A STUDY ON THE FACTORS AFFECTING PERCEIVED EMPLOYEE RETENTION AMONG GENERATION Z EMPLOYEES IN BANKING INSTITUTIONS IN NORTHERN MALAYSIA

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Copyright Statement

PREFACE

This research project is a required completion for final-year students at Universiti Tunku Abdul Rahman (UTAR) before graduating with a bachelor's degree.

The topic of this research is "A study on factors affecting perceived employee retention among Generation Z employees in banking institutions in Northern Malaysia. "This study aims to explore the impact of rewards and compensations, work environment and training and development on retention of Generation Z employees in banking institutions in Northern Malaysia. Furthermore, this study focuses on employees from CIMB Bank Berhad, Public Bank Berhad and Hong Leong Bank Berhad in Northern Malaysia.

This study will contribute to understanding the relationship between these three factors and employee retention in the banking sector. It also provides valuable information for bank administrators to help retain valuable bank staff.

ABSTRACT

Retention among Generation Z employees remains a major challenge for all the banks and warrants increased attention from researchers. Technological advances have made it easier for Generation Z banking employees to compare their work, contributing to high turnover rates. Rewards and compensations, work environment and training and development are the factors that can significantly explain variance in employee retention. However, research conducted in Malaysian banks is limited. There is a growing number of research examining the impact of these factors on employee retention. Due to the inconclusive nature of the impacts of these factors on employee retention among Generation Z in banking institutions, this study aimed to explore the significant relationship between these factors and employee retention. A stratified sampling technique was used to select a sample of 375 participants from the population. This study employed a quantitative methodology, using a questionnaire as the primary data collection instrument. Data collected were subjected to multiple regression analysis using the Statistical Package for Social Sciences (SPSS). The study found that rewards and compensations, work environment and training and development have a significant relationship on Generation Z employee retention in banking institutions in Northern Malaysia. This study provides more insights for human resource practitioners in Malaysian banking institutions to help them design more effective Generation Z employee retention systems.

Keywords: Employee retention; Rewards and Compensations: Work Environment; Training and Development: Banking institutions; Northern Malaysia; Generation Z employee

Subject Area: HD28-70 Management. Industrial management

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LIST OF ABBREVIATIONS

ER   Employee Retention

RC   Rewards and Compensations

WE   Work Environment

TD   Training and Development

DV   Dependent Variable

ID   Independent Variable

GEN Z   Generation Z

SET   Social Exchange Theory

POS   Perceived Organizational Support

SPSS   Statistical Package for Social Science

α Cronbach's alpha value

β Beta

VIF   Variance Inflation Factor

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CHAPTER 1: RESEARCH OVERVIEW

1.0 Introduction

According to our research, we will focus on the factors that affect the perceived
employee retention of Generation Z employees in banking institutions in Northern
Malaysia. The research's focus is to explore rewards and compensation, work
environment, and training and development on employee retention among
Generation Z employees in banking institutions in Northern Malaysia.

1.1   Research Background

The banking industry is a vital sector that contributes significantly to a country's
expanding economy (Tania & Kowser, 2022). The contribution of the finance sector
to Malaysia's GDP has stabilized at around 5.1% from 2020 to 2023. Forecasts for
2024 and beyond predict a stable contribution of 5% up to 2028 (ReportLinker,
2025). The banking industry is made up of regulated businesses that are overseen
by BNM and licensed by the Banking and Financial Institutions Act 1989 (BAFIA),
including merchant banks, commercial banks, financing firms, discount stores, and
money brokers (Bank Negara Malaysia, 2001).

Malaysia's banking industry comprises twenty-seven commercial banks, eleven
investment banks, and eighteen Islamic banks (Relbanks, 2024). The largest
corporations in Malaysia include the major banks of Maybank, CIMB, and Public
Bank Berhad. Maybank alone had around 44,117 employees worldwide as of
December 31, 2024. This illustrates the magnitude of employment the industry has
and the economic resilience it provides (Stock Analysis, 2025).

By December 2024, the sector had an aggregate Liquidity Coverage Ratio (LCR)
of 160.7%, indicating strong financial health alongside enhanced economic
capabilities, given that the LCR maintains strong liquidity buffers (Bank Negara

Malaysia, 2025). Strikingly, the resilience of the sector is also illustrated by the stable loan-to-fund ratio of 83.5% as well as the gross impaired loans ratio that successfully improved to 1.4%, which shows effective and efficient risk management (Bank Negara Malaysia, 2025). This resilient capacity demonstrates additional support for sustaining economic fluctuations or ongoing financial intermediation within the country supported by the sector (Gov Capital, 2024).

Employee retention is a business management term that refers to the concerted effort the deliberate effort that employers undertake to develop and sustain an atmosphere that persuades existing workers to continue in their jobs by instituting measures and protocols that take care of their varied requirements (Krishnamoorthy N., Aisha A., 2022). Among the most persistent issues that organizations are confronted with today is the issue of rising personnel turnover and retention (Al-Suraihi et al., 2021). In developing nations such as Malaysia, employee turnover intention has been a primary issue (Munir and Tobi, 2020). Employee retention is particularly crucial in the banking industry, considering the industry's reliance on skilled professionals to operate complex financial transactions and maintain customers' trust. Poor employee retention leads to a series of problems, including high training and recruitment expenses, underqualified personnel, and business activity disruption (A'yuninnisa and Saptoto, 2015). Thus, employee retention is a critical problem for firms in all sectors of the economy (Bindhu et al., 2024).

Employees are a crucial source of market rivalry in this sense (Ali et al., 2022). An organization's biggest asset is its workforce. Since workers contribute to the organization, they should be seen as ends in and of themselves rather than as means to an end (Deshwal, 2015). Recent studies underscore this importance, revealing that employee retention has become a top operational priority for the company. A 2023 survey by Gallagher found that 51% of organizations consider retaining talent more critical than revenue growth or cost reduction, demonstrating a change in emphasis from conventional financial measures to management of human capital (McGlauflin & Abrams, 2023). To be competitive, companies must not only draw in the finest employees but also keep them on staff for the long haul (Kossivi et al., 2016).

Generation Z was born from 1997 to 2012 (Ita, 2025). Being the youngest and most well-known generation, Generation Z is starting to enter the labor market. The continuously evolving technology has shaped Generation Z to be more individual, money-conscious, and multitasking. They gain from collaborating while maintaining individuality in a flexible, moral, and executive-monitored workplace (Nedelko et al, 2022). According to Randstad (2022), 30% of Gen Z respondents switched jobs to improve their work-life balance.

New Generation Z employees are more inclined to change employment often in pursuit of coworkers who fit their needs. Younger workers value flexibility, preferring remote or partial office days (McLaurin J. P., 2023). A study by Brown (2025) emphasizes that Gen Z employees are much different than their predecessors. They require more inclusive and formal engagement methods to feel satisfied and remain with their organizations (Brown, 2025). Additionally, research by Barakbah et al. (2024) highlights that for businesses to successfully retain Generation Z in the workforce, banking firms must prioritize the retention of Generation Z personnel by understanding their special requirements and motivations. Failure to address these needs can lead to increased turnover, negatively impacting organizational stability and performance (Barakbah et al., 2024).

Most of Generation Z nowadays have a different mindset compared to other generations. Therefore, the results gained from the previous studies are not strong enough to support the perceived employee retention among Generation Z. Traditional retention strategies may not be as effective for Generation Z, necessitating tailored approaches to meet their distinct expectations (Brown, 2025). Numerous studies have been conducted on the performance of employees in various banking sectors. However, relatively little research has been dedicated to understanding how contemporary issues, especially the rapid pace of digital transformation, impact workers' performance in the banking sector.

Most available investigation seems to concentrate on more conventional determinants of performance like pay, management, value system of the organization, and corporate culture, without adequately considering how these

concerns impact bank employees within the context of today's digital-first environment (Paais & Pattiruhu 2020; Salas-Vallina et al., 2021). Because of this gap, banking institutions are likely stuck with outdated approaches that no longer effectively resolve performance issues. The lack of tailored insights for the contemporary banking environment highlights the need for a Delphi study aimed at filling this gap by utilizing expert judgment to determine and rank critical factors influencing the performance of workers in the banking sector. It is crucial to carry out this study for banking institutions to formulate relevant recommendations for workforce strategies tailored to the changing landscape of the contemporary and impending workforce (Ng C., Yang C., Jiang L., Vasudevan A., Bhandari P., Harvey P. T. L., 2024).

1.2   Problem Statement

The challenge of retaining employees has become a significant concern for organisations globally. In the modern business landscape, employees are no longer viewed as mere components of the labour pool; they are strategic assets. Their skills, knowledge and dedication shape the destiny of organisations. The impacts of voluntary turnover are multifaceted and detrimental, costing organisations dearly in recruitment and training, as well as in lost productivity and diminished performance (Mustafa et al., 2024).

More employees quitting their jobs has been a big concern for companies for a long while now new generations are even more prone to switching jobs and in the absence of meeting their expectations, they tend to quit the organisations they work for (Zahari & Puteh, 2023).. This problem has only grown worse now that Millennials and Generation Z have begun to dominate the workforce. In just a few years, the two generations combined will take up 70% of the Malaysian workforce (WTW, 2024). Unlike previous generations, Gen Z demonstrates different expectations from a job; they want flexibility, meaningful work, a supportive organizational culture, rapid career advancement, and more meaningful work. Research shows that Gen Z are even more prone to switching jobs and in the

absence of meeting their expectations, they tend to quit the organizations they work for (Zahari & Puteh, 2023). As a result, retaining Gen Z has become a major challenge for human resource managers, particularly in high-pressure and customer-facing industries such as banking.

Malaysia's banking sector is undeniably one of the most important sectors of the country, greatly informing economic development, broadening financial access, and ushering in technological advancements. However, banking industry is also characterized by high performance requirements, rapid digital transformation, and intense competition (Othman & Lembang, 2017). Retention problems seem to be more grave among Generation Z employees, who seek to have impactful incentives, healthy work environments, and growth opportunities more than traditional forms of job security (Singh & Dangmei, 2016). If these expectations are not offered, Gen Z employees are more likely to switch jobs, posing a challenge for banks in Northern Malaysia, as skilled employees are essential for competitiveness.

In relation to employee satisfaction and retention, competitive compensation and benefits have appeared to be a good indicator. Recent studies in Malaysia noted that for younger employees, compensation is often the most powerful factor that can be influential for retention when compared job offers across industries (Zainal et al., 2022). Nonetheless, while compensation is important, it may not be sufficient on its own to ensure long-term loyalty (Aktar, 2023). The work environment is another key factor, as supportive leadership, teamwork, and work-life balance are strongly associated with employee commitment (Mustafa et al., 2024). On the other hand, banking sectors defined by a rigid and stressful environment actively discourage Generation Z employees and escalate their turnover intentions. Additionally, to retain younger employees, training and development opportunities is also important, as they value ongoing learning and career advancement. When organizations fail to provide structured growth opportunities, younger employees are apt to leave and shift to other organizations that offer better career prospects. (Soni et al, 2024)

Although past studies regarded employee retention in Malaysia has been carried out, but most focused on Millennials or the general workforce, with limited attention to

Gen Z in the banking sector. Research specifically focusing on Gen Z banking employees in Northern Malaysia is especially scarce. Furthermore, cross-industry research is often inconsistent. Some studies highlight compensation as the most critical factor in employee retention, while others emphasize training or work environment (Zahari & Puteh, 2023; Zainal et al., 2022). This inconsistency, combined with the lack of localized research, makes it difficult for banks to design effective retention strategies that reflect the unique expectations of Gen Z employees.

Thus, the purpose of this study is to examine how rewards and compensation, work environment, and training and development affect perceived employee retention among Generation Z in banking institutions in Northern Malaysia. By addressing this research gap, the findings are expected to contribute to academic knowledge on employee retention and provide practical insights for banks to design strategies that effectively align with the needs of Gen Z, reduce employee turnover costs, and build a stable and future-ready workforce.

1.3   Research Objective

1.3.1 General Objective

To investigate the elements that influence Generation Z workers' perceptions of employee retention in Northern Malaysian banking institutions.

1.3.2 Specific Objectives

1. To examine the relationship of rewards and compensation on employee retention among Gen Z employees in banking institutions in Northern Malaysia.

2. To examine the relationship of work environment on employee retention among Gen Z employees in banking institutions in Northern Malaysia.

3. To examine the relationship of training and development on employee retention among Gen Z employees in banking institutions in Northern Malaysia.

1.4　Research Questions

1.4.1　General Questions:

What are the factors affect perceived employee retention among Gen Z employees in banking institutions in Northern Malaysia?

1.4.2　Specific Questions:

1. Is there a significant relationship between the rewards and compensations and employee retention among Gen Z employees in banking institutions in Northern Malaysia?

2. Is there a significant relationship between work environment and employee retention among Gen Z employees in banking institutions in Northern Malaysia?

3. Is there a significant relationship between training and development and employee retention among Gen Z employees in banking institutions in Northern Malaysia?

1.5   Hypotheses of Study

This section briefly states the possible hypotheses in this research, identifying the impact of independent variables (rewards and compensations, work environment, and training & development) on the dependent variable (employee retention).

H1: Rewards and compensations have a significant relationship with employee retention among Gen Z employees in banking institutions in Northern Malaysia.

H2: Work environment has a significant relationship with employee retention among Gen Z employees in banking institutions in Northern Malaysia.

H3: Training and development have a significant relationship with employee retention among Gen Z employees in banking institutions in Northern Malaysia.

1.6   Significance of Study

This investigation is extremely important, given the changing nature of the workforce today to understand employee retention among Generation Z workers in banking institutions in Northern Malaysia. As Generation Z enters the labor market in large numbers, it becomes important for most organizations, especially in the highly stressful areas such as banking, to grasp the elements that affect their choice to remain with or leave a company. Unlike most existing literature that targets general demographic workforce trends, this research focuses on a particular generation and geographical area, thereby filling the gap for understanding Generation Z workers' behavior within the Malaysian banking industry. For banking employers and HR specialists, the study provides a solid framework aimed at retention policy development centered on the expectations of Gen Z. By addressing career advancement structures, organizational culture, providing chances of professional training and development, and rewards, banks can enhance workers' engagement and retention.

Losing competent employees poses a challenge for organizations globally. Employers strive to keep skilled employees, considering them critical for

organizational performance and success. Higher hiring costs, disruption of service delivery, lowered productivity among new employees as they learn the ropes, and a loss of organizational expertise are the outcomes of increased turnover (Al-Suraihi et al., 2021). Without a doubt, the banking industry is among those sectors suffering from high stress and fast-paced occupations. Role conflicts, work overload, time pressures, and poor workplace conditions contribute to low employee retention in banking. Sadly, employers often overlook the most critical cause of job stress that an employee encounters (Abd Majid et al., 2023). Besides, given that Gen Z brings distinct beliefs, expectations, and work styles from earlier generations, it is imperative to investigate what drives them to stay loyal to their employers (Barakbah et al., 2024).

The research being conducted contributes fresh viewpoints to our understanding of Generation Z behavior in a workforce while providing useful suggestions to enhance employee retention policies within the Malaysian banking industry.

1.7   Chapter Layout

Chapter 1: Introduction

The chapter focuses predominantly on what influences perceived employee retention in the banking institutions of Northern Malaysia. The primary aim of the study is to analyze rewards and compensations, work environment, and training and development of Gen Z employees in banking institutions of Northern Malaysia. Chapter 1 overview entails study background, problem statement, research goals, research questions, hypotheses, importance of study, chapter layout, and synopsis. Chapter 1 overview will articulate the significance of the study in this chapter.

Chapter 2: Literature Review

Each variable selected for research is discussed in greater depth in Chapter 2. It includes underpinning theory, literature review, conceptual framework, hypothesis development, data collection, data analysis, and conclusion. The present study collected results that were previously published, which were obtained from secondary sources of various types, i.e., news, publications, articles, and the Internet.

Chapter 3: Research Methodology

The hypothesis is tested, and several research methods is presented in Chapter 3. It discusses research design, data collection methods, sampling data methods, research instruments, method of construct measurement, data processing methods, data analysis, and conclusion. All data sources and uses are also discussed in this chapter so that the research delivers valid results through scientific testing.

Chapter 4: Research Result

Data and outcome analyses for descriptive, scale measurements, preliminary, and inferential analyses are presented in Chapter 4.

Chapter 5: Discussion and Conclusion

Summaries, study's main conclusions explanation, managerial implications, study limitations as well as suggestions are all included in Chapter 5.

1.8   Chapter Summary

This chapter states the research background of the study and the problem statement. The influencing variables on perceived employee retention of Gen Z bank employees in Northern Malaysia include rewards and remuneration, work

environment, and training and development. This chapter discusses research objectives, assumptions, significance, and research questions. The study findings are easy to comprehend, and the readers will have an easy understanding of them. The subsequent chapters will describe each factor and variable and add some supporting evidence.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

In this chapter, theories relevant to the research findings will be examined in depth, ensuring a firm intellectual basis for the study. The section will also revisit the independent and dependent variables identified in Chapter 1, allowing for a precise articulation of how these variables will be used in subsequent analysis. Following this, a conceptual framework will be prepared, visually delineating the anticipated links between the independent and dependent variables. The framework will serve as a critical function—supporting the formulation of a testable hypothesis and guiding the empirical inquiry into the hypothesized relationships.

2.1 Underlying Theories

2.1.1 Herzberg's Two Factor Theory

Herzberg's Two-Factor Theory, or motivation-hygiene theory, is a reputable model for staff satisfaction and job retention. In scholarly and business, Herzberg's two-factor theory has been widely used as a motivational theory (Wu & Rudnak, 2020; Mundia, 2019). Motivation is brought about by the interaction of conscious and subconscious elements, i.e., strength of personal needs and wants, worth of incentives and rewards to achieve targets, and individuals' expectations and those of their coworkers (Ganta, 2014). Motivation affects the strength, direction, and longevity of a person's behavior and can bring about monumental consequences if used properly (McShane & Glinow, 2017).

