Unveiling the Keys to Employee Loyalty: Exploring Factors Affecting Employee Retention

Wan Aliyah Wan Abd Aziz, Nor Lela Ahmad, Hairunnisa Ma'amor, Ruzita Manshor, Faizah Md. Sohid,
Natasha Dzulkalnine, Farahiyah Akmal Mat Nawi, *Azzura Nordin
Universiti Teknologi MARA, Malaysia
wanaliyah22@gmail.com, norlela2805@uitm.edu.my, hairun2952@uitm.edu.my,
ruzitamanshor@uitm.edu.my, faiza746@uitm.edu.my, natashad@uitm.edu.my,
farahiyahakmal@uitm.edu.my, *azzura344@uitm.edu.my
Corresponding Author: Azzura Nordin

Abstract: The issue of employee retention is a crucial factor especially if a company wants to remain relevant in the market. The research analyses how compensation and benefits, training and development, working environment, and reward and recognition impact the retention of employees. This study will employ a quantitative research design that will involve administering questionnaires to employees working in companies around Klang Valley conducted within the context of Malaysia, and it uses a survey approach with participants from various companies. In this study, the concepts of Maslow's Hierarchy of Needs and Alderfer's ERG Theory will be used in a bid to determine factors affecting employee retention. The sampling technique to be used is non-probability. Therefore, convenience sampling will be used with a view of identifying participants with rich information on their experience and perceptions towards the objectives of the study on employee retention. The study seeks to establish how these independent variables impact employee retention to enhance understanding of Human Resource Management (HRM) practices. Reliability analysis, descriptive analysis, correlational analysis, and regression analysis will be employed as a measure of the strength and direction of these relationships. It will reveal the most critical antecedents to overall employee retention and provide actionable insights that organizations can implement to improve their practices. Therefore, while filling the gap in the literature and targeting the Malaysian industry, this study aims to enhance understanding of the factors influencing employee retention. Finally, its purpose is to help organizations design proper approaches to retain top talents in the company and make them dedicated to work.

Keywords: Employee Retention, Compensation, and Benefits, Training and Development, Working Environment, Reward and Recognition

1. Introduction

Background of the Study

Keeping good employees happy and motivated becomes one of the top priorities for Human Resource teams. They are always putting in effort to make sure their top performers are engaged and committed to the company (Goswami, 2021). As indicated by Anilkumar (2024), employee retention refers to the company's ability to keep its employees for a long time. It is a process where the company motivates and encourages its staff to stay, helping the company remain strong and stable. Understanding the factors that influence employee retention is essential for developing strategies to keep valuable employees and maintain a competitive edge (Vijayakumar and Shanthini, 2020). Another study by Hussein et al. (2021) also emphasized that various factors influenced employee retention.

Economic fluctuations affect employee retention rates and other organizational processes as well. The key consequences of high employee retention include employee engagement, communication, compensation, leadership, career development, training and development, work flexibility, job satisfaction, and performance appraisal (Darmayanti et al., 2024). Previous research established that employee retention is influenced by some factors including rewards, supervisor support, training, development opportunities, job characteristics, and work-to-family conflict (Nadeem & Malik, 2021). This study also mentioned that employee retention can be explained by the length of time employees remain with a company and how frequently the company needs to hire new workers to replace those who leave. Employee retention affects organizations globally, impacting their performance, profitability, and ability to retain valuable workers in the face of fierce global competition (Suraihi et al., 2021).

Today, when technology has a more significant influence on organizations than ever before, it feels like

machines are encroaching (Prakash and Philimis, 2022). But organizations still need people as they are the ones who make sure all that technology runs smoothly. So, having good staff is still crucial for all companies. However, employee retention plays an important role in not only getting talented people but also ensuring the long-term commitment of the talent within the organization. To tackle this issue, corporations should start examining how they can keep their employees satisfied by supplementing remuneration, offering incentives and appreciation, and fostering a friendly workspace (Noordin et al., 2021).

