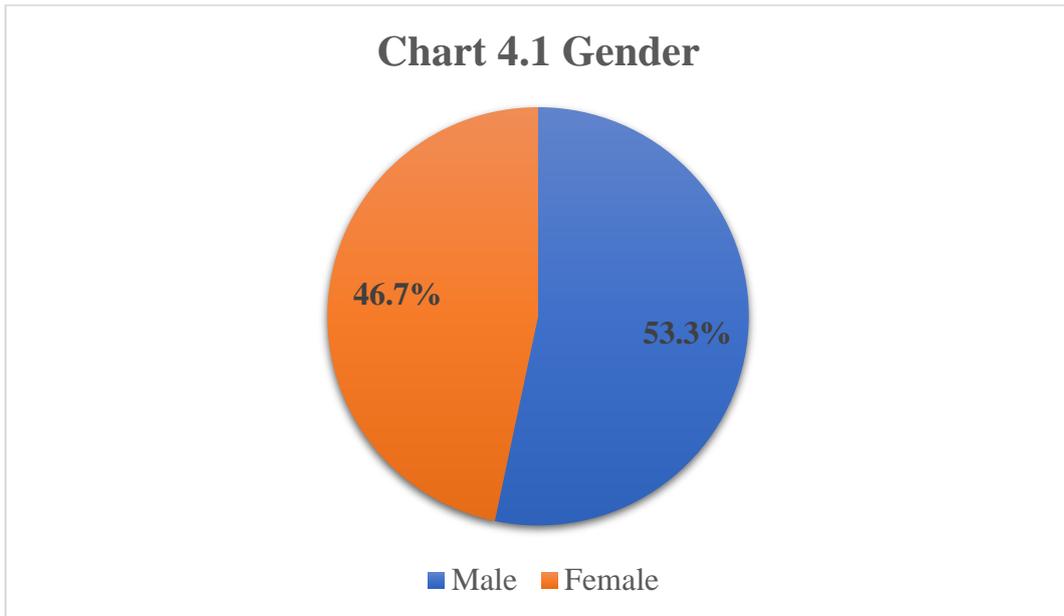
#### **4.1.1 Respondents Demographic Profile**

Demographic profile allows researcher to familiar with respondents' background before they respond to the questionnaire. This including gender, age, nationality, education level, marital status, years of working in Malaysia, job status, hours of working, and monthly fixed salary.

Table 4.1: Gender

		<b>Gender</b>			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	80	53.3	53.3	53.3
	Female	70	46.7	46.7	100.0
	Total	150	100.0	100.0	

Source: Developed for the research



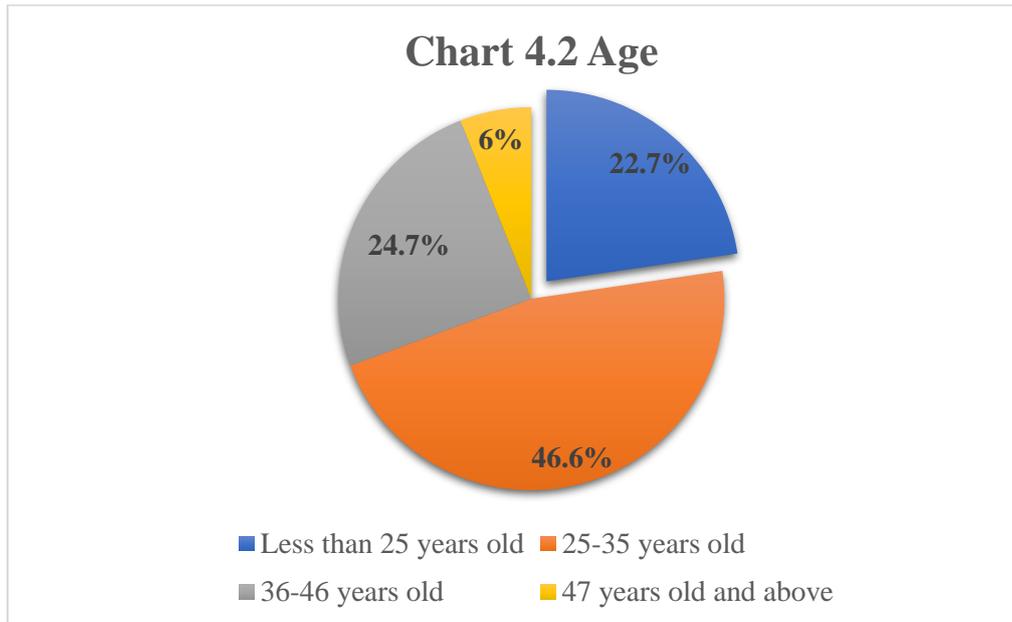
Source: Developed for the research

Table 4.1 and Chart 4.1 show the gender of respondent who participated in the questionnaire. Gender distribution for male and female is relatively equal. However, male still occupied the majority respondents which are 80 respondents while female respondents are 70 respondents. The percentage of male respondents is 53.3% over the 46.7% of female respondents.

Table 4.2: Age

		<b>Age</b>			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less 25 years old	34	22.7	22.7	22.7
	25-35 years old	70	46.6	46.6	69.3
	36-46 years old	37	24.7	24.7	94.0
	47 years old and above	9	6.0	6.0	100.0
	Total	150	100.0	100.0	