This theory is separated into two large components, which are motivation factors and hygiene factors. Motivation factors deal with employees' aspirations toward development and self-actualization, whereas hygiene factors deal with employees' aspirations to avoid negative incidents (Alshmemri et al., 2017). According to Thant and Chang (2021), hygiene factors and motivators are the two factors of job satisfaction and dissatisfaction. The hygiene factors are supervision, company policies, pay, interpersonal relations, and working conditions, which are not mainly used for motivating, but where they are absent, they can lead to dissatisfaction. On the other hand, motivators such as recognition, responsibility, growth, and the nature of the work done are intrinsic factors and, where present, can be effective in ensuring job satisfaction and motivation (Herzberg, 1966).

Chiat and Panatik (2019) posit that even if workers face numerous job-related problems, they become self-driven when they are given opportunities to grow, hence fostering commitment and organizational loyalty. Additionally, job satisfaction occurs when workers receive compliments for their efforts, they feel their contribution is valued, and they are included in the process of decision-making. On the other hand, environmental factors like bad working conditions, low wages, and the absence of supervisory relationships can cause job dissatisfaction. Herzberg thought that these are minimal needs that must be offered by organizations to employees to facilitate self-actualization. Malik (2023) argues that motivational factors like accomplishment can reduce the chances of employees leaving the organization. Therefore, Herzberg's theory motivates providing employees with more work responsibility to sustain employee satisfaction and motivation.

Evidence shows that most workers quit their jobs due to dissatisfaction with the workplace environment, such as poor motivation, low compensation, and poor workplace environment (Jurij et al., 2023; Park & Min, 2020; Agus & Selvaraj, 2020). Herzberg's theory has been employed by managers to solve employee retention problems and design retention plans (Alrawahi et al., 2020. By employing both hygiene factors and motivators, employee

retention can be improved in organizations (Herzberg, 2005). Employee retention techniques can inspire employees to work more productively and thus achieve business goals (Fang et al., 2021; Gosnell et al., 2020). Employee retention increases profitability because techniques such as training and monetary rewards can make employees stay longer (Shahzad et al., 2020). Harris (2019) argues that if a company creates a working environment that encourages commitment among employees, the employees will stick around in the long term.

2.1.2 Social Exchange Theory

Social exchange theory is among the richest theoretical frameworks for understanding workplace behavior. It explains the long-term exchange between organization and employees, which enables the theory to support the research on employee behaviors and attitudes proposed in this study (Ahmad et al., 2023). The theory suggests that individuals construct relationships based on the exchange of resources and support each other reciprocally. At the organizational level, when workers feel that their organization values their work and is interested in their well-being, they will give more to the organization with higher commitment and less intention to depart (Cropanzano et al., 2017).

SET is based on highlighting the costs and benefits of interpersonal communication (Alnajim, 2021). Costs encompass all the undesirable aspects, including time, money, and resources used to maintain the relationship. Benefits refer to the pros or positive impact that individuals get from the relationship, including companionship, friendship, happiness, and social support (Cherry, 2023). If workers are experiencing enormous costs, such as doing more work but getting fewer benefits, they will be unhappy in their jobs and create turnover intentions (Khan, 2014).

A supportive and inspiring working atmosphere encourages a good atmosphere in the complex interaction among organizations, leaders, and

subordinates. On the other hand, if interpersonal relationships become threatening to themselves, they often choose to end them completely. According to SET, individuals are guided by social norms that shape people's expectations of fairness and reciprocity, and individuals who comply with these norms also need to behave likewise. Employees make choices on whether to stay in an organization based on their perceptions regarding the fitness between costs and rewards (Pham et al., 2023).

Moreover, it is noteworthy to find that positive workplace relationships and organizational support culture can guarantee work-life balance. This is because the healthy workplace environment has been found to optimize the total productivity of a company (Sarıgül et al., 2023). All these practices are crucial to making the employees engage with their company. Consequently, the employees may be able to feel responsible and motivated to remain loyal to the firm.

Perceived Organizational Support (POS) is a key component of SET. It reflects the extent to which employees feel their contributions are appreciated by the organization. The higher the POS, the lower the turnover intentions because workers feel more committed to staying with an employer who supports them (Takaya et al., 2020). Gok, Akgunduz, and Alkan (2017) claimed that the workers can exhibit some good behaviors, such as still working diligently in the firm and improving work efficiency when they feel that they are valued and are very important to the company. Therefore, when the workers feel that they receive support from the organization, they will be less likely to voluntarily leave the company. Moreover, organizational justice, procedural fairness, and interactional fairness could be supported by SET. Employees will be committed and involved if they experience fair procedures and respectful communication with each other (Yurtkoru et al., 2018).

2.2 Review of variables

2.2.1 Dependent Variable

Employee Retention

The ability to retain an employee's association with a business is defined as retention (Kadiresan et al., 2019), which is crucial to succeed in today's business environment (Baharin & Hanafi, 2018). Retaining employees is vital since it enables organizations to achieve a competitive edge and visually representing the achievement of goals (Bakar et al., 2018). Employee retention process describes the policies and procedures followed by businesses to hold on to core employees, such as actions taken to persuade employees to remain with the business for as long as possible (Baharin and Hanafi, 2018).

Retaining employees has several benefits including saved recruitment costs, retained organizational knowledge and stable workforce (Wang et al., 2022). Employee engagement is important to retain employees, and it can be achieved through practices such as career development, competitive salary, rewards, and a good work environment (Chen & Huang, 2019; Gupta & Kumar, 2020). On the other hand, high employee turnover can lead to reduced productivity and increased recruitment costs (Shen et al., 2021). As the replacement cost of an employee is usually 2.5 times a person's salary, therefore, most organizations are willing to make efforts to ensure good working conditions that allow the organization to retain current workers (Kaur, 2017; Kaur and Randhawa, 2020).

Retaining high-performing employees is more cost-effective than hiring new ones, therefore, organizations adopt varying rules and strategies to avoid employee turnover (Ghani et al., 2022). Organizations with high employee turnover are likely to have poor employee turnover management as they lack knowledge on how to retain employees who are engaged, committed, and productive (Fahim, 2018). Employees are most likely to stay in a company that offers competitive salaries, fair treatment, good organizational culture, a

conducive working environment, social support, a manageable workload, and work-life balance (Ghapanchi & Aurum, 2011; Christeen & George, 2015).

Employee retention positively influenced by job satisfaction and commitment (Kumar and Ahmed, 2020; Kim and Kwon, 2022). On the other hand, voluntary turnover is a significant issue, where employees can leave their employment based on personal or organizational reasons. Family status and career advancement are some of the personal reasons, whilst perceived unfairness and poor growth opportunities are some of the organizational reasons (Hom et al., 2020). In addition, positive shocks and negative shocks both play a vital role in influencing employees' intention to quit (Yang et.al., 2021; Wang et al., 2021). Successfully dealing with these catalysts is paramount to enhancing employee retention (Porter et. al., 2019).

Nowadays, many companies are exploring employee retention initiatives to satisfy them at work and retain them longer (Mahadi et al., 2020). Tian et al. (2020) claim that this is directly linked to the company's concern to take care of its employees, which is indicated by the number of people who join or leave the organization. For instance, when employees feel they have a voice in decision-making, they will be more willing to be loyal to the organization (Khalid and Nawab, 2018). Employees who are rewarded with a salary rise for their good work performance are likely to be satisfied and boost motivation in the long run (Subramaniam et al.,2019).

Workers who are contented and at ease with the work setting are more likely to be engaged in their work and play an active role in the success of the organization's customer satisfaction objectives (Menon,2020). Harris (2019) states that companies that create a setting that facilitates workers' commitment are most likely to retain workers in the long run. It is thus imperative that organizations ensure proper actions are being undertaken to minimize voluntary turnover and ensure a productive and stable workforce (Yao et al., 2019).

2.2.2 Independent Variable

Rewards and Compensation

Employee engagement, motivation, job satisfaction, and retention are all significantly impacted by compensations and benefits. (Schein, 2017). Employees are rewarded for their contributions in monetary or non-monetary terms (Mackowiak, 2020). Asbari et al. (2020) state that compensation can be direct compensation and indirect compensation. A good package generally comprises salary, bonus, health insurance, retirement plans, and other incentives (Milkovich et al., 2021).

Retaining quality employees is essential since recruiting and training new employees is more costly than retaining employees (Heneman and Schwab, 2019). Productivity, morale, and customer satisfaction will be affected when high turnover happens within organization (Bowling and Burns, 2019). Hence, companies should provide competitive pay and benefits consistent with industry standards to retain employees (Yang and Hung, 2020). Loyalty can be promoted when fair compensation and benefits are on level with industry standards (Kim and Leung, 2019). Moreover, a positive workplace culture can be developed by embracing innovative benefits such as flexible work schedules, wellness initiatives, and paid time off (Zhang and Zhu, 2018).

Comprehensive rewards are gaining popularity. These include monetary and non-monetary rewards including recognition, career advancement opportunities, work-life balance initiatives and flexible work practices (Armstrong and Taylor, 2017). One of the primary instruments for encouraging workers to perform to meet the organization's ultimate objectives is rewards (Kršlak & Ljevo, 2021). Most companies and organizations stimulate employees' performance and involvement by employing various forms of incentives (Sittenthaler and Mohnen, 2020). Rewards can be understood as any benefit given to employees in exchange for effort or performance (Choi & Presslee, 2020). It can include financial payment and other non-monetary benefits, as well as job growth experience (Kulikowski & Sedlak, 2020).

Meanwhile, research shows that low-paid employees are less likely to participate in suggestion making and delegating, which results in low staff retention, particularly of first-line personnel (Khalid & Nawab, 2018). However, to ensure long-term commitment to the organization, a high-potential employee needs to be paid more than the industry average (Singh, 2019). The different kinds of rewards assist in improving employee engagement, decreasing turnover, and increasing productivity (Feige,2019). Workers who believe they are recognized and rewarded by the company are more likely to be engaged, want to remain, and give their all to the success of the firm (Tan, 2020).

Therefore, to keep up with their competitors, some companies may offer a more attractive benefits package to their employees. Productivity and retention of employees can be stimulated by leaders through the optimization of financial incentives and good personal relationships with open communication (Klindzic & Galetic, 2020). Organizational leaders may need to focus on pay rises, interpersonal skills improvement, and other benefits to keep employees and maintain profitability (Lollo & O'Rourke, 2020). Through this, companies can provide higher salaries and better benefits to attract and retain more skilled and qualified employees.

Work environment

The work environment is very crucial for employees' performance and retention. Kurniawaty et al. (2019) state that the work environment greatly impacts employees' capacity to perform their work efficiently because the work environment entails everything surrounding the workers that can disrupt them in performing their work, both physically and virtually. The work environment includes the actual physical location of the job as well as its environment, including any office buildings or construction projects (Rattu and Tielung, 2018).

Environmental factors refer to all the aspects of the environment that affect the surroundings in which an employee operates and can have a great bearing on employees' job satisfaction (Abun et al., 2021). Physical workplace

environment, including lighting, temperature, noise and office design, has a significant influence on employee satisfaction and employee retention, according to Hamed et al. (2023). Esthi (2020) observed that the workplace environment can even determine whether an employee stays with the company.

A healthy working environment should be the priority focus for the management as it directly affects employees' job satisfaction and employees' stress levels (Devi & Rani, 2016). Razak, et. al, (2016) emphasized that organizations must provide a healthy working environment to have a good working condition for employees' job satisfaction, to increase the productivity of the employees (Ikumi et al., 2019), which allows organizations to become competitive in the market.

Workers will leave the company when they feel an unsupportive work climate. Haldorai et al. (2019) state that the rate of employee turnover is considerably greater when they perform in a poor environment, since workers believe their work is not valued and appreciated. On the contrary, Hur and Abner (2023) discovered that whenever an organizational climate is viewed as supportive, they are less inclined to have job turnover intentions.

Employees prefer to work in an environment that is convenient, clean, and friendly, and they can be more productive in such a workplace. A positive, pleasant and caring work environment provides employees with a voice within decision-making that impacts their work-life balance and overall morale (Subramaniam et al., 2019). A good working environment will not only lead to higher employee performance but also to improved employee retention (Naz et al., 2020). A friendly working environment promote employees to perform better and face fewer issues (Nugroho and Suryani, 2021). As stated by Rattu and Tielung (2018), a good work environment makes employees feel better about coming to work, which provides them with the motivation they need to perform well throughout the day.

Training and development

Training is a set of activities provided to employees with the effort to develop their way of thinking, awareness of issues, and improve their skills and performance to meet the organizational demands (Othman et al. 2019; Khan & Abdullah, 2019). The employees should be provided with a well-structured and updated training system to carry out varied tasks (Ali, 2020). Training and development are non-monetary tools that raise the level of employee commitment and loyalty and align individual objectives with organizational objectives (Van et al., 2021). These programs influence both employee turnover and retention. Organizations that invest in employee training and development can enhance performance, commitment, and retention (Long et al., 2018). Providing various types of training, like on-the-job, cross-training, and planned development opportunities, can enhance job competence and facilitate long-term personal development, which makes the employees feel valued (Le et al., 2022).

Employees are supposed to acquire new skills and knowledge to enhance themselves in their job roles. Learning and development are essential for them to feel that they are keeping themselves at par with their industry counterparts (Al-Sharafi et al., 2018). Training and development give employees significant skills, competencies, and knowledge (Fletcher et al., 2018). These competencies and skills are essential for their managerial jobs and long-term career growth (Ambrosius, 2018).

In today's high-speed business environment, employee training and development programs have graduated from a peripheral benefit to a strategic imperative for organizational success. Santoro et al. (2020) contend that these programs are key to effective strategy implementation, aligning employee competencies with organizational goals. This strategic alignment is particularly crucial in the face of rapid technological change and evolving market demands, as organizations must invest in continuous learning and development to maintain a competitive edge (Noe et al., 2022).

Besides individual skill development, training and development programs are essential for building employee engagement and ownership, which are the greatest predictors of organizational performance (O'Connor & Crowley-Henry, 2019). Personalized learning experiences and micro-learning modules are adapted to accommodate diverse learning styles and requirements. Further, the use of technology in training models, such as through virtual reality and gamification, can improve employee engagement and retention (Mayer, 2021). Organizations that prioritize continuous learning and development can create an adaptive and innovative culture, which enables them to react to dynamic market conditions successfully and maintain a competitive advantage.

The impact of training and development goes far beyond improving individual performance. As Cao et al. (2019) posit, the programs have been critical in developing a highly competent workforce that can drive innovation and organizational growth. There is a pressing need to map these training programs to future skill needs and emerging trends in industries. This is necessary to ensure employees are adequately equipped with the necessary competencies to deal with changing challenges and tap into emerging opportunities. Besides, training and development programs promote knowledge transfer and social learning within the organizations, and hence a culture of continuous improvement. In investing in employee development, organizations not only develop individual capacity but also collective intelligence that can trigger innovation and long-term success. Verčič (2021) further highlights the fundamental link between targeted training and tangible organizational outcomes and demands rigorous evaluation frameworks to demonstrate the return on investment in training and development programs.

2.3 Proposed Conceptual Framework

Independent Variables

| Rewards and Compensation |

| Work Environment |

| Training and development |

Dependent Variable

| Employee Retention |
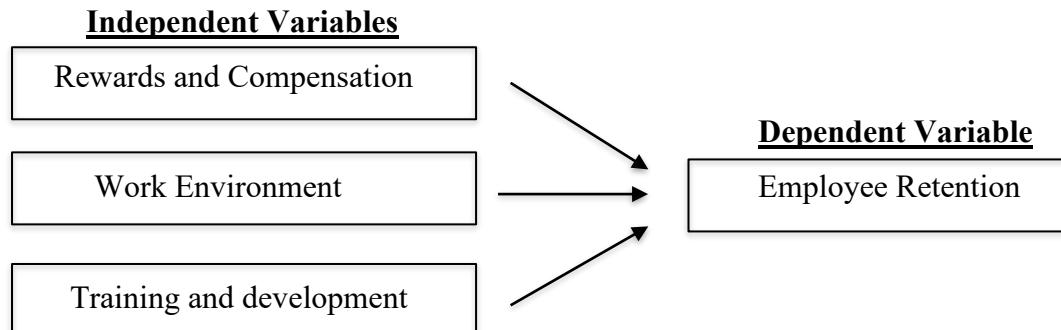
Figure 2.1 Conceptual Framework Model

The above figure shows the conceptual framework, which is crucial because it allows us to gain insight into the concept, relationships, and networks between the important dependent and independent variables to achieve our research objective. The theoretical framework was developed using the research objective and the research questions. Therefore, this theoretical framework will demonstrate how the variables of reward and compensation, work environment, and training and development (independent variables) influence employee retention (dependent variable) in a banking institution in Northern Malaysia.

2.4 Hypothesis Development

This study will examine the relationship between employee retention, rewards and compensation, work environment, and training and development. The purpose of the following hypothesis is to look at how the variables are related.

2.4.1 The relationship between rewards and compensation and employee retention.

There is a significant relationship between rewards and compensation and employee retention, as evidenced by various studies. Compensation and benefits is very important in influencing employee retention, motivation, job satisfaction, and engagement (Schein, 2017). Employment compensation that is fair and competitive is an encouragement for employee loyalty (Kim & Leung, 2019). The existence of a very well-organized reward system, incorporating both monetary and non-monetary benefits like bonuses, health insurance, and flexible work schedules, will mobilize employees towards commitment and shrink turnover (Milkovich et al., 2021). Research indicates that organizations offering competitive compensation aligned with industry standards are more successful in retaining talent (Yang & Hung, 2020). Additionally, non-financial rewards like career development opportunities and recognition further strengthen employee engagement and retention (Armstrong & Taylor, 2017).

People who believe they are compensated based on their contribution to their work are found to be more satisfied with their jobs and more likely not to seek out alternative employment (Tan, 2020). Conversely, among frontline workers, low pay undermines levels of employee engagement and fosters turnover (Khalid & Nawab, 2018). Employees inclined to work for a long time with a particular firm/kind of firm are more prone to moving with them because of pay and benefits above average than people committed to permanence (Singh, 2019). Furthermore, comprehensive reward systems that include work-life

balance initiatives and recognition programs contribute to a positive work environment, further enhancing retention (Zhang & Zhu, 2018).

