Services Industry Challenges:

Investigating the Main Touchpoints for Retaining Staff

Roshaya Binti Hassan

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

Research Project Submitted in Partial Fulfilment of the Requirements

for the Degree of Master of Business Administration

Universiti Tun Abdul Razak

October 2023

DECLARATION

I would like to provide clarification that the research paper in question is entirely original unless otherwise specified. All references included in the paper have been appropriately cited and acknowledged. I also declare it has not been previously or concurrently submitted for any other degree at University Tun Abdul Razak (UNIRAZAK) or other institution.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

Signature :

Name :

Date :

ACKNOWLEDGEMENT

Many people have been a part of my graduate education, as mentor, friends, and colleagues. This dissertation would not have been possible without the contributions and guidance of several individuals that brought this dissertation to a successful end.

First and foremost, my deepest appreciation to my supervisor, Prof. Dr. Roland Xavier for his relentless support, guidance and ideas that have inspired me to complete this dissertation. His patience and dedication have made my journey even more meaningful. You are an excellent supervisor Prof.

Also, special thanks to my family and friends who supported me with encouraging words and helpful ideas as I struggled between study, managing my kids and work. Your presence helped make the completion of my graduate work possible. For my beloved kids, Ayeesha and Aydan, thank you for the sacrificing and understanding throughout my MBA journey.

Finally, I gratefully acknowledge and appreciate the financial support provided by MARA for the financial assistance and UNIRAZAK staffs for the support and assistance throughout my MBA journey in UNIRAZAK.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or printing is not permitted.

TABLE OF CONTENTS

Title i

Declaration..... ii

Acknowledgement iii

Table of Contents..... iv

List of Tables ix

List of Figures.....xi

List of Abbreviations xii

List of Appendices.....xiii

Abstract.....xiv

CHAPTER 1 RESEARCH OVERVIEW

1.0 Introduction 1

1.1 Research Background.....1

1.2 Research Problem.....2

1.3 Research Objective.....3

1.3.1 General Objective.....3

1.3.2 Specific Objective 3

1.3.3 Research Question.....4

1.4 Research Significance 4

CHAPTER 2 LITERATURE REVIEW

2.0 Introduction 6

2.1 Underlying Theories.....6

2.1.1 Social Exchange Theory 6

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting is not permitted.

2.1.2 Employee Retention Connection's Model 8

2.2 Review of Variables 9

2.2.1 Working Environment 9

2.2.2 Supervisor Supports 10

2.2.3 Compensation 11

2.2.4 Work-Life Balance 12

2.2.5 Employee Retention 14

2.3 Research Framework..... 15

2.4 Hypothesis Development 16

2.4.1 The relationship between working environment and employee retention 16

2.4.2 The relationship between supervisor support and employee retention 17

2.4.3 The relationship between compensation with employee retention 18

2.4.4 The relationship between work-life balance with employee retention 19

CHAPTER 3 RESEARCH METHODOLOGY

3.0 Introduction 20

3.1 Research Design.....20

3.2 Sampling Design 21

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting is not permitted.