Source: Developed for the research



Source: Developed for the research

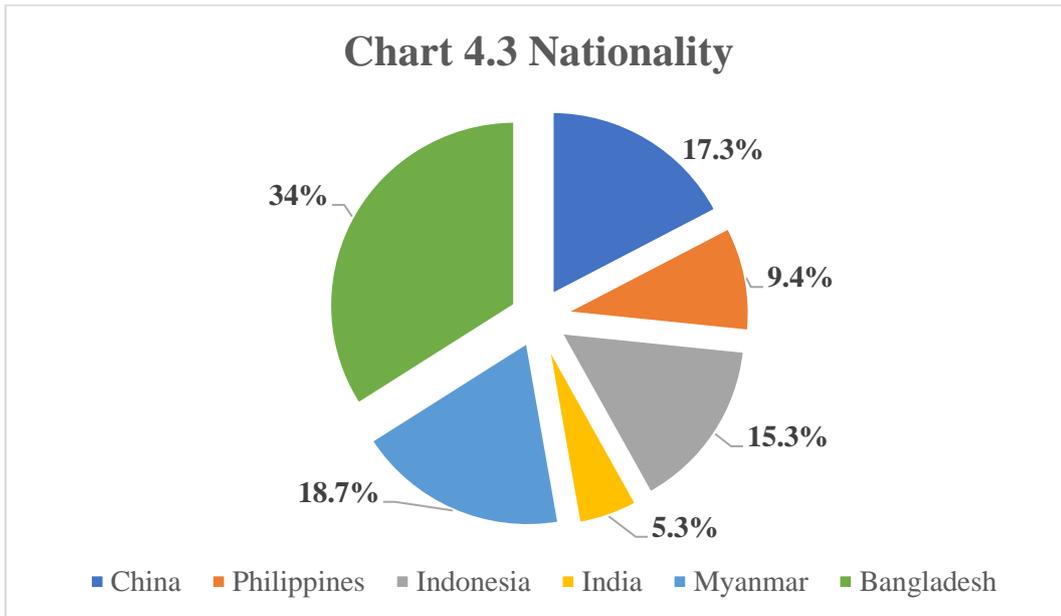
According to Table 4.2 and Chart 4.2, the largest group of the respondents falls at 25-35 years old which are 46.6% or 70 respondents. Besides, respondents at 36-46 years old scores the second highest with 24.7% or 37 respondents, following by 22.7% or 34 respondents which are below 25 years old. The least respondents which are 47 years old and above with only 6% that equals to 9 respondents.

Table 4.3: Nationality

**Nationality**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	China	26	17.3	17.3	17.3
	Philippines	14	9.4	9.4	26.7
	Indonesia	23	15.3	15.3	42.0
	India	8	5.3	5.3	47.3
	Myanmar	28	18.7	18.7	66.0
	Bangladesh	51	34.0	34.0	100.0
	Total	150	100.0	100.0	

Source: Developed for the research



Source: Developed for the research

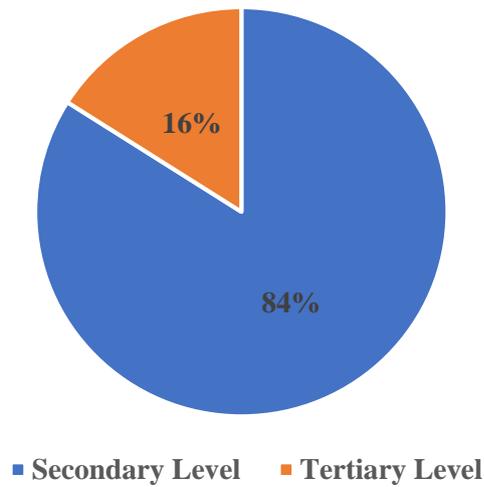
There are five types of nationality which are China, Philippines, Indonesia, India, Myanmar, and Bangladesh. Among the nationalities, majority of respondents are from Bangladesh with a result of 34% or 51 respondents. Follow by, Myanmar and China which equivalent to 18.7% and 17.3% or 28 and 26 respondents respectively. Besides, 15.3% or 23 respondents are from Indonesia. Lastly, slightly less respondents in this research are from Philippines and India at 9.4% and 5.3% respectively.

Table 4.4: Educational Level

		Educational Level			Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Secondary Level	126	84.0	84.0	84.0
	Tertiary Level	24	16.0	16.0	100.0
	Total	150	100.0	100.0	

Source: Developed for the research

**Chart 4.4 Educational Level**



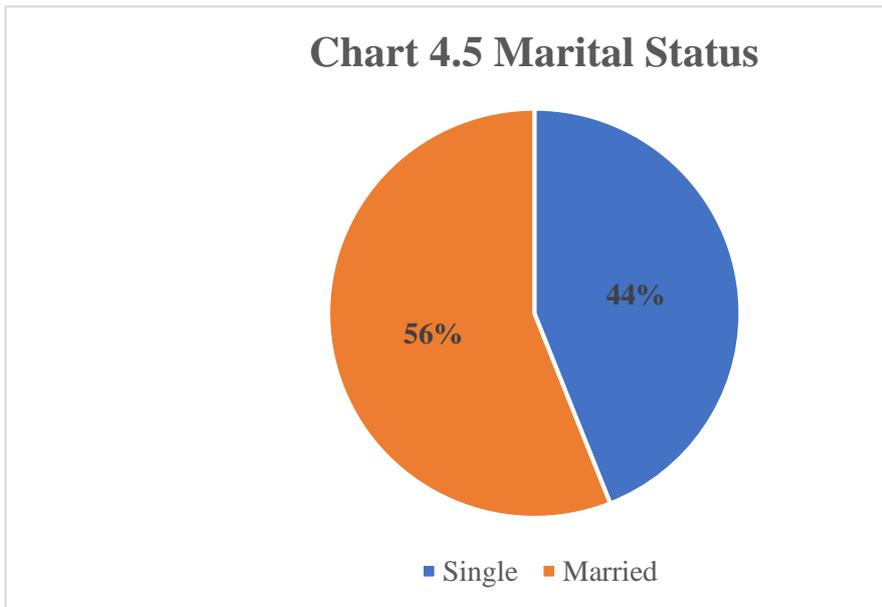
Source: Developed for the research

Table 4.4 and Chart 4.4 show the educational level of respondents. There are 84% of respondents that have at least studied until secondary level which consists of 126 respondents. However, they are only 16% respondents who have studied until tertiary level.

Table 4.5: Marital Status

		Marital Status			Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Single	66	44.0	44.0	44.0
	Married	84	56.0	56.0	100.0
	Total	150	100.0	100.0	

Source: Developed for the research



Source: Developed for the research

Based on Table 4.5 and Chart 4.5, it states that the marital status of majority respondents are married at the percentage of 56% or 84 respondents. Meanwhile, remaining of 44% or 66 respondents in single status.