Organizations that optimize financial incentives and foster strong employer-employee relationships through open communication experience higher retention rates (Klindzic & Galetic, 2020). Applicants who are looking at their compensation packages might be interested. As the students can take assistance to consolidate some other necessary arguments, they might well be motivated to apply to others are advertising a bigger allowance for this chance (Heneman & Schwab, 2019). Thus, rewards and compensation serve as critical factors in reducing voluntary turnover and maintaining a stable, productive workforce (Yao et al., 2019). Hence, the following hypothesis is proposed:

H1: Rewards and compensations has a significant relationship with employee retention among Gen Z employees in banking institutions in Northern Malaysia.

2.4.2 The relationship between work environment and employee retention.

There is a significant relationship between work environment and employee retention, as evidenced by multiple studies. According to Kurniawaty et al. (2019) argue that the workplace environment directly influences employee performance, which in turn affects retention, as it encompasses both physical and virtual factors that shape job satisfaction. The physical aspects of the work environment, such as lighting, temperature, and office layout, play a crucial role in employee satisfaction and retention (Hamed et al., 2023). The author provides additional evidence to support his statement that a work environment can influence an employee's decision to remain with or depart from an organization (Esthi 2020). A healthy work environment is essential for reducing stress and increasing job satisfaction, which directly impacts retention (Devi & Rani, 2016). Additionally, the organizations will need to establish working conditions that are supportive of the employees. Such environments

will result in increased productivity, competitiveness, and ultimately higher employee retention rates (Razak et al.2016) Employees working in poor environments are more likely to leave due to feelings of being undervalued (Haldorai et al., 2019), whereas a positive and compassionate work environment fosters loyalty and reduces turnover intentions (Hur & Abner, 2023). A pleasant work atmosphere also enhances motivation and daily performance, contributing to long-term retention (Nugroho & Suryani, 2021). Furthermore, having that voice in what the organization decides and experiencing an environment that is supportive contributes strongly to higher levels of commitment that employees will demonstrate to the organization (Subramaniam et al., 2019). Thus, the work environment significantly influences employee retention by shaping job satisfaction, productivity, and overall workplace morale (Naz et al., 2020). Hence, the following hypothesis is proposed:

H2: Work environment has a significant relationship with employee retention among Gen Z employees in banking institutions in Northern Malaysia.

2.4.3 The relationship between training and development and employee retention.

There is a significant relationship between training and development and employee retention, as evidenced by multiple studies. Training and development enhance employees' skills, knowledge, and competencies, making them more valuable to the organization and increasing their job satisfaction (Othman et al., 2019). When employees perceive opportunities for growth and career advancement, they are more likely to remain committed to the organization (Van et al., 2021). Organizations that invest in structured training programs experience higher retention rates, as employees feel valued and motivated to stay (Long et al., 2018). Additionally, with the help of different training methods such as on-the-job training and cross-training, job

competency is enhanced and sustained personal development is furthered, thus strengthening retention (Le et al., 2022).

Continuous learning opportunities help employees to remain competitive within their relevant industry, which goes a long way to strengthening an employee's loyalty to the organization (Al-Sharafi et al., 2018). Training programs also align individual goals with organizational objectives, creating a sense of shared purpose that reduces turnover (Santoro et al., 2020). With general regard to employee well-being, a suggestion would be that engaged employees generally do not look for opportunities elsewhere if regeneratively invested in learning in their current roles (O'Connor & Crowley-Henry, 2019). Furthermore, mention a few of the innovative training approaches and throw some light on the ways gamification and virtual reality-inspired approaches can allow trainees to learn interactively, hence promoting motivation and knowledge retention (Mayer, 2021).

Beyond individual benefits, training and development contribute to a culture of innovation and adaptability, which helps organizations retain top talent in dynamic markets (Cao et al., 2019). Employees are more likely to stay with the company if they see clear opportunities for skill development and career progression (Noe et al., 2022). Moreover, training fosters knowledge sharing and collaboration, reinforcing a positive work environment that supports retention (Verčič, 2021). Thus, the strategic implementation of training and development programs plays a major part in reducing turnover and maintaining a sustainable, high-performance workforce. Hence, the following hypothesis is proposed:

H3: Training and development has a significant relationship with employee retention among Gen Z employees in banking institutions in Northern Malaysia.

2.5 Chapter Summary

Chapter 2 covers theories, literature review, conceptual framework, and hypothesis formulation based on the research objective. Chapter 3 are the next chapter that will explore the study's topic and supporting information.

CHAPTER 3: RESEARCH METHODOLOGY

3.0 Introduction

This section will cover several important aspects of our research, all vital to the study's conduct and results. For instance, it will cover research strategy, methods of the collection of data, sample design, the operational definition of constructs, the definition of measurement scales, and methods of analysis of data to be examined.

3.1 Research Design

Drawing from findings, we are employing quantitative research methods with a stronger focus on statistical analysis through fixed alternative questions. This study also explores how this three independent variables (rewards and compensations, work environment, and training and development) and the dependent variable (employee retention) are related. Non-experimental design techniques may be used in the study to demonstrate a causal relationship. For instance, to observe employee retention, the researchers can examine the relationship of rewards and compensation, work environment, and training and development among Generation Z employees in banking institutions in Northern Malaysia in a controlled environment.

3.2 Data Collection Method

3.2.1 Primary Data

Original details obtained directly from the source or for the specific study project in question are referred to as primary data. It is firsthand knowledge that was never compiled and released by another party. To gather primary data,

researchers use various techniques, including questionnaires, surveys, interviews, and observations. Primary data is often expensive, time-consuming, and tailored to research objectives. We created a questionnaire for our study and distributed it to respondents via WeChat, Instagram, and WhatsApp. Careful data collection procedures can guarantee data accuracy, dependability, timeliness, and relevance to our current research context.

3.3 Sampling design

3.3.1 Target Population

The population a researcher is interested in is commonly referred to as the target population. The target group for this study is Generation Z employees (born 1997–2012) who are currently employed by Northern Malaysian banks in Perlis, Kedah, Penang, and Perak. This demographic is especially important because of their growing number in the workforce and the distinct retention issues they pose.

3.3.2 Sampling Frame and Sampling Location

When the target demographic has been identified, the following step is to select a sampling frame. A sampling frame is a list of all the units from which the sample interest is taken (Finance Train, n,d). The sampling frame will comprise an exhaustive sampling of institutions that operate in Northern Malaysia, including investment, Islamic, and commercial banks. To guarantee a varied representation of the Gen Z banking workforce, specific branches will be chosen from Perlis, Kedah, Penang, and Perak's urban and semi-urban areas.

3.3.3 Sampling Elements

Individual Generation Z employees working in the selected banking institutions are our primary sampling elements. Inclusion criteria include employees born between 1997 and 2012, now employed in full-time positions within the banking sector in Northern Malaysia. This focus ensures that the research captures the perceptions and experiences of relevant populations, as Rahman (2023) recommends for research on specific generational groups.

3.3.4 Sampling Technique

Techniques of sampling consist of selecting a fraction of people, objects, or data within an entire data set to investigate. Probability sampling and non-probability sampling are the two types of sampling techniques that are often differentiated. In probability sampling, which is commonly applied in quantitative studies, every responder in the population is equally likely to be picked. However, non-probability sampling permits the selection of sample units according to sample unit convenience or individual member preference.

One of the non-probability sampling techniques is purposive sampling, where the responders are selected due to their qualities that meet the aims of the study (Etikan et al., 2016). This is to ensures that the information gathered is essential and focuses on understanding the unique viewpoints of Generation Z in the banking industry. This method is appropriate when examining a specific subpopulation within a large group, which is the case in this study.

In this research, purposive sampling was used to create an appropriate representation from Generation Z workers in multiple banking institutions across Northern Malaysia. A purposive sampling was chosen because our study required specific individuals from this demographic group and not all bank employees would qualify. The inclusion criteria will be being born between 1997 to 2012, currently working in Public Bank, Hong Leong Bank and CIMB

Bank in Northern Malaysia, and being full-time employees. Furthermore, it is also necessary to ensure that our data collection is focused on the relevant demographic group, avoiding older generations, which could bias our study. Because of these specific characteristics, purposive sampling was the most appropriate method to ensure accuracy, efficiency, and validity for our study.

3.3.5 Sampling Size

Sample size is the total number of participants or observations that are part of a study. A larger number of samples improves the capacity to identify important effects or trends, lowers sampling error, and boosts the reliability of the results. In this study, the entire estimated population of the banking employees in three banks is 16260, which fell under 15000 to 19999. Based on Table 3.1, 375 Generation Z employees in the Malaysian banking sector in Northern Malaysia will be surveyed (refer to Krejcie & Morgan table).

Table 3.1:

Table of Krejcie and Morgan (1970)

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—N is population size. S is sample size.
Source: Krejcie & Morgan, 1970

Note. Adopted from Krejcie & Morgan (1970)

3.4 Research Instrument

The research tool that we utilized in our investigation was a questionnaire. It is because questionnaires are a research tool that is less costly and time-consuming than other methods to gather data than other research tools like interviews. The respondent can clearly understand the question and able to answer the questionnaire is considered as a good questionnaire. The demographic profile, dependent variable (DV), and independent variable (IV) were included in the questionnaire. Our questionnaire has multiple answers to provide, and it will be the responder to answer the questions accurately and let us easily transfer our data.

3.4.1 Questionnaire Design

The method used to collect data from the target population is a survey questionnaire. This questionnaire includes 5 sections, such as Section A, **Demographic Profile**; Section B, **Employee Retention**; Section C, **Rewards and Compensations**; Section D, **Work Environment**; Section E, **Training and Development**.

There are 8 questions under section A, **Demographic Profile**, and 5 questions under the dependent variable, **Employee Retention**. Under the independent variable, there are a total of 23 questionnaires, which include 7 questions in Section C, **Rewards and Compensations**, 8 questions in Section D, **Work Environment,** and Section E, **Training and Development**. Sections B, C, D, and E in the questionnaire use the 5-point Likert Scale to measure, which ranges from strongly agree to strongly disagree.

3.4.2 Pre-test

Before completing our questionnaire, we use this test to make sure our questions are relevant and understandable from the respondent's point of view. Pre-tests also help our questions reduce the wrong and clearly articulate them to ensure the respondents interpret the survey in the same way. The questionnaires have been reviewed by our supervisor, Puan Farhana Hanim Binti Mohsin.

3.4.3 Pilot Study

A pilot study serves as a preliminary investigation to assess the feasibility of research design, including the appropriateness of research instruments and data collection methods, before conducting the full-scale study (Lowe 2019). According to (Hazzi & Maldaon, 2015), a sample size of 10% to 20% of the actual study population is generally acceptable for a pilot study. Since the primary purpose of a pilot study is to evaluate research design feasibility, a 10% sample size is deemed sufficient. According to (Hertzog, 2008) further emphasized that the final determination of pilot study sample size should consider cost and time constraints. Therefore, given time limitations, this study adopts 10% of the total sample size for the pilot test.

The total sample size for the main study is 375 respondents. Consequently, 10% of 375 equals 37.5, which is rounded to 38 participants for the pilot study. The questionnaire was distributed via Google Form to 38 Generation Z employees working in banking institutions across Northern Malaysia (Perlis, Kedah, Penang, and Perak). All invitations were sent on the same day, and 38 complete responses were collected within 5 days. The gathered data were then analyzed using SPSS software to assess the reliability, clarity, and feasibility of the research instrument.

Table 3.2

Cronbach's Alpha Reliability Test

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

Source. Nawi et al. (2020)

Table 3.3

Cronbach's Alpha Reliability Test For Pilot Study

Variables	Pilot Cronbach's Alpha (α)
Employee Retention	0.935
Rewards and compensations	0.869
Work environment	0.904
Training and development	0.928

Note: Data generated and retrieved from SPSS

Cronbach's alpha values for the pilot study was shown in Table 3.3. Cronbach's alpha for employee retention is 0.935 (excellent), rewards and compensations is 0.869 (very good), work environment is 0.904 (excellent) and training and development is 0.928 (excellent).

3.4.4 Full Study

The target population for this study was Gen Z banking employees from banking institutions in Northern Malaysia: CIMB Bank Berhad, Public Bank Berhad and Hong Leong Bank Berhad. Gen Z banking employees from these three banks were categorized based on their respective banks. The full study included a total sample of 375 participants. We sent the Google Form link via

email to these three banks' branches. Ultimately, we received the expected 375 responses.

The full study began on 12th May 2025. On that day, questionnaires were emailed to CIMB Bank Berhad, Public Bank Berhad and Hong Leong Berhad in Northern Malaysia. The data collection period lasted approximately two months, from 12th May 2025 to 12th July 2025. Targeted respondents were reminded to complete a Google Form. After the data collection period, the data collected from the respondents were processed and analyzed using SPSS software.

3.5 Constructs Measurement (Scale and Operational Definitions)

3.5.1 Section A: Demographic Profile

Section	Item	Level of scale measurement
Age	21-22 23-24 25-26 27-28	Ordinal
Gender	Male Female	Nominal
State	Perlis Kedah Penang Perak	Nominal
Bank	Cimb Bank Berhad Hong Leong Bank Berhad	Nominal

	Public Bank Berhad	
Ethnic group	Malay Chinese Indian	Nominal
Education Level	SPM/STPM Diploma/Certificate Bachelor's Degree Master's Degree PhD Degree	Ordinal
How long have you been in banking industry?	Less than one year 1-2 years 3-4 years 5-6 years	Ordinal
Monthly income	Less than RM2000 RM2001-RM3500 RM3501-RM5000 More than RM5000	Ordinal

Nominal Scale

As explained by Sekaran and Bougie (2016), one of the measurement scale which is nominal scale is useful for classifying subjects (or items). Nominal scale is often seen as the foundation of measurement due to its simplicity and is used across disciplines to categorize and analyze data. Such an approach is helpful to respondents as they are required to select answers from predefined groups. While nominal data cannot be put through complex computations, they can be summarized or paraphrased in terms of proportions. Section A consists of 4 questions including gender, state, bank, and ethnic group are a nominal scale.

Ordinal Scale

The second type of measurement scale is an ordinal scale. Like the nominal scale, an ordinal scale divides subjects into multiple classes or groups. The primary distinction between the two scales is that nominal scales lack data hierarchy, while ordinal scales include data hierarchy. Any element of a group can be classified using

an ordinal scale if the group is ordered according to any preference. This segment illustrates that the four questions regarding age, monthly income, education level, and duration of banking industry experience are placed under an ordinal scale.

3.5.2 Section B: Dependent Variable: Employee retention

Variable	Item	Sources	Scale of measurement
Dependent Variable: Employee Retention	1. I intend to continue working in my current organization for the next few years.	Adapted from: (Barakbah et al., 2024) & (Zainal et al., 2022)	Interval
	2. I feel loyal to this organization.		Interval
	3. I am happy with my current job role		Interval
	4. I have no desire to look for another job.		Interval
	5. I see myself working here for the long term.		Interval

3.5.3 Section C: Independent Variable: Rewards and Compensation

Variable	Item	Sources	Scale of measurement
Independent Variable	1. I am satisfied with my annual increment.	Adapted from: (Krishnamuthi &	Interval

IDV1: Rewards and Compensations		Abdul Rahim, 2024) & (Zainal et al., 2022)	
	2. I feel motivated by the compensation I receive.		Interval
	3. I am satisfied with my employee benefits.		Interval
	4. The pay I receive matches the amount of work I do.		Interval
	5. I am aware of how my compensation compares to others in the industry.		Interval
	6. The reward system in my organization is performance-based.		Interval
	7. My organization offers good non-monetary rewards (e.g., recognition, certificates).		Interval

3.5.4 Section D: Independent Variable: Work Environment

Variable	Item	Sources	Scale of measurement

IDV2: Work Environment	1. The management creates a positive work culture.	Adapted from: (Abugu & Othman, 2025) & (Zainal et al., 2022)	Interval
	2. There is open communication between employees and management.		Interval
	3. The organization provides a safe and healthy workspace.		Interval
	4. My organization values employee feedback.		Interval
	5. The physical workspace encourages productivity.		Interval
	6. I am encouraged to maintain a work-life balance.		Interval
	7. I feel emotionally supported by my supervisor.		Interval
	8. My colleagues are friendly and supportive.		Interval

3.5.5 Section E: Independent Variable: Training and Development

Variable	Item	Sources	Scale of measurement

IDV 3: Training and Development	1. Training opportunities are provided regularly.	Adapted from: Alrazehi & Amirah, 2020) & (Siddiqui et al., 2025)	Interval
	2. I am satisfied with the quality of training provided.		Interval
	3. The training I received has improved my job performance.		Interval
	4. My organization offers equal access to development opportunities.		Interval
	5. There are mentoring or coaching programs available to me.		Interval
	6. Training is customized to match employee needs.		Interval
	7. I receive feedback to support my growth.		Interval
	8. The training programs provided are relevant and updated		Interval

Interval Scale

The measurement scale that enables us to compare differences between objects is interval scale (Sekaran & Bougie, 2016). An interval scale will allow researchers to capture the differences between variables, the order, and the magnitude of the differences. The research questionnaire was rated using a five-point Likert scale (1-strongly disagree to 5-strongly agree) to describe the overall level of respondents' opinions. In this case, Section B consist of dependent variable and C, D, E is independent variable which considered on an interval scale.

