

UNCOVERING THE DRIVERS OF EMPLOYEE
RETENTION IN HOSPITALITY INDUSTRY IN KLANG
VALLEY

BY

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DECLARATION

I hereby declare that:

- (1) This undergraduate research project is the end result of my own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.
- (2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.
- (3) The word count of this research report is 10933 words.

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LIST OF ABBREVIATIONS

WLB	Work-life Balance
WE	Work Environment
EC	Employee Compensation
CO	Career Opportunities
EMP	Empowerment
ER	Employee Retention
ANOVA	Analysis of Variance
SPSS	Statistical Package for the Social Science

PREFACE

Currently, numerous companies operate in a highly competitive environment, presenting challenges in retaining existing employees. The competitive landscape makes it challenging to keep employees when competitors entice them with appealing compensation packages, positive work environments, and other incentives. Addressing the question of employee retention involves offering attractive compensation, managing work-life conflicts, establishing a healthy work environment and enhancing career opportunities and employee empowerment. These elements create a sense of belonging among employees, discouraging them from switching organizations and ultimately enhancing their job performance, which is a crucial factor for the smooth and effective operation of any organization.

This study investigates the Factors Affecting Employee Retention in the Hospitality Industry, specifically focusing on work-life balance, work environment, employee compensation, career opportunities, and employee empowerment as key contributors to employees' commitment to staying within the organization. The research seeks empirical evidence to justify the significance of these factors in influencing employee retention in the hospitality sector.

ABSTRACT

The aim of this research is to investigate the factors influencing employee retention in the hospitality industry within Klang Valley, specifically focusing on work-life balance, work environment, employee compensation, career opportunities and employee empowerment.

A set of 250 questionnaires were distributed to gather responses from participants. Statistical Packages for Social Science (SPSS) version 29 was employed to statistically measure and analyze the collected data. Upon completion of the analysis, the researchers identified that all the variables exhibited a significant relationship with factors impacting employee retention in the hospitality industry in Klang Valley. Notably, among the independent variables, work environment demonstrated the most robust and significant relationship with the dependent variable. The research targets employees working in the hospitality industry in Klang Valley.

The concluding section of this chapter addresses the limitations encountered during the study, and corresponding recommendations are provided. These recommendations offer effective insights and guidance for future research endeavors in the field of employee retention in the hospitality industry.

CHAPTER 1: RESEARCH OVERVIEW

1.0 Introduction

This research evaluates the factors that affecting the employee retention in hospitality industry in Klang Valley. It includes 5 main drivers which are work-life balance, work environment, employee compensation, career opportunities and empowerment.

1.1 Research Background

Employee retention has emerged as a significant issue in various industries, including the hospitality sector. The hospitality industry faces a persistent challenge of workforce turnover, making employee retention an ongoing and constantly evolving effort to retain skilled personnel (Bilqees Ghani, 2022). This issue is particularly significant, considering that the hospitality sector is projected to generate approximately 72 million job opportunities in the coming decade (Bilqees Ghani, 2022).

In the intensely competitive environment of the hospitality industry, the retention of capable employees who can become core contributors to organizations is essential. Implementing successful employee retention strategies can enable organizations in the hospitality sector to keep their skilled and capable staff, leading to enhanced performance and overall improvement (Seema Chawla, 2010). The employee retention strategies are closely linked to employee satisfaction, comprising four essential elements: ensuring a consistently positive workplace atmosphere, offering sustainable avenues for professional growth, promoting effective and lasting communication, and adopting sustainable and efficient recruitment and selection practices (Bilqees Ghani, 2022).

Research into the factors influencing employee retention in the hospitality sector has shown that several elements play a significant role. These factors include organizational culture and values, monetary rewards, and incentives, learning and career advancement opportunities, organizational initiation practices, leadership within the organization, work-life balance, and exit barriers, as highlighted by Seema Chawla in 2010 and Bilqees Ghani in 2022. Additionally, it has been observed that both work-life balance and the work environment have a notably positive impact on employee retention, but reward and compensation have an even stronger positive influence (Zainal, 2022).

Furthermore, professional development and training have been recognized as significant elements in employee retention. As an example, eHotelier, a prominent professional development platform catering to hoteliers, provides an extensive selection of more than 200 hospitality courses that cover a wide spectrum of topics, ranging from fundamental skills to executive-level training. Their training programs are globally recognized and endorsed by the Institute of Hospitality, providing employees with the opportunity to upskill and grow their career, thereby enhancing employee retention (eHotelier, n.d.).

Organizations neglecting human resource practices face heightened risks of losing skilled employees, resulting in dual expenses — financial and operational inefficiencies. Human resource management practices, encompassing compensation management, recruitment, selection, training, development, performance appraisal, and benefits administration, are pivotal in shaping the overall employee experience. Effective implementation ensures skill acquisition, boosts employee motivation and engagement, leading to reduced turnover, increased productivity, enhanced job satisfaction, and improved organizational performance (Bilqees Ghani, 2022).

To conclude, employee retention is a multifaceted issue, and it requires a comprehensive approach that considers various factors ranging from work environment to professional development opportunities. By focusing on these elements, organizations in the hospitality industry can increase their chances of retaining skilled and talented employees, thereby enhancing their competitiveness and performance.

1.2 Research Problem

Despite the clear importance of employee retention in the hospitality industry, there is a scarcity of comprehensive, focused strategies for this purpose. This has resulted in poor organizational performance and stunted sustainable growth. The retention of employees is closely tied to employee satisfaction, which is, in turn, influenced by various factors including the presence of a consistently positive work environment, sustainable opportunities for growth, effective communication practices, and efficient recruitment and selection processes (Bilqees Ghani, 2022).

In the Malaysian context, the hospitality industry faces the challenge of retaining employees, primarily because of factors like maintaining a healthy work-life balance, creating a positive work environment, and providing competitive reward and compensation packages. These elements significantly influence employee retention within the industry. While there have been studies that have explored these factors, there is a need for more comprehensive research to better understand their role and impact in the context of the Malaysian hospitality industry (Zainal, 2022).

Recognizing and tackling these challenges is essential because organizations that overlook their human resource practices face an increased likelihood of losing valuable and well-trained staff, leading to financial and operational drawbacks. The implementation of effective human resource management practices that foster employee growth and development can lead to heightened employee retention, decreased turnover, elevated productivity, and enhancements in employees' performance, job satisfaction, and overall organizational performance (Bilqees Ghani, 2022).

The primary aim of this research is to uncover the key factors that drive employee retention in the hospitality industry in Malaysia, with a focus on the roles of work-

life balance, work environment, and reward and compensation. This research aims to offer crucial insights to assist hospitality businesses in Malaysia in developing successful employee retention strategies for organizational prosperity.

1.3 Research Objective

1.3.1 General Objective

In general, the main objective is to examine the drivers of employee retention in the hospitality industry.

1.3.2 Specific Objectives

In specific, four objectives have been identified to examine the relationship between drivers and employee retention in the hospitality industry.

- To study the relationship between work life balance and employee retention in the hospitality industry.
- To study the relationship between work environment and employee retention in the hospitality industry.
- To study the relationship between employee compensation and employee retention in the hospitality industry.
- To study the relationship between career opportunities and employee retention in the hospitality industry.
- To study the relationship between empowerment and employee retention in the hospitality industry.

1.4 Research Questions

- Is there a relationship between work life balance and employee retention in the hospitality industry?
- Is there a relationship between work environment and employee retention in the hospitality industry?
- Is there a relationship between employee compensation and employee retention in the hospitality industry?
- Is there a relationship between career opportunities and employee retention in the hospitality industry?
- Is there a relationship between empowerment and employee retention in the hospitality industry?

1.5 Hypotheses of Study

There are 5 hypotheses to be proven in this research:

- H1: There is a significant positive relationship between work life balance and employee retention.
- H2: There is a significant positive relationship between work environment and employee retention.
- H3: There is a significant positive relationship between employee compensation and employee retention.
- H4: There is a significant positive relationship between career opportunities and employee retention.
- H5: There is a significant positive relationship between empowerment and employee retention.

1.6 Significance of Study

This research focuses on exploring factors influencing employee retention in the Malaysian hospitality industry, aiming to contribute valuable insights and practical implications. Firstly, it seeks to enhance understanding by examining the impact of work-life balance, work environment, employee compensation, career opportunities, and empowerment on retention. The study builds on existing research and addresses these factors in the Malaysian context, providing a comprehensive understanding.

Secondly, the research aims to contribute to the current knowledge base on employee retention in the hospitality industry. It expands on factors identified in previous research, such as organizational culture, monetary rewards, learning, career growth, and work-life balance, offering a nuanced exploration within the Malaysian hospitality sector.

Thirdly, the study provides practical implications for Malaysian hospitality businesses. By identifying key drivers of employee retention, organizations can develop targeted strategies to reduce turnover, fostering a skilled workforce and enhancing overall organizational performance.

Lastly, the research has broader implications for the global hospitality industry. By uncovering drivers of employee retention and offering actionable insights, the study contributes to the development of best practices and guidelines. This research is poised to benefit organizations not only in Malaysia but also globally, influencing competitiveness and sustainability within the hospitality sector.

In conclusion, the importance of this research lies in its capacity to advance comprehension of employee retention within the hospitality industry, contribute to the current knowledge base, and offer practical insights for organizations in this

sector. By focusing on the key drivers of employee retention, this research will help hospitality businesses in Malaysia and beyond to design and implement effective strategies for organizational success.

1.7 Conclusion

In conclusion, this chapter has provided a concise overview of the research background, the problem statement, and the study's purpose in investigating factors impacting employee retention in the hospitality industry. It has emphasized the importance of employee retention in this sector and outlined the challenges faced by organizations. The next chapter will delve deeper into the literature review, providing a more comprehensive understanding of the factors influencing employee retention in the hospitality industry.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

This chapter will discuss the literature review of each factor that affects employee retention in the hospitality industry. The study's dependent variable is employee retention, and the independent variables involved work-life balance, work environment, employee compensation, career opportunities and empowerment. To build a theoretical foundation, a conceptual framework is constructed, drawing from pertinent theoretical models that align with the research's objectives. Following this, the hypotheses designed to assess the effectiveness of the framework are introduced.

2.1 Background of Industry

In the 19th century, the emergence of the first hotels in major cities like Kuala Lumpur and Penang marked the inception of Malaysia's hospitality industry. The sector experienced growth alongside the thriving economy, fueled by continuous developments in the tourism industry (Puah, Jong, Ayob, & Ismail, 2018). Malaysia's diverse cultural heritage, scenic landscapes, and vibrant city life have positioned it as an appealing destination for both domestic and international travelers, driving a steady rise in demand for hospitality services (Puah, Jong, Ayob, & Ismail, 2018).

Over time, the industry has adapted to changing tourist preferences, witnessing the emergence of luxurious resorts, boutique hotels, budget accommodations, and homestays. The culinary scene has also expanded, offering a diverse array of authentic dishes that showcase the country's rich gastronomic heritage (the World Travel and Tourism Council, 2022).

The economic significance of the hospitality industry in Malaysia is substantial, contributing significantly to the GDP, estimated at USD 4 billion and projected to grow at a CAGR of over 6.5% (mordorintelligence, 2023). Additionally, the sector serves as a major employer, generating millions of job opportunities across various skill levels, from hospitality management to housekeeping (mordorintelligence, 2023). This industry's ability to provide employment to a diverse workforce has positive social implications for the country.