3.2.1 Target Population… 21

3.2.2 Location.....21

3.2.3 Sample Size.....22

3.3 Data Collection Method 23

3.3.1 Primary Data 23

3.3.2 Secondary Data 23

3.4 Construct Measurement.....24

3.4.1 Origin of Constructs… 24

3.4.2 The scale of Measurement..... 28

3.4.2.1 Nominal Scale 28

3.4.2.2 Ordinal Scale.....29

3.4.2.3 3.4.2.3 Likert Scale 30

3.5 Data Analysis Tool.....31

3.5.1 Data Analysis 31

3.5.2 Descriptive Analysis 31

3.5.3 Reliability Test 32

3.5.4 Pearson Correlation Coefficient 33

3.5.5 Multiple Linear Regression.....34

CHAPTER 4 DATA ANALYSIS

4.0 Introduction 35

4.1 Descriptive Analysis… 35

4.1.1 Respondent's Demographic Profile 36

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

4.1.1.1 Working Experience.....36

4.1.1.2 Gender… 37

4.1.1.3 Age 38

4.1.1.4 Education Level.....39

4.1.1.5 Level of Income… 40

4.1.2 Central Tendencies of Measurement… 41

4.1.2.1 Mean and Standard Deviation of Working Environment……42

4.1.2.2 Mean and Standard Deviation of Supervisor Support… 42

4.1.2.3 Mean and Standard Deviation of Compensation.....44

4.1.2.4 Mean and Standard Deviation of Work-Life Balance 45

4.1.2.5 Mean and Standard Deviation of Employee Retention… 46

4.2 Reliability Test 47

4.3 Inferential Analysis 48

4.3.1 Pearson Correlation Analysis 48

4.3.2 Multiple Linear Regression Analysis.....49

4.4 Test of Significant 52

CHAPTER 5 DISCUSSION, CONCLUSION AND IMPLICATIONS

5.0 Introduction… 55

5.1 Discussion of Major Findings 55

5.1.1 Working Environment… 57

5.1.2 Supervisor Supports 58

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

5.1.3 Compensation 59

5.1.4 Work-Life Balance 60

5.2 Implication of the study 61

5.2.1 Theoretical Implication 61

5.2.2 Practical Implication 62

5.3 Limitations of the study 63

5.4 Recommendation for future study 64

References… 65

Appendices… 69

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

LIST OF TABLES

	Page
Table 3.1: Origin of Constructs	24
Table 3.2: Example of Nominal Scale	28
Table 3.3: Example of Ordinal Scale	29
Table 3.4: Example of Likert Scale	30
Table 3.6: Rule of Thumb of Reliability Test	32
Table 3.7 Interpretation of Correlation Coefficient	33
Table 4.1: Respondent's Working Experience in Service Industry	36
Table 4.2: Respondent's Gender	37
Table 4.3: Respondent's Age	38
Table 4.4: Respondent's Education Level	39
Table 4.5: Respondent's Level of Income	41
Table 4.6: Mean and Standard Deviation of Working Environment	42
Table 4.7: Mean and Standard Deviation of Supervisor Support	42
Table 4.8: Mean and Standard Deviation of Compensation	44
Table 4.9: Mean and Standard Deviation of Work-Life Balance	45
Table 4.10: Mean and Standard Deviation of Employee Retention	46
Table 4.11: Reliability Statistics for Actual Research	47
Table 4.12: Correlations	48
Table 4.13: Model Summary	49

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, reprinting, is not permitted.

Table 4.14: ANOVA 49

Table 4.15: Coefficient 50

Table 4.16: Test of Significant 52

Table 5.1: Discussion of Major Findings 55

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

LIST OF FIGURES

Page

Figure 2.1: Employee Retention Connection's Model 8

Figure 2.2: Research Framework 15

Figure 4.1: Respondent's Working Experience in Service Industry 36

Figure 4.2: Respondent's Gender 37

Figure 4.3: Respondent's Age 38

Figure 4.4 Respondent's Education Level 39

Figure 4.5 Respondent's Level of Income 40

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

LIST OF ABBREVIATIONS

SET	Social Exchange Theory
ERC's	Employee Retention Connection
Mean_WE	Mean_Working Environment
Mean_SS	Mean_Supervisor Supports
Mean_C	Mean_Compensation
Mean_WLB	Mean_Work-Life Balance
Mean_ER	Mean_Employee Retention

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

LIST OF APPENDICES

PAGES

Appendix A: Survey Questionnaire 73

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

Abstract of the project paper submitted to the Senate of Universiti Tun Abdul Razak in partial fulfilment of the requirements for the Master of Business Administration

Services Industry Challenges:

Investigating the Main Touchpoints for Retaining Staff

By

Roshaya Binti Hassan

October 2023

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting is not permitted

This study comprises five comprehensive chapters, each offering a distinct viewpoint on the topic at hand. These chapters consist of an overview of past research, a review of pertinent literature, an explanation of the methodology, a thorough data analysis, and a discussion of the findings. The primary focus of this research is to explore the impact of various touchpoints or factors, such as work environment, supervisor support, compensation, and work-life balance, on employee retention. The researchers gathered information from prior studies and new data obtained from respondents to achieve this objective. The study examines the correlation between independent and dependent variables influencing staff or employee retention rates. The research team collected data from more than 150 respondents through survey questionnaires and performed multiple analyses to arrive at the outcomes. The findings indicate a clear and significant relationship between the work environment and employee retention, compensation and employee retention, and work-life balance and employee retention. When an organization offers work-life policies that meet employee expectations, provides a competitive compensation package, furnishes their employees with resources for health and well-being to support work-life balance, and provides a safe and comfortable working environment, they can increase retention rates. The study concludes with recommendations for further research and a discussion of encountered limitations.