In Malaysia, many past studies have thoroughly explored employee retention across various industries, including construction, manufacturing, and services (Zainal et al., 2022) The studies mentioned earlier emphasized how important it is to investigate keeping employees and figuring out what matters to them. Hence, this research seeks to establish how compensation and benefits, training and development, work environment, reward, and recognition are associated with employee retention. This study will determine how all these factors influence employee retention. As for the data collection method in this study, a survey will be conducted on the participants who are employees working in companies around Klang Valley. By highlighting all these factors, the firms may be aware of those factors that most affect the retention of employees.

Problem Statement

In general, the issue of employee retention plays a critical role in organizations that determine the level of employee loyalty (Chauhan and Guleria, 2024). Employee retention is determined by multiple factors which make up an efficient method of retaining employees (Kudtho et al., 2022). Businesses are now paying attention to the concern of retaining talented workers and are seeking ways the manage aspects that affect the ability of workers to stay with their employers (Elangkumaran et al., 2023).

The first issue is the problem of compensation and benefits regarding the ability of organizations to retain their employees (Islam et al., 2022). There is always a problem of employee turnover when employees feel that they are not paid what is expected of them or they even see other companies paying higher remunerations. Similarly, as Maqsood et al. (2023) have indicated, if the employees feel they are underpaid relative to the efforts they put they feel they are being exploited and hence lack motivation to the firm. In a similar study, Sija (2022) found that pay and remunerations play a critical role in unlocking employee turnover in private healthcare organizations in Malaysia. Therefore, additional research is necessary to examine the relationship between compensation and benefits and employee retention.

Second, where there is an effective working environment, people are interested in what they are doing. They have the enthusiasm for what they have been tasked to do. They receive continuous appreciation for their work along with opportunities for career growth and skill development. Another study has suggested that it is important to have good working conditions to keep the employees (Zulkefli et al., 2023). However, as everyone aims at building a good workplace where employees want to be, many organizations struggle with high employee retention. Consequently, this study by Zainal et al. (2022) noted that the working environment has contributed to improvement in employee retention. In addition, a study done by Chatzoudes and Chatzoglou (2022) pointed out that the working environment was the most important factor that influenced employee retention. These results highlight the significance of the working environment in increasing the retention of employees. Therefore, additional research is needed to investigate the relationship between working environment and employee retention.

Third, appropriate training and development enable employees to perform their tasks as expected and enhance their advancement within the company. These programs are well planned to meet the career needs of the employees as well as maintain employee intention to leave. The literature review conducted in academics has revealed that training and development have a positive correlation with employee retention (Islam et al., 2022). However, the problem of employee retention remains a significant concern, even when the company has invested more in training and developing its human resources. Some of the complaints that have been often noted are lack of proper training of the employees leading to the retention of employees. For instance, a study done by Chauhan and Guleria (2024) indicated that low levels of training lead to high rates of retention but low levels of quality services hence low revenue generation while high levels of training lead to low rates of retention but low rates of quality services hence low revenue generation. Additionally, according to Kiragu and Marwa (2022), training and development have impacted employee retention. To manage these gaps, it is

necessary to understand the impact of training and development on the retention of employees.

Lastly, reward and recognition are the critical strategies that address the challenges facing employees to ensure they work hard and remain loyal to the organization. When employees feel valued, it will motivate them to perform at their best, ensuring they stay in the organization. Previous studies have explained the need to have a good reward and recognition to maintain employee retention (Fitri, 2024). However, as good as the reward and recognition system that was put in place, the problem of employee retention has not been fully solved. Previous research from Al Suraihi et al. (2021) found that employees who felt their work was not appreciated experienced low morale and a higher intention to leave. Therefore, there is a need to further study the relationship between reward and recognition and employee retention.

In response to these problems, companies must ask themselves what would satisfy an employee so that the efficient and resourceful personnel would not leave the company. Many organizations are currently attempting to increase the level of employee dedication as well as organizational citizenship behavior. Thus, it must be noted that most organizations have significantly overlapping personnel management practices directed to the goal of making the employees happy, but these practices have to be universal. Therefore, the next action that a company takes naturally is to attempt to identify what affects 'employee retention' most. Thus, it is possible to build a good rapport with the professionals and the company can offer better conditions for them to remain loyal to their organization.