The undeniable connection between Malaysia's hospitality industry and its tourism sector is reflected in the increasing demand for accommodation and related services. The industry's capacity to meet this demand by offering a warm and hospitable environment has played a pivotal role in establishing Malaysia as a preferred destination, with positive tourist experiences contributing to word-of-mouth

promotion and enhancing the country's global tourism reputation (the World Travel and Tourism Council, 2022).

2.2 Underlying Theories

2.2.1 Expectancy Theory

Expectancy theory, a motivation theory, elucidates how individuals make behavioral choices by anticipating the outcomes of those choices. According to this theory, people are motivated to engage in specific actions when they believe that doing so will lead to positive outcomes (Kim & Lee, 2010). The three key components of motivation in this theory are expectancy, instrumentality, and valence.

- **Expectancy:** This is the belief that an individual holds regarding the likelihood of their efforts leading to exceptional performance (Kim & Lee, 2010). In simpler terms, when employees have confidence that their efforts will yield positive results, it enhances their motivation.
- **Instrumentality:** This pertains to an individual's belief that specific outcomes will follow from their actions (Kim & Lee, 2010). Essentially, when employees perceive that high performance will lead to rewards, recognition, or promotions, it boosts their motivation.
- **Valence:** This reflects the significance a person attaches to the outcomes of their actions (Kim & Lee, 2010). In essence, employees are motivated when they believe that the results of their efforts are desirable and worth pursuing.

Several studies exploring the connection between Expectancy Theory and employee retention have provided valuable insights. For instance, Kim and Lee's (2010) study demonstrated a positive correlation between expectancy, instrumentality, valence, and employee retention in the hospitality industry. Their findings emphasized that employees are more likely to stay with an employer when they believe that their efforts lead to successful performance, yielding desirable outcomes that hold value for them.

Similarly, Kusluvan et al. (2010) identified a positive relationship between the elements of Expectancy Theory (expectancy, instrumentality, valence), job satisfaction, and employee retention. Satisfied employees, who anticipate positive outcomes from their efforts, exhibit a higher likelihood of remaining with their employer. These studies collectively highlight the importance of creating a work environment that fosters high performance, offers desirable outcomes, and values employee contributions to enhance employee retention.

2.2.2 Social Exchange Theory

Social exchange theory, a sociological concept, interprets social behavior as the sharing of resources between individuals or groups (Cook, 2015). According to this theory, interactions are driven by the pursuit of maximizing benefits and minimizing costs, where rewards can be tangible or intangible, and costs can encompass physical, emotional, or psychological aspects (Nickerson, 2023). The reciprocity principle guides social interactions, with individuals expecting benefits in proportion to what they provide to others (Cook, 2015).

In the context of employee retention in the hospitality industry, social exchange theory helps explain why employees choose to stay or leave their jobs. Factors such as work-life balance, work environment, compensation, career opportunities, and empowerment act as rewards or costs in the social exchange between employees and organizations. For example, fair compensation may motivate an employee to stay, while a toxic work environment may drive them to leave.

Meira and Hancer (2019) applied Social Exchange Theory to establish a conceptual model in the hospitality sector, revealing significant correlations between psychological empowerment, perceived organizational support, work engagement, and service-oriented organizational citizenship behavior. Abdou et al. (2021) also utilized Social Exchange Theory to explore the impact of environmentally sustainable practices in eco-friendly hotels, finding a significant boost in green satisfaction and customer involvement in society. Overall, Social Exchange Theory provides a valuable framework for understanding employee retention in the hospitality industry by examining the rewards and costs in the exchange between employees and organizations.

2.3 Review of Literature

2.3.1 Employee Retention

For many businesses, employee retention is a major concern, particularly in the hospitality sector where high employee turnover rates are common. The hospitality industry is growing rapidly, and there is a need for a large workforce to meet the demand. However, retaining employees in this industry is challenging due to various factors such as long working hours, low pay, and high stress levels. Finding out what influences employee retention in the hospitality sector is the aim of this literature review.

Numerous factors that affect employee retention in the hospitality sector have been identified by studies. These factors include work-life balance, work environment, compensation, career opportunities, and empowerment (Frye et al, 2020). The social exchange theory, equity theory, and expectancy theory have been proposed to explain employee retention (Frye et al, 2020). According to empirical data, both intrinsic and extrinsic factors have a significant impact on job satisfaction, which also has an impact on employee retention. (Ohunakin & Adeniji, 2020). Additionally, perceived organisational support and psychological contract fulfilment have a positive impact on employee thriving, which in turn has a positive impact on career satisfaction and a negative impact on intention to leave the company. (Chang & Busser, 2020).

Despite the extensive research on employee retention in the hospitality industry, the literature still has some gaps. More studies are needed to understand how work-life balance, the workplace, and employee empowerment impact retention (Frye et al., 2020). Additionally, further research is required to explore the influence of leadership satisfaction on employee engagement, loyalty, and retention in the hospitality industry (Book & Gatling, 2019).

In conclusion, employee retention is a critical issue in the hospitality industry. The factors that influence employee retention include work-life balance, work environment, compensation, career opportunities, empowerment, and talent management. The social exchange theory, equity theory, and expectancy theory have been proposed to explain employee retention. However, there are still gaps in the literature, and to fully comprehend the elements that affect employee retention in the hospitality sector, more study is required.

2.3.2 Work-life balance

In the context of the hospitality industry, work-life balance (WLB) has emerged as a crucial factor for retaining employees. This sector's distinctive demands, such as long working hours, high stress levels, and customer-centric roles, make achieving WLB essential for both employees and employers. In this literature review, we delve into the diverse aspects of WLB and its profound impact on employee retention within the hospitality industry.

One significant aspect is recognizing the importance of work-life balance. Within the hospitality industry, irregular working hours can create an imbalance between work and personal life, leading to heightened stress and discontent among employees (Zainal, 2022). Consequently, this imbalance can significantly influence employee retention rates.

Another critical factor that affects retention is the organization's practices. Factors like training and development opportunities, remuneration, and career growth prospects directly influence employee satisfaction and their intention to stay with the company (Aydogdu & Aşıkil, 2011). When these practices align with efforts to promote work-life balance, they can foster higher commitment levels and decrease turnover rates.

Furthermore, corporate social responsibility (CSR) initiatives also play a pivotal role in employee retention. Studies have shown that CSR can impact retention by enhancing the employees' identification with the organization and improving their quality of work-life (Aydogdu & Aşıkil, 2011). CSR initiatives that prioritize and support work-life balance contribute to a stronger sense of belonging and commitment among employees.

Leadership, particularly transformational leadership, plays a pivotal role in employee retention in the hospitality industry (Aydogdu & Aşıkil, 2011). Leaders who actively promote work-life balance contribute to higher job satisfaction, positively influencing employee retention.

Additionally, recognizing generational differences is essential, as each generation has unique needs and expectations regarding work-life balance. For example, Generation Y values factors such as work environment, job satisfaction, empowerment, and relationships with managers (Chatzoules, 2022). Tailoring strategies to address these specific needs can enhance employee retention in this demographic.

Despite these considerations, the hospitality industry faces challenges such as customer incivility and job stress, which can negatively impact retention (Chatzoules, 2022). Implementing supportive measures, especially those that prioritize work-life balance, can address these challenges and contribute to reducing turnover rates.

2.3.3 Work Environment

The work environment plays a crucial role in retaining employees, particularly within the service industry, and this is especially evident in the hospitality sector. Numerous factors within the work environment contribute to employee satisfaction and retention, as explored in this literature review. First and foremost, the physical environment holds great importance (Rattu & Tielung, 2018). A workplace that exudes friendliness, cleanliness, and convenience fosters a positive atmosphere that boosts productivity (Rattu & Tielung, 2018). Ensuring workplace safety is also paramount, as addressing employees' concerns about potential hazards contributes to a healthy and secure work environment. Organizations are encouraged to provide adequate training on workplace hazards and risks to promote a positive work culture (Rattu & Tielung, 2018).

Embracing new technologies in the workplace is another essential aspect of employee retention, particularly for the younger generation, including Millennials and Gen Z. These tech-savvy individuals not only accept but welcome technological integration in their work lives (Rattu & Tielung, 2018). Companies that actively develop a strong work culture through the implementation of technology stand to benefit in the long term.

Occupational health and safety are also critical considerations. This concept should be given appropriate attention, and employees should receive comprehensive training on workplace hazards and risks to ensure their well-being (Rattu & Tielung, 2018). Creating a positive work environment encompasses not only the physical aspects of the office or workplace but also extends to safeguarding the occupational health and safety of the employees (Rattu & Tielung, 2018).

Furthermore, a continuous learning culture is instrumental in nurturing a healthy work environment. Employees thrive in an atmosphere that encourages constant skill development, where learning is a regular and integral part of their work lives (Hee & Rhung, 2019). A friendly, clean, and convenient workplace enables individuals to achieve higher levels of productivity, making it a desirable environment for employees (Hee & Rhung, 2019).

2.3.4 Employee Compensation

In the dynamic and competitive hospitality industry, employee retention stands out as a critical challenge for organizations. The ability to attract and retain skilled personnel is vital for ensuring customer satisfaction, maintaining service quality, and achieving overall organizational success. Among the various factors influencing retention, compensation emerges as a key player. This literature review explores the multifaceted aspects of employee compensation and its pivotal role in talent retention within the hospitality sector.

Monetary rewards and incentives are identified as crucial elements in effective retention strategies. To attract and retain skilled workers, organizations must craft compensation policies marked by equity, fairness, and performance-based incentives, including profit plans (Pratomo, 2022). It's emphasized that high-performing employees are more likely to leave if they feel inadequately rewarded, underscoring the importance of competitive salary packages and bonuses (Pratomo, 2022). Extrinsic rewards such as pay and benefits are deemed significant in retention, aligning with the expectations and needs of employees in the industry (K & Murugesan, 2022).

The hospitality industry's high level of employee turnover, which can range between 60% and 300% (Yang, 2012), underscores the critical role of effective compensation strategies. Rapid turnover leads to instability, uncertainty, and negative impacts on organizational performance (Yang, 2012). Moreover, losing productive workers and intellectual capital to competitors adds to the cost and complexity of talent management (K & Murugesan, 2022). Therefore, compensation strategies that address these challenges are vital for reducing turnover and enhancing stability in the industry.

The impact of compensation extends beyond turnover rates and delves into the realm of organizational culture. The way organizations approach compensation, as part of their overall culture, significantly affects employee retention. A culture that emphasizes values, ethics, and fair compensation leads to reduced turnover intentions (Hakuduwal, 2021). When compensation aligns with organizational values and ethics, it fosters a sense of belonging and commitment among employees, which in turn reduces turnover intention.

Compensation also plays a crucial role in motivating and retaining high-performing employees. Performance-based rewards and incentives increase an organization's ability to keep top talent. (Islam, 2022). Such compensation structures encourage employees to align their efforts with organizational goals, leading to improved performance and satisfaction. This link between performance and compensation is particularly significant in the hospitality industry, where customer satisfaction and service quality directly depend on employee performance and motivation.

2.3.5 Career Opportunities

Retaining competent and skilled employees has become a crucial imperative in the competitive hospitality industry. The sector grapples with an alarming level of employee turnover, which has been reported to range anywhere between 60% and a staggering 300% (Yang, 2012), leading to an unsettling sense of instability and unpredictability. To address this pressing issue, extensive research has been conducted on the role of career opportunities in driving employee retention within the hospitality domain.