CHAPTER 1: RESEARCH OVERVIEW

1.0 Introduction

The main aim of this research study is to conduct an in-depth investigation into the factors that affect employee retention rates in the service industry. The research will identify the key factors contributing to employee retention and the challenges that companies in the service industry face in retaining their employees. The study will also explore potential solutions and strategies that can be employed to improve employee retention rates in this sector. The insights and recommendations this research provides will be useful to companies operating in the service industry, helping them create a more positive and supportive work environment that promotes long-term employee commitment and most importantly retain them.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, reprinting, is not permitted

1.1 Research Background

Employee turnover is a major challenge for businesses in the service industry, causing inefficiencies and ineffectiveness. Unfortunately, the employee retention rate is declining, leading to a rise in employee turnover. Retaining employees has become a significant concern for companies today since losing talented employees can lead to losing valuable knowledge, skills, and expertise. Therefore, companies must retain top talent to gain a competitive edge.

To retain the best talent, businesses must hire the right people and provide strategies to meet their employees' needs and keep them engaged. Employee retention is crucial since it is vital to overall employee performance and the company's profitability. As such,

employee retention should be a fundamental component of human resource strategies.

According to recent research by Zainal, Wider, Lajuma, Ahmad Khadri, Taib, and Joseph (2022), employers in Malaysia are facing a concerning trend of increased voluntary turnover. The service industry, in particular, recorded a turnover rate of 12.8% in 2017, which is higher than the median rate of 10% for the Asia-Pacific market. The COVID-19 pandemic has only exacerbated the issue, with over 43% of Malaysian workers considering changing jobs by June 2022, a 17% increase from 2021 (Zainal et al., 2022).

The EY 2022 Work Reimagined Survey also found that more than 36% of Malaysian respondents plan to leave their current companies within the next year, citing higher salaries as a key motivator. In addition, the education industry in Malaysia has experienced a significant increase in turnover rate from 13.2% in 2013 to 20% in 2017 (Orpina et al., 2022), while the financial and banking industry has a high turnover rate of 18.3% (Falahat et al., 2019). These findings suggest that Malaysia's service industry faces a higher turnover rate.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying or reprinting, is not permitted.

1.2 Research Problem

Retaining staff is a critical component for the successful operation of any organisation. To retain top talent, organisations must consider their employees' perspectives. Failure to focus on employee retention can lead to severe issues such as data loss, employee dissatisfaction, and a negative impact on the company's reputation (Nasir et al., 2018). High employee turnover rates can also result in significant organisational costs, including leave capitalisation, recruitment, formal training, and temporary worker costs. Therefore, it is imperative not to underestimate the costs of turnover.

The service industry in Malaysia experienced a high turnover ratio, and the first quarter of 2020 saw 165,000 employees lose their jobs due to the financial crisis and lockdown. Inflation and unemployment rates have increased in 2021, making it even more critical for companies in the service industry to put a great deal of effort into achieving sustainable performance and retaining their skilled and talented employees.

To address this situation, organisations should focus on employee satisfaction to retain top talent. Companies have implemented retention policies and tactics to improve employee engagement and loyalty. However, the effectiveness of these policies may vary depending on the organisation. Therefore, companies must understand the factors that impact employee retention the most.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

1.3 Research Objectives and Research Questions

1.3.1 General Objective

To analyse the key factors that influence employee retention in the service industry, we can then work towards improving retention rates and creating a more stable and committed workforce.

1.3.2 Specific Objective

To gain insights into the impact of independent variables, including working environment, supervisor support, compensation, and work-life balance, on employee retention in the service industry, we must look into their relationship. Examining these

factors can provide us with a comprehensive understanding of how they influence employee retention rates in this sector. It is crucial for service industry establishments to grasp these factors, as they play a key role in their functioning and overall prosperity.

1.3.3 Research Question

The research aims to answer the following questions for the service industry:

1) How does the working environment affect employee retention?

2) Will supervisor support impact employee retention?

3) Is there a correlation between compensation and employee retention?

4) How could work-life balance impact employee retention?