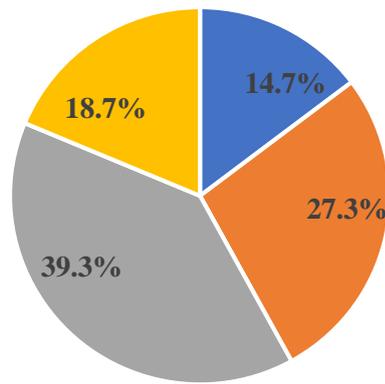
Table 4.6: Years of working in Malaysia

**Years of working in Malaysia**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 year	22	14.7	14.7	14.7
	1 year	41	27.3	27.3	42.0
	2-5 years	59	39.3	39.3	81.3
	6 years and above	28	18.7	18.7	100.0
	Total	150	100.0	100.0	

Source: Developed for the research

**Chart 4.6 Years of working in Malaysia**



■ Less than 1 year ■ 1 year ■ 2-5 years ■ 6 years and above

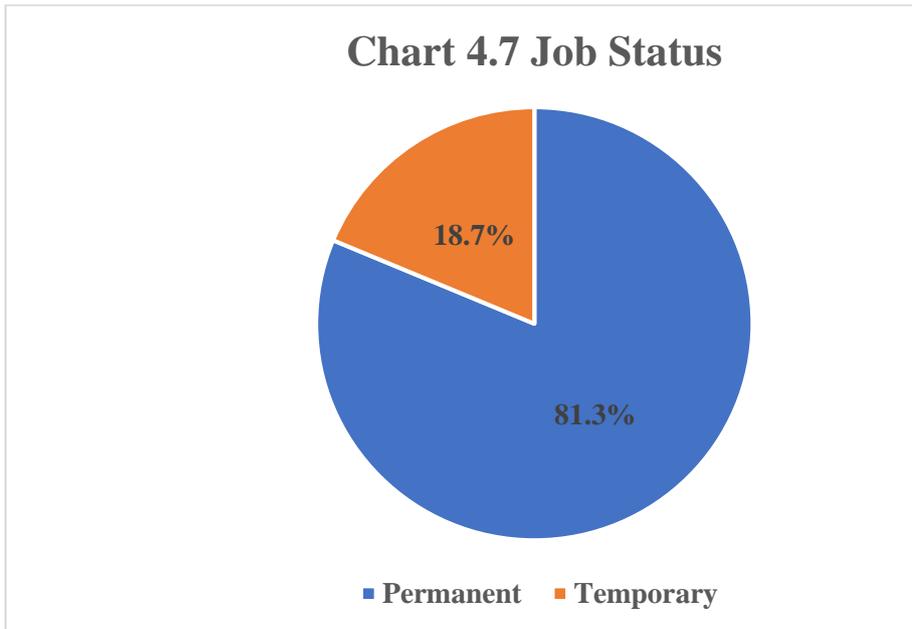
Source: Developed for the research

Table 4.6 and Chart 4.6 show the years of respondents working in Malaysia. The highest percentage that is 39.3% of respondents that have been working in Malaysia between 2-5 years. Secondly, there are 27.3% which is 41 respondents work here for 1 year. Moreover, 18.7% of experience respondents that have been working for 6 years and above in Malaysia. Lastly, there are only 22 respondents who have been working for less than 1 year in Malaysia.

Table 4.7: Job status

		<b>Job</b>			Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Permanent	122	81.3	81.3	81.3
	Temporary	28	18.7	18.7	100.0
	Total	150	100.0	100.0	

Source: Developed for the research



Source: Developed for the research

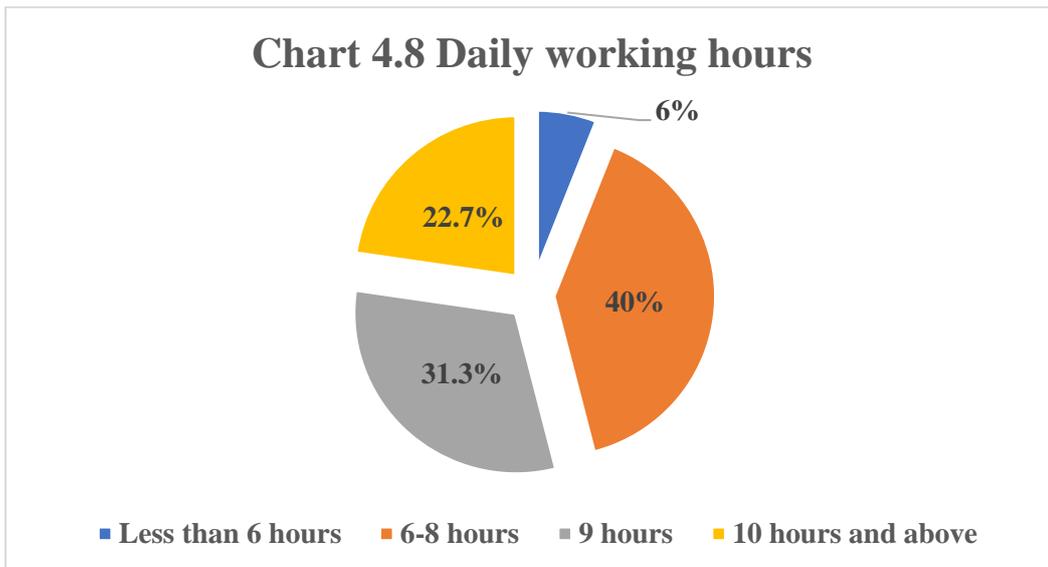
Based on table 4.7 and chart 4.7, large number of respondents are working as permanent job in Malaysia. There are 81.3% or equivalents to 122 respondents work as permanents, while only 18.7% or equivalents to 28 respondents work as temporary.