This study seeks to advance knowledge in the field by applying Alderfer's ERG Theory to investigate employee retention in Malaysia. Although previous studies have applied different approaches such as Herzberg's Factors and Maslow's Hierarchy of Needs (Nor et al., 2024; Ndahayo et al., 2023; Hanai and Pallangyo, 2020; Ping et al., 2024) to investigate factors affecting employee retention, this proposal incorporates ERG Theory to categorize and assess attributes like compensation, training, working environment and reward in recognition to employee retention. In the ERG Theory, human needs are categorized into existence needs, relatedness needs, and growth needs, which can shed light on how various aspects of a job meet these basic needs.

This research specifically focuses on employees working in companies around Klang Valley as the main source from which data will be collected. Employees from various companies offer a good cross-sectional sample of the employment market, including various occupational fields and employee types. Due to reaching out to the employees working in companies around Klang Valley, the research encompasses various groups of participants to provide a generalized view of the factors affecting employee retention across industries. This approach also allows for collecting current data from participants who are currently in the process of job hunting or seeking promotion. Many prior investigations are limited to some industry or organization setting, which means that it is difficult to determine how conclusions may cross over to different fields. This kind of approach leads to the emergence of a major research gap considering that the factors affecting employee retention in one industry may not necessarily suit another industry. To fill this gap, the study's purpose is to gather information from a variety of employees working in companies around Klang Valley. As compared to the other research approaches, this technique aims at collecting information from different sectors to have a broader perspective on the factors that lead to employee retention. Such a broader view might also uncover similarities and differences by industry, which might translate into more generalizable and efficient retention approaches.

Research Questions

- Is there a relationship between compensation and benefits and employee retention?
- Is there a relationship between training and development and employee retention?
- Is there a relationship between the working environment and employee retention?
- Is there a relationship between reward and recognition and employee retention?
- Which factors have the most influence on employee retention?

Research Objectives

- To investigate the relationship between compensation and benefits and employee retention.
- To determine the relationship between training and development and employee retention.

- To examine the relationship between working environment and employee retention.
- To identify the relationship between reward and recognition and employee retention.

2. Literature Review

Independent Variables

Compensation and Benefits: In today's fast-paced and competitive work environment, compensation plays a vital role in the workplace by directly influencing job satisfaction. Having good compensation helps the employees to have better financial stability and acknowledges the value of an employee's work (Suryadi et al., 2022). One often overlooked factor that significantly impacts employee retention is satisfaction with compensation (Fitri, 2024). Understanding the influence of compensation on employee retention is important to the organization aiming to retain skilled employees (Samosir et al., 2021). These factors are fundamental to job satisfaction and can significantly influence an employee's loyalty and engagement with their employer (Nor et al., 2024).

In this context, pay can also include any other benefit that an employee receives for valuable services in an organization (Prakash and Philimis, 2022). This is also supported by Sorn et al. (2023) who also consider compensation as all the benefits that are received by employees in exchange for their labor. Such components include their base pay (wage/salary), insurance, retirement, and other bending/emoluments, various forms of leave, incentives for performance, and other fringe elements like lunch, advancement, etc., as offered by the employer. Other sources also defined compensation as including any form of remuneration that an employer provides in return for employees' services, which may include monetary and nonmonetary benefits, salary, allowance, incentives, and paid leaves (Hanai & Pallangyo, 2020).

In the same year, Nor et al. (2024) highlighted that compensation became one of the core determinants of job satisfaction. Where an employee's performance has been quantified in terms of work accomplished, he or she is likely to feel valued and appreciated in equal measure to the financial remuneration offered. As stated by Watkins and Fusch (2022), when Kentucky Fried Chicken (KFC) employees recognize that their salary and promotions are in proportion to experience and outcomes, in addition to receiving a reward, they also feel they are being treated fairly. Therefore, those employees who do their best in an organization and get the necessary appreciation from their employers will remain faithful to their employers. Macaraig et al. (2024) realized that the lack of promotional opportunities, higher pay, and better wages are some of the reasons why employees in Cambodia put up resignation letters as observed by employers.