This study seeks to understand the factors contribute to employee and staff retention in the service industry.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

1.4 Research Significance

This study is essential for companies to identify the factors that affect employee retention. Identifying these factors can help organisations find solutions to overcome employee retention problems and retain the best talent, saving company costs.

Through this study, organisations in the service industry can identify the key factors that affect employee retention. The Human Resources department can develop strategies to retain skilled and talented workers by analysing these factors. This way, the company can play a pivotal role in solving employee turnover problems.

The major factors that affect employee retention are the working environment, supervisor support, work-life balance, and compensation. This study provides a deeper understanding of the correlation between these independent variables and employee retention. The following chapters offer further explanations to help companies understand the factors that affect employee retention in the service industry.

In summary, this research is especially valuable for companies in the service industry as it helps them understand the factors that affect employee retention, which can help them retain employees and save costs.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

This chapter will discuss and explain the independent and dependent variables linked to the underlying theories. The research consists of four independent variables: the working environment, supervisor support, compensation, and work-life balance, with employee retention being the dependent variable. Furthermore, a research framework was provided to identify the relationships among these variables, and several hypotheses were developed to show whether there is a significant relationship between them.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted

2.1 Underlying Theories

2.1.1 Social Exchange Theory

The research is based on Social Exchange Theory (SET), which refers to voluntary actions performed by a person who expects to receive something from another person based on a mutual relationship. According to Baharin et al. (2018), this theory is widely used to gain a deeper understanding of employee retention and to investigate various organisational relationships, such as those between organisations and employees, and even between employers and employees. The objective of SET is to maximize benefits and minimize costs.

In their 2018 study, Wang, Long, Zhang, and He identified two exchange relationships between employers and employees in the context of the Social Exchange Theory (SET). These exchanges are social and economic in nature. Social exchange pertains to an individual's social and esteem needs. It involves greater affiliation and higher social status. On the other

hand, economic exchange refers to the financial needs of individuals. This includes increased salary, compensation, and promotion. Baharin et al. (2018) further explained on the economic exchange aspect of SET.

Based on this theory, organizations that identify and invest in talent are more likely to achieve a positive return on their investment. SET also suggests that when an organization provides a working environment that satisfies employees, they are likelier to stay with the organization and put in effort in their workplace. Employees who feel supported and motivated in the organization will work hard and contribute more to their workplace.

In today's dynamic work environment, understanding the relationship between employees and organizations is crucial. The Social Exchange Theory (SET) provides a comprehensive framework to analyze this relationship. According to a recent study conducted by Zainal et al. (2022), employees' focus on either social exchange or economic exchange can have a significant impact on their motivation levels. Meeting the expectations of both social and economic exchanges can lead to increased efficiency and better long-term results.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

Organizational support is another crucial factor that can influence employee motivation and retention. When employees feel that their organization recognizes their contributions and provides adequate rewards, they are more likely to stay committed to their work. This can lead to employee retention and job satisfaction, which are essential for any organization's success. In conclusion, understanding the Social Exchange Theory and organizational support can help organizations build better relationships with their employees and achieve their long-term goals.

2.1.2 Employee Retention Connection's Model

The Employee Retention Connection's model (ERC) is a well known framework that has been extensively referenced in research papers. Kaur (2018) explains that the model highlights the importance of an organization's overall experience and identifies three critical factors that drive employee retention: engaging work, effective leadership, and recognition and rewards. Furthermore, Hee and Rhung (2019) emphasize that these primary strategies for retention are essential for fostering a culture of employee retention and loyalty.

Figure 2.1: Employee Retention Connection's Model

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting is not permitted.

Adapted from: Kaur, R. (2018)

An organisation can provide stimulating work by giving different types of assignments, autonomy decision-making, learning opportunities, resources and support to employees to do good work, and providing feedback and understanding to their employees. Motivational leadership is essential to retain the employee. Hence, the leader must support change, be open to new ideas, and share knowledge of the organisation's direction. Lastly, the organisation should recognise and reward employees who have done well in a task. Employees' success should be celebrated to build self-esteem and teamwork.