One crucial aspect that has emerged from numerous studies is the significance of learning and career growth in retaining employees. Organizations that provide ample opportunities for learning and development have witnessed a notable improvement in employee retention (Publishing India Group, 2018). Employees themselves seek outgrowth opportunities through engaging and challenging work, which serves as an incentive to remain with a particular organization for an extended period (Publishing India Group, 2018). Moreover, a conducive learning environment and a culture that promotes continuous learning have been found to foster longer tenures (Zainal, 2022).

Equally instrumental in retaining talent is the provision of sufficient promotional opportunities. When employees are offered the prospect of upward mobility within the organization, they are more inclined to stay for the long haul (Zainal, 2022). It becomes a tangible manifestation of the organization's recognition and appreciation of an employee's dedication and efforts, serving as a powerful motivator for retention.

Perceived organizational support has also emerged as a pivotal factor influencing employee commitment and retention within the hospitality industry (Arasanmi and Krishna, 2019). When employees feel supported by their supervisors and have the

opportunity to express their concerns and discontent regarding work-related matters, their loyalty to the organization deepens, leading to increased retention rates (Zainal, 2022).

Furthermore, the culture and values of an organization wield a profound influence on employee retention. Organizations that prioritize and foster strong interpersonal relationships tend to experience higher employee retention rates (Zainal, 2022). A positive and nurturing work culture that aligns with an employee's values creates a sense of belonging and purpose, making them more likely to remain loyal to the organization.

Despite acknowledging the significance of career opportunities, the hospitality industry confronts ongoing challenges with high turnover rates. One possible explanation for this issue may be the formulation of strategies without aligning them with employee expectations (Yang, 2012). To tackle turnover effectively, organizations must thoughtfully consider the needs and aspirations of their workforce, tailoring retention strategies accordingly. The rapid turnover not only leads to the departure of skilled and productive workers but also results in a loss of intellectual capital, emphasizing the critical need for well-crafted and effective retention approaches (Zainal, 2022).

2.3.6 Employee Empowerment

Employee retention is greatly influenced by employee empowerment, especially within the hospitality industry. The concept of empowerment revolves around granting employees the freedom to make decisions, utilize their skills, and contribute their ideas to the organization (Frye et al, 2020). Numerous studies have explored the impact of employee empowerment on retention in this industry.

In the hospitality sector, empowerment is not merely about delegating authority; it encompasses trust, support, and encouragement from the organization. It involves providing employees with opportunities to test their ideas, make independent decisions, and explore innovative approaches to perform their jobs (Frye et al, 2020). Such an environment nurtures creativity and personal growth, leading to higher job satisfaction.

Empowerment has been associated with increased job satisfaction and commitment among employees. When individuals feel empowered, they are more likely to remain loyal to the organization. Several key aspects of empowerment influence retention:

Firstly, autonomy and decision-making are crucial components of empowerment. Empowered employees have the liberty to make decisions and explore new strategies, fostering a sense of creativity and ownership (Frye et al, 2020).

Secondly, Employees who are empowered can make the best use of their talents and skills. This advances their professional growth while also fostering a sense of fulfilment and loyalty to the company (Frye et al, 2020).

Lastly, a supportive work environment plays a significant role in promoting empowerment. When organizations foster a climate of openness and collaboration among management and co-workers, employees feel valued and respected, which positively impacts retention rates (Chawla & Singla, 2021).

2.4 Review of Theoretical/Empirical Models and Conceptual Framework

The research paper, "Uncovering the Drivers of Employee Retention in the Hospitality Industry," investigates the factors influencing employee retention, with employee retention as the independent variable and work-life balance, work environment, compensation, career opportunities, and empowerment as the dependent variables. The theoretical and empirical models reviewed include:

2.4.1 Theoretical Models

- **Expectancy Theory:** Proposes that individuals are more likely to stay in an organization when they believe their efforts will lead to favorable outcomes, aligning with their expectations and needs (Vroom, 1964).
- **Social Exchange Theory:** Suggests that individuals stay in relationships when they perceive receiving favorable rewards and benefits in return for their contributions (Cropanzano & Mitchell, 2005).

2.4.2 Empirical Models

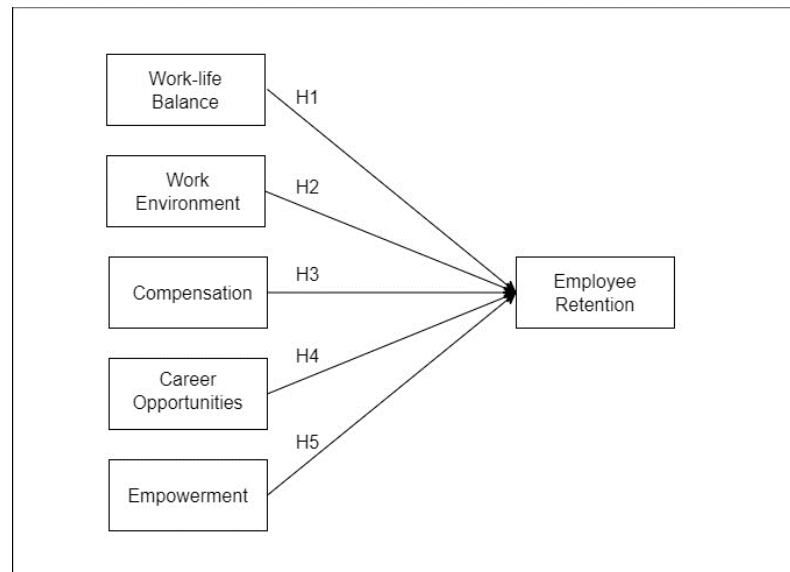
- **Job Embeddedness Model:** Indicates that employees' decisions to stay are influenced by connections and attachments to their job and organization, considering factors like fit, links, and sacrifice (Mitchell et al., 2001). It is hypothesized that higher levels of work-life balance, a positive work environment, fair compensation, promising career opportunities, and empowerment will increase employees' job embeddedness, thereby increasing their likelihood of staying in the hospitality industry.

- **Psychological Contract Theory:** States that meeting employees' implicit expectations leads to higher job satisfaction and commitment, implying that alignment with work-life balance, work environment, compensation, career opportunities, and empowerment influences retention (Rousseau, 1989).

2.4.3 Conceptual Framework

Based on the theoretical and empirical models discussed above, the conceptual framework for this study can be represented as follows:

Figure 2.1: Proposed Conceptual Framework



Source: Developed for research

The conceptual framework illustrates the relationships between the independent variable (employee retention) and the dependent variables (work-life balance, work environment, compensation, career opportunities, and empowerment). It proposes that these factors positively influence employee retention in the hospitality industry, as indicated by the arrows. The research aims to provide insights into the determinants of employee retention by examining and analyzing theoretical models, empirical evidence, and the conceptual framework. By emphasizing aspects such as work-life balance, the work environment, compensation, career opportunities, and empowerment, the study's findings will contribute to a deeper understanding of effective employee retention strategies for organizations in the hospitality sector.

2.5 Hypothesis development

2.5.1 The relationship between work-life balance and employee retention in hospitality industry based in Klang Valley

The ability of employees to balance their work and personal lives is referred to as work-life balance. The hospitality sector is known for its long workdays and shift work.

A study by Panda and Mohanty (PANDA, 2019) found that in the hospitality industry, work-life balance significantly improves employee retention. According to the study, offering work-life balance efforts like flexible working hours, telecommuting, and family-friendly policies can improve the hospitality industry's employee retention strategy.

Furthermore, Jaya (J, 2019) argues that providing work-life balance initiatives can improve employee satisfaction, reduce absenteeism, and enhance productivity. Bogdanova and Naunivska (Sheppard, 2016) also suggest that improving work-related well-being, including work-life balance, can enhance employee motivation and work performance.

H1: There is a positive relationship between work-life balance and employee retention in the hospitality industry.

2.5.2 The relationship between work environment and employee retention in hospitality industry based in Klang Valley

The physical, social, and psychological circumstances in which employees work are referred to as the work environment. In the hospitality industry, a positive work environment is essential for employee retention.

A study by Ariza and Lee (Ariza-Montes, 2018) found that a positive work environment, characterized by job autonomy and social support, has a significant positive effect on hospitality industry employee retention. According to the study, creating a positive work environment can increase employee satisfaction, lower turnover intentions, and boost productivity.

Furthermore, Saeed and Farooqi (Saeed & Farooqi, 2014) argue that a positive work environment, characterized by good communication and supportive leadership, can enhance employee motivation and work performance in the hospitality industry.

H2: There is a positive relationship between work environment and employee retention in the hospitality industry.

2.5.3 The relationship between employee compensation and employee retention in hospitality industry based in Klang Valley

Compensation refers to the total rewards, including salary, benefits, and incentives, that employees receive for their work. In the hospitality industry, competitive compensation packages are essential for employee retention.

A study by Ariza and Lee (Ariza-Montes, 2018) found that competitive compensation packages have a significant positive impact on employee retention in the hospitality industry. The study suggests that providing competitive compensation packages can enhance employee satisfaction, reduce turnover intention, and improve job performance.

Furthermore, Saeed and Farooqi (Saeed & Farooqi, 2014) argue that fair and competitive compensation can enhance employee motivation and work performance in the hospitality industry.

H3: There is a positive relationship between compensation and employee retention in the hospitality industry.

2.5.4 The relationship between career opportunities and employee retention in hospitality industry based in Klang Valley

Career opportunities refer to the growth and advancement opportunities that employees have within an organization. In the hospitality industry, providing career opportunities is essential for employee retention.

A study by Ariza and Lee (Ariza-Montes, 2018) found that providing growth and advancement opportunities has a significant positive impact on employee retention in the hospitality industry. The study suggests that providing career opportunities can enhance employee satisfaction, reduce turnover intention, and improve job performance.

Furthermore, Saeed and Farooqi (Saeed & Farooqi, 2014) argue that providing career development programs can enhance employee motivation and work performance in the hospitality industry.

H4: There is a positive relationship between career opportunities and employee retention in the hospitality industry.

2.5.5 The relationship between empowerment and employee retention in hospitality industry based in Klang Valley

Empowerment refers to the process of giving employees decision-making power and autonomy in their work. In the hospitality industry, empowering employees is essential for employee retention.

A study by Panda and Mohanty (PANDA, 2019) found that employee empowerment has a significant positive impact on employee retention in the hospitality industry. The study suggests that empowering employees can enhance employee satisfaction, reduce turnover intention, and improve job performance.

Furthermore, Saeed and Farooqi (Saeed & Farooqi, 2014) argue that empowering employees through decision-making and autonomy can enhance employee motivation and work performance in the hospitality industry.

H5: There is a positive relationship between empowerment and employee retention in the hospitality industry.

2.6 Conclusion

In this chapter, we conducted a comprehensive review of the existing literature related to the factors influencing employee retention within the context of the Hospitality Industry. Our review involved a thorough examination of various scholarly articles and studies, enabling us to establish a well-informed basis for our research. The combined analysis of these findings has not only provided valuable insights into the area of study but has also laid the basis for the development of our conceptual framework and research hypotheses. In the following chapter, we will go further into the specifics of our research methodology, outlining the strategies and techniques we will employ to investigate and validate the proposed model.