3.6 Data Processing

Once the data is entered, we begin the data cleaning process, which involves checking the dataset and finding and fixing any errors or inconsistencies. This includes looking for errors, missing information, or anomalies that could affect the results. For example, if respondents did not answer all questions or provided irrational responses, such as selecting the highest score for each question, these issues need to be addressed. To preserve the integrity of the analysis, responses may be eliminated from the dataset or, if feasible, corrected, depending on the nature of the problem. We then move on to the data coding process, where we must provide qualitative data, either as numerical or categorical codes. In this instance, our questionnaire uses Likert scale questions, in which respondents indicate how much they agree with a statement on a range of 1 to 5, with each response option already having a numerical value. By simplifying the analysis procedure, this stage enables the program to handle and analyze the data effectively. After that, we transform the data to suit the requirements of the analysis. Once the data is cleaned, coded, and transformed, it is ready for statistical analysis using the SPSS software. In large dataset management and complex analysis, SPSS excels in providing precise and in-depth insights. To provide useful information, a range of statistical and analytical procedures is carried out.

3.7 Data Analysis

3.7.1 Descriptive analysis

One kind of summary statistic is descriptive analysis, which is sometimes referred to as methodologies for reducing data, such as creating tables or diagrams (Loeb, Morris, & Dynarski, 2017). Demographic questions were asked in Section A, such as age, gender, state, ethnic, education, how long you have been working in the banking industry, and monthly income. After collecting the data from the respondents, we will use pie charts to display the

data. Pie charts work well for showing data and are simpler for readers to comprehend. Next, we will obtain the mean score and standard deviations for all key variables, including employee retention, rewards and compensation, work environment, and training and development.

3.7.2 Reliability Analysis

Our study will use Cronbach's alpha to calculate the reliability of our questionnaire. According to Sekaran and Bougie (2016), the coefficient alpha value below 0.6 is considered poor reliability, the coefficient alpha value between 0.6 to 0.7 is categorized under fair reliability, the coefficient alpha value between 0.7 to 0.8 is categorized under good reliability, the coefficient alpha value between 0.8 and 0.9is considered very good reliability.

3.7.3 Preliminary Data

Preliminary data analysis (PDA) is a crucial step in quantitative research, preparing the dataset for primary analysis, such as correlation or regression. Beyond data analysis, "normality" refers to how closely a dataset follows a normal distribution. A normal distribution is characterized by a symmetrical bell-shaped curve with equal and centered mean, median, and mode. Two essential elements of normality are kurtosis and skewness (Roni & Djajadikerta, 2021). Skewness measures the asymmetry of a distribution. Positive skewness indicates a concentration of data points on the left side, with a longer tail on the right; negative skewness indicates a longer tail on the left. Conversely, kurtosis relates to the sharpness of the "tailedness," or peak, of a distribution.

A platykurtic distribution has flatter peaks and thinner tails, indicating that the data are more dispersed, whereas a leptokurtic distribution has a sharp peak and thicker tails, indicating that the data are tightly clustered around the mean. In a perfectly normal distribution, the values of skewness and kurtosis are zero;

however, in most data sets, these values deviate from zero. Many sources suggest acceptable ranges for these values: skewness ± 2; kurtosis ± 1.5; and skewness ± 1. Hair et al. (2010) recommend a kurtosis range of ± 7. Many statistical tests rely on the ability to determine whether data deviates significantly from normality, and these ranges help determine this (Demir, 2022).

3.7.4 Inferential Analysis

Inferential analysis involves extrapolating findings from sample data to a wider population. This study will use Multiple Regression Analysis to test hypotheses to determine how independent variables (rewards and compensation, work environment, training and development) affect dependent variables (employee retention). Multiple Regression Analysis shows the significance of each independent variable in predicting the dependent variable. We can forecast the proportion of the dependent variable's fluctuation that may be ascribed to the independent variables' variation by using multiple regression analysis. For the Multiple Regression Analysis, SPSS ver. 22 software will be used to run our research data.

3.8 Chapter Summary

We explored the process of designing a clear questionnaire, collecting data, and learned how to analyze survey data using SPSS, as outlined in the research methods chapter within this chapter. This enabled us to effectively discuss certain aspects of the research data and conduct reliability tests. In the next chapter, we will focus on interpreting the data using various visual tools, including bar charts, histograms, and pie charts.

Chapter 4: Data Analysis

4.0 Introduction

This chapter presents an analysis of the data and results that are crucial to the investigation's objectives and theories. We will use the SPSS (Statistical Package for Social Sciences) program to analyze the survey data. The tables and figures form will be presented for SPSS results. This chapter includes reliability, inferential, descriptive, and a chapter summary.

4.1 Descriptive Analysis

4.1.1 Respondent Demographic Profile

4.1.1.1 Age

Table 4.1

Respondent's Age

		Frequency	Percent	Valid Percent	Cumulative Percent
21-22 old	years	37	9.9	9.9	9.9
23-24 old	years	97	25.9	25.9	35.7
25-26 old	years	134	35.7	35.7	71.5
27-28 old	years	107	28.5	28.5	100.0

| Total | 375 | 100.0 | 100.0 |

Note: Data generated and retrieved from SPSS

Figure 4.1

Statistic of Respondents' Age
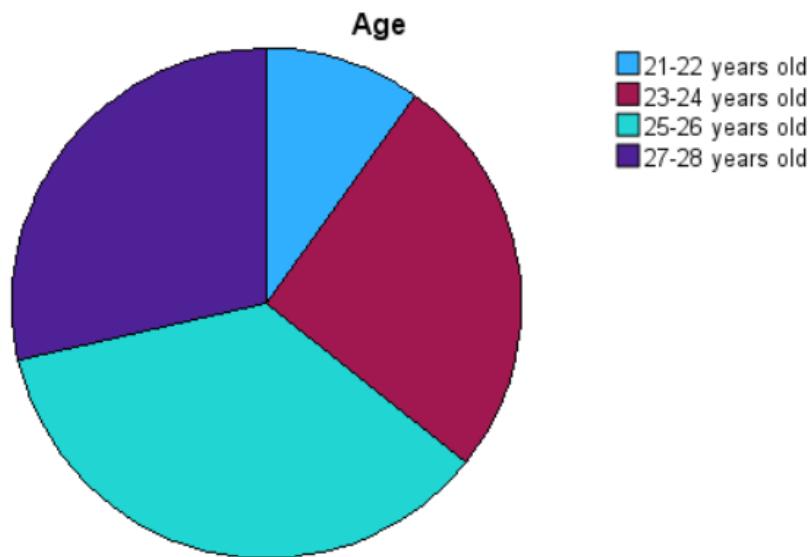
Note: Data generated and retrieved from SPSS

Table 4.1 and Figure 4.1 show that 37 respondents (9.9% of the total) were aged 21-22, 97 respondents (25.9% of the total) were aged 23-24 years old, and 134 respondents (35.7% of the total) were aged 25-26. The final group of 107 respondents (28.5% of the total) was aged 27-28. Most of the respondents were aged 25-26. This suggests that most of the Gen Z bank employees surveyed are in the early to mid-career stages, likely with several years of work experience.

4.1.1.2 Gender

Table 4.2

Respondents' gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	160	42.7	42.7	42.7
Female	215	57.3	57.3	100.0
Total	375	100.0	100.0	

Note: Data generated and retrieved from SPSS

Figure 4.2

Statistic of Respondents' Gender
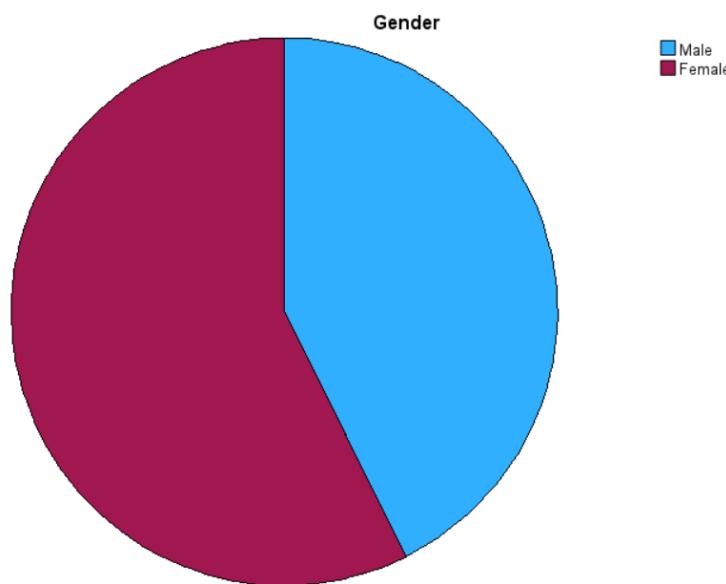
Note: Data generated and retrieved from SPSS

According to the Gender section in Table 4.2 and Figure 4.2, there are 215 female respondents in this study, accounting for 57.3% of the total, and 160 male respondents, accounting for 42.7% of the total. By looking at the significant difference in the proportion of male and female respondents can help us understand how male and female banking employees in this study view their work.

4.1.1.3 State

Table 4.3

Respondents' State

	Frequency	Percent	Valid Percent	Cumulative Percent
Perlis	4	1.1	1.1	1.1
Kedah	62	16.5	16.5	17.6
Penang	192	51.2	51.2	68.8
Perak	117	31.2	31.2	100.0
Total	375	100.0	100.0	

Note: Data generated and retrieved from SPSS

Figure 4.3

Statistic of Respondents' State
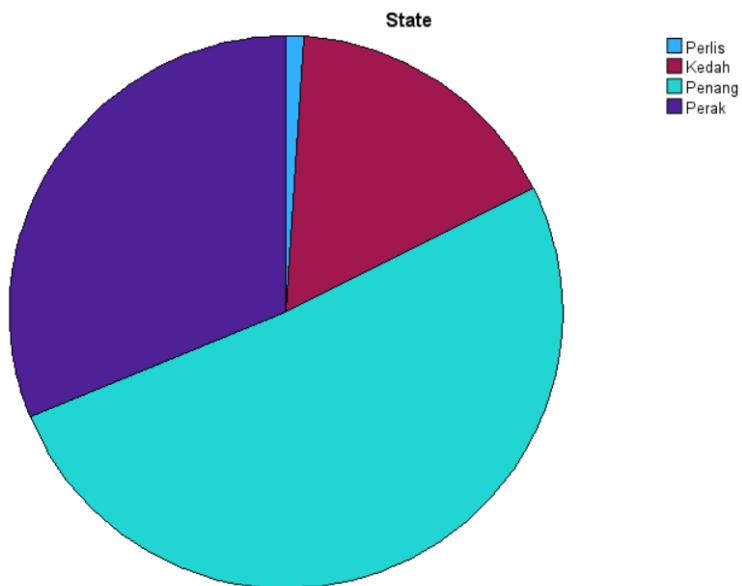
Note: Data generated and retrieved from SPSS

Table 4.3 and Figure 4.3 State, Penang makes up the biggest percentage of respondents, 192 or 51.2% in total, followed by Perak of 117 or 31.2% in total, Kedah of 62 or 16.5% in total, and 4 or 1.1% are from Perlis. The high proportion of respondents from Penang may reflect the state's concentration of

banking institutions and employment opportunities, as Penang is a major economic hub in Northern Malaysia.

4.1.1.4 Bank

Table 4.4

Respondents' Bank

	Frequency	Percent	Valid Percent	Cumulative Percent
CIMB Bank Berhad	112	29.9	29.9	29.9
Hong Leong Bank Berhad	117	31.2	31.2	61.1
Public Bank Berhad	146	38.9	38.9	100.0
Total	375	100.0	100.0	

Note: Data generated and retrieved from SPSS

Figure 4.4

Statistic of Respondents' Bank
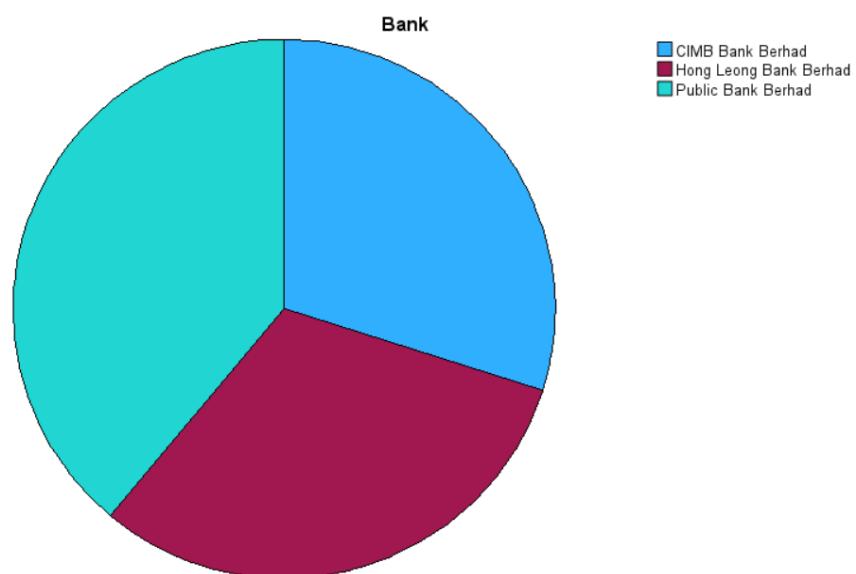
Note: Data generated and retrieved from SPSS

Table 4.4 and Figure 4.4 show that 112 respondents, or 29.9% in total, are from CIMB Bank Berhad. 117 respondents are from Hong Leong Bank Berhad, accounting for 31.2%, and 146 respondents are from Public Bank Berhad, which has the highest percentage of 38.9%. The higher representation of Public Bank Berhad may indicate that it has a larger workforce or strong branch network, and significant market presence.

4.1.1.5 Ethnic group

Table 4.5

Respondents' Ethnic group

	Frequency	Percent	Valid Percent	Cumulative Percent
Malay	54	14.4	14.4	14.4
Chinese	258	68.8	68.8	83.2
Indian	60	16.0	16.0	99.2
Others	3	0.8	0.8	100.0
Total	375	100.0	100.0	

Note: Data generated and retrieved from SPSS

Figure 4.5

Statistic of Respondents' Ethnic group
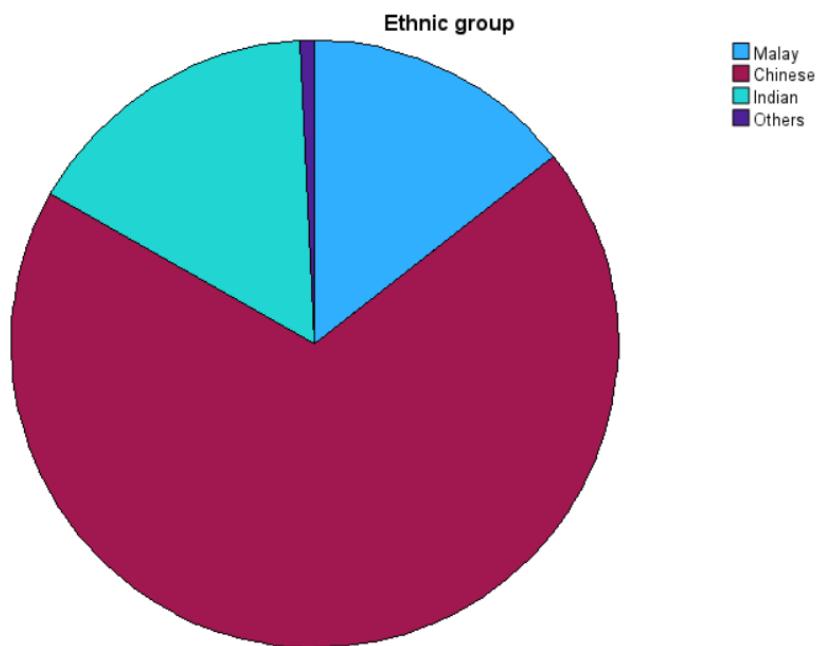
Note: Data generated and retrieved from SPSS

Figure 4.5 and Table 4.5 show the respondents' ethnic composition. Malay respondents comprised a total of 54, or 14.4%. Chinese respondents comprised the largest group, totaling 258, or 68.8%. Indian respondents comprised 60, or 16.0%. However, the other group consists of the least, with 3 respondents or 0.8%. This distribution enables a multicultural perspective on the banking workplace and highlights the diverse ethnic representation of this study.

4.1.1.6 Education Level

Table 4.6

Respondents' Education Level

	Frequency	Percent	Valid Percent	Cumulative Percent
SPM/STPM	46	12.3	12.3	12.3
Diploma/Certificate	97	25.9	25.9	38.1

Bachelor's Degree	207	55.2	55.2	93.3
Master's Degree	22	5.9	5.9	99.2
PhD Degree	3	0.8	0.8	100.0
Total	375	100.0	100.0	

Note: Data generated and retrieved from SPSS

Figure 4.6

Statistic of Respondents' Education Level
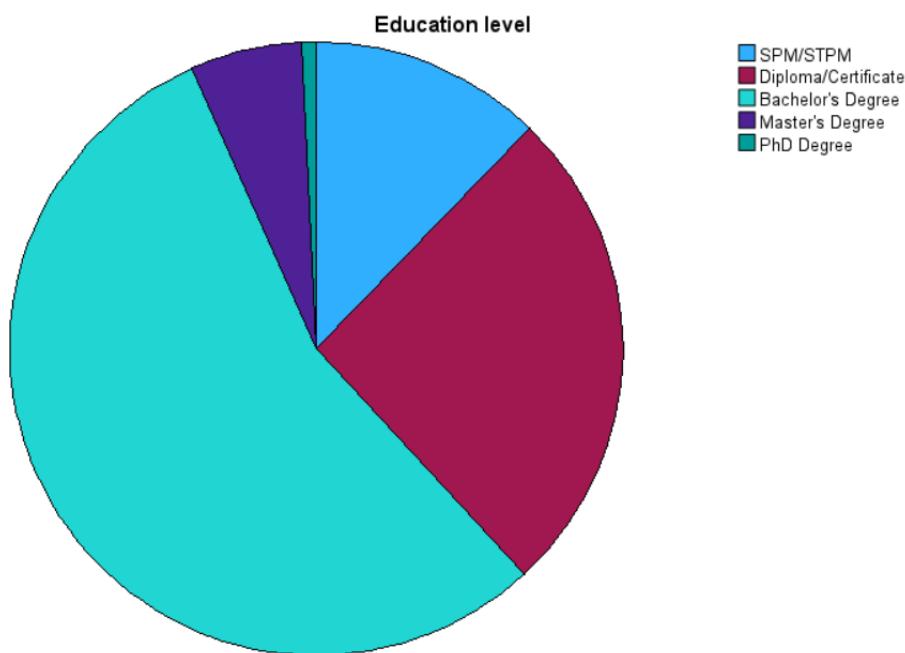
Note: Data generated and retrieved from SPSS

From Table 4.6 and Figure 4.6, the largest number of respondents hold a bachelor's degree, totaling 207, or 55.2%. This is followed by 97 respondents holding a diploma/certificate, or 25.9%. Respondents with SPM/STPM qualifications are 46, or 12.3%. 22 respondents hold master's degrees, or 5.9%, and 3, or 0.8%, hold PhD degrees, which is the lowest percentage. The high proportion of bachelor's degree holders indicates that Generation Z bank employees are generally well-educated, with most employees having received higher education.