Table 4.8: Daily working hours

**Daily working hours**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 6 hours	9	6.0	6.0	6.0
	6-8 hours	60	40.0	40.0	46.0
	9 hours	47	31.3	31.3	77.3
	10 hours and above	34	22.7	22.7	100.0
	Total	150	100.0	100.0	

Source: Developed for the research



Source: Developed for the research

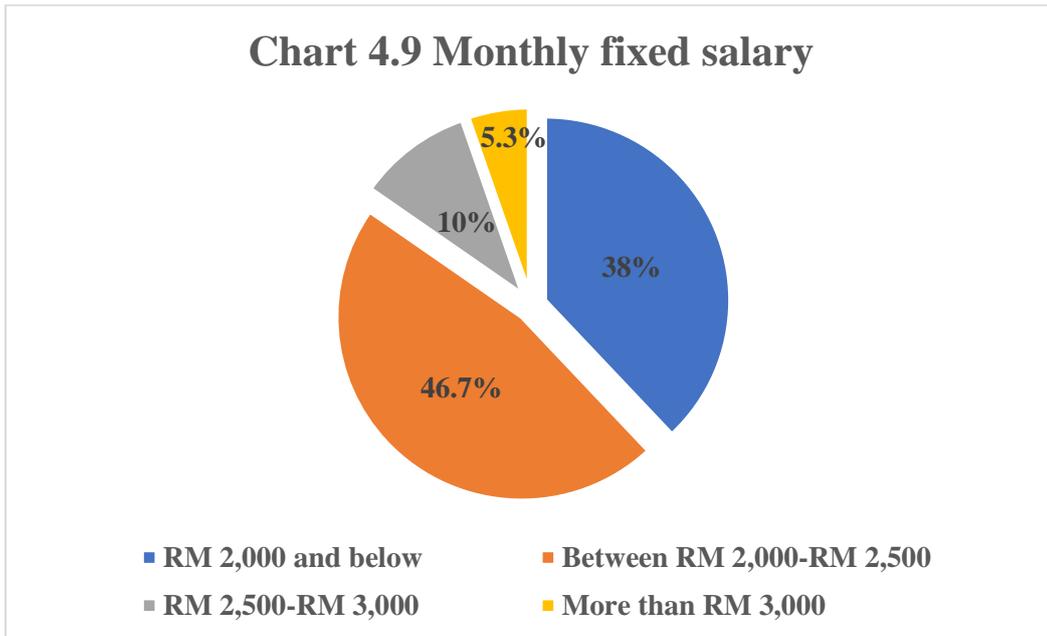
According to table 4.8 and chart 4.8, there are 4 categories of working hours. 40% of respondents working for 6-8 hours daily which are 60 respondents. Follow by, 31.3% or 47 respondents work for 9 hours only. There are 22.7% or 34 respondents work at least 10 hours and above. Lastly, there are only 6% of respondents working hours are not meeting 6 hours.

Table 4.9: Monthly fixed salary

**Monthly fixed salary**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	RM 2,000 and below	57	38.0	38.0	38.
	RM 2,000-RM 2,500	70	46.7	46.7	84.
	RM 2,500-RM 3,000	15	10.0	10.0	94.
	More than RM 3,000	8	5.3	5.3	100.
	Total	150	100.0	100.0	

Source: Developed for the research



Source: Developed for the research

Table 4.9 and Chart 4.9 represent the four different monthly fixed salary groups of respondents. The respondents who earned more than 3,000 per month are 5.3% or 8 respondents which are the least proportion. Next, there are 46.7% or 70 respondents whom monthly fixed salary is between RM 2,000-RM 2,500 which is the highest proportion. The second highest is RM2,000 and below which has 38% or 57 respondents. Last, there are 10% or 15 respondents earned between RM 2,500-RM 3,000.

#### 4.1.2 Central Tendencies Measurement of Construct

Table 4.10: Descriptive Statistic on Variables

	N	Mean	Std. Deviation
RAS	150	3.7733	.88345
TAD	150	3.6667	.89493
PA	150	3.7400	.84687
CAB	150	3.8933	.88345
FER	150	3.8200	.90539

Source: Developed for the research

RAS = Recruitment and Selection  
TAD = Training and Development  
PA = Performance Appraisal  
CAB = Compensation and Benefit  
FER = Foreign Employee Retention

According to table 4.10, descriptive statistic summarizes mean and standard deviation of all variables. Among independent variables, compensation and benefit shows significant mean of 3.8933 which mean that respondents give attention on the importance of compensation and benefit. Recruitment and selection, and performance appraisal score 3.7733 and 3.7400 on the mean. Nonetheless, training and development shows least mean of 3.6667 which can be considered that training and development has less influence for respondents' turnover.

In addition, training and development has the highest standard deviation of 0.89493. This indicates that responses are dispersed into different and wider range. Recruitment and selection, and compensation and benefit have equal standard deviation of 0.88345. In contrast, performance appraisal has the least standard deviation 0.84687 which indicates that values are more focus on the mean.

## 4.2 Scale Measurement

### 4.2.1 Reliability Test for Actual Result

Table 4.11: Summary of Reliability Test

No.	Variable	No. of Items	Cronbach's Alpha	Strength of Association
1	Foreign Employee Retention	5	0.775	Good
2	Recruitment and Selection	5	0.873	Very Good
3	Training and Development	5	0.926	Excellent
4	Performance Appraisal	5	0.883	Very Good
5	Compensation and Benefit	5	0.911	Excellent

Source: Developed for the research

Based on Table 4.11, 25 items are extracted from the questionnaire for reliability test to measure on the internal consistency. Training and development, and compensation and benefit categorize as excellent reliability range which value at 0.926 and 0.911 respectively. Moreover, performance appraisal and recruitment and selection falls under very good reliability range at value of 0.883 and 0.873 respectively. Lastly, foreign employee retention scores under good reliability range at 0.775.