CHAPTER 3: RESEARCH METHODOLOGY

3.0 Introduction

Research methodology is a systematic set of techniques that guides the direction and execution of a study, serving as a roadmap for defining limitations, evaluating opportunities, clarifying assumptions, and deliberating potentialities on the fringes of knowledge (Igwenagu, 2016). This chapter will cover key aspects of the study, such as research methodology, data collection approach, sampling strategy, data analysis techniques, and the tools or instruments used for the research.

3.1 Research Design

A research design constitutes a comprehensive strategy detailing the methods and approaches employed to gather and analyse requisite information (Zikmund et al, 2003). Its objective is to ensure the sufficiency of collected data for addressing the research problem (Zikmund et al, 2003). This study used quantitative research and descriptive research to determine which variables would influence employee retention in the hospitality industry.

3.1.1 Quantitative Research

Quantitative research will be employed to collect data, test hypotheses, and achieve the research objectives. This approach enables the examination of relationships between variables and enhances the researcher's understanding of employee retention within the hospitality industry. It facilitates a more precise interpretation of the research findings. Researchers will gather quantitative data by distributing survey questionnaires.

3.1.2 Descriptive Research

According to Akhtar (2016), descriptive research is used to describe and gather data regarding the characteristics of a particular subject, whether it's a community, a group, or individuals. Therefore, descriptive research is valuable for examining how independent variables affect employee retention within the hospitality industry. This approach allows for the

collection of data through various means such as observation, case studies, and questionnaires. In this study, the questionnaire method is employed to ensure the collection of reliable and honest feedback from participants.

3.2 Data Collection Methods

Collecting data constitutes a fundamental element of any research design, regardless of the specific field of inquiry (Parveen and Showkat, 2017). The process of data collection involves the careful acquisition of relevant information, minimizing distortion to ensure that subsequent analysis yields trustworthy and logically sound answers (Sapsford and Jupp, 2006). To carry out this study, it is essential to gather both primary and secondary data.

3.2.1 Primary Data

Primary data pertains to information that a researcher collects directly through firsthand methods (Ajayi, 2017). This type of data is sourced from methods like questionnaires, observations, experiments, and personal interviews. The primary objective of gathering primary data is to provide direct quantitative evidence concerning the five factors that impact employee retention. To achieve this, a questionnaire will be distributed to respondents with experience in the hospitality industry, allowing them to select the most suitable answers based on their experiences.

3.2.2 Secondary Data

According to Ajayi (2017), secondary data is information obtained from previous researchers. It is collected for purposes unrelated to the current research problem. The process of gathering secondary data is typically quicker and simpler. Sources of secondary data encompass government publications, websites, books, journal articles, internal records, and more. In this study, secondary data is acquired from websites and journal articles with the aim of accumulating relevant information to bolster the research project.

3.3 Sampling Design

According to Kabir (2016), sampling design encompasses the strategy and procedure used to select a sample from a target population. Its main purpose is to make projections about population attributes and validate hypotheses. The process involves identifying the population, outlining the sampling framework and entities, choosing suitable sampling instruments, determining the sample size and strategy, and ultimately selecting a sample.

3.3.1 Target Population

Sampling entails the process of choosing a smaller subset from a larger population for research purposes. The target population, as defined by McLeod (2019), encompasses the entire group of individuals from which the sample could potentially be selected to aid in the study.

In this research, the primary aim is to investigate the factors that may influence employee retention within the hospitality industry. Thus, the target audiences will be the employees within the hospitality industry situated in the Klang Valley. This deliberate selection is driven by the desire to gather information that is both pertinent and precise for the study's objectives. Furthermore, this choice aligns with the time constraints, offers convenience, and ensures cost-effectiveness in conducting the research (Saunders, Lewis & Thornhill, 2009).

3.3.2 Sampling Frame

According to Burskirk (n.d.), the sample frame perfectly corresponds to the target population. Non-probability sampling is utilized in this research; therefore, a sampling frame is not needed. The primary focus of the research is on choosing employees from different hospitality industry situated in the Klang Valley.

3.3.3 Sampling Techniques

For this study on employee retention in the Malaysian hospitality industry, I opted for snowball sampling as it suits the context where the population is challenging to define or reach effectively (Biernacki & Waldorf, 1981). The population of interest, employees in the Malaysian hospitality industry, lacks a comprehensive database, making traditional sampling methods difficult. Snowball sampling allows for participant recruitment through referrals, facilitating access to a broader range of participants (Biernacki & Waldorf, 1981).

However, snowball sampling has limitations, including potential sample bias and a risk of self-selection bias (Atkinson & Flint, 2001). The sample may not be fully representative of the entire population, affecting the generalizability of findings. Participants who are more enthusiastic or interested in the topic may be overrepresented, impacting result validity (Atkinson & Flint, 2001).

To select the sample, key employees in the Malaysian hospitality industry were initially identified and invited to participate. They, in turn, referred

other eligible employees. This process continued until the desired sample size of 250 participants was achieved, with 50 participants for each dependent factor (work-life balance, work environment, compensation, career opportunities, and empowerment). The researcher ensured diversity in gender, age, and job position to enhance sample representativeness.

3.3.4 Sample Size

Sample size refers to the quantity of individual samples measured, or observations used in a study (Zamboni, 2018). According to Altunışık et al. (2004), a sample size typically ranging from 30 to 500 is commonly considered sufficient for many researchers. In this research, a sample of 250 participants was selected, primarily due to time constraints.

3.4 Research Instrument

The questionnaire has been developed based on the literature review conducted in the preceding chapter, encompassing each of the variables. The questionnaires are gathered directly from the respondents once they have completed each of them.

3.4.1 Questionnaire Design

The questionnaire utilized in this study was meticulously crafted to investigate various factors influencing employee retention in the hospitality sector. It covered the following key sections:

1. **Demographic Information:** The questionnaire initiated by collecting participants' demographic details, including age, gender, education, and current field of work or study. This information was crucial for analyzing variations in perceptions and attitudes across participant groups and understanding the demographic composition's impact on employee retention in the hospitality industry.
2. **Work-Life Balance:** This section aimed to grasp participants' perceptions of their work-life balance in the hospitality industry. Questions were designed to reveal the factors contributing to a satisfactory work-life balance and identify areas for potential improvement.

3. **Work Environment:** Focused on gathering participants' perspectives on the ambiance, culture, and conditions in the hospitality industry workplaces. Insights from this section provided valuable information on how these factors might influence employees' decisions to stay or leave their current employment.

4. **Compensation:** Aimed to understand participants' sentiments regarding their remuneration packages. The section sought to identify whether salary and benefits played a significant role in their decision to stay in their current roles or explore alternative employment.

5. **Career Opportunities:** Explored participants' views on career advancement and growth prospects within the hospitality industry. This section aimed to uncover the importance of career progression in participants' decision-making processes related to employee retention.

6. **Empowerment:** Focused on understanding the extent to which participants feel empowered and engaged in their work. Participants were asked to share their perceptions of how empowerment influenced their commitment to their current positions.

3.4.2 Pilot Test

A pilot test involving a sample of 30 employees from the total population of 250 in the hospitality industry will be conducted to assess the reliability of the survey questions. Using SPSS, Cronbach's Alpha, a standard test for measurement error (Willie, 2021), will be calculated. This statistical measure evaluates the internal consistency of the survey questions, ensuring their reliability and validity. The outcomes of the pilot test will guide refinements to the survey questions, enhancing the overall quality of the research. The table below displays the Cronbach's Alpha values for each construct in the survey:

Table 3.1: Reliability Test

No.	Constructs	Cronbach's Alpha	Number of Items
1	Employee Retention	0.813	4
2	Work-life balance	0.843	4
3	Work environment	0.842	4
4	Employee compensation	0.867	4
5	Career opportunities	0.861	4
6	Empowerment	0.906	6

Source: Developed for the research.

The Cronbach's Alpha values indicate that the survey questions are reliable and have good internal consistency. Therefore, the survey questions can be used to collect data from the larger population of employees in the hospitality industry.

3.5 Construct Measurement

Measuring constructs (variables) is important in research because it allows researchers to quantify and analyze data. In this section, we will outline the constructs related to employee retention in the hospitality industry that we will measure, and the methods used for measurement (Creswell, 2014).

In this study, the constructs related to employee retention in the hospitality industry will be measured using a combination of nominal and ordinal scales. The questionnaire will consist of various sections, including general questions to validate the responses, demographic information, and dependent factors such as work-life balance, work environment, compensation, career opportunities, and empowerment. The following are examples of how the constructs for each section will be measured:

Table 3.2: Scale Measurement

Construct	Scale
General Questions	
How long have you been working in the hospitality industry? <ul style="list-style-type: none"> ○ Less than 1 year ○ 1 – 3 years ○ 4 – 6 years ○ 7 – 10 years ○ More than 10 years 	Ordinal
What is your current job position or role? <ul style="list-style-type: none"> ○ Front Office and Guest Relations ○ Food and Beverage Services ○ Human Resources and Training ○ General and Operational Management 	Nominal
Demographic Questions	
Gender <ul style="list-style-type: none"> ○ Male 	Nominal

○ Female	
Age ○ Below 20 ○ 20 – 29 ○ 30 – 39 ○ 40 – 49 ○ 50 and above	Ordinal
Survey Questionnaire	
<ul style="list-style-type: none"> ● Work-life balance ● Work environment ● Employee compensation ● Career opportunities ● Empowerment 	Ordinal (Likert scale)

Source: Developed for the research.

3.5.1 Nominal Scale

The nominal scale, a categorical measurement scale, categorizes data into distinct groups without any inherent order or ranking. In our research on employee retention in the hospitality industry, we will employ the nominal scale to categorize and measure various qualitative attributes and factors relevant to the study. This approach allows for efficient classification without assigning numerical values or ranks (Aarons, 2009). For instance, in the demographic section, gender is measured using the nominal scale with categories such as "Male" or "Female."

3.5.2 Ordinal Scale

An ordinal scale categorizes responses into ordered categories based on their magnitude without specifying exact intervals (SURVEY METHODOLOGIES, 2021). In this study on employee retention in the hospitality industry, utilizing an ordinal scale to understand employee tenancy provides insights into their experiences and factors influencing their decision to stay or leave. To adapt the ordinal scale, respondents' tenure in the hospitality industry is categorized into ordered experience levels, such as "less than 1 year," "1-3 years," "3-5 years," "5-10 years," and "more than 10 years" (University of Guelph homepage, n.d.). The survey questionnaire employs a scale of 1 to 5, with 1 as "strongly disagree" and 5 as "strongly agree," enabling researchers to rank factors in order of importance and assess their impact on employee retention in the hospitality industry.