4.1.1.7 Working Years in Banking Industry

Table 4.7

Respondents' Working Years in Banking Industry

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than one year	52	13.9	13.9	13.9
1-2 years	174	46.4	46.4	60.3
3-4 years	107	28.5	28.5	88.8
5-6 years	42	11.2	11.22	100.0
Total	375	100.0	100.0	

Note: Data generated and retrieved from SPSS

Figure 4.7

Statistic of Respondents' Working Years in the Banking Industry
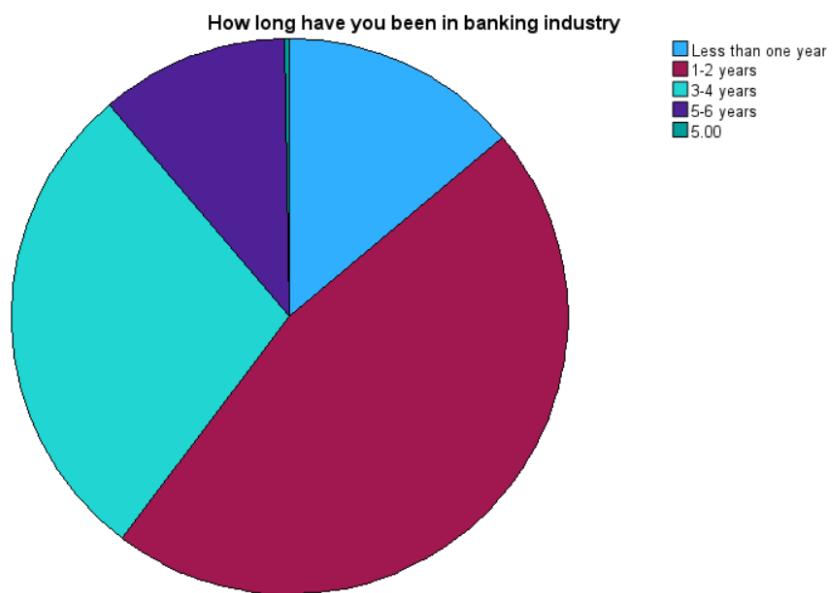
Note: Data generated and retrieved from SPSS

According to Table 4.7 and Figure 4.7, 52 respondents (13.9%) had less than one year of work experience, and 174 respondents (46.4%) had 1 to 2 years of work experience, which is most respondents. 107 respondents or 28.5% had worked for 3 to 4 years, 42 respondents (11.2%) had worked for 5 to 6 years.

This indicates that most respondents are relatively early in their careers, with less than three years in the banking industry.

4.1.1.8 Monthly Income

Table 4.8

Respondents' Monthly Income

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than RM2000	9	2.4	2.4	2.4
RM2001-RM3500	185	49.3	49.3	51.7
RM3501-RM5000	144	38.4	38.4	90.1
More than RM5000	37	9.8	9.8	100.0
Total	375	100.0	100.0	

Note: Data generated and retrieved from SPSS

Figure 4.8

Statistic of Respondents' Monthly Income
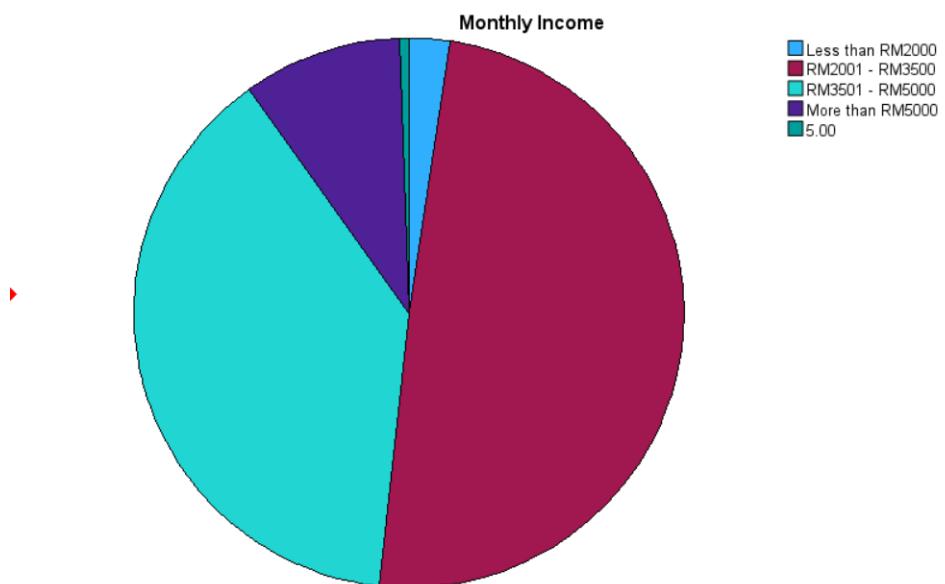
Note: Data generated and retrieved from SPSS

Table 4.8 and Figure 4.8 show that 9 respondents received less than RM2000 of their monthly income, accounting for 2.4%, representing the lowest proportion. The highest percentage of monthly income is RM 2001 to RM 3500 received by 185 respondents, with 49.3%. 144 respondents (38.4%) had RM3501 to RM5000 monthly income, and 37 respondents (9.8%) had more than RM5000 monthly income. This income distribution shows that most Generation Z bank employees earn in the lower-middle income range of industry.

4.1.2 Central Tendencies Measurement of Constructs

Table 4.9

Statistics Central Tendencies Measurement of Constructs

Variable	Sample Size, N	Mean	Std. Deviation
Employee Retention AVE	375	3.8997	0.86165
Rewards and Compensations AVE	375	3.8030	0.75630
Work Environment AVE	375	3.8640	0.64565
Training and Development AVE	375	4.0187	0.61468

Note. Data generated and retrieved from SPSS

Training and development AVE have the highest mean value which shown in Table 4.9, reaching an impressive 4.0187 shows that respondents perceived that their organization provides adequate and effective training programs. Employee Retention AVE ranks second, with a mean of 3.8997, indicating respondents' favorable intention to remain in the organization. The work

environment has a mean of 3.8640, which comes in third place. However, rewards and compensations have the lowest mean at 3.8030 among the variables.

On the other hand, the standard deviation for employee retention AVE has the greatest dispersion at 0.86165, indicating a wider range of responses. This is followed by rewards and compensations, with a standard deviation of 0.75630 showing a significant variability. Meanwhile, the standard deviation of work environment AVE at 0.64565. However, training and development AVE, at 0.61468, which has the lowest standard deviation, indicates perceptions are consistent among respondents.

4.2 Scale Measurement

The reliability analysis test was conducted with 375 respondents. To assess the consistency and stability of the data, this study used Cronbach's alpha method. Table 4.10 below lists the reliability test results for the dependent and independent variables.

Table 4.10

Cronbach's Alpha Reliability Test

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

Source. Nawi et al. (2020)

4.2.1 Reliability Analysis

In this context, Cronbach's alpha is a reliability coefficient that measures the strength of the positive correlations between items. Cronbach's alpha was calculated based on the average intercorrelations between the items on the item's concept. Table 4.11 shows the results of the reliability test:

Table 4.11

Comparison of Cronbach's Alpha between Pilot Study and Full Study

Variables	Pilot Cronbach's Alpha (α)	Full Study Cronbach's Alpha (α)
Employee Retention	0.935	0.913
Rewards and compensations	0.869	0.886
Work environment	0.904	0.845
Training and development	0.928	0.873

Note. Data generated and retrieved from SPSS

Table 4.11 shows Cronbach's alpha values for the pilot and full study. Although the reliability of employee retention decreased from 0.935 to 0.913, it remains at an excellent level. On the other hand, Cronbach's alpha value for rewards and compensation increased slightly from 0.869 to 0.886 and maintained a very good reliability. Cronbach's alpha value for the work environment decreased from 0.904 to 0.845, indicating a shift from excellent to very good reliability. Lastly, the reliability of training and development decreased from 0.928 to 0.873, and moved from excellent to a very good level.

4.3 Preliminary Data Analysis

The purpose of preliminary data analysis is to validate the data and prepare it for further analysis. This includes assessing normality (skewness and kurtosis) and testing for multicollinearity (tolerance values and variance inflation factors). This is crucial for verifying the validity of subsequent analysis (Pulka, 2022).

4.3.1 Normality Test

Table 4.12:

Normality T*est Results*

Variables	Skewness	Kurtosis
Dependent Variable: Employee Retention	-1.209	1.319
Independent Variable 1: Rewards and Compensations	-1.073	1.526
Independent Variable 2: Work Environment	-0.933	1.724
Independent Variable 3: Training and Development	-1.510	4.328

Note: Data generated and retrieved from SPSS

We conducted a normality test to determine whether the sample data came from a normally distributed population (Roni & Djajadikerta, 2021). Two indicators that can be used to assess data normality are skewness and kurtosis (Hair et al., 2021). The skewness of a variable's distribution indicates its symmetry. The kurtosis indicates whether the distribution is flat or has a peak. If the values of skewness and kurtosis are between -2 and +2 and between -7 and +7, respectively, the data are normally distributed (Pulka, 2022). According to Table 4.12, the values of skewness and kurtosis for all variables in this study (employee retention, rewards and compensations, work environment, and training and development) are within the predetermined ranges of -2 and +2 and -7 and +7 respectively. Therefore, the data collected in this study are normally distributed.

4.3.2 Multicollinearity Test

Table 4.13:

Multicollinearity Test Results

Independent Variables		Tolerance Value	VIF Value
Rewards and Compensations		0.451	2.216
Work Environment		0.460	2.173
Training and Development		0.479	2.089

Note: Data generated and retrieved from SPSS

When two independent variables are highly correlated, this is known as multicollinearity. To check for multicollinearity, tolerance values and variance inflation factors are often used. These values are often used to screen for multicollinearity. Multicollinearity occurs when the tolerance value is less than 0.2 and the variance inflation factor is greater than 3 (Roni & Djajadikerta, 2021). We need to ensure that there is no issue with multicollinearity. For our study, the Tolerance value is more than 0.2, so there is no collinearity between the independent variables. Furthermore, since all variance inflation factors (VIF) values were less than 3, there is no multicollinearity issue.

4.4 Inferential Analyses

4.4.1 Multiple Regression Analysis

This study used multiple regression analysis to examine the impact of rewards and compensations, work environment, and training and development on perceived employee retention among Generation Z employees in banking institutions. This study used a 95% confidence level and an alpha value of 0.05.

Table 4.14

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.784^a	0.615	0.611	0.53714

a.Predictors: (Constant), TrainingandDevelopment AVE, WorkEnvironment AVE, RewardandCompensation AVE

b. Dependent Variable: EmployeeRetention AVE

Note: Data generated and retrieved from SPSS

R-value

Shrestha (2020) claims that the correlation coefficient between all independent variables and the dependent variable named as R value. The correlation coefficient (R value) for this study is 0.784. The correlation between the dependent variable (employee retention) and the independent variables (rewards and compensation, work environment, and training and development) was positive and strong, as the correlation coefficient of 0.784 is between the range of +0.70 to +0.99, which is considered strong (Hair et al., 2021).

R Square

The percentage of variance in the dependent variable explained by the independent variable is represented by R-squared value (Shrestha, 2020). In this study, the independent variables (rewards and compensation, work environment and training and development) explained 61.5% of the variance in the dependent variable (employee retention). However, this study still left 38.5% (100% - 61.5%) of the variance unexplained. In other words, this study failed to consider other significant variables that are crucial for explaining employee retention.

Table 4.15

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig
1	Regression	170.631	3	56.877	197.137	<0.001[b]
	Residual	107.039	371	0.289		
	Total	277.670	374			

a. Dependent Variable: EmployeeRetention AVE

b. Predictors: (Constant), TrainingandDevelopment AVE, WorkEnvironment AVE, RewardandCompensation AVE

Note: Data generated and retrieved from SPSS

The p-value (Sig < 0.001) is less than the alpha value of 0.05 was shown in Table 4.15 (ANOVA). The F-statistics are significant. The model describes the relationship between the dependent variable and the predictor variables. Therefore, the independent variables significantly explain the variance of the dependent variable.

Table 4.16

Coefficients[a]

Model		Unstandardized Coefficient		Stardardized Coefficient		
		B	Std.Error	Beta	t	Sig
1	(Constant)	-0.284	0.194		-1.464	0.144
	Rewardsand Compensation AVE	0.570	0.055	0.500	10.421	<0.001
	WorkEnviron ment AVE	0.204	0.063	0.153	3.216	0.001
	Trainingand Development AVE	0.306	0.065	0.218	4.682	<0.001

a. Dependent Variable: EmployeeRetention AVE

Note: Data generated and retrieved from SPSS

H1: Rewards and compensations have a significant relationship with employee retention among Gen Z employees in banking institutions in Northern Malaysia

The p-value for rewards and compensations was less than 0.001, which was less than the value of 0.05 alpha. This show that rewards and compensations were significantly related to the dependent variable (employee retention). Therefore, the hypothesis was supported, as rewards and compensations were significantly correlated with intention.

H2: Work environment has a significant relationship with employee retention among Gen Z employees in banking institutions in Northern Malaysia.

In this study, the work environment was found to be significantly correlated with the dependent variable (employee retention). This is because the p-value for the work environment was 0.001, which is less than the alpha value of 0.05. Therefore, the hypothesis was supported because the work environment was significantly correlated with employee retention.

H3: Training and development have a significant relationship with employee retention among Gen Z employees in banking institutions in Northern Malaysia.

In this study, training and development were significantly associated with predicting the dependent variable (employee retention). This is because the p-value for training and development was less than 0.001, which is less than the alpha value of 0.05. Therefore, the hypothesis was supported because training and development were significantly associated with employee retention.

According to the table of coefficients, the formula equation is expressed below:
Regression equation
y = dependent variable (employee retention)
x1 = independent variable 1 (rewards and compensations)

x2 = independent variable 2 (work environment)

x3 =independent variable 3 (training and development)

Employee retention = -0.284 + 0.570 (rewards and compensations) + 0.204 (work environment) + 0.306 (training and development)

Highest Contribution:

According to the coefficient table, rewards and compensations have the highest contribution in this study. This is because, based on the standardized coefficients, this predictor has the largest beta value ($\beta = 0.500$) compared to the other predictors (work environment and training and development). Therefore, rewards and compensations are the predictors that contribute the most to the variance of the dependent variable (employee retention).

In other words, rewards and compensations show the strongest unique contribution to the variance of the dependent variable (employee retention) after accounting for the variance explained by all other predictors in the model.

Second Highest Contribution:

Compared to the other predictors (rewards and compensations and work environment), training and development had the second-highest beta value under a standardized coefficient of 0.218. Ultimately, training and development account for the second largest contributor to the variance of the dependent variable (employee retention).

Thus, this also indicates that training and development make the second-largest contribution to explain the variance in the dependent variable (employee retention), when the variance explained by all other predictors in the regression model is controlled.

Lowest Contribution:

Work Environment contributed the least to this study. When making a comparison to all other predictor variables (rewards and compensations and training and development), its beta value (standardized coefficient) was the smallest, at 0.153.

Thus, this also indicates that the work environment contributed the least in explaining the variance in the dependent variable (employee retention), when the variance explained by other predictor variables in the regression model is controlled.

4.5 Conclusion

This chapter use tables and pie charts to present SPSS findings. Chapter 4 discusses and interprets descriptive analysis, scale measurement, preliminary data analysis, inferential analysis, and research findings. The results indicate a moderately positive correlation between the dependent variable (employee retention) and the independent variables (rewards and compensations, work environment, and training and development). The next chapter summarizes the statistical analysis and discuss the key findings, limitations, and recommendations.

Chapter 5: Discussion and Conclusion

5.0 Introduction

The statistical analysis conducted in the previous chapter is summarized in Chapter 5. The major findings and implications of this study are also discussed in this chapter. In addition, this chapter explores the study's limitations and provides recommendations for future research.

5.1 Summary of Statistical Analyses

5.1.1 Descriptive Analysis

5.1.1.1 Summary of Respondent Demographic Profile

Table 5.1

Respondent Demographic Profile

Variables	Frequency	Percentage (%)
Age		
21-22 years old	37	9.9%
23-24 years old	97	25.9%
25-26 years old	134	35.7%
27-28years old	107	28.5%
Gender		
Male	160	42.7%
Female	215	57.3%
State		
Perlis	4	1.1%

Kedah	62	16.5%
Penang	192	51.2%
Perak	117	31.2%
Bank		
CIMB Bank Berhad	112	29.9%
Hong Leong Bank Berhad	117	31.2%
Public Bank Berhad	146	38.9%
Ethnic group		
Malay	54	14.4%
Chinese	258	68.8%
Indian	60	16%
Other	3	0.8%
Education level		
SPM/STPM	46	12.3%
Diploma/Certificate	97	25.9%
Bachelor's Degree	207	55.2%
Master's Degree	22	5.9%
PhD Degree	3	0.8%
Working year		
Less than one year	52	13.9%
1-2 years	174	46.4%
3-4 years	107	28.5%
5-6 years	42	11.2%
Monthly Income		
Less than RM2000	9	2.4%
RM2001-RM3500	185	49.3%
RM3501-RM5000	144	38.4%
More than RM5000	37	9.8%

Source: Developed for the research

In summary, Table 5.1 shows that 25-26 years old comprised the highest proportion of respondents (35.7%), while the 21-22 age group had the lowest

proportion (9.9%). Furthermore, the proportion of female respondents in this survey was higher than that of male respondents, at 57.3% and 42.7%, respectively. Most of the respondents are from Penang (51.2%), while the least are from Perlis (1.1%). The respondents from Public Bank Berhad contributed the largest percentage (38.9%), and respondents from CIMB Bank Berhad contributed the lowest percentage (29.9%). Additionally, Chinese respondents have the highest percentage (68.8%), while other ethnic groups contribute the least (0.8%). The result showed that the major respondents held a bachelor's degree (55.2%). However, PhD degree respondents, with only 0.8% contributed the least. Most respondents who worked for 1-2 years have the highest percentage (46.4%), and the lowest percentage contributors are respondents who worked for 5-6 years. In this study, the respondents mainly had RM2001-RM3500 monthly income (49.3%), while the least respondents had a monthly income of less than RM2000 (2.4%).