This statement agrees with previous research that highlights how important it is to offer competitive compensation to keep employees from leaving. A study with 64 teachers in Kenya highlighted that 87.5 percent of the teachers said their salaries were not enough to keep them working at private secondary schools. 76.8 percent of the respondents felt they were not getting adequate compensation. Only a small percentage, 12 percent, felt satisfied with their compensation. The study's overall findings highlight that compensation plays a crucial role in retaining employees (Kariuki, 2020). According to Biason (2020), job satisfaction depends on pay and other factors that are positively linked to employee retention. When employees are happy with their pay and overall job satisfaction, they are more likely to stay with the company, helping it succeed and stay competitive in the long run.

Salary and promotions have a positive correlation with employee retention. The researchers Alshamrani et al. (2023) demonstrated that this element had a beneficial impact on employee retention by discovering that 64.9 percent of the respondents felt their salary was fair when compared to their peers in comparable occupations in other organizations. Compensation is an important part of the total rewards system used by organizations to attract, retain, and motivate employees, encompassing both financial and non-financial benefits that enhance employees' mental and physical capabilities. However, while the correlation between compensation and employee retention is well-established, other research argues that compensation may not influence employee retention. Compensation has no positive relationship with employee retention. Considering all that has been discussed, a study will be conducted to determine whether compensation influences employee retention (Ojediran and Adebayo, 2023).

Training and Development: Measures such as training and development have also been found to influence the levels of retention. Literature evidence proves that training and development activities are positively associated with employee retention (Kumari, 2022). Good training and development always assist in nurturing employees, their skills, knowledge, and attitude to work thereby enhancing their performance (Fabian et al., 2024).

Training and development programs are referred to as an educational upgrade for employees, whether they are in public service or the private sector. They are designed to help people level up in their jobs by teaching them new skills, and knowledge, and giving them a boost of motivation. These programs are important for ensuring that employees perform at their best and feel empowered to succeed in their roles (Prakash and Philimis, 2022). This statement agrees with what other studies have shown giving employees training and development is key to keeping them in the company, especially in IT. Other studies also defined training and development as training and development refers to the systematic and planned process of improving the knowledge, skills, and competencies of employees to help them perform their jobs more effectively.

Training is important for keeping employees of all ages, helping them grow both in their skills and how they behave at work. Making sure everyone can access training programs is important to help the company grow better, especially by improving how well people work and using new technology (Ojediran & Adebayo, 2023). Training was defined as a process that enhances employees' skills and knowledge, thereby enhancing their job satisfaction and retention, and ultimately aiding the company in achieving its objectives. Training serves as a tool for personal growth and job improvement, ultimately benefiting the company (Alharthy & Marni, 2020).

Other than that, training is like a focused program where you learn new things and develop skills to tackle specific tasks better while development involves broader learning experiences that prepare individuals for future roles and growth opportunities (Murtiningsih, 2020). Studies have found that training programs are one of the main factors to keep employees around. For example, a study by Calinao et al. (2020) showed that when companies invest in training and development, it helps to hold on to employees. Without good training, some workers might leave, which can cost the company money and resources.

Working Environment: The working environment is a physical condition and social features such as the physical geographical location in which an employee performs their job. A good working environment can offer a pleasant working experience and adequate resources, and it is said to greatly in retaining customers. The study by Alshamrani et al. (2023) showed that a good working environment is linked to keeping employees longer. When employees are happy with their work conditions, they are more likely to stay with the company. In short, creating a positive work environment can help companies keep their employees and lower turnover rates.

According to Xuecheng et al. (2022), the working environment refers to how safe employees feel at work and how well they can communicate their opinions about their surroundings with the company. After studying the research paper, it was concluded that the working environment influences employee retention in the workplace. Prakash and Philimis (2022) conducted a study on the definition of working environment and according to them: Working environment refers to the work environment as the place and conditions in which a person performs their duties, interacts with colleagues, and operates in a physical environment.