3.5.3 Origin of Constructs

The questions in the survey questionnaire are retrieved from (Presbitero et al., 2016, Fletcher et al., 2018, Kundu and Lata, 2017, Haldorai, et al., 2019), (Wong and Ko, 2009), (Siddiqi, 2011 and Njuguna and Owuor, 2016), (Hoole and Hotz, 2016), (Presbitero et al., 2016) and (Frye et al., 2020)

The questions for each variable were displayed in the table below:

Table 3.3: Table of Construct

Construct	Adapted Items	Source
Employee retention	<ol style="list-style-type: none"> 1. I am actively looking for alternative employment. 2. I will resign from this organization at the earliest possible opportunity. 3. I may leave this company and work for another company in the next year. 	(Presbitero et al., 2016, Fletcher et al., 2018, Kundu and Lata, 2017,

	<ol style="list-style-type: none"> 4. I will not change this organization easily. 5. I plan to stay in this company to develop my career for a long time. 6. I would like to still be working in this organization in 5 years' time. 	Haldorai, et al., 2019)
Work-life balance	<ol style="list-style-type: none"> 1. I am satisfied with the time I spend at work and in my personal life, and privileges offered. 2. I have good time management between work and personal life. 3. I'm able to manage my work, family and life as the organization supports work-life balance. 4. I achieve balance and have enough time to spend on family duties and societal roles. 	(Wong and Ko, 2009)
Work environment	<ol style="list-style-type: none"> 1. I am satisfied with the physical working conditions in my company. 2. I am satisfied with my work hours. 3. My company utilizes new technologies at work. 4. The working environment in my company is comfortable. 	(Siddiqi, 2011 and Njuguna and Owuor, 2016)
Employee compensation	<ol style="list-style-type: none"> 1. My company respects every employee and makes each of us feel important. 2. I am satisfied with the rewards given for achievements attained. 3. Rewards and compensations given by the organization motivate me to perform better. 4. The organization's overall compensation and reward system is fair and equitable and thus motivates me to work harder. 	(Hoole and Hotz, 2016)
Career opportunities	<ol style="list-style-type: none"> 1. I have sufficient career development opportunities. 2. In this company, enough time and effort are spent on career planning. 3. I am given opportunities to develop skills needed for career progression. 	(Presbitero et al., 2016)

	4. There are enough opportunities for my career to progress in this organization.	
Empowerment	<ol style="list-style-type: none"> 1. My organization gives me the chance to try out some of my own ideas. 2. My organization gives me the chance to do the kind of work that I do best. 3. My organization allows me to make decisions on my own. 4. My organization gives me the chance to make use of my best abilities. 5. My organization gives me the chance to develop new and better ways to do my job. 6. My organization allows me to try something different. 	(Frye et al., 2020)

Source: Developed for the research.

3.6 Data Processing

Data processing is a pivotal phase in our research study, designed to ensure the accuracy, reliability, and usability of the collected data (Stedman, 2022). This section outlines the comprehensive steps involved in processing the data obtained from our questionnaire, which covers various aspects of employee retention in the hospitality industry, including work-life balance, work environment, compensation, career opportunities, and empowerment.

3.6.1 Data Checking

Data checking is a crucial initial step in the data processing pipeline, aimed at identifying and resolving issues in the collected responses. This phase involves reviewing each completed questionnaire for completeness, accuracy, and consistency.

3.6.2 Data Editing

Data editing follows data checking and involves correcting errors or inconsistencies identified during the checking phase (Census, 2022). This includes:

- **Missing Data:** Address missing data by either contacting participants for clarification or using appropriate imputation methods. For example, if a respondent left a question blank, you could reach out to them for clarification or use mean imputation for similar cases.
- **Inconsistent Responses:** Resolve inconsistencies by verifying responses with participants. If a respondent indicated an age of below 20 but has a PhD, seek clarification.
- **Data Entry Errors:** Correct any data entry errors made during the initial recording of responses.

3.6.3 Data Coding

Data coding is a crucial process involving the assignment of numerical or categorical codes to qualitative responses, facilitating quantitative analysis (IvyPanda, 2022). Examples include:

- Gender responses may be coded as "1" for 'Male' and "2" for 'Female.'
- For career opportunities questions, a coding scheme might be applied: "1" for 'Strongly Disagree,' "2" for 'Disagree,' "3" for 'Neutral,' "4" for 'Agree,' and "5" for 'Strongly Agree.'

This simplifies the data, making it suitable for statistical analysis and enabling comparisons across different factors influencing employee retention, facilitating data entry into SPSS software.

3.6.4 Data Transcribing

The data transcribing process involved transferring responses from Google Form questionnaires into SPSS software. In this step, we took precautions to ensure that transcription errors were minimized. Any discrepancies between the original questionnaires and the transcribed data were cross-checked and corrected to maintain data accuracy.

3.6.5 Data Cleaning

Data cleaning is a comprehensive process aimed at enhancing data quality and reliability. This involves:

- **Outlier Detection:** Identify and handle outliers, which can skew statistical analyses.
- **Missing Data Imputation:** Use appropriate imputation methods, such as mean, median, or regression imputation, to fill in missing data points where necessary.
- **Normalization:** Ensure that data conforms to statistical assumptions, such as normality, by applying transformations if needed.
- **Consistency Checks:** Verify that coded responses are consistent with the original qualitative data.

3.7 Data Analysis

Data analysis is a crucial step in any research study, involving the systematic review and interpretation of gathered data to draw comprehensible conclusions (Dogonyaro, 2021). In our research on "Uncovering the Drivers of Employee Retention in the Hospitality Industry," the data analysis process comprises three main phases: descriptive analysis, reliability testing, and inferential analysis.

3.7.1 Descriptive Analysis

Descriptive analysis, a statistical approach, is employed in research studies to summarize and describe data, particularly data gathered from surveys or questionnaires (Mayer, 2013). This method is applied to assess variables like

work-life balance, work environment, compensation, career opportunities, and empowerment. Descriptive statistics such as mean, median, mode, standard deviation, and frequency distribution are utilized to understand response distribution and central tendencies (Lalli, 1993).

Moreover, cross-tabulation is used to explore relationships between dependent variables and demographic questions, contributing to a comprehensive analysis (Mayer, 2013). In the context of employee retention in the hospitality industry, descriptive analysis aims to identify key factors and provide recommendations for improvement (Mayer, 2013). Numerous studies in the search results showcase the application of descriptive analysis in examining employee retention in the hospitality sector.

3.7.2 Scale Measurement

Cronbach's Alpha is employed to evaluate the internal consistency of a questionnaire or survey, measuring how closely related a group of items are to one another and assessing the reliability of the instrument. It gauges how well the items in the questionnaire measure the same construct by comparing responses to each item with responses to all other items. Cronbach's Alpha values range from 0 to 1, with higher values indicating greater internal consistency. In research, a Cronbach's Alpha of 0.7 or higher is generally considered acceptable for ensuring measurement instrument reliability (Ondiba, 2019).

In the context of the research paper "Uncovering the Drivers of Employee Retention in the Hospitality Industry," Cronbach's Alpha can be applied to assess the reliability of survey questions related to work-life balance, work environment, compensation, career opportunities, and empowerment.

Calculating Cronbach's Alpha for these questions helps determine whether they measure the same construct and if they are reliable measures of that construct.

3.7.3 Inferential Analysis

In this research, the researchers utilized multiple regression analysis and Pearson Correlation Coefficient Analysis to assess the association between the dependent variable and independent variables. To explore the relationship between a dependent variable and two or more independent variables while considering the impact of other variables, researchers can employ the statistical technique of multiple regression analysis. On the other hand, the Pearson Correlation Coefficient Analysis is used to measure the strength and direction of the linear relationship between two variables (Mayer, 2013).

3.7.3.1 Pearson Correlation Coefficient Analysis

The Pearson Correlation Coefficient is a statistical measure evaluating the magnitude and direction of the linear relationship between two variables, such as work-life balance, work environment, compensation, career opportunities, and empowerment (Rony, 2023). The analysis involves the following steps:

Step 1: Calculate the correlation coefficient using statistical software like SPSS to determine the relationship between each pair of variables.

Step 2: Assess the significance of the correlation coefficient by computing the p-value. A p-value less than 0.05 indicates statistical significance, suggesting that the observed correlation is unlikely to have occurred by chance (Rony, 2023).

Step 3: Interpret the results based on the correlation coefficient and p-value. A correlation coefficient of 1 signifies a perfect positive correlation, -1 indicates a perfect negative correlation, and 0 suggests no correlation. The sign of the coefficient indicates the correlation direction: positive implies both variables increase together, and negative implies one variable increases as the other decreases (Rony, 2023).

In this study, interpretation involves examining the correlation coefficient between each pair of variables, determining statistical significance, and understanding the direction of the correlation to identify positive or negative associations.

3.7.3.2 Multiple Regression Analysis

Multiple linear regression analysis is a statistical method employed to investigate the relationship between a dependent variable and several independent variables (Holston-Okae, 2017). This research paper can utilize multiple linear regression analysis to identify the factors influencing employee retention in the hospitality industry. The technique can help identify which factors have the most significant impact on employee retention and how they interact with each other (Okae, 2018).

We conducted a multiple linear regression analysis to explore the relationship between the independent variables (work-life balance, work environment, compensation, career opportunities, and empowerment) and employee retention.

The model equation is as follows:

$$\begin{aligned} \overline{\text{EmployeeRetention}} &= \beta_0 + \beta_1 \times \text{WorkLifeBalance} + \beta_2 \times \text{WorkEnvironment} \\ &+ \beta_3 \times \text{Compensation} + \beta_4 \times \text{CareerOpportunities} \\ &+ \beta_5 \times \text{Empowerment} + \varepsilon \end{aligned}$$

Where:

- β_0 represents the intercept.
- $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ represent the coefficients of the independent variables.
- E represents the error term.

Results:

- **Model Fit:** We assess the overall fit of the model using indicators such as R-squared, adjusted R-squared, and the F-statistic.
- **Coefficient Estimates:** We provide the estimated coefficients for each independent variable and their corresponding p-values to determine their significance.
- **Interpretation:** We interpret the coefficients to understand the direction and strength of the relationship between each independent variable and employee retention.
- **Assumptions:** We check the assumptions of the multiple linear regression model, including linearity, normality of residuals, constant variance (homoscedasticity), and absence of autocorrelation.

3.8 Conclusion

Chapter 3 outlines the research design, data collection methods, sampling strategy, development of research instruments, measurement of constructs, and the chosen data analysis approach for investigating employee retention factors in the hospitality industry. A successful pilot test confirmed acceptable Cronbach's alpha values for the studied constructs. The next chapter will focus on data analysis using SPSS to derive insights into employee retention within the hospitality sector.

CHAPTER 4: DATA ANALYSIS

4.0 Introduction

In this chapter, the analysis of survey data will be conducted to identify factors influencing employee retention in the hospitality industry. Initially, demographic details of the 250 respondents will be examined using statistical measures like means and standard deviations to gain insights into the sample. Subsequently, advanced statistical techniques such as mediated regression and hypothesis testing will be employed to investigate relationships between variables, ensuring the reliability and validity of the data. The results will be visually presented through tables and charts generated using software like SPSS, facilitating a clear understanding and interpretation of the findings.

4.1 Descriptive Analysis

4.1.1 Demographic Information

Table 4.1: Respondents' Demographic Profile

Variable		Frequency	Percentage
Gender	Male	112	44.8%
	Female	138	55.2%
Age			
Age	Below 20	18	7.2%
	20 - 29	181	72.4%
	30 - 39	39	15.6%
	40 - 49	9	3.6%
	50 and above	3	1.2%
Race			
Race	Malay	23	9.2%
	Chinese	209	83.6%
	Indian	16	6.4%
	Other	2	0.8%
Marital Status			
Marital Status	Single	212	84.8%
	Married	34	13.6%
	Divorced	3	1.2%
	Widowed	1	0.4%
Monthly Income			
Monthly Income	Less than RM 1,500	0	0.0%
	RM 1,500 to RM 2,499	67	26.8%
	RM 2,500 to RM 3,999	71	28.4%
	RM 4,000 to RM 5,499	36	14.4%
	RM 5,500 to RM 6,999	19	7.6%
	RM 7,000 to RM 8,499	13	5.2%
	RM 8,500 to RM 9,999	6	2.4%
	RM 10,000 and above	10	4.0%
	Prefer not to say	28	11.2%

Nationality	Malaysian	250	100.0%
	Non-Malaysian	0	0.0%

Source: Developed for the research.