2.2 Review of variables

2.2.1 Working Environment

The working environment refers to the physical location of employees and the social aspects of their job. A good working environment can provide a pleasant experience with adequate resources and significantly impact customer retention. It is also vital to employee retention (Hee & Rhung, 2019). Bibi, Ahmad, (2018) found that the working environment can positively and negatively impact specific job outcomes such as commitment, engagement, and the intention to stay in the organization. For example, a clean and comfortable environment can encourage employees to complete their work more efficiently and effectively, increasing retention and commitment.

On the other hand, when employees work in poor environments, they feel undervalued, which can significantly increase employee turnover. According to Abun, Nicolas, Apollo, Magallanes, and Encarnacion (2021), the working environment can be broken down into three major elements: human, technical, and organizational settings. The human environment includes teams, workgroups, leadership, management, and interaction issues. The technical background includes equipment, technological infrastructure, and other tools. Lastly, the organizational climate includes procedures, practices, values, and systems. There are many concerns about the organization and human environment within an organization.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying or reprinting is not permitted.

2.2.2 Supervisor Supports

Supervisor support plays a crucial role in the success of an organization. It refers to the positive behavior of supervisors towards their employees that leads to sustained high performance. Supervisor support includes various elements such as providing feedback, recognition, and rewards. According to Bibi et al. (2018), supervisor support is based on interpersonal relationships between supervisors and their employees, which can significantly influence the quality of their interaction.

Employees place great value on a trustworthy supervisor who treats them fairly and understands their needs (Khan, 2020). On the other hand, if supervisors abuse their power, it can create conflicts in employee attitudes towards their jobs, life, and organization. Therefore, positive relationships between supervisors and employees, where supervisors motivate and support their staff, can lead to higher levels of employee loyalty to the company (Malik et al., 2020).

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting is not permitted.

In summary, supervisors who provide support to their employees, establish trust, and share positive relationships, contribute to a healthy work environment and the overall success of the organization.

Furthermore, when supervisors have provided support such as reward and feedback, they will actively participate in the organisation's goal and exhibit productive behaviour such as decreased absenteeism, increased job involvement, and reduced turnover rates. Hence, supervisor support can be shown through formal and informal recognition. Khan (2020) found that an organisation must develop an excellent supervisor to build a place to retain employees. When the company provide the performance and opportunity to each level, it

can improve their capabilities to work. Besides, when the supervisors and employees share positive relationships, the loyalty and attachment to the company will increase (Nasir et al., 2018). Employees will become more engaged if they communicate openly with their supervisor. On the contrary, if the employees lack communication and understanding with their supervisor, it will cause stress and a decline in efficiency and performance in their workplace.

2.2.3 Compensation

Employees are the backbone of any organization, and they deserve to be compensated for their valuable services. Compensation can be financial or non-financial, and it comprises salary, bonuses, commissions, overtime claims, and various benefits such as health insurance, holidays, and paid time off. Non-financial compensation can include a comfortable and healthy working environment, pleasant co-workers, job responsibilities, and other factors that can enhance an employee's job satisfaction.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted

Studies have shown that compensation can play a vital role in motivating and encouraging employees to work harder and stay longer with an organization. A fair and competitive salary is essential to attract and retain skilled employees, as found by Dhanpat et al. (2019). Additionally, bonuses and other incentives can increase job satisfaction and performance, as stated by Mahadi et al. (2020). Transparency can also play a significant role in increasing employee retention, as highlighted by Kossivi et al. (2016).

Chen et al., (2023) classify compensation into three main types: direct financial compensation, indirect financial compensation, and non-financial compensation. Direct financial compensation includes salary or wage payments and incentives like commissions and bonuses. Indirect financial compensation covers health insurance, labor insurance, life insurance, and paid time off like holidays and annual leaves. Non-financial compensation includes job responsibilities, a comfortable and healthy working environment, and pleasant co-workers. Organizations can use different types of payment to motivate and retain their employees, and a comprehensive compensation package can improve employee satisfaction, engagement, and loyalty.

2.2.4 Work-Life Balance

Achieving a healthy balance between work and personal life is known as work-life balance. Work and family are two of the most crucial aspects of human life (Welmilla, 2020). Work-life balance is something most employees strive for because they want the flexibility to complete their work on time while still having enough time to relax and rest (Bataineh, 2019). It has become a necessary aspect of business because work interruptions can negatively impact employees' attitudes. According to Zainal et al. (2022), work interference in personal life can damage employees' job satisfaction and commitment. Suppose an organization does not have policies that foster work-life balance, such as providing employees with an excessive workload or insufficient time with their families. In that case, employees are less likely to remain in that organization. Therefore, organizations need to cultivate a culture of work-life balance, which can help employees work with focus and efficiency.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, reprinting is not permitted.