5.1.1.2 Summary of Central Tendencies Measurement of Constructs

Table 5.2

Summary of Mean

Variable	Mean
Training and Development	4.0187
Rewards and Compensations	3.8030

Source: Developed for the research

Table 5.3

Summary of Standard Deviation

Variable	Standard Deviation
Employee Retention	0.86165
Training and Development	0.61468

Source: Developed for the research

According to Table 5.2, overall, training and development had the highest mean score in this study, at 4.0187, while rewards and compensations had the lowest mean score, at 3.8030. In terms of standard deviation, Table 5.3 shows that employee retention had the greatest variability, at 0.86165, exceeding the values of all other variables.

5.1.2 Inferential Analysis

5.1.2.1 Summary of Inferential Analysis

Table 5.4

Model Summary

Item	Value
Correlation Coefficient (R-value)	0.784[a]
R Square	0.615
Unexplained Variance	38.5%

Source: Developed for the research

According to Table 5.4, inferential analysis shows a moderate positive correlation (R = 0.784) between the dependent variable (intention to stay) and the three independent variables (rewards and compensation, work environment, and training and development). Furthermore, the three independent variables explain 61.5% of the variation in the dependent variable. But, 38.5% of the variance remains unexplained in this study.

Table 5.5

Significance of factors on Employee Retention

Independent Variable	Relationship with Dependent Variable (Employee Retention)
Rewards and Compensations	Significant (p-value<0.05, p= <0.001
Work Environment	Significant (p-value<0.05, p= 0.001

Training and Development	Significant (p-value<0.05, p= < 0.001

Source: Developed for the research

According to Table 5.5, the results show that there is a significant relationship between the dependent variable (employee retention) and the three independent variables (rewards and compensation, work environment, and training and development), as their p-values are less than the alpha value of 0.05.

5.2 Discussion of Major Findings

Table 5.6

Summary of SPSS Hypothesis Testing

Hypothesis	Result	Outcomes
H1: Rewards and Compensation have a significant relationship with employee retention among Gen Z employees in banking institutions in Northern Malaysia	**β** = 0.500 p=< 0.001	Supported
H2: Work Environment has a significant relationship with employee retention among Gen Z employees in banking institutions in Northern Malaysia	**β** =0.153 **p**= 0.001	Supported

H3: Training and Development has a significant relationship with employee retention among Gen Z employees in banking institutions in Northern Malaysia	**β** = 0.218 **p**=< 0.001	Supported

Source: Developed for research

5.2.1 Hypothesis 1: Rewards and Compensation have a Significant Relationship with employee retention among Gen Z employees in banking institutions in Northern Malaysia

The findings confirmed that rewards and compensation have the strongest impact on employee retention among Generation Z banking employees in Northern Malaysia. The results are consistent with earlier studies that found competitive compensation packages, such as optimizing financial incentives and forming strong relationships with open communication are crucial for retaining talent in the financial sector (Ibidunni et al., 2016).

The results support the Social Exchange Theory, whereby explains that employees are more likely to contribute to the organization when they feel valued. According to Khalid and Nawab (2018), the study mentioned that banks may provide financial compensation consistent with industry standards and rewards efforts. This is particularly important for Gen Z who are known to be money-conscious (Universitetas, 2022).

5.2.2 Hypothesis 2: Work Environment has a Significant Relationship with employee retention among Gen Z employees in banking institutions in Northern Malaysia

Based on the results indicate that the work environment significantly influences employee retention. This finding supports earlier studies suggesting that a safe, comfortable, and positive workplace fosters emotional attachment to the organization (Raziq & Maulabakhsh, 2015). The employees who experience supportive management, healthy peer relationships, and conducive physical working conditions are more inclined to remain loyal (Hanaysha, 2016). In practice, elements such as open communication channels, collaborative work culture, and well-maintained facilities contribute to employees' sense of belonging and job satisfaction (Diya, 2023). Although the effect size is smaller compared to rewards and compensation, the significance of this factor emphasizes that employee retention strategies must address not only financial incentives but also the quality of the work environment.

5.2.3 Hypothesis 3: Training and Development has a Significant Relationship with employee retention among Gen Z employees in banking institutions in Northern Malaysia

The results of these findings show that community links have a significant impact on training and development is found to have a significant positive effect on employee retention. This supports human capital theory, which states that investment in employee skills and career growth increases their value and strengthens their commitment to the organization (Hamadamin & Atan, 2019). When employees are given opportunities for continuous learning, skill enhancement, and career advancement, they are more motivated to remain in the company. Based on research by Hafeez and Akbar (2015), career development programs, mentorship, or skills-building workshops bond employees with their employers. Employees gain more attachment to their employers when they see clear career growth opportunities in the form of

training, mentorship, or skill-building programs. Such initiatives as paying for certification programs, assigning employees to work on projects outside their day-to-day responsibilities, or providing coaching enhance the technical skills of employees but also make them feel appreciated. That spirit of support and growing together will nurture their loyalty from the very beginning and inspire them to stay around.

5.3 Implications of the Study

5.3.1 Managerial Implications

5.3.1.1 Rewards and Compensation

The findings of this study indicate that rewards and compensation have the strongest influence on employee retention, which supports the view that fair and competitive pay structures are critical in keeping employees committed to the organization (Hassan & Govindhasamy, 2020). This suggests that HR practitioners should design reward systems that go beyond basic salaries to include performance-based bonuses, profit-sharing schemes, allowances, and benefits such as healthcare and retirement plans (Chen, 2024). At the same time, facilities for public recognition, award ceremonies, or flexible arrangements for work do reinforce non-monetary gratitude in the employees' minds.

For example, a university or a corporate office implements a retention bonus program for employees completing key projects or hitting certain performance benchmarks. Some of the attractive non-financial perks that might work for keeping valued personnel include additional annual leave, the option to work from home or a flexible work schedule, and stipends for professional development. (Chen, 2024) HR managers may be able to foster feelings of

fairness, appreciation, ability, and organizational loyalty by promoting the implementation of reward and compensation policies with tangible and intangible rewards. (Osibanjo, Adeniji, Falola, & Heirsmac, 2014). Over time, this consistent recognition strengthens the psychological bond between employees and the organization, reducing turnover intentions.

5.3.1.2 Work Environment

The significant factor to consider while retention employees, work environment consciously makes employee retention a matter of great concern for any institution, wherein emphasis has been laid on the need to ensure a perfectly comfortable and socially supportive atmosphere within the workplace (Raziq & Maulabakhsh, 2015). Some of the physical factors considered acceptable are high ergonomic levels of working tools, neat and properly lit spaces, and the accessibility of technology and information required to do the assigned task efficiently. Whereas for the social factor to strengthen workplace relationships, organizations must build a culture with trust, respect, and cooperation among colleagues through team-building activities, collaborative work, or wellness events focusing on employees' mental and physical health (Hanaysha, 2016).

If we try to be particular and crystal-clear, a practical approach could be monthly "Open Forum" sessions supporting two-way communication between employees and the management regarding all concerns, or an array of cross-departmental projects building cooperation among teams. By providing recreation zones, quiet zones for concentration, and social break zones, it is very much possible to introduce a conducive working atmosphere into the organization. Feeling comfortable at work in both social and physical terms, employees tend to nurture a sense of belonging concerning the workplace.

5.3.1.3 Training and Development

The positive relationship between training and development and employee retention found in this study suggests that growth opportunities are a critical factor in retaining talent (Jehanzeb & Bashir, 2013). Training programs must be oriented to solve immediate job problems but must also foster skills for more advanced job assignments linked to the advancement of the individual. Such training programs include leadership development programs, informal technical training, and sponsorship for professional certifications. Cross-departmental training can be offered for the sake of skills extension and the enhancement of employee flexibility. (Hanaysha, 2016).

Mentorship programs are another opportunity that pairs the less experienced with seniors who guide them in their career shortcomings. Linking training and development programs to performance appraisals and/or promotions puts flesh on the idea of career progression. For example, after obtaining a certification in leadership, staff may be considered for supervisory positions. Other than training, a good way of exposing employees to new ideas and best practices in their field is to arrange for them to attend conferences, seminars, and workshops. These efforts communicate a strong message that the organization cares about greater employee development and thus greatly enhances employee loyalty (Hafeez & Akbar, 2015).

5.4 Limitations of the Study

Despite the efforts of this study, several limitations must be acknowledged, which may inform future research efforts and be addressed. First and foremost, this study focuses primarily on three independent variables: rewards and compensation, work environment, and training and development, aiming to identify the impact of these variables on the perceived employee retention among Gen-Z employees. However, some potential mediating and moderating variables like leadership style, work-life balance, or organizational commitment, which have the potential to affect the nature

of these relationships are neglected. The utilization of these variables may provide a more detailed understanding of the dynamics affecting retention.

Furthermore, a quantitative research design is adopted by this study where it utilizes a questionnaire which were fixed alternatives. Although this research design benefits the study for a statistical analysis, it may also limit the respondents' choice in expressing their insights. During the process of data collection, the respondents may face difficulties in selecting the options that are most like their experience, and this has a high chance of collecting superficial and biased responses. The absence of open-ended responses restricts the depth of understanding of the deterrents or motivations against the respondents' intention to stay or leave.

The third limitation is that this study only focused on Gen-Z employees in the banking sector located within Northern Malaysia. Although this target group of respondents is crucial because of its increasing presence in the workplace, the results generated from this demographic cannot be generalized to employees from other generations, geographical locations, or working in different sectors.

With this limitation, they may benefit future studies by adopting mixed method analysis, which widens geographical coverage by including various generations, and investigate more variables to improve validity and generalizability.

5.5 Recommendations for Future Research

Based on the limitations that are discussed in this study, various approaches were proposed for future studies to better comprehend the factors that affect the perceived employee retention among Gen-Z employees. Most importantly, it was suggested that future researchers investigate the incorporation of moderating and mediating variables, such as perceived organizational support, work-life balance, and leadership style. These variables might make it easier to understand how key elements like training, work environment, and rewards affect employee retention.

Secondly, it is suggested that future studies should include open-ended questions in the questionnaires instead of only fixed alternative questions. Open-ended questions provide a better level of flexibility and freedom to the respondents, where they can complete the survey with their own words and expressions based on their perspectives and experiences, and provide responses that are more suitable and relevant to them when participating in the survey. On the flip side, the use of closed-ended questions made the respondents feel constrained to answer the questionnaire due to its restrictions of predetermined and alternative terms used by the researcher. Therefore, the utilization of open-ended questions may assist the study in collecting more accurate and helpful responses.

Lastly, although this study was narrowed to Gen-Z employees within the banking sector based in Northern Malaysia, future research is suggested to expand its scope by including other industrial sectors like retail, technology, or public service, and geographical attention beyond Northern Malaysia. Furthermore, comparative studies between generations like Gen-Z and Millennials, or across regions like urban and rural areas, can also offer valuable highlights and generalizability.

5.6 Conclusion

In summary, this study aimed to investigate the impact of rewards and compensations, work environment, and training and development that affect perceived employee retention among Gen Z employees in banking institutions in Northern Malaysia. Data analysis revealed that all three factors, namely rewards and compensations, work environment, and training and development, significantly impacted employee retention among Gen Z banking employees. Furthermore, this study provides several suggestions and implications to overcome its limitations. These suggestions can serve as a reference for future researchers to conduct more in-depth and comprehensive research.

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Appendices

Appendix 1: Permission Letter

UNIVERSITI TUNKU ABDUL RAHMAN DU012(A)
Wholly owned by UTAR Education Foundation (200201010564(578227-M))

2 September 2025

To Whom It May Concern

Dear Sir/Madam,

Permission to Conduct Survey

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

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

The students are as follows:

Name of Student	Student ID
Chew Siew Peng	2207185
Chan Hao Zhe	2203028
Chia Yi Xuan	2207172

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

Thank you.

Yours sincerely,

Dr Siti Fazilah Binti Abdul Shukor
Head of Department,
Teh Hong Piow Faculty of Business and Finance
Email: sitifazilah@utar.edu.my

Kampar Campus : Jalan Universiti, Bandar Barat, 31900 Kampar, Perak Darul Ridzuan, Malaysia.
Tel:(605) 468 8888
Sungai Long Campus : Jalan Sungai Long, Bandar Sungai Long, Cheras, 43000 Kajang, Selangor Darul Ehsan, Malaysia
Tel:(603) 9086 0288
Website : https://www.utar.edu.my

Appendix 2: Questionnaire

UBMZ3016 RESEARCH PROJECT

Title: Factors affecting perceived employee retention among Generation Z employees in banking institutions in Northern Malaysia.

Dear respondents,

We are final year undergraduate students of Bachelor Administration (Honours), from Universiti Tunku Abdul Rahman (UTAR). We are conducting a research entitled " Factors affecting perceived employee retention among Generation Z employees in banking institutions in Northern Malaysia".

The main purpose of this study is to investigate whether the factors of rewards and compensations, work environment and training and development affect the employee retention among Generation Z employees in banking institutions in Northern Malaysia.

This questionnaire consists of four (4) sections in. Section A is the demographic profile of respondents, Section B, C and D cover the factors affecting the perceived employee retention among Generation Z employees in banking institutions in Northern Malaysia. We sincerely hope that you can help us to fill in this questionnaire which will take about 5 minutes.

Your information will be kept strictly private and confidential. All responses and findings will be used for academic purposes only.

Your assistance in completing this questionnaire is very much appreciated. Thank you for your participation. If you have any questions regarding this questionnaire, you may contact us via email:

jelynchew@1utar.my
yixuanchia0129@1utar.my
haozhe211@1utar.my

Your sincerely,

Chan Hao Zhe
Chew Siew Peng
Chia Yi Xuan

Acknowledgement of Notice *

○ I have been notified by you and that I hereby understood, consented and agreed per UTAR above notice

○ I disagree, my personal data will not be processed

Section A: Demographic Profile

In this section, there are 8 questions required to answer. Please choose the answer that describes you or your situation.

1. Age: *

○ 21-22 years old

○ 23-24 years old

○ 25-26 years old

○ 27-28 years old

2.Gender: *

○ Male

○ Female

3. State: *

○ Perlis

○ Kedah

○ Penang

○ Perak

4. Bank: *

○ CIMB Bank Berhad

○ Hong Leong Bank Berhad

○ Public Bank Berhad

5. Ethnic group: *

○ Malay

○ Chinese

○ Indian

○ Other: _____

6. Education level: *

○ SPM/STPM

○ Diploma/Certificate

○ Bachelor's Degree

○ Master's Degree

○ PhD Degree

7. How long have you been in banking industry? *

○ Less than one year

○ 1-2 years

○ 3-4 years

○ 5-6 years

8. Monthly Income *

○ Less than RM2000

○ RM2001- RM3500

○ RM3501-RM5000

○ More than RM5000

Section B: Dependent Variable: Employee Retention

To what extent do you agree with the following statements? Please select the most appropriate number to reflect your judgement.

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

1. I feel loyal to this organization. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly Agree

2. I intend to continue working in my current organization for the next few years. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

3. I am happy with my current job role. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

4. I have no desire to look for another job. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

5. I see myself working here for the long term. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

Section C: Independent Variable: Rewards and Compensations

To what extent do you agree with the following statements? Please select the most appropriate number to reflect your judgement.

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

1. I am satisfied with my annual increment. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

2. I feel motivated by the compensation I receive. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

3. I am satisfied with my employee benefits. *

O Strongly disagree

O Disagree

O Neutral

O Agree

O Strongly agree

4. The pay I receive matches the amount of work I do. *

O Strongly disagree

O Disagree

O Neutral

O Agree

O Strongly agree

5. I am aware of how my compensation compares to others in the industry. *

O Strongly disagree

O Disagree

O Neutral

O Agree

O Strongly agree

6. The reward system in my organisation is performance-based. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

7. My organisation offers good non-monetary rewards (e.g., recognition, certificates). *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

Section D: Independent variable: Work Environment

To what extent do you agree with the following statements? Please select the most appropriate number to reflect your judgement.

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

1. The management creates a positive work culture. *

◯ Strongly disagree

◯ Disagree

◯ Neutral

◯ Agree

◯ Strongly agree

2. There is open communication between employees and management. *

◯ Strongly disagree

◯ Disagree

◯ Neutral

◯ Agree

◯ Strongly agree

3. The organization provides a safe and healthy workspace. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

4. My organization values employee feedback. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

5. The physical workspace encourages productivity. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

6. I am encouraged to maintain a work-life balance. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

7. I feel emotionally supported by my supervisor. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

8. My colleagues are friendly and supportive. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

Section E: Independent Variable: Training and Development

To what extent do you agree with the following statements? Please select the most appropriate number to reflect your judgement.