Our survey caught a diverse participant group. Gender distribution was relatively balanced, with 44.8% male and 55.2% female respondents. The majority (72.4%) fell within the 20-29 age range, with 7.2% below 20. The sample primarily comprised the Chinese ethnic group (83.6%), followed by Malays (9.2%), Indians (6.4%), and a small "Other" category (0.8%). Marital status indicated 84.8% "Single," 13.6% "Married," 1.2% "Divorced," and 0.4% "Widowed." Income distribution varied, with 28.4% falling in the "RM 2,500 to RM 3,999" bracket. Importantly, 11.2% preferred not to disclose their income ("Prefer not to say"). This concise overview provides essential context for our research in the hospitality industry.

4.1.2 Respondent General Information

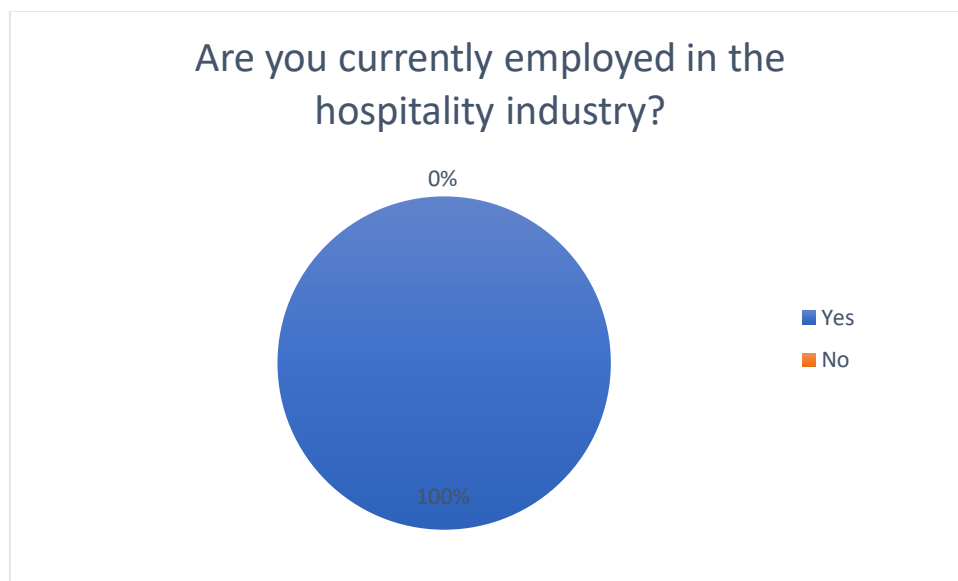
This section gathers important information from respondents in the hospitality industry. It includes questions about their current employment status, years of experience in the industry, length of service with their current employer, and their current job roles. This data is crucial for analyzing the drivers of employee retention in the dynamic hospitality sector. Understanding the respondents' employment backgrounds is pivotal to comprehending the factors influencing retention.

4.1.2.1 Current Employment Status

Table 4.2: Current Employment Status

	Frequency	Percentage
Yes	250	100%
No	0	0%
Total	250	100%

Figure 4.1: Current Employment Status



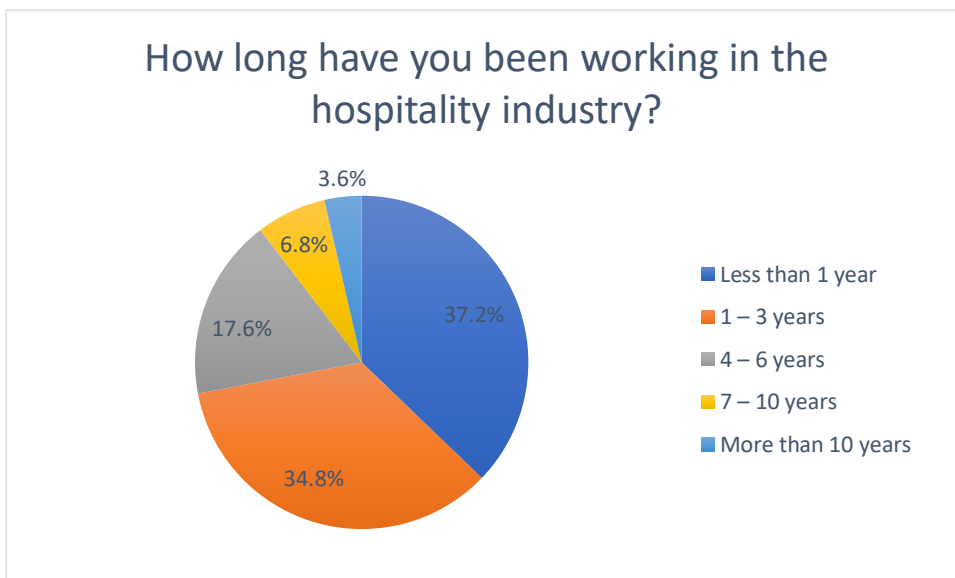
The data shows "yes" from all 250 survey respondents, which accounts for 100% of the total. This means that every participant is currently working in the hospitality industry. This is important because the survey focuses exclusively on participants that are actively engaged in the hospitality sector, which is crucial for a comprehensive analysis of employee retention drivers within this specific industry. The full participation of industry employees ensures the accuracy and relevance of the survey.

4.1.2.2 Respondent's Years of Experience in Hospitality Industry

Table 4.3: Years of Experience in Hospitality Industry

	Frequency	Percentage
Less than 1 year	93	37.2%
1 – 3 years	87	34.8%
4 – 6 years	44	17.6%
7 – 10 years	17	6.8%
More than 10 years	9	3.6%
Total	250	100%

Figure 4.2: Years of Experience in Hospitality Industry



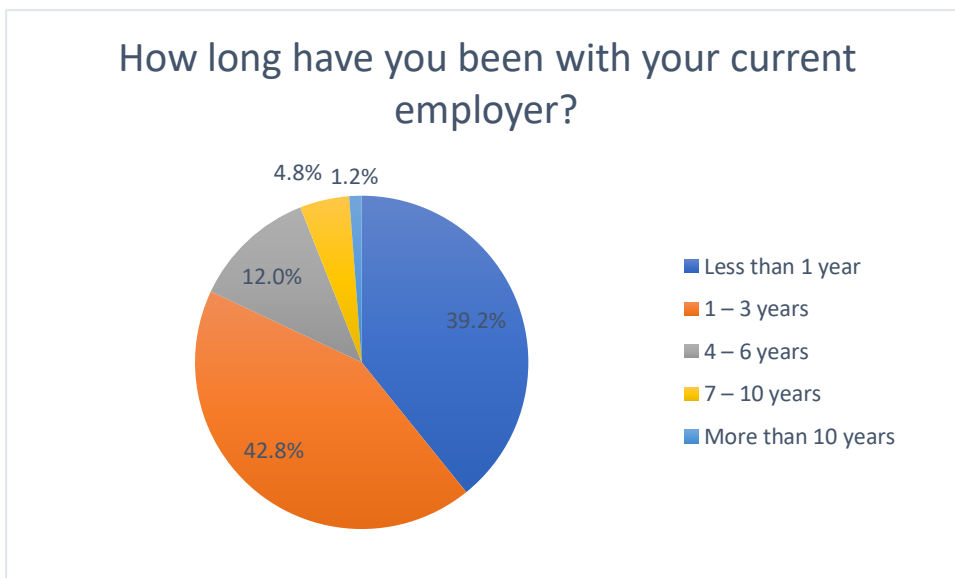
The data shows that there are different levels of experience in the hospitality industry. Most of the people surveyed (72%) have less experience, with 37.2% having less than one year of experience and 34.8% having 1-3 years of experience. A smaller but still significant number of people have more experience, with 17.6% having 4-6 years, 6.8% with 7-10 years, and 3.6% having more than 10 years of experience. This mix of experience levels gives us valuable information about what factors influence employee retention across different stages of their careers in the industry.

4.1.2.3 Respondent's Length of Service with Their Current Employer

Table 4.4: Length of Service with Their Current Employer

	Frequency	Percentage
Less than 1 year	98	39.2%
1 – 3 years	107	42.8%
4 – 6 years	30	12.0%
7 – 10 years	12	4.8%
More than 10 years	3	1.2%
Total	250	100%

Figure 4.3: Length of Service with Their Current Employer



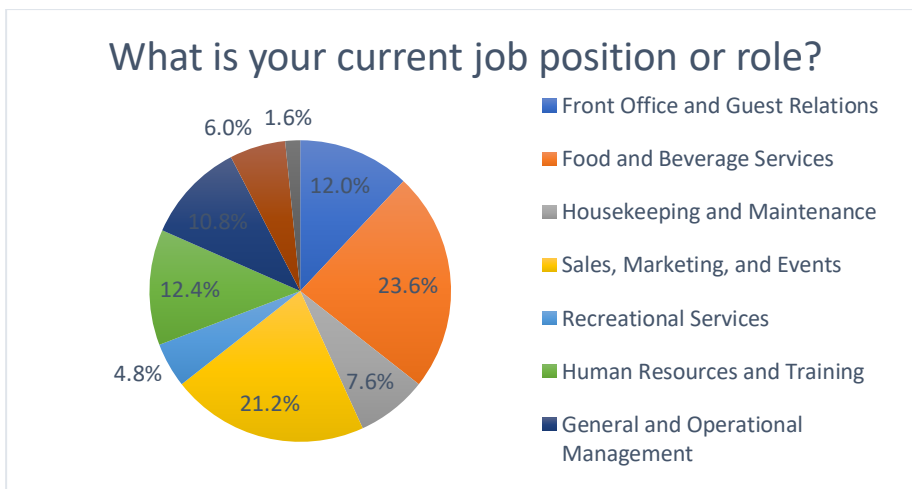
The data indicates that 39.2% of employees have been with their current employer for less than a year, suggesting a substantial rate of quick turnover. Furthermore, 42.8% of employees have stayed for 1 to 3 years, signifying that a significant portion of the sample has surpassed the initial period of employment. Additionally, 12.0% of employees have demonstrated loyalty by remaining for 4 to 6 years, while only 4.8% have held their positions for 7 to 10 years. The smallest group, comprising 1.2%, consists of employees with over a decade of service, likely offering unique insights into long-term retention factors. This information is crucial for comprehending employee retention dynamics in the hospitality industry.

4.1.2.4 Respondent's Current Job Roles

Table 4.5: Current Job Roles

	Frequency	Percentage
Front Office and Guest Relations	30	12.0%
Food and Beverage Services	59	23.6%
Housekeeping and Maintenance	19	7.6%
Sales, Marketing, and Events	53	21.2%
Recreational Services	12	4.8%
Human Resources and Training	31	12.4%
General and Operational Management	27	10.8%
Finance and Accounting	15	6.0%
Other	4	1.6%
Total	250	100%

Figure 4.4: Current Job Roles



The data shows that the hospitality industry has a diverse workforce with different roles. The most prominent roles are in food and beverage services (23.6%) and sales, marketing, and event planning (21.2%), which means that the industry focuses on dining, customer engagement, and promotion. Guest interactions and front desk services (12.0%) are also important, while human resources and training (12.4%) show that the industry is committed to employee development. General and operational management (10.8%) oversee daily operations, and housekeeping and maintenance (7.6%) ensure functionality and cleanliness. Finance and accounting (6.0%) manage financial aspects, while recreational services (4.8%) handle leisure activities. The "Other" category (1.6%) accounts for diverse roles within the industry, providing valuable context for analyzing employee retention dynamics in hospitality.