Furthermore, Sun et al., (2023) discovered that work-life imbalance can reduce employee performance in the workplace. This is because employees' stress levels may

increase when they cannot balance their work and personal lives, which can affect an organization's competencies, effectiveness and overall performance. Flexible working hours can help employees take responsibility for their lives and reduce their stress and anxiety levels (Sun et al., 2023). Work-life balance can also increase employee performance, loyalty, commitment and motivation. Conversely, a work-life imbalance culture can harm an organization and its employees (Zainal et al., 2022). For example, when work-life balance issues negatively impact employees' performance, an organization's reputation and performance can suffer. Therefore, work-life balance is essential to organizations, as it can help employees manage their time between work and personal life.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

2.2.5 Employee Retention

Employee retention refers to the intention of employees to stay with their current organization (Senevirathna, 2017). Retention aims to prevent the loss of top talent that could harm a company's profitability and productivity (Onah and Anikwe, 2016). Retaining employees benefits an organization by contributing their efforts to increase its profitability. The Human Resources department plays a vital role in keeping employees by listening to their feedback and meeting their needs. Employee retention can reduce turnover rates and costs, such as recruitment and training expenses (Biason, 2020). Motivating employees and not just focusing on money and rewards to retain them is essential.

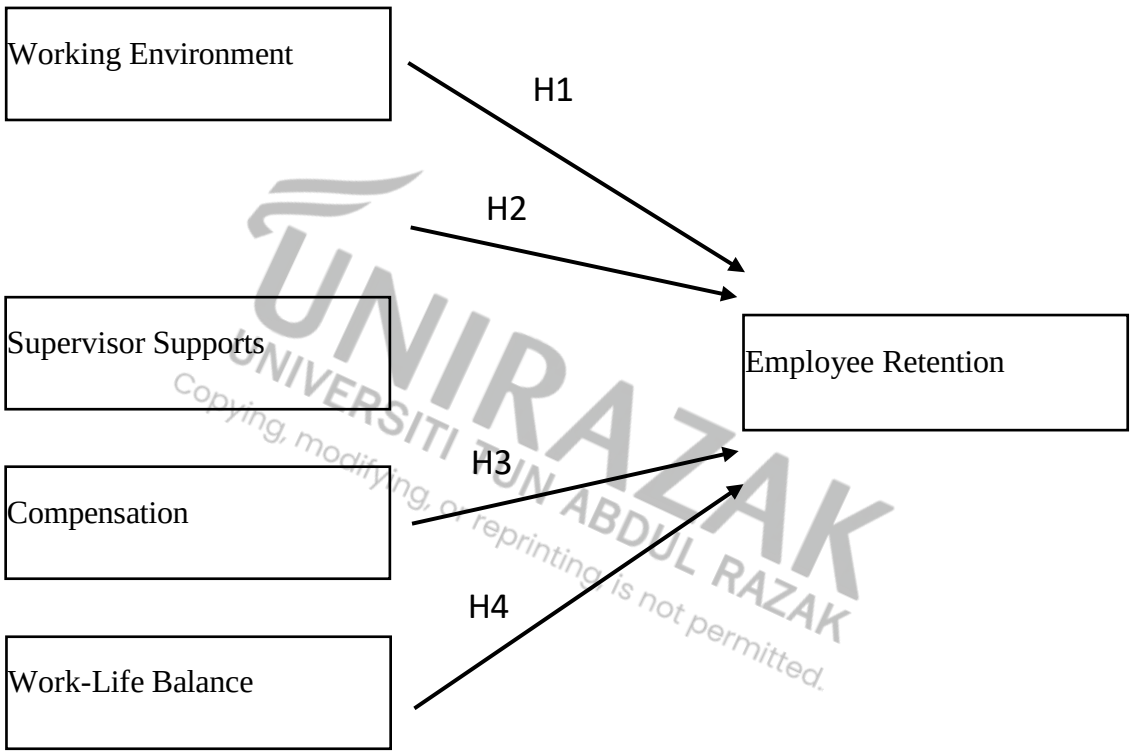
Effective communication is vital for retaining employees as it allows supervisors to discuss tasks with employees to avoid mistakes, making employees feel valued, motivated, and trusted by the organisation (Bibi et al., 2019). Meeting employees' varying needs and expectations is crucial in today's business environment, which can increase employee retention (Khan, 2020). Organizations now use high reward systems as a retention strategy and practical strategies to ensure employee satisfaction and improve performance, ultimately reducing employee turnover. With high employee retention, the organisation can compete with its competitors and ensure business growth.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