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

1. Training opportunities are provided regularly. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly Agree

2. I am satisfied with the quality of training provided. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

3. The training I received has improved my job performance. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

4. My organization offers equal access to development opportunities. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly Agree

5. There are mentoring or coaching programs available to me. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

6. Training is customized to match employee needs. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

7. I receive feedback to support my growth. *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly Agree

8. The training programs provided are relevant and updated *

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

Back   Submit   Clear form

Appendix 3: SPSS Variable View

Appendix 4: SPSS Data View

Appendix 5: Reliability Test Results for Pilot Study (SPSS)

Scale: Employee Retention

Case Processing Summary

		N	%
Cases	Valid	38	100.0
	Excluded^a	0	.0
	Total	38	100.0

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

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.935	.937	5

Inter-Item Correlation Matrix

	loyal to this organisation	continue working for next few years	happy with current job role	no desire to look for another job	working for long term
loyal to this organisation	1.000	.847	.717	.821	.786
continue working for next few years	.847	1.000	.678	.789	.800
happy with current job role	.717	.678	1.000	.613	.651
no desire to look for another job	.821	.789	.613	1.000	.793
working for long term	.786	.800	.651	.793	1.000

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
loyal to this organisation	14.6053	15.597	.892	.806	.910
continue working for next few years	14.5000	15.122	.872	.775	.911
happy with current job role	14.4474	16.849	.715	.542	.939
no desire to look for another job	14.6842	13.952	.840	.738	.919
working for long term	14.9211	14.237	.846	.724	.917

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
18.2895	23.292	4.82621	5

➡ **Reliability**

Scale: Reward and Compensation

Case Processing Summary

		N	%
Cases	Valid	38	100.0
	Excluded[a]	0	.0
	Total	38	100.0

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

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.869	.871	7

Inter-Item Correlation Matrix

	satisfied with annual increment	motivated by compensation received	satisfied with employee benefits	pay received match amount of work	aware compensation compares to others	reward system based on performance	good non-monetary rewards
satisfied with annual increment	1.000	.743	.761	.579	.454	.463	.368
motivated by compensation received	.743	1.000	.656	.604	.347	.450	.213
satisfied with employee benefits	.761	.656	1.000	.755	.359	.520	.444
pay received match amount of work	.579	.604	.755	1.000	.250	.446	.308
aware compensation compares to others	.454	.347	.359	.250	1.000	.360	.529
reward system based on performance	.463	.450	.520	.446	.360	1.000	.707
good non-monetary rewards	.368	.213	.444	.308	.529	.707	1.000

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
satisfied with annual increment	21.9737	16.567	.767	.707	.835
motivated by compensation received	21.9211	16.561	.674	.643	.846
satisfied with employee benefits	21.8947	15.772	.797	.748	.828
pay received match amount of work	21.8947	16.205	.652	.601	.850
aware compensation compares to others	21.8421	17.812	.478	.388	.874
reward system based on performance	21.3684	17.861	.635	.610	.853
good non-monetary rewards	21.7895	18.441	.542	.645	.863

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
25.4474	22.686	4.76302	7

Reliability

Scale: Work Environment

Case Processing Summary

		N	%
Cases	Valid	38	100.0
	Excluded[a]	0	.0
	Total	38	100.0

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

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.904	.903	8

Inter-Item Correlation Matrix

	positive work culture	open communication with management	safe and healthy workspace	values feedback	physical workspace encourage productivity	encouraged maintain work life balance	emotionally supported by supervisor	colleagues are friendly and supportive
positive work culture	1.000	.684	.635	.485	.514	.413	.351	.536
open communication with management	.684	1.000	.805	.553	.688	.635	.502	.671
safe and healthy workspace	.635	.805	1.000	.674	.703	.606	.275	.551
values feedback	.485	.553	.674	1.000	.643	.396	.258	.372
physical workspace encourage productivity	.514	.688	.703	.643	1.000	.503	.310	.360
encouraged maintain work life balance	.413	.635	.606	.396	.503	1.000	.520	.689
emotionally supported by supervisor	.351	.502	.275	.258	.310	.520	1.000	.709
colleagues are friendly and supportive	.536	.671	.551	.372	.360	.689	.709	1.000

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
positive work culture	25.1579	25.974	.665	.519	.894
open communication with management	25.1579	23.920	.860	.785	.876
safe and healthy workspace	24.7632	24.402	.799	.785	.882
values feedback	24.9737	26.513	.617	.526	.898
physical workspace encourage productivity	24.8947	25.232	.682	.630	.893
encouraged maintain work life balance	25.2632	25.550	.695	.585	.892
emotionally supported by supervisor	25.4211	27.602	.528	.583	.905
colleagues are friendly and supportive	24.9737	24.621	.711	.730	.891

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
28.6579	32.826	5.72938	8

Reliability

Scale: Training and Development

Case Processing Summary

		N	%
Cases	Valid	38	100.0
	Excluded[a]	0	.0
	Total	38	100.0

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

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.928	.930	8

Inter-Item Correlation Matrix

	training opportunities provide regularly	satisfied quality of training provided	improved job performance	offers equal access to development opportunities	mentoring or coaching programs available	training is customized to match employee needs	receive feedback to support growth	training programs are relevant and updated
training opportunities provide regularly	1.000	.807	.744	.851	.574	.718	.563	.761
satisfied quality of training provided	.807	1.000	.744	.663	.522	.708	.520	.670
improved job performance	.744	.744	1.000	.719	.589	.688	.488	.725
offers equal access to development opportunities	.851	.663	.719	1.000	.511	.682	.500	.720
mentoring or coaching programs available	.574	.522	.589	.511	1.000	.435	.553	.567
training is customized to match employee needs	.718	.708	.688	.682	.435	1.000	.362	.788
receive feedback to support growth	.563	.520	.488	.500	.553	.362	1.000	.340
training programs are relevant and updated	.761	.670	.725	.720	.567	.788	.340	1.000

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
training opportunities provide regularly	26.7632	26.564	.887	.848	.910
satisfied quality of training provided	26.8684	26.820	.809	.732	.915
improved job performance	26.6053	25.759	.821	.695	.913
offers equal access to development opportunities	26.8947	26.205	.811	.760	.914
mentoring or coaching programs available	26.7632	27.915	.640	.499	.927
training is customized to match employee needs	26.6842	26.222	.758	.696	.919
receive feedback to support growth	26.9737	27.864	.555	.459	.935
training programs are relevant and updated	26.5000	26.257	.795	.753	.916

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
30.5789	34.521	5.87543	8

Appendix 6: Descriptive Analysis in Full Study

Frequencies

Statistics

Age

N	Valid	375
	Missing	0
Mean		2.8293
Median		3.0000
Mode		3.00
Std. Deviation		.95497
Variance		.912
Range		3.00
Minimum		1.00
Maximum		4.00
Percentiles	25	2.0000
	50	3.0000
	75	4.0000

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-22 years old	37	9.9	9.9	9.9
	23-24 years old	97	25.9	25.9	35.7
	25-26 years old	134	35.7	35.7	71.5
	27-28 years old	107	28.5	28.5	100.0
	Total	375	100.0	100.0	

Age

- 21-22 years old
- 23-24 years old
- 25-26 years old
- 27-28 years old
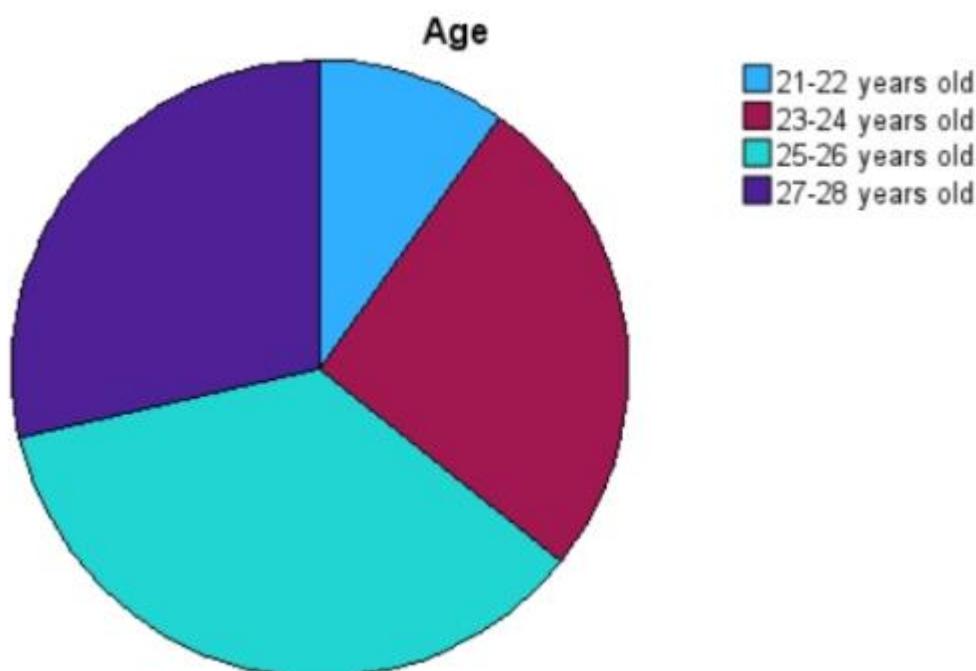
Frequencies

Statistics

Gender

N	Valid	375
	Missing	0
Mean		1.5733
Median		2.0000
Mode		2.00
Std. Deviation		.49525
Variance		.245
Range		1.00
Minimum		1.00
Maximum		2.00
Percentiles	25	1.0000
	50	2.0000
	75	2.0000

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	160	42.7	42.7	42.7
	Female	215	57.3	57.3	100.0
	Total	375	100.0	100.0	

Gender
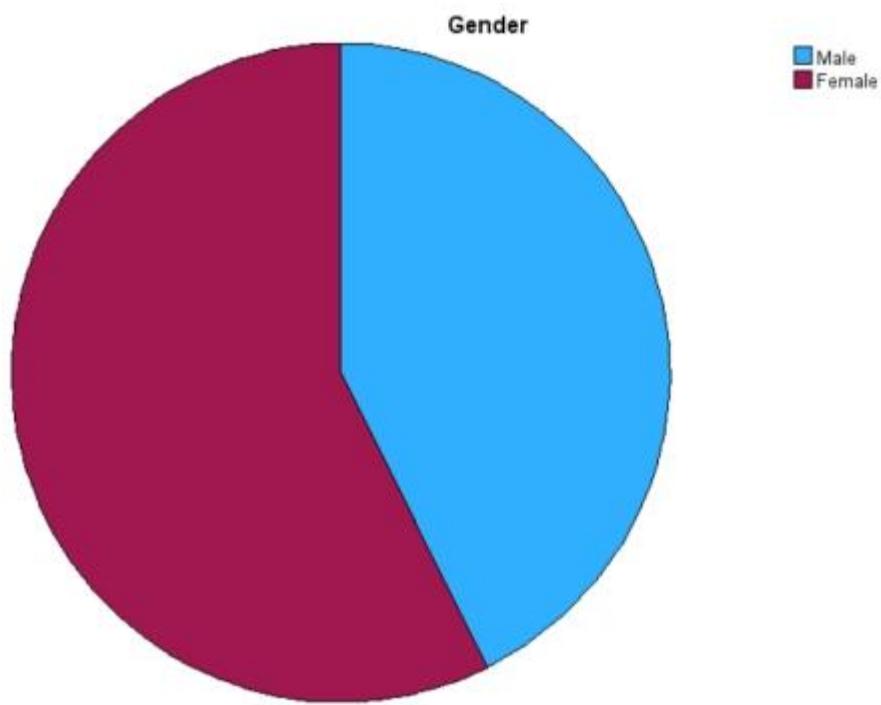
Frequencies

Statistics

State

N	Valid	375
	Missing	0
Mean		3.1253
Median		3.0000
Mode		3.00
Std. Deviation		.71108
Variance		.506
Range		3.00
Minimum		1.00
Maximum		4.00
Percentiles	25	3.0000
	50	3.0000
	75	4.0000

State

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Perlis	4	1.1	1.1	1.1
	Kedah	62	16.5	16.5	17.6
	Penang	192	51.2	51.2	68.8
	Perak	117	31.2	31.2	100.0
	Total	375	100.0	100.0	

State

- Perlis
- Kedah
- Penang
- Perak

→ **Frequencies**

Statistics

Bank

N	Valid	375
	Missing	0
Mean		2.0907
Median		2.0000
Mode		3.00
Std. Deviation		.82559
Variance		.682
Range		2.00
Minimum		1.00
Maximum		3.00
Percentiles	25	1.0000
	50	2.0000
	75	3.0000

Bank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	CIMB Bank Berhad	112	29.9	29.9	29.9
	Hong Leong Bank Berhad	117	31.2	31.2	61.1
	Public Bank Berhad	146	38.9	38.9	100.0
	Total	375	100.0	100.0	

Bank

□ CIMB Bank Berhad
■ Hong Leong Bank Berhad
□ Public Bank Berhad
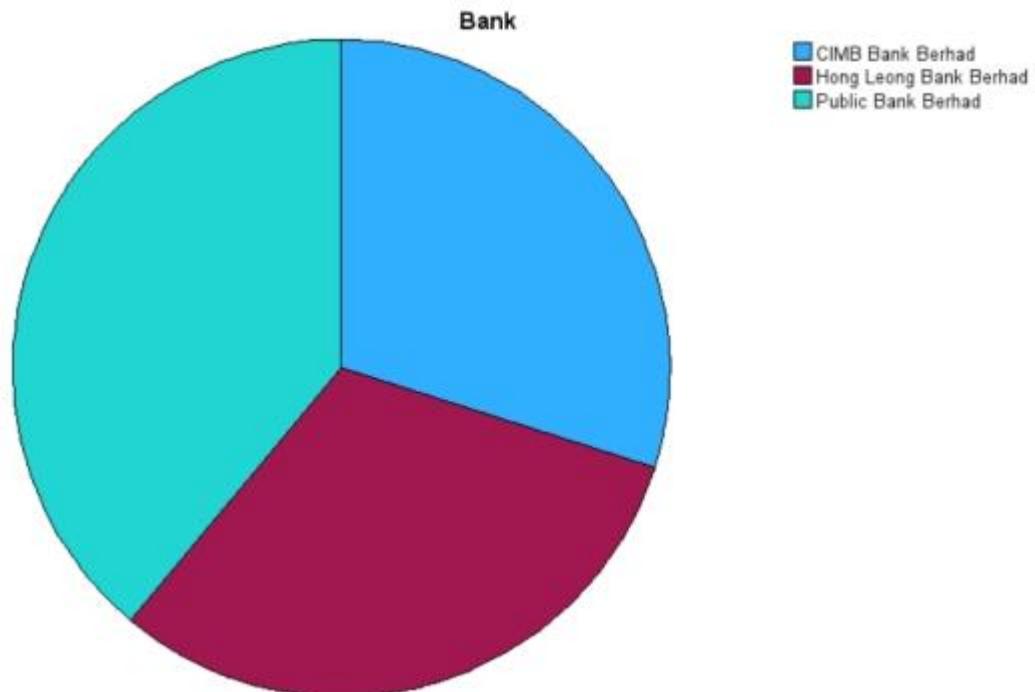
Frequencies

Statistics

Ethnic group

N	Valid	375
	Missing	0
Mean		2.0320
Median		2.0000
Mode		2.00
Std. Deviation		.57954
Variance		.336
Range		3.00
Minimum		1.00
Maximum		4.00
Percentiles	25	2.0000
	50	2.0000
	75	2.0000

Ethnic group

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Malay	54	14.4	14.4	14.4
	Chinese	258	68.8	68.8	83.2
	Indian	60	16.0	16.0	99.2
	Others	3	.8	.8	100.0
	Total	375	100.0	100.0	

Ethnic group
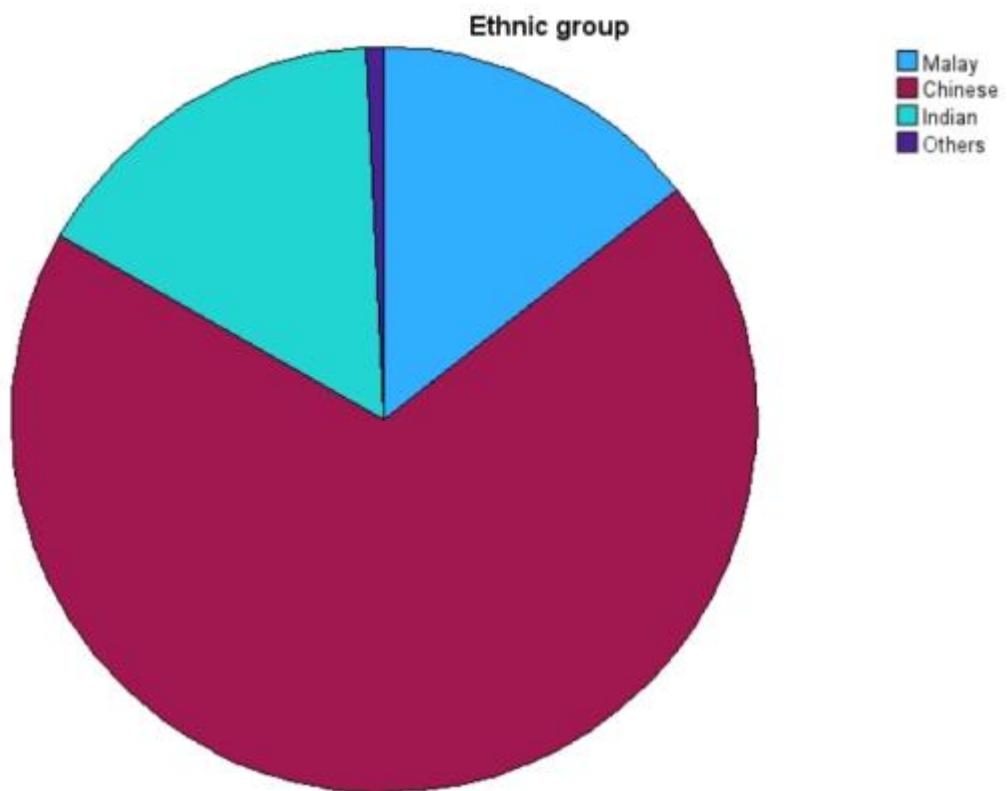
Frequencies

Statistics

Education level

N	Valid	375
	Missing	0
Mean		2.5707
Median		3.0000
Mode		3.00
Std. Deviation		.81082
Variance		.657
Range		4.00
Minimum		1.00
Maximum		5.00
Percentiles	25	2.0000
	50	3.0000
	75	3.0000