4.1.3 Central Tendencies Measurement of Constructs

Table 4.6: Measurement of Constructs

Variables	Mean	Std. Deviation
Employee Retention	3.6980	0.53002
Work-life balance	3.5060	0.63251
Work environment	3.5240	0.61108
Employee compensation	3.5710	0.66519
Career opportunities	3.5650	0.60787
Empowerment	3.6693	0.62521

Source: Developed for the research.

The study utilized a 5-point scale to gauge agreement on employee retention and related factors in the hospitality industry. Scores ranged from 3.50 to 3.69, indicating generally positive sentiments among respondents. Employee Retention received the highest mean (3.6980), highlighting widespread agreement. Empowerment closely followed with a mean of 3.6693, emphasizing its significance. Employee compensation demonstrated notable importance with a mean of 3.5710, while Career opportunities and Work environment had means of 3.5650 and 3.5240, respectively. Work-life balance had the lowest mean at 3.5060. Overall, the study revealed a positive attitude among hospitality industry workers towards employee retention, work-life balance, work environment, employee compensation, career opportunities, and empowerment.

4.2 Scale Measurement

4.2.1 Reliability Analysis

Table 4.7: Reliability Test

Variable	Cronbach's Alpha	No. of items
Employee Retention	0.795	4
Work-life balance	0.862	4
Work environment	0.853	4
Employee compensation	0.885	4
Career opportunities	0.914	4
Empowerment	0.936	6

Source: Developed for the research

The reliability analysis is a way to check if the questions in a survey are consistent and reliable. In this study, Cronbach's Alpha coefficient is used to measure the internal consistency of the questionnaire items related to the factors. From the table we can see that the following factors showed strong internal consistency: Employee Retention, Work-life balance, Work environment, Employee compensation, Career opportunities, and Empowerment. The Cronbach's Alpha values for these factors were all above 0.70, which is the threshold for good reliability. This means that the survey questions were consistent and reliable in measuring these factors.

4.3 Inferential Analysis

4.3.1 Multiple Linear Regression Analysis

Table 4.8(a): Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.851 ^a	.724	.718	.28122

a. Predictors: (Constant), EMP, EC, CO, WLB, WE

The linear regression analysis results are summarized in the table. The model comprises a constant and five predictor variables: Empowerment, Work-Life balance, Career Opportunities, Employee Compensation, and Work Environment. The R-squared value of .724 indicates that around 72.4% of the variance in the dependent variable can be explained by the independent variables. The adjusted R-squared value of .718, considering the number of predictors, suggests that the model is a good fit for the data. The standard error of the estimate, at .28122, represents the average distance of observed values from the regression line. In conclusion, the model offers a reasonable interpretation of the relationship between the independent variables and the dependent variable.

Table 4.8(b): ANOVA

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	50.653	5	10.131	128.102	<.000 ^b
	Residual	19.296	244	.079		
	Total	69.949	249			

a. Dependent Variable: ER

b. Predictors: (Constant), EMP, EC, CO, WLB, WE

To evaluate the overall significance of the multiple linear regression model predicting Employee Retention in the Hospitality Industry, an Analysis of Variance (ANOVA) was performed. The ANOVA table indicates that the Model row demonstrates statistical significance, with an extremely low significance level of <.000. This implies that the predictors in the model are significantly associated with the dependent variable, Employee Retention. Additionally, the F-value of 128.102 suggests that the variation in the dependent variable explained by the model is substantially greater than the variation not explained by the model.

Table 4.8(c): Coefficient

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.828	.115		7.175	.000
	WLB	.216	.051	.258	4.257	.000
	WE	.135	.055	.156	2.447	.015
	EC	.090	.045	.112	1.987	.048
	CO	.167	.054	.192	3.102	.002
	EMP	.196	.053	.232	3.671	.000

a. Dependent Variable: ER

These beta coefficients indicate the direction and strength of the relationships between each variable and Employee Retention while controlling for other factors. Positive beta values suggest a positive influence, and negative values imply a negative impact, with the magnitude of the beta value indicating the size of the effect. I found that Work Environment, Career Opportunity, and Empowerment had the biggest positive impact on employee retention, while Work-life Balance and Employee Compensation had a smaller positive impact. This means that if organizations in the hospitality industry want to keep their employees, they need to focus on these five factors.

4.3.1 Pearson Correlation Coefficient Analysis

Table 4.9: Pearson Correlation

		Correlations					
		ER	WLB	WE	EC	CO	EMP
ER	Pearson Correlation	1	.776**	.759**	.712**	.762**	.776**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	250	250	250	250	250	250
WLB	Pearson Correlation	.776**	1	.750**	.713**	.767**	.751**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	250	250	250	250	250	250
WE	Pearson Correlation	.759**	.750**	1	.753**	.765**	.769**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	250	250	250	250	250	250
EC	Pearson Correlation	.712**	.713**	.753**	1	.668**	.738**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	250	250	250	250	250	250
CO	Pearson Correlation	.762**	.767**	.765**	.668**	1	.771**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	250	250	250	250	250	250
EMP	Pearson Correlation	.776**	.751**	.769**	.738**	.771**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	250	250	250	250	250	250

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

In this section, the table shows how different factors are related to employee retention in the hospitality industry. The results of Pearson's correlation analysis affirm that employee retention exhibits positive values (with a p-value of 0.000) concerning all the independent variables which are work-life balance, work environment, employee compensation, career opportunities and empowerment. This signifies that the correlations suggested by hypotheses H1 to H5 demonstrate positive and statistically significant associations at the 0.01 level (2-tailed).

4.4 Conclusion

In this chapter, I analyzed data to identify factors influencing employee retention in the hospitality industry. Positive correlations were found between Employee Retention and key factors: Work-life Balance, Work Environment, Employee Compensation, Career Opportunities, and Empowerment. Rigorous methods were employed to ensure data validity and reliability. The following chapter will present practical recommendations for the hospitality sector based on these findings, offering insights to enhance companies' employee retention strategies.

CHAPTER 5: DISCUSSION, CONCLUSION AND IMPLICATION

5.0 Introduction

This chapter will commence by examining the key findings, followed by an exploration of the study's implications. Subsequently, it will delve into the limitations of the study followed by recommendations for future research. Finally, the chapter will conclude with a summary.

5.1 Discussion of Major Findings

Table 5.1: Summary of Hypotheses Findings

	Hypotheses	Significant Level (P – Value)	Results
H1	There is a significant positive relationship between work life balance and employee retention.	0.000	Accepted
H2	There is a significant positive relationship between work environment and employee retention.	0.015	Accepted
H3	There is a significant positive relationship between employee compensation and employee retention.	0.048	Accepted
H4	There is a significant positive relationship between career opportunities and employee retention.	0.002	Accepted
H5	There is a significant positive relationship between empowerment and employee retention.	0.000	Accepted

Source: Developed for the research

5.1.1 Work-life Balance and Employee Retention

The results of the multiple linear regression analysis reveal a significant positive relationship between work-life balance and employee retention, as indicated by a low p-value of 0.000, below the significance threshold of 0.05. This result supports the acceptance of Hypothesis 1 (H1). Consistent with findings from Zainal (2022) and Aydogdu & Aşıkil (2011), work-life balance has a strong positive impact on employee retention. Work-life policies play a crucial role in helping employees balance their professional and personal lives, fostering positive attitudes and behaviors, including increased organizational commitment, job satisfaction, and the intention to stay with the company.

5.1.2 Work Environment and Employee Retention

The results of the multiple regression analysis indicate a significant and robust association between work environment and employee retention. With a p-value of 0.015, which is below the significance threshold of 0.05, it indicates that work environment significantly contributes to influencing the dependent variable. Therefore, H2 is accepted. This can be supported by Esthi (2020) that the working environment holds substantial influence over an employee's decision to remain with or leave an organization. Naz et al. (2020) suggested that cultivating a positive work environment is correlated with elevated employee performance, ultimately contributing to higher rates of employee retention.

5.1.3 Employee Compensation and Employee Retention

Based on the results of multiple regression analysis, it indicates a significant and strong association between employee compensation and employee retention. With a p-value of 0.048, which is below the significance threshold of 0.05, it indicates that employee compensation significantly contributes to influencing the dependent variable. Thus, H3 is accepted. This can be supported by Tan (2020) and Hakuduwal (2021), employees who have been recognized and rewarded by the organization tend to feel more connected and motivated to stay, putting forth their best efforts for the success of the company.

5.1.4 Career Opportunities and Employee Retention

The multiple regression analysis results reveal a substantial and robust correlation between career opportunities and employee retention. The p-value, being less than 0.002 and below the significance threshold of 0.05, signifies that career opportunities significantly contributes to influencing the dependent variable. Therefore, H4 is accepted. This can be supported by Zainal (2022) and Yang (2012) that when employees are presented with opportunities for upward mobility within the organization, they are more likely to commit to long-term tenure. Additionally, the research suggests that when employees feel supported by their supervisors and can openly address their concerns about work-related matters, their loyalty to the organization intensifies, resulting in higher retention rates.

5.1.5 Empowerment and Employee Retention

The multiple regression analysis results reveal a robust and significant correlation between empowerment and employee retention. The p-value of 0.000, below the significance threshold of 0.05, indicates that empowerment significantly influences the dependent variable. Hence, H5 is accepted. This finding aligns with the perspectives of Frye et al. (2020) and Saeed & Farooqi (2014), emphasizing that in the hospitality sector, empowerment goes beyond simple delegation of authority. It involves cultivating trust, providing support, and offering encouragement, granting employees opportunities to test ideas, make independent decisions, and explore innovative approaches to job performance. Such an environment not only fosters creativity and personal growth but also contributes to elevated levels of job satisfaction.

5.2 Implication of study

Previous research has placed significant emphasis on exploring the factors impacting employee retention, including work-life balance, the work environment, employee compensation, career opportunities, and employee empowerment. This study aims to provide organizations with valuable insights into these factors, helping them understand the elements that play a crucial role in retaining their workforce.

The findings suggest that organizations need to invest in creating a workplace culture that prioritizes the well-being and satisfaction of their employees. This involves implementing policies for work-life balance and fostering a positive and inclusive work environment, promoting higher loyalty and commitment.

Employee empowerment is identified as a critical driver for retention, emphasizing the importance of providing opportunities for skill development, decision-making autonomy, and a sense of purpose. Empowering employees enhances job satisfaction and strengthens their emotional connection to the organization.

Competitive compensation and benefits packages are crucial in the hospitality industry, where recognition and rewards for employee contributions lead to higher retention. Both monetary and non-monetary incentives contribute to comprehensive employee satisfaction and loyalty.

Career development opportunities are highlighted as essential for retention. Organizations investing in continuous professional growth not only enhance individual performance but also foster loyalty, demonstrating a long-term commitment to employee success.

Lastly, the study underscores the importance of flexible work arrangements. Recognizing diverse employee needs, offering flexible working hours can reduce stress, improve work-life balance, and enhance overall job satisfaction.