All of these have a direct impact on the employees' level of contentedness, meetings, communications with other employees, group cohesiveness, performance rates, and even their well-being. For example, a study assessed the working conditions of 366 employees operating in Saudi Arabian pharmaceutical firms and identified that 68 percent of the responders stated that they were comfortable with the working conditions offered by their employers to continue working in the company. Interestingly, only 18. Only 2 percent of the respondents dissatisfied with the working environment labeled themselves as wanting to quit their jobs. These results indicate that the work environment of the target organizations has a direct positive effect on staff turnover within the pharmaceutical companies in Saudi Arabia (Alshamrani et al., 2023).

In the Philippines, In the case of the Filipino seafarers' decision to remain on international cruise ships, one common determinant is the work environment. Although the workplace environment has a role to play in

retaining employees, other studies indicated that it is not the only factor. Other factors include pay equity and remunerated wage, training and development, and employment security to retain Filipinos onboard cruise ships. Therefore, it stated that Filipino employees remain to be highly appreciated for their capacity to work hard and be friendly with guests most of the time, which improves their stay (Calinao et al., 2020). The present study also proves this assertion, given the study conducted by Noordin et al. (2021) which suggests that the work environment is among the significant determinants of job retention in the eCommerce logistics sector.

Naz et al. (2020) observed that positive environments in workplaces not only enhance the performance of workers, but they also remain loyal to their workplace. These environments include civil treatment, proper communication, development prospects, rewards for hard work, and encouragement. This leads to higher levels of motivation, commitment, and satisfaction with the job leading to; the organization benefiting from the reduced expenses required to recruit and train new employees. According to Frye et al. (2020), the work environment has a big effect on how satisfied Generation Y employees are with their jobs in the hospitality industry. This satisfaction then influences how committed they are to staying in that industry. Having a good work environment is important for keeping younger workers in hospitality.

Reward and Recognition: Reward and recognition play an important role in keeping employees motivated and loyal to their organizations. As companies aim to boost productivity and stay ahead of the competition, it's important to understand how these elements affect employee behavior. According to Prakash and Philimis (2022), reward and recognition can be defined as ways to show an appreciation for employees' hard work. This can be done through various methods, both tangible and intangible. The goal is to acknowledge and appreciate employees' efforts fairly and promptly, fostering a supportive and appreciative workplace. Rewards are a form of acknowledgment for the work and contribution someone has made (Choi & Presslee, 2020).

Kryscynski et al. (2020) have shown that rewards and recognition, including incentives like public acknowledgment, awards, and tangible services, play a crucial role in employee motivation. This is also supported by the research from Nor et al. (2024) that revealed when people get rewarded or acknowledged for doing something well, it makes them want to keep doing their best. So, giving rewards and recognition for outstanding performance can be a powerful way to keep people motivated and engaged. Previous studies have shown that researchers have been focused on understanding what motivates employees to stay in their jobs, particularly when it comes to rewards and recognition. Kršlak and Ljevo (2021) found that rewards directly motivate employees to work towards the company's goals.

A strong relationship between reward and recognition and employee retention has been highlighted in the literature. Recent research emphasizes how rewards boost employee commitment, loyalty, and willingness to stay with the company. They make employees feel valued and respected, which encourages them to stick around (Noordin et al., 2021). When rewards are structured fairly, employees feel properly appreciated for their hard work and skills, which makes them more likely to stay. This finding is aligned with Calinao et al. (2020) who found that reward and recognition as one of the factors that contribute to employee retention.

Dependent Variable

Employee Retention: The issue of employee retention has become increasingly important, and researchers have tried to determine strategies for retaining staff members. According to Biason (2020), companies need to focus on job satisfaction and motivation factors to maintain employee retention. Studies have revealed that elements like job satisfaction, commitment to the firm, and a healthy balance between work and personal life are critical in determining how long people stay with a company. A study among 420 employees in Cambodia highlighted several key factors that influence employee retention in private companies in Cambodia. The researcher found that compensation and a good work-life balance, both of which significantly boost job satisfaction and help keep employees from leaving (Nor et al., 2024).