## 4.3 Inferential Analysis

### 4.3.1 Pearson Correlation Analysis

Table 4.12: Pearson Correlation Test

		Correlations				
		RAS	TAD	PA	CAB	FER
RAS	Pearson Correlation	1	.526**	.600**	.674**	.628**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	150	150	150	150	150
TAD	Pearson Correlation	.526**	1	.579**	.654**	.538**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	150	150	150	150	150
PA	Pearson Correlation	.600**	.579**	1	.610**	.560**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	150	150	150	150	150
CAB	Pearson Correlation	.674**	.654**	.610**	1	.647**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	150	150	150	150	150
FER	Pearson Correlation	.628**	.538**	.560**	.647**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	150	150	150	150	150

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

Table 4.12 presents the result of Pearson Correlation Analysis between independent variable and dependent variable. All the independent variables have same p-value .000 towards the dependent variable. It means that the relationship between independent variable and dependent variable is significant which are less than the alpha value of 0.01 level. The strenght of association result indicates that independent variables have positive relationship towards dependent variable.

The most important is compensation and benefit has the highest rank of correlation (0.647) with foreign employee retention as foreign employee are looking for attractive pay provided by the organization in Malaysia than

their country. The second highest rank is the correlation (0.628) of recruitment and selection with foreign employee retention as foreign employee are selected through fair and adequate position are explained clearly, therefore foreign employee will remember the good start to their job will lower turnover intention. Besides, performance appraisal correlation (0.560) with foreign employee retention because of the employer is concerned about the feedback as it contributes to the welfare of company. Nonetheless, training and development has the lowest correlation (0.538) with foreign employee relation. Mostly is because the coverage of training and development is not enough to satisfy foreign employee.

### 4.3.2 Multiple Linear Regression

Table 4.13: Model Summary

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.712 <sup>a</sup>	.507	.493	.64446

a. Predictors: (Constant), CAB, TAD, PA, RAS

Based on Table 4.13, the R value of 0.712 has shown that independent variables have positive significant relationship with dependent variable. The R square are interpreted as 51% which means the predictors of independent variable account for 51% of the variance in foreign employee retention.

Table 4.14: ANOVA

<b>ANOVA<sup>a</sup></b>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	61.918	4	15.479	37.270	.000 <sup>b</sup>
	Residual	60.222	145	.415		
	Total	122.140	149			

a. Dependent Variable: FER

b. Predictors: (Constant), CAB, TAD, PA, RAS

According to table 4.14, P value of 0.000 is less than 0.05 that means the regression is significant, in other words, R square is significantly greater than 0 which has mentioned above. While,  $F(4,145) = 37.270$ . The overall regression is statistically significant because three predictors together as a set, they predict foreign employee retention.

Table 4.15: Coefficients

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.572	.276		2.071	.040
	RAS	.293	.086	.286	3.389	.001
	TAD	.076	.080	.075	.954	.342
	PA	.164	.090	.153	1.830	.069
	CAB	.321	.092	.313	3.480	.001

a. Dependent Variable: FER

The coefficient Table 4.15 looks at each of the predictors individually. Recruitment and selection, and compensation and benefit are significant predictors of foreign employee retention because the P value is less than 0.05. However, training and development and performance appraisal are not significant predictors for foreign employee retention at P value of greater than 0.05.

$$Y = 0.572 + 0.293\text{RAS} + 0.076\text{TAD} + 0.164\text{PA} + 0.321\text{CAB}$$

Based on the equation above, it shows that the increase of 1 unit will influence the tendency of predictors toward dependent variable. For instance, increase of 1 unit in recruitment and selection will contribute to additional 0.293 unit in foreign employee retention, same goes to the remaining predictors. Besides, standardized coefficients show the influential of predictors toward dependent variable. In all, compensation and benefit has the highest standardized coefficients beta value of 0.313 which means that it has the most significant influence on the foreign employee retention.

Followed by, recruitment and selection (0.286), performance appraisal (0.153), and training and development (0.075).

### 4.3.3 Hypotheses Testing

The purpose of multiple linear regression analysis is to determine whether the proposed hypotheses is being supported. The level of significance 0.05 is used to determine the rejection rule of hypotheses. Hence, if the rejection rule is  $p \text{ value} \leq \text{level of significance}$ , then reject  $H_0$  and if  $p \text{ value} > \text{level of significance}$ , then do not reject  $H_0$ .

Table 4.16: Summary of Hypotheses Testing

Hypothesis	Multiple Regression Analysis (Significant value)	Rejection of rule
H1: There is a significant relationship between recruitment and selection towards foreign employee retention in Malaysia	$P \text{ value } (0.001) \leq 0.05$	Supported
H2: There is a significant relationship between training and development towards foreign employee retention in Malaysia	$P \text{ value } (0.342) > 0.05$	Not Supported
H3: There is a significant relationship between performance appraisal towards foreign employee retention in Malaysia	$P \text{ value } (0.069) > 0.05$	Not Supported
H4: There is a significant relationship between compensation and benefit towards foreign employee retention in Malaysia	$P \text{ value } (0.001) \leq 0.05$	Supported

## **4.4 Conclusion**

In short, respondents' demographic profile was presented in descriptive analysis through table and chart. At the same time, inferential analysis is to determine the reliability on the strength of association, while multiple linear regression analysis is computed to determine the hypotheses rejection of rule.

## **CHAPTER 5: DISCUSSION, CONCLUSION AND IMPLICATIONS**

### **5.0 Introduction**

Chapter 5 involves summary of the analysis which have been done in chapter 4, discussion on the major findings, implication of this study, recommendations for future research improvement and conclusions.

### **5.1 Summary of Statistical Analysis**

As stated in demographic profile, the number of male respondents is 80, while the number of female respondents is 70 which only slightly less than the male respondents. Majority of 70 respondents are between 25-35 years old which occupies 46.6%. However, they are only 9 respondents are 47 years and above. The largest group of respondents are from Bangladesh, followed by Myanmar, China, Indonesia, Philippines, and India accordingly. Meanwhile, majority of them have at least studied until secondary level, yet only 16% or 24 respondents studied until tertiary level. 56% respondents mentioned that they are married even though some of them are less than 25 years old. Besides, most of them have years of experience working in Malaysia in between 2-5 years at 59 respondents followed by 1 year, less than 1 year, while 6 years and above are the least. Similar as Malaysian workers, greater number of them are working as permanent rather than temporary which permanent job. 60 respondents selected that they are working for 6-8 hours daily and 47 respondents for 9 hours, while only 6% of them working 10 hours and above. Lastly, the monthly fixed salary paid for majority respondents are RM2,000-RM2,500, yet only 5.3% respondents are from the group of high salaries of more than RM3,000.