5.3 Limitation of Study

There are several limitations that could influence the outcomes of the researcher's findings. Firstly, the study's narrow focus on only five independent variables as drivers of employee retention may oversimplify the multifaceted nature of retention in the dynamic hospitality industry, potentially overlooking other influential factors affecting workforce engagement.

Secondly, the study's design as a one-shot investigation, collecting data at a specific point in time, introduces temporal constraints. This design may be vulnerable to issues related to the dynamic nature of organizational environments, as factors influencing employee retention can evolve over time.

Furthermore, the absence of a quantitative research design hinders the establishment of cause-and-effect relationships among variables. While the study draws on previous research and literature, the lack of a robust quantitative approach limits the ability to make conclusive statements about the causal impact of identified drivers on employee retention.

Geographical constraints pose another limitation, as the quantitative data collection focused primarily on employees in the hospitality industry within the Selangor area. Consequently, the findings may not be fully representative of the broader Malaysian context, where regional variations in industry dynamics and employee perceptions may exist.

5.4 Recommendations

There are several suggestions that could overcome the limitations mentioned earlier. The study's limitation of focusing on only five variables for employee retention suggests a need for a more comprehensive approach. Future research could explore additional factors such as leadership styles, organizational culture, and employee well-being to contribute to a more holistic understanding of workforce engagement.

The one-shot investigation design, capturing data at a specific time, introduces temporal constraints. To address this, future research should consider adopting a longitudinal approach. This would enable a dynamic examination of trends and changes in employee retention drivers over time, providing a more nuanced understanding of organizational environments.

The absence of a quantitative research design limits the establishment of cause-and-effect relationships among variables. Future studies should consider a mixed-methods approach, incorporating both quantitative and qualitative methods. This would facilitate a deeper exploration of the identified drivers and enhance understanding of the causal mechanisms influencing employee retention.

Geographical constraints, particularly the focus on Selangor, limit external validity. To improve generalizability, future research should include a more diverse sample across various regions in Malaysia. This would capture regional variations in industry dynamics and employee perceptions, offering a more representative insight into employee retention challenges and solutions nationwide.

5.5 Conclusion

In conclusion, this research seeks to deepen understanding of employee retention in the hospitality industry by examining the factors of work-life balance, work environment, employee compensation, career opportunities, and employee empowerment. The study successfully achieved its objectives, evaluating the relationships among these factors and their impact on employee retention. All hypotheses were accepted, identifying connections between the variables. The chapter further discusses major findings, managerial implications, and limitations. Recommendations are provided to address identified limitations, offering valuable insights for future researchers.

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APPENDICES

Appendix A: SPSS Output

1. Pilot Test

Employee Retention**Case Processing Summary**

		N	%
Cases	Valid	30	100.0
	Excluded ^a	0	.0
	Total	30	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.813	4

Work-life Balance**Case Processing Summary**

		N	%
Cases	Valid	30	100.0
	Excluded ^a	0	.0
	Total	30	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.843	4

Work Environment**Case Processing Summary**

		N	%
Cases	Valid	30	100.0
	Excluded ^a	0	.0
	Total	30	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.842	4

Employee Compensation**Case Processing Summary**

		N	%
Cases	Valid	30	100.0
	Excluded ^a	0	.0
	Total	30	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.867	4

Career Opportunities**Case Processing Summary**

		N	%
Cases	Valid	30	100.0
	Excluded ^a	0	.0
	Total	30	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.861	4

Empowerment**Case Processing Summary**

		N	%
Cases	Valid	30	100.0
	Excluded ^a	0	.0
	Total	30	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.906	6

2. Central Tendencies

Statistics

		ER	WLB	WE	EC	CO	EMP
N	Valid	250	250	250	250	250	250
	Missing	0	0	0	0	0	0
Mean		3.6980	3.5060	3.5240	3.5710	3.5650	3.6693
Median		3.7500	3.5000	3.5000	3.5000	3.5000	3.6667
Std. Deviation		.53002	.63251	.61108	.66519	.60787	.62521

3. Reliability Test

Employee Retention**Case Processing Summary**

		N	%
Cases	Valid	250	100.0
	Excluded ^a	0	0
	Total	250	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.795	4

Work-life Balance**Case Processing Summary**

		N	%
Cases	Valid	250	100.0
	Excluded ^a	0	0
	Total	250	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.862	4

Work Environment**Case Processing Summary**

		N	%
Cases	Valid	250	100.0
	Excluded ^a	0	0
	Total	250	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.853	4

Employee Compensation**Case Processing Summary**

		N	%
Cases	Valid	250	100.0
	Excluded ^a	0	0
	Total	250	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.885	4

Career Opportunities

Case Processing Summary

		N	%
Cases	Valid	250	100.0
	Excluded ^a	0	0
	Total	250	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.914	4

Empowerment**Case Processing Summary**

		N	%
Cases	Valid	250	100.0
	Excluded ^a	0	0
	Total	250	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.936	6

4. Multiple Linear Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.851 ^a	.724	.718	.28122

a. Predictors: (Constant), EMP, EC, CO, WLB, WE

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	50.653	5	10.131	128.102	<.000 ^p
	Residual	19.296	244	.079		
	Total	69.949	249			

a. Dependent Variable: ER

b. Predictors: (Constant), EMP, EC, CO, WLB, WE

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.828	.115		7.175	.000
	WLB	.216	.051	.258	4.257	.000
	WE	.135	.055	.156	2.447	.015
	EC	.090	.045	.112	1.987	.048
	CO	.167	.054	.192	3.102	.002
	EMP	.196	.053	.232	3.671	.000

a. Dependent Variable: ER

5. Pearson Correlation Coefficient Analysis

		Correlations					
		ER	WLB	WE	EC	CO	EMP
ER	Pearson Correlation	1	.776**	.759**	.712**	.762**	.776**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	250	250	250	250	250	250
WLB	Pearson Correlation	.776**	1	.750**	.713**	.767**	.751**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	250	250	250	250	250	250
WE	Pearson Correlation	.759**	.750**	1	.753**	.765**	.769**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	250	250	250	250	250	250
EC	Pearson Correlation	.712**	.713**	.753**	1	.668**	.738**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	250	250	250	250	250	250
CO	Pearson Correlation	.762**	.767**	.765**	.668**	1	.771**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	250	250	250	250	250	250
EMP	Pearson Correlation	.776**	.751**	.769**	.738**	.771**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	250	250	250	250	250	250

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

APPENDIX B



**UNIVERSITIES TUNKU ABDUL RAHMAN ((UTAR) FACULTY OF
ACCOUNTANCY AND MANAGEMENT (FAM)
Bachelor of International Business (HONS)-(IN)**

Uncovering The Drivers of Employee Retention in Hospitality Industry

Dear respondents,

I am an undergraduate student from the Bachelor of International Business (HONS)-(IN) of Universiti Tunku Abdul Rahman (UTAR). I am conducting a research study on "Uncovering the Drivers of Employee Retention in the Hospitality Industry." This study focuses on key factors such as work-life balance, work environment, compensation, career opportunities, and empowerment.

In today's fast-paced and competitive hospitality sector, retaining skilled and motivated employees is crucial for maintaining high service standards and fostering a positive work environment. Your insights will greatly aid our understanding of challenges and opportunities for both employees and employers.

Your participation is entirely voluntary and anonymous. Your responses will be kept confidential and used for research purposes only. There are no right or wrong answers, so please provide your honest opinions and experiences. The data collected will be analyzed in aggregate, ensuring that no individual identities are revealed or disclosed.

The survey consists of three sections and will take approximately 10 to 15 minutes to complete. Your time and willingness to participate are greatly appreciated. Thank you for your valuable contribution to this study. If you have any questions or concerns regarding the survey, please feel free to contact me.

Yours sincerely,

Kok Chien Liang

016-9189122

chienliang0202@1utar.my

Section A: General Questions

1. Nationality:

Malaysian

Non-Malaysian (exit, questionnaire)

2. Are you currently employed in the hospitality industry?

Yes

No (exit, questionnaire)

3. How long have you been working in the hospitality industry?

Less than 1 year

1 – 3 years

4 – 6 years

7 – 10 years

More than 10 years

4. How long have you been with your current employer?

Less than 1 year

1 – 3 years

4 – 6 years

7 – 10 years

More than 10 years

5. What is your current job position or role?

- Front Office and Guest Relations
- Food and Beverage Services
- Housekeeping and Maintenance
- Sales, Marketing, and Events
- Recreational Services
- Human Resources and Training
- General and Operational Management
- Finance and Accounting
- Other _____

Section B: Demographic Questions

1. Gender:

- Male
- Female

2. Age:

- Under 20
- 20 to 29
- 30 to 39
- 40 to 49
- 50 and above

4. Highest education level:

- High School/SPM
- Diploma
- Bachelor's Degree
- Master's Degree
- PhD/Doctorate
- Other _____

5. Race:

- Malay
- Chinese
- Indian
- Other: _____

6. Marital Status:

- Single
- Married
- Divorced
- Widowed
- Other: _____

7. Monthly Income:

- Less than RM 1,500
- RM 1,500 to RM 2,499
- RM 2,500 to RM 3,999
- RM 4,000 to RM 5,499
- RM 5,500 to RM 6,999
- RM 7,000 to RM 8,499
- RM 8,500 to RM 9,999
- RM 10,000 and above

Section C

In this section, I am interested in obtaining your perspective regarding the factors influencing employee retention in the hospitality industry. Kindly respond to the following statements using a five-point Likert scale to indicate the level of agreement or disagreement with each statement.

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

Employee retention

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I am actively looking for alternative employment.	1	2	3	4	5
I will resign from this organization at the earliest possible opportunity.	1	2	3	4	5
I may leave this company and work for another company in the next year.	1	2	3	4	5
I will not change this organization easily.	1	2	3	4	5

Work-life balance

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I am satisfied with the time I spend at work and in my personal life, and privileges offered.	1	2	3	4	5
I have good time management between work and personal life.	1	2	3	4	5
I'm able to manage my work, family and life as the organization supports work-life balance.	1	2	3	4	5
I achieve balance and have enough time to spend on family duties and societal roles.	1	2	3	4	5

Work environment

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I am satisfied with the physical working conditions in my company.	1	2	3	4	5
I am satisfied with my work hours.	1	2	3	4	5
My company utilizes new technologies at work.	1	2	3	4	5
The working environment in my company is comfortable.	1	2	3	4	5

Employee compensation

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
My company respects every employee and makes each of us feel important.	1	2	3	4	5
I am satisfied with the rewards given for achievements attained.	1	2	3	4	5
Rewards and compensations given by the organization motivate me to perform better.	1	2	3	4	5
The organization's overall compensation and reward system is fair and equitable and thus motivates me to work harder.	1	2	3	4	5

Career opportunities

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I have sufficient career development opportunities.	1	2	3	4	5
In this company, enough time and effort are spent on career planning.	1	2	3	4	5
I am given opportunities to develop skills needed for career progression.	1	2	3	4	5
There are enough opportunities for my career to progress in this organization.	1	2	3	4	5

Empowerment

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
My organization gives me the chance to try out some of my own ideas.	1	2	3	4	5
My organization gives me the chance to do the kind of work that I do best.	1	2	3	4	5
My organization allows me to make decisions on my own.	1	2	3	4	5
My organization gives me the chance to make use of my best abilities.	1	2	3	4	5
My organization gives me the chance to develop new and better ways to do my job.	1	2	3	4	5
My organization allows me to try something different.	1	2	3	4	5