Subsequently, in a survey conducted by Ahmed and Vijayakumar (2024), factors affecting retention of employees referred to job satisfaction, career advancement, pay, interesting tasks, training and development prospects, organizational culture, working conditions, work-life balance, stress, and turnover. Another study has described employee retention as an organizational effort to cultivate and maintain qualified employees to meet organizational needs for an efficient working force while practicing strategic retention to check human

capital with organizational goals (Elangkumaran et al., 2023).

Hypothesis Development

The following is the summary of the sources selected to support the hypotheses of this research based on the related literature in Table 1:

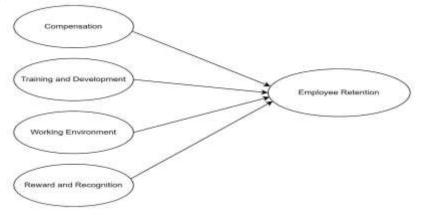
Table 1: Summary of sources supporting the hypotheses

Item	Hypotheses	Previous Studies
H1	Compensation and benefits have a significant effect on employee retention.	Suryadi et al. (2022) Fitri (2024) Nor et al. (2024) Sorn et al. (2023) Macaraig et al. (2024) Biason (2020) Kariuki (2020) Vijayakumar and Shanthini (2020) Prakash and Philimis (2022) Hanai and Pallangyo (2020) Watkin and Fusch (2022) Alshamrani et al. (2023) Murtiningsih (2020) Ojediran and Adebayo (2023) Saputra and Riana (2021) Samosir et al. (2021) Siaw et al. (2022) Shrestha and Prajapati (2024) Mohamed et al. (2023) Kumar (2021)
Н2	Training and development have significant effects on employee retention	Kumari et al. (2022) Fabian (2024) Kiragu and Marwa (2022) Musundire (2021) Merican et al. (2022) Siaw et al. (2022) Ojediran and Adebayo (2023) Nazeem and Malik (2021) Ghani et al. (2022) Nguyen (2020) Prakash and Philimis (2022) Murtiningsih (2020) Calinao et al. (2020) Alharthy and Marni (2020) Nor et al. (2024) Macaraig et al. (2024)
Н3	Working environments have a significant effect on employee retention.	Xuecheng et al. (2020) Ndahayo et al. (2023) Vijayakumar and Shanthini (2020) Prakash and Philimis (2022) Zainal et al. (2022) Alshamrani et al. (2023) Calinao et al. (2020) Naz (2020) Frye et al. (2020) Islam et al. (2022) Chatzoudes and Chatzoglou (2022)

		Rahmani and Prayoga (2023) Noordin et al. (2021) Nor et al. (2024) Macaraig et al. (2024)
H4	Reward and recognition have a significant effect on employee retention.	Nor et al. (2024) Prakash and Philimis (2022) Caredo et al. (2022) Prakash and Philimis (2022) Noordin et al. (2021) Calinao et al. (2020) Robertson (2024) Al-Suraihi et al. (2023) Masputra et al. (2023) Choi and Preslee (2020) Kryscynski et al. (2020) Kršlak and Ljevo (2021) Macaraig et al. (2024)

Conceptual Framework

Figure 1: The proposed conceptual framework for the Employee Retention Model



3. Research Methodology

Research Design

The research design for this study will be correlational research. Correlational research can be defined as the direct relationship between at least two factors without any hint of attributing the impact of one variable on another (Salkind and Frey, 2020). Besides, the research design is a strategy, plan, and structure to capture ensured in controlling variance and searching question. It is a good plan that helps research specify the way and procedure to collect and analyze data and information. In this study, the researcher will try to find out whether compensation, training and development, working environment, reward, and recognition influence the retention population of Klang Valley. Descriptive research aims at the development of accounts of facts in features of a population. It also enables the researchers to find out which of the elements contributed to the particular case or result in question.