Education level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SPM/STPM	46	12.3	12.3	12.3
	Diploma/Certificate	97	25.9	25.9	38.1
	Bachelor's Degree	207	55.2	55.2	93.3
	Master's Degree	22	5.9	5.9	99.2
	PhD Degree	3	.8	.8	100.0
	Total	375	100.0	100.0	

Education level
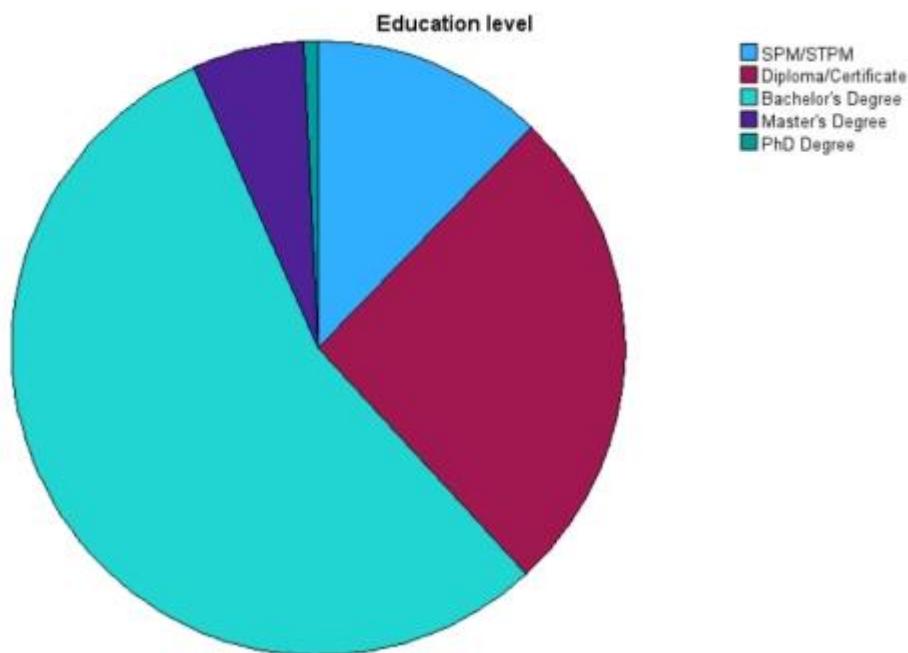
Frequencies

Statistics

How long have you been in banking industry

N	Valid	375
	Missing	0
Mean		2.3733
Median		2.0000
Mode		2.00
Std. Deviation		.86484
Variance		.748
Range		4.00
Minimum		1.00
Maximum		5.00
Percentiles	25	2.0000
	50	2.0000
	75	3.0000

How long have you been in banking industry

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than one year	52	13.9	13.9	13.9
	1-2 years	174	46.4	46.4	60.3
	3-4 years	107	28.5	28.5	88.8
	5-6 years	42	11.2	11.2	100.0
	Total	375	100.0	100.0	

How long have you been in banking industry

- Less than one year
- 1-2 years
- 3-4 years
- 5-6 years
- 5.00
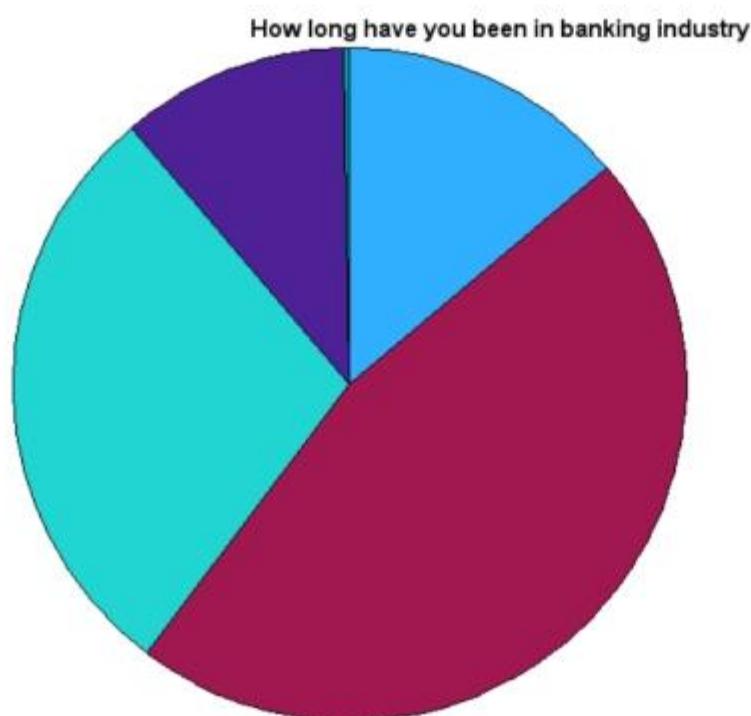
Frequencies

Statistics

Monthly Income

N	Valid	375
	Missing	0
Mean		2.5627
Median		2.0000
Mode		2.00
Std. Deviation		.71702
Variance		.514
Range		4.00
Minimum		1.00
Maximum		5.00
Percentiles	25	2.0000
	50	2.0000
	75	3.0000

Monthly Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than RM2000	9	2.4	2.4	2.4
	RM2001 - RM3500	185	49.3	49.3	51.7
	RM3501 - RM5000	144	38.4	38.4	90.1
	More than RM5000	37	9.8	9.8	100.0
	Total	375	100.0	100.0	

Monthly Income
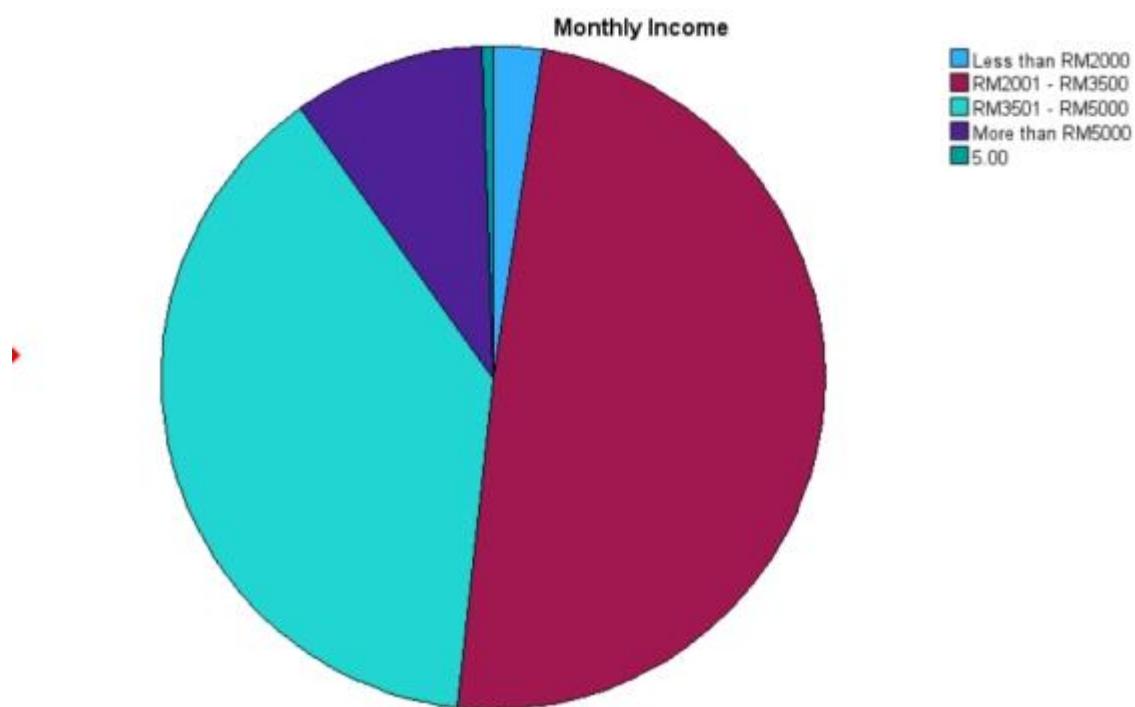
Central Tendencies Measurement of Constructs

Frequencies

Statistics

		EmployeeRetentionAverage	RewardandCompensationAverage	WorkEnvironmentAverage	TrainingandDevelopmentAverage
N	Valid	375	375	375	375
	Missing	0	0	0	0
Mean		3.8997	3.8030	3.8640	4.0187
Std. Deviation		.86165	.75630	.64565	.61468

Appendix 7: Reliability Test Result for Full Study

Reliability

Scale: Employee Retention

Case Processing Summary

		N	%
Cases	Valid	375	100.0
	Excluded[a]	0	.0
	Total	375	100.0

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

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.913	.916	5

Inter-Item Correlation Matrix

	loyal to this organisation	continue working for next few years	happy with current job role	no desire to look for another job	working for long term
loyal to this organisation	1.000	.753	.685	.695	.684
continue working for next few years	.753	1.000	.703	.654	.705
happy with current job role	.685	.703	1.000	.606	.648
no desire to look for another job	.695	.654	.606	1.000	.711
working for long term	.684	.705	.648	.711	1.000

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
loyal to this organisation	15.5467	12.430	.810	.667	.888
continue working for next few years	15.5413	12.441	.808	.669	.889
happy with current job role	15.6027	12.358	.747	.574	.900
no desire to look for another job	15.6320	11.517	.759	.596	.900
working for long term	15.6720	11.938	.788	.628	.892

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
19.4987	18.561	4.30823	5

Reliability

Scale: Reward and Compensation

Case Processing Summary

		N	%
Cases	Valid	375	100.0
	Excluded[a]	0	.0
	Total	375	100.0

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

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.886	.886	7

Inter-Item Correlation Matrix

	satisfied with annual increment	motivated by compensation received	satisfied with employee benefits	pay received match amount of work	aware compensation compares to others	reward system based on performance	good non-monetary rewards
satisfied with annual increment	1.000	.667	.624	.572	.506	.490	.546
motivated by compensation received	.667	1.000	.691	.621	.403	.448	.461
satisfied with employee benefits	.624	.691	1.000	.636	.442	.517	.542
pay received match amount of work	.572	.621	.636	1.000	.416	.469	.487
aware compensation compares to others	.506	.403	.442	.416	1.000	.509	.464
reward system based on performance	.490	.448	.517	.469	.509	1.000	.562
good non-monetary rewards	.546	.461	.542	.487	.464	.562	1.000

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
satisfied with annual increment	22.9013	20.726	.740	.569	.862
motivated by compensation received	22.9387	20.117	.713	.593	.866
satisfied with employee benefits	22.8107	20.272	.753	.600	.860
pay received match amount of work	22.8747	20.383	.689	.502	.869
aware compensation compares to others	22.7653	21.988	.571	.363	.883
reward system based on performance	22.6480	21.935	.634	.438	.875
good non-monetary rewards	22.7893	21.450	.649	.451	.873

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
26.6213	28.027	5.29409	7

Reliability

Scale: Work Environment

Case Processing Summary

		N	%
Cases	Valid	375	100.0
	Excluded[a]	0	.0
	Total	375	100.0

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

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.845	.847	8

Inter-Item Correlation Matrix

	positive work culture	open communication with management	safe and healthy workspace	values feedback	physical workspace encourage productivity	encouraged maintain work life balance	emotionally supported by supervisor	colleagues are friendly and supportive
positive work culture	1.000	.547	.488	.486	.431	.338	.447	.437
open communication with management	.547	1.000	.457	.477	.360	.284	.447	.466
safe and healthy workspace	.488	.457	1.000	.525	.540	.355	.246	.343
values feedback	.486	.477	.525	1.000	.436	.393	.258	.289
physical workspace encourage productivity	.431	.360	.540	.436	1.000	.409	.330	.275
encouraged maintain work life balance	.338	.284	.355	.393	.409	1.000	.460	.346
emotionally supported by supervisor	.447	.447	.246	.258	.330	.460	1.000	.584
colleagues are friendly and supportive	.437	.466	.343	.289	.275	.346	.584	1.000

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
positive work culture	26.9653	20.713	.652	.452	.818
open communication with management	27.1200	20.320	.620	.442	.822
safe and healthy workspace	26.8267	21.336	.596	.457	.825
values feedback	26.9947	21.150	.576	.413	.827
physical workspace encourage productivity	26.9867	21.302	.559	.383	.829
encouraged maintain work life balance	27.1467	20.933	.521	.334	.835
emotionally supported by supervisor	27.3387	20.342	.569	.474	.829
colleagues are friendly and supportive	27.0053	20.930	.562	.417	.829

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
30.9120	26.679	5.16521	8

Reliability

Scale: Training and Development

Case Processing Summary

		N	%
Cases	Valid	375	100.0
	Excluded[a]	0	.0
	Total	375	100.0

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

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.873	.874	8

Inter-Item Correlation Matrix

	training opportunities provide regularly	satisfied quality of training provided	improved job performance	offers equal access to development opportunities	mentoring or coaching programs available	training is customized to match employee needs	receive feedback to support growth	training programs are relevant and updated
training opportunities provide regularly	1.000	.587	.472	.457	.336	.492	.409	.553
satisfied quality of training provided	.587	1.000	.623	.446	.336	.448	.380	.599
improved job performance	.472	.623	1.000	.549	.434	.431	.448	.542
offers equal access to development opportunities	.457	.446	.549	1.000	.555	.388	.493	.440
mentoring or coaching programs available	.336	.336	.434	.555	1.000	.367	.476	.349
training is customized to match employee needs	.492	.448	.431	.388	.367	1.000	.371	.573
receive feedback to support growth	.409	.380	.448	.493	.476	.371	1.000	.437
training programs are relevant and updated	.553	.599	.542	.440	.349	.573	.437	1.000

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
training opportunities provide regularly	28.0187	19.147	.643	.459	.856
satisfied quality of training provided	28.1253	18.500	.664	.536	.854
improved job performance	28.0667	18.629	.688	.515	.851
offers equal access to development opportunities	28.2107	18.584	.651	.473	.855
mentoring or coaching programs available	28.2880	19.184	.549	.382	.867
training is customized to match employee needs	28.1467	19.243	.591	.397	.862
receive feedback to support growth	28.2373	18.962	.582	.365	.863
training programs are relevant and updated	27.9520	18.543	.683	.523	.852

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
32.1493	24.181	4.91740	8

Appendix 8: Preliminary Data Results

Normality Test Results

➡ **Descriptives**

Descriptive Statistics

	N Statistic	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Skewness Std. Error	Kurtosis Statistic	Kurtosis Std. Error
EmployeeRetentionAverage	375	1.00	5.00	3.8997	.86165	-1.209	.126	1.391	.251
RewardandCompensation Average	375	1.00	5.00	3.8030	.75630	-1.073	.126	1.526	.251
WorkEnvironmentAverage	375	1.00	5.00	3.8640	.64565	-.933	.126	1.724	.251
TrainingandDevelopmentAverage	375	1.00	5.00	4.0187	.61468	-1.510	.126	4.328	.251
Valid N (listwise)	375								

Multicollinearity Test Result

➡ **Regression**

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	TrainingandDevelopmentAverage, WorkEnvironmentAverage, RewardandCompensationAverage^b	.	Enter

a. Dependent Variable: EmployeeRetentionAverage

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.784^a	.615	.611	.53714

a. Predictors: (Constant), TrainingandDevelopmentAverage, WorkEnvironmentAverage, RewardandCompensationAverage

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	170.631	3	56.877	197.137	<.001^b
	Residual	107.039	371	.289		
	Total	277.670	374			

a. Dependent Variable: EmployeeRetentionAverage

b. Predictors: (Constant), TrainingandDevelopmentAverage, WorkEnvironmentAverage, RewardandCompensationAverage

Coefficients^a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	VIF
1	(Constant)	-.284	.194		-1.464	.144		
	RewardandCompensationAverage	.570	.055	.500	10.421	<.001	.451	2.216
	WorkEnvironmentAverage	.204	.063	.153	3.216	.001	.460	2.173
	TrainingandDevelopmentAverage	.306	.065	.218	4.682	<.001	.479	2.089

a. Dependent Variable: EmployeeRetentionAverage

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions (Constant)	RewardandCompensationAverage	WorkEnvironmentAverage	TrainingandDevelopmentAverage
1	1	3.963	1.000	.00	.00	.00	.00
	2	.019	14.269	.61	.35	.01	.00
	3	.010	20.394	.21	.56	.76	.01
	4	.008	22.034	.17	.09	.23	.99

a. Dependent Variable: EmployeeRetentionAverage

Appendix 9: Multiple Regression Analysis

→ **Regression**

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	TrainingandDevelopmentAverage, WorkEnvironmentAverage, RewardandCompensationAverage[b]	.	Enter

a. Dependent Variable: EmployeeRetentionAverage

b. All requested variables entered.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.784[a]	.615	.611	.53714

a. Predictors: (Constant), TrainingandDevelopmentAverage, WorkEnvironmentAverage, RewardandCompensationAverage

b. Dependent Variable: EmployeeRetentionAverage

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	170.631	3	56.877	197.137	<.001[b]
	Residual	107.039	371	.289		
	Total	277.670	374			

a. Dependent Variable: EmployeeRetentionAverage

b. Predictors: (Constant), TrainingandDevelopmentAverage, WorkEnvironmentAverage, RewardandCompensationAverage

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-.284	.194		-1.464	.144
	RewardandCompensationAverage	.570	.055	.500	10.421	<.001
	WorkEnvironmentAverage	.204	.063	.153	3.216	.001
	TrainingandDevelopmentAverage	.306	.065	.218	4.682	<.001

a. Dependent Variable: EmployeeRetentionAverage

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	.7956	5.1134	3.8997	.67545	375
Residual	-1.87613	1.72806	.00000	.53498	375
Std. Predicted Value	-4.596	1.797	.000	1.000	375
Std. Residual	-3.493	3.217	.000	.996	375

a. Dependent Variable: EmployeeRetentionAverage