In central tendencies measurement, compensation and benefit has the highest mean which indicates the concern of respondents, while training and development has the lowest mean. On the other hand, training and development has the highest standard

deviation which indicates the focus has been disperse into greater range, while performance appraisal scores the least standard deviation.

Cronbach's Alpha test was conducted to assess the strength of association for 25 items on 5 independent variables. The result has shown all the independent variables have obtained Good, Very Good, and Excellent results.

Additionally, multiple linear regression analysis has shown that recruitment and selection, and compensation and benefit have significant relationship towards foreign employee retention. Nonetheless, training and development, and performance appraisal have insignificant relationship towards foreign employee retention.

## **5.2 Discussion on Major Findings**

### **5.2.1 Recruitment and Selection**

H1: Malaysia Recruitment and selection has a significant relationship towards foreign employee retention

The research objective for this thesis is to identify the relationship between Malaysia recruitment and selection and foreign employee retention. This hypothesis matches the previous study conducted by Ong C. H. (2018) showing the positive relationship between recruitment and selection towards foreign employee retention. Effective job recruitment and selection process helps to develop good first impression because foreign employee will remember the first impression and thus increase commitment in workplace. In short, the effective recruitment and selection process impact the first impression related to foreign employee retention support the statement of H1.

### **5.2.2 Training and Development**

H2: Malaysia Training and Development has a significant relationship towards foreign employee retention

The research objective for this thesis is to identify the relationship between training and development and foreign employee retention. However, Table 4.16 has shown the insignificant relationship between these two variables. This hypothesis does not match the previous study conducted by Lunenburg (2011) who mentioned that training and development leads employee behaviour towards organization expected foreign employee retention. This is critical because company may less focus on the foreign employee development, while the company demand for higher effort, skills, and experience from them. Hence, H2 is rejected due to the inconsistent influence on foreign employee retention.

### **5.2.3 Performance Appraisal**

H3: Malaysia performance appraisal has a significant relationship towards foreign employee retention

The research objective for this thesis is to determine the relationship between performance appraisal and foreign employee retention. Nonetheless, Table 4.16 has shown that insignificant relationship between these two variables. Based on Mwema (2014), the researcher supported that performance appraisal was positively related to foreign employee retention. Today, performance appraisal is not emphasized among foreign employee which is significant as an encouragement for foreign employees to continue serve the company. In all, H3 is rejected due to the ineffective implementation of performance appraisal of company for retention.

### **5.2.4 Compensation and Benefit**

H4: Malaysia Compensation and Benefit has a significant relationship towards foreign employee retention

The research objective for this thesis is to determine the relationship between compensation and benefit and foreign employee retention. The result of compensation and benefit is consistent and matches with the previous study. Based on Yamamoto (2013), compensation and benefit has direct relationship to influence foreign employee decision to continue retaining in the organization. By saying this, the attractive salaries and benefits offered by the company in Malaysia supports individual expenses as well as family expenses overseas or in Malaysia. Therefore, compensation and benefit impacts foreign employee retention in Malaysia which supports H4.

## **5.3 Implications of Study**

### **5.3.1 Managerial Implication**

This study gives insight to company to improve their adoption of human resource management to the realities of work environment which may cause the loss or improvement on foreign employee retention. Adapting flexible recruitment and selection determines the company first impression for foreign employee. Good first impression would add confident for employee to serve the company longer.

Meanwhile, the company is placing less important on training and development and performance appraisal. These two structures are interrelated which improve foreign employee's performance towards achieving company objectives, while providing a platform accessing and encouraging them to ensure they are moving on the right path which enables firm to be competitive, locally responsive, flexible and capable to transfer knowledge to respond the rapid change.

In order to retain foreign employee, compensation and benefit plays significant roles to fulfil the satisfaction of foreign employee with the pay package beyond the budget of company. Effective practices lead high employee retention, and hence company do not have to suffer shortage of talented foreign employee when business expansion.

## 5.4 Limitation of Study

The major limitation in this research would be the size of target respondents. There are total of 150 sets questionnaire collected from respondents. The sample size of these respondents is not effective to represent the major concern of foreign employee scatter all over Malaysia.

Due to the time constraint and market accessibility to foreign employee, the only choice is to approach part of the foreign employees surrounding; and request for the help from friends and relatives whom their colleagues are foreign employees to fill in the questionnaire via Google Form and ask for their help to distribute the questionnaire via Google Form.

Meanwhile, inaccurate misinterpretations might be happened due to the cultural diversity. This reflected through employees' loyalty towards the company could influence the result which they choose to share good things about their company instead of following their real thought. Similarly, some foreign employees' preconceived behaviour values are not easily affected on their expectations in Malaysia.

Although research relating to human resource management topic can be found online, the insufficient of topic relating to foreign employee retention upon the effectiveness of human resource management practices in Malaysia are limited. Besides, lack of official statistic pertaining to the demographic profile of foreign employee and the managerial actions taken to retain foreign employee for the purpose of organizational success.

Likewise, the age of data could influence the accuracy of data collection. Therefore, the journals from previous researchers are taken as possible as within 10 years in order to make latest assumption to support the hypothesis in this research. Even though limitations are acknowledged but they do not detract from the significance of findings but provide platforms for the future research.

Moreover, Malaysia National Audit Department has found intentional false information recorded for the approval on temporary work visas for foreign workers. Some companies may claim that the procedure of application is too complicated and wish to bypass these procedures by collaborating with unauthorised immigration officers.

## **5.5 Recommendation for Future Research**

Further researchers are recommended to conduct research in future regarding on the influence of cultural diversity relating to Malaysia human resource management towards foreign employee retention. This will further increase the credibility and reliability on the future research as the behaviour action of previous and current research might affect the result without familiar with the multicultural-based respondents. This can provide researchers new insight on the effect of cultural diversity and further look into the matter on the effectiveness of Malaysia human resource management practices.