Population

For this research study, the target population or the target respondents are a group or category of people with the same characteristics and features to act as the respondents and participants of this research. The purpose of this study is to benefit from the factors that might influence employee retention in different industries. Therefore, the target population for this study would be individuals with working experience within different industries since they would be able to offer relevant information on matters concerning employee retention. It

can be a variety of population groups such as by age, education level, years of service, and income level since they all have working experience in the industry. The country chosen for this research is Malaysia, which will be specified in certain locations in Klang Valley. The data will be collected from those people who are working in various companies. The reason for choosing the target locations in this study is because it has various types of industries, and the factors that influence employee retention are different. Furthermore, it is also a multicultural country where people from different races and religions, with different skin colors, and different cultures exist. Thus, it will be possible to make the target population contribute different views on the research variable. In some ways, it can improve the result of the research since it gathers data from different people in this research.

Sampling Technique

The sampling technique as highlighted by Mulisa (2023) consists of a probability sampling technique and a non-probability sampling technique. Probability sampling techniques involve random selection, and every member of the population has a known likelihood of being selected. On the other hand, non-probability sampling methods do not give equal chances to every unit, and the probability of a given unit being selected is not given. Non-probability includes convenience sampling, judgmental sampling, quota, or purposive sampling, and snowball sampling. In this study, the researcher plans to use convenience sampling because the time amount of money available for conducting the research and the ease of accessing participants at any given time is convenient.

Unit of Analysis

The unit of analysis in this present study will involve employees working in companies around Klang Valley. The researcher assumes that working employees would have some opinion on employee retention issues.

Instrument

In the context of this study, the content of the questionnaires is categorized into the following three parts. Based on the research objectives, each section is subdivided as follows:

Table 2: List of Instruments

Section	Number of Items Questions)
Part A: Demographic Profile	6
Part B: Dependent Variable (Employee Retention)	6
Part C: Independent Variable (Compensation and Benefit)	6
Part D: Independent Variable (Training and Development)	6
Part E: Independent Variable (Working Environment)	6
Part F: Independent Variable (Reward and Recognition)	5
TOTAL	35

Plan for Data Analysis

Reliability Analysis: Reliability analysis aids in determining the consistency and stability of data, as well as testing the connection between various scale components (Suhartini et al., 2021). In this study, Cronbach's alpha will be used to determine the internal consistency of the variables while doing reliability analysis using the Likert scale (Karaca et al., 2022).

Descriptive Analysis: According to Fulk (2023), descriptive analysis refers to a type of data analysis that aims to interpret, describe, and constructively summarize the data points which enable the researcher to determine the similarities among variables and detect outliers. The descriptive analysis is an important component of the researcher because it provides necessary information for the reader to interpret the findings. Thus, in this study, the data gathered from all sections of the questionnaire will be displayed in the format of bar graphs, pie charts, and tables to evaluate the general information.

Correlational Analysis: Pearson's coefficient of correlation is a statistical technique that tries to establish the nature and extent of the relationship that exists in two sets of quantitative data when one variable has a direct

relationship with another variable (Rony et al., 2023). Thus, the correlation coefficient could be used for measurements of the association between two variables with a p < 0.05 indicating statistical significance. The sign refers to the nature of the relationship: a positive sign means that variables are rising or falling together, and a negative sign that they are falling together. In this study, the researcher will use the statistical software SPSS version 27 to describe and analyze the correlation coefficient between two variables.

Conclusion

This study has four independent variables (IVs): compensation, training and development, working environment, and reward and recognition, and a dependent variable (DV) of employee retention. This study looks to extend existing research on the relationship by examining the mentioned backgrounds of employee retention. The study seeks to establish how these independent variables impact employee retention to enhance understanding of Human Resource Management (HRM) practices. Therefore, while filling the gap in the literature and targeting the Malaysian industry, this study aims to enhance understanding of the factors influencing employee retention. Finally, its purpose is to help organizations design proper approaches to retain top talents in the company and make them dedicated to work.

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