Meanwhile, researchers can conduct academic papers on the factors that affect foreign employee retention unrelated to Malaysia human resource management. It is more convince for researchers to provide an insight for the employer to take attention on the increasing number of foreign employees leaving the company. The attention from people outside could further inspired academic papers on latest labour market issues, providing statistic and suggestions to solve the inequality issues in locals and foreign labour market.

Lastly, training and development and performance appraisal are found insignificant related to foreign employee retention. It may happen because of the reason that foreign employee does not view them seriously as a practice to retain them. In contrast, compensation and benefit show important relationship which indicates that these group of respondents are towards extrinsic experience and reward to retain them. The researchers are encouraged to expand the scope of research to find out the latest relationship trend in Malaysia.

## **5.6 Conclusion**

In all, this research has conducted successfully aligning with the research objectives, problem statement, and hypotheses formation. Although there are few limitations listed, these given motivation for future researchers to provide solutions on foreign labour issues in Malaysia.

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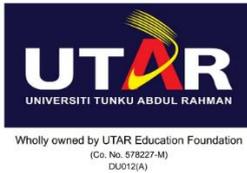
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## Appendix A: Questionnaire



UNIVERSITI TUNKU ABDUL RAHMAN  
FACULTY OF ACCOUNTANCY AND MANAGEMENT  
BACHELOR OF INTERNATIONAL BUSINESS (HONS)

### **FINAL YEAR RESEARCH PROJECT:**

The Relationship Between Malaysia Human Resource Management and Foreign  
Employee Retention

**Dear respondents,**

I am final year student of Bachelor of International Business (HONS) from Universiti Tunku Abdul Rahman at Bandar Sungai Long. Currently, I am undertaking final year research project entitled above. The main objective of this survey questionnaire is to discover the relationship between Malaysia human resource management and foreign employee retention.

I hereby sincerely request your help to fill in this questionnaire. This questionnaire contains 2 sections which are Section A and Section B. Kindly answer All the questions stated. It will take around 5 minutes to complete. All information will be kept **PRIVATE AND CONFIDENTIAL** and solely for academic purpose **ONLY**.

Sincerely,

Lee Jenn Yin

Student ID: 1600553

**Section A: Personal Profile**

Kindly **Tick** the appropriate information in the stated checkboxes that best describes you.

1. Gender:

- Male                       Female

2. Age:

- Less than 25 years old               25-35 years old  
 36-46 years old                       47 years old and above

3. Nationality:

- China                                       Philippines  
 Indonesia                                 India  
 Myanmar                                  Bangladesh

4. Education Level:

- Secondary Level                       Tertiary Level

5. Marital Status:

- Single                                       Married

6. Years of working in Malaysia:

- |   |  |
|---|--|
| <input type="checkbox"/> Less than 1 year | <input type="checkbox"/> 1 year            |
| <input type="checkbox"/> 2-5 years        | <input type="checkbox"/> 6 years and above |

7. Are you working as permanent or temporary job in Malaysia?

- |                                    |                                    |
|------------------------------------|------------------------------------|
| <input type="checkbox"/> Permanent | <input type="checkbox"/> Temporary |
|------------------------------------|------------------------------------|

8. How many hours do you work daily?

- |  |   |
|--|---|
| <input type="checkbox"/> Less than 6 hours | <input type="checkbox"/> 6-8 hours          |
| <input type="checkbox"/> 9 hours           | <input type="checkbox"/> 10 hours and above |

9. How often is your organization practice human resource management to you?

- |                                     |   |
|-------------------------------------|---|
| <input type="checkbox"/> Weekly     | <input type="checkbox"/> Monthly            |
| <input type="checkbox"/> 2-6 months | <input type="checkbox"/> 7 months and above |

10. Monthly Fixed Salary:

- |   |   |
|---|---|
| <input type="checkbox"/> RM 2,000 and below | <input type="checkbox"/> RM 2,000-RM 2,500  |
| <input type="checkbox"/> RM2,500-RM3,000    | <input type="checkbox"/> More than RM 3,000 |

**Section B: Evaluation on Malaysia human resource management towards foreign employee retention**

Kindly **Tick** the appropriate answer that best describes you. You may only tick **ONE** answer for each statement. Following are the descriptions of likert scale.

**1=Strong Disagree; 2=Disagree; 3=Neutral; 4=Agree; 5=Strongly Agree**

**Foreign Employee Retention**

No.	Statement	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
A1	My organization has shown effort to retain me in the organization.					
A2	My expectations are being satisfied in the organization.					
A3	External factors caused me to quit the organization.					
A4	The organization recognized my effort.					
A5	My job has given me motivation to stay in the current organization.					

**Recruitment and Selection**

No.	Statement	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
B1	Personal confidential information is protected during the hiring process.					
B2	My organization encourages realistic recruitment and selection process.					
B3	Available opportunities for job promotion.					
B4	Perceive my skills and abilities for better job opportunities.					
B5	I have adequate time for personal consideration on the job acceptance.					

**Training and Development**

No.	Statement	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
C1	My organization provides adequate time with on the job training and off the job training for me.					
C2	My organization provides comprehensive training for my job professional development.					
C3	My organization provides comprehensive training for my personal development.					
C4	My organization has been given orientation training program for me during my new joined date.					
C5	My organization provides formal development training for me to increase the opportunities of promotion.					

**Performance Appraisal**

No.	Statement	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
D1	Communication with the members in my organization is easy.					
D2	My organization has concerned on my feedback.					
D3	I have positive working relationship with my immediate-supérieurs and colleagues.					
D4	Appraisal system provided by my organization is always fair and unbiased.					
D5	Appraisal system provided by my organization is useful in job promotion opportunities.					

**Compensation & Benefit**

No.	Statement	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
E1	Base salary breakup is realistic and unbiased.					
E2	Additional bonuses, commissions, and merits have been given as performance-based incentive.					
E3	Reasonable annual bonus and overtime payment have been given on time.					
E4	There are benefits such as meal allowances and house allowances as financially support.					
E5	There are adequate sick leaves as spiritual support.					

## Appendix B: SPSS Outputs

### 1. SPSS Output: Respondents Demographic Profile

**Gender**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	80	53.3	53.3	53.3
	Female	70	46.7	46.7	100.0
	Total	150	100.0	100.0	

**Age**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less 25 years old	34	22.7	22.7	22.7
	25-35 years old	70	46.6	46.6	69.3
	36-46 years old	37	24.7	24.7	94.0
	47 years old and above	9	6.0	6.0	100.0
	Total	150	100.0	100.0	

**Nationality**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	China	26	17.3	17.3	17.3
	Philippines	14	9.4	9.4	26.7
	Indonesia	23	15.3	15.3	42.0
	India	8	5.3	5.3	47.3
	Myanmar	28	18.7	18.7	66.0
	Bangladesh	51	34.0	34.0	100.0
	Total	150	100.0	100.0	

**Educational Level**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Secondary Level	126	84.0	84.0	84.0
	Tertiary Level	24	16.0	16.0	100.0
	Total	150	100.0	100.0	

**Marital Status**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	66	44.0	44.0	44.0
	Married	84	56.0	56.0	100.0
	Total	150	100.0	100.0	

**Years of working in Malaysia**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 year	22	14.7	14.7	14.7
	1 year	41	27.3	27.3	42.0
	2-5 years	59	39.3	39.3	81.3
	6 years and above	28	18.7	18.7	100.0
	Total	150	100.0	100.0	

**Job**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Permanent	122	81.3	81.3	81.3
	Temporary	28	18.7	18.7	100.0
	Total	150	100.0	100.0	

**Daily working hours**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 6 hours	9	6.0	6.0	6.0
	6-8 hours	60	40.0	40.0	46.0
	9 hours	47	31.3	31.3	77.3
	10 hours and above	34	22.7	22.7	100.0
	Total	150	100.0	100.0	

**Monthly fixed salary**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	RM 2,000 and below	57	38.0	38.0	38.0
	RM 2,000-RM 2,500	70	46.7	46.7	84.7
	RM 2,500-RM 3,000	15	10.0	10.0	94.7
	More than RM 3,000	8	5.3	5.3	100.0
	Total	150	100.0	100.0	

## 2. SPSS Output: Central Tendencies Measurement

	N	Mean	Std. Deviation
RAS	150	3.7733	.88345
TAD	150	3.6667	.89493
PA	150	3.7400	.84687
CAB	150	3.8933	.88345
FER	150	3.8200	.90539

## 3. SPSS Output: Pilot Test

### (i) Foreign Employee Retention

#### Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded <sup>a</sup>	0	.0
	Total	30	100.0

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

#### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.884	.889	5

### (ii) Recruitment and Selection

#### Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded <sup>a</sup>	0	.0
	Total	30	100.0

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

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.977	.977	5

**(iii) Training and Development**

**Case Processing Summary**

		N	%
Cases	Valid	30	100.0
	Excluded <sup>a</sup>	0	.0
	Total	30	100.0

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

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.973	.973	5

**(iv) Performance Appraisal**

**Case Processing Summary**

		N	%
Cases	Valid	30	100.0
	Excluded <sup>a</sup>	0	.0
	Total	30	100.0

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

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.956	.957	5

**(v) Compensation and Benefit**

**Case Processing Summary**

		N	%
Cases	Valid	30	100.0
	Excluded <sup>a</sup>	0	.0
	Total	30	100.0

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

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.979	.980	5

**4. SPSS Output: Reliability Test**

**(i) Foreign Employee Retention**

**Case Processing Summary**

		N	%
Cases	Valid	150	100.0
	Excluded <sup>a</sup>	0	.0
	Total	150	100.0

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

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.775	.790	5

**(ii) Recruitment and Selection**

**Case Processing Summary**

		N	%
Cases	Valid	150	100.0
	Excluded <sup>a</sup>	0	.0
	Total	150	100.0

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

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.873	.876	5

**(iii) Training and Development**

**Case Processing Summary**

		N	%
Cases	Valid	150	100.0
	Excluded <sup>a</sup>	0	.0
	Total	150	100.0

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

**Reliability Statistics**

	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
	.926	.927	5

**(iv) Performance Appraisal**

**Case Processing Summary**

		N	%
Cases	Valid	150	100.0
	Excluded <sup>a</sup>	0	.0
	Total	150	100.0

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

**Reliability Statistics**

	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
	.883	.884	5

**(v) Compensation and Benefit**

**Case Processing Summary**

		N	%
Cases	Valid	150	100.0
	Excluded <sup>a</sup>	0	.0
	Total	150	100.0

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

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.911	.918	5

**5. SPSS Output: Pearson's Correlation Analysis**

**Correlations**

		RAS	TAD	PA	CAB	FER
RAS	Pearson Correlation	1	.526**	.600**	.674**	.628**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	150	150	150	150	150
TAD	Pearson Correlation	.526**	1	.579**	.654**	.538**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	150	150	150	150	150
PA	Pearson Correlation	.600**	.579**	1	.610**	.560**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	150	150	150	150	150
CAB	Pearson Correlation	.674**	.654**	.610**	1	.647**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	150	150	150	150	150
FER	Pearson Correlation	.628**	.538**	.560**	.647**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	150	150	150	150	150

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

## 6. SPSS Output: Multiple Linear Regression Analysis

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.712 <sup>a</sup>	.507	.493	.64446

a. Predictors: (Constant), CAB, TAD, PA, RAS

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	61.918	4	15.479	37.270	.000 <sup>b</sup>
	Residual	60.222	145	.415		
	Total	122.140	149			

a. Dependent Variable: FER

b. Predictors: (Constant), CAB, TAD, PA, RAS

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.572	.276		2.071	.040
	RAS	.293	.086	.286	3.389	.001
	TAD	.076	.080	.075	.954	.342
	PA	.164	.090	.153	1.830	.069
	CAB	.321	.092	.313	3.480	.001

a. Dependent Variable: FER