2.3 Research Framework

The research framework depicted in Figure 2.1 illustrates the relationship between dependent and independent variables used to conduct the research. It demonstrates the four independent variables affecting employee retention in the service industry: working environment, supervisor support, compensation, and work-life balance.

Figure 2.2: Research Framework



UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting is not permitted.

2.4 Hypotheses Development

2.4.1 The relationship between working environment with Employee retention

According to Parray et al., (2023) it states that the working environment has a substantial impact on employee retention. Hence, the working environment plays a vital role in the retention of employees. The organisation must give employees a desirable and conducive working environment to influence their decision to continue working there. A good working environment can also create a good sense of belongingness among the employees. For instance, when the organisation offers a good and comfortable working environment, the employees are happy to work and willing to stay longer. Other than that, a safe working environment will also encourage employees to remain in the organisation. Sun et al., (2023) found that the working environment is a place for learning and working in an organisation. So, the organisation should use various strategies to improve the working environment. Besides, the organisation changing to a good working environment can enhance the happiness of employees as well as increase the rate of employee retention. Therefore, the working environment is one factor that tends to affect employee retention.

H1: A significant relationship exists between the working environment and employee retention.

UNIRAZAK UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted

2.4.2 The relationship between supervisors supports employee retention.

According to Chopra et al., (2023) supervisory support strongly impacts employee retention. When supervisors provide support, employees are likelier to remain engaged with their work and the company. Employees who feel their supervisors care about their well-being tend to be more committed to their workplace. At the same time, employees expect their supervisors to be honest, fair, and respectful. Such support can motivate employees, increase job satisfaction and reduce employee turnover.

In addition, Zainee et al., (2020) found that employee retention is critical for a company's success, and this can be achieved by providing regular training and encouraging learning with the guidance and support of supervisors. Given the competitive job market, organisations must create a friendly and supportive work environment that fosters supervisor support to retain talented employees (Lee et al., 2022).

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

In summary, it can be concluded that supervisor support significantly impacts employee retention in an organisation.

H2: There is a significant relationship between supervisor support and employee retention.

2.4.3 The relationship between compensation and employee retention

Compensation plays a crucial role in employee retention, as per Chopra et al. (2023). When an organisation pays its employees on time and offers better compensation, such as bonuses and commissions, it helps retain employees. According to Lee et al. (2022), monetary pay is a significant factor in keeping employees longer. The key compensation elements, including salary, bonus, commissions, and merit pay, aim to attract the best employees to the organisation, as found by Zainee et al. (2020). Therefore, compensation can be a valuable tool for organisations to ensure successful employee retention. Organisations need to understand the needs of their employees and provide adequate compensation that meets their requirements. Zainee et al. (2020) also found that employees receiving low pay tend to be less engaged, resulting in low employee retention. Additionally, compensation can act as a motivator and attract employees to perform their duties effectively for the organisation's benefit. Therefore, compensation significantly influences employee retention.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

H3: There is a significant relationship between compensation and employee retention

2.4.4 The relationship between work-life balance and employee retention

Maintaining a work-life balance is crucial for employee retention, as per Zainee et al. (2020). When an organisation fails to provide a healthy work-life balance, it affects the employees' performance and the organisation as a whole. Employees who work long hours often require more time with their families, which can lead to poor performance and dissatisfaction at work. However, flexible working schedules and arrangements can help increase employee retention, as per Chopra et al., (2023). They suggest that a balanced workload and flexible working hours can help employees manage their personal and work lives efficiently, leading to higher productivity and job satisfaction.

When a company allows its employees to balance their work and personal life, they feel valued and supported and are more likely to stay with the organisation, as stated by Parray et al. (2023). On the other hand, a lack of work-life balance can decrease employee engagement and productivity. Therefore, a work-life balance culture is essential for any organisation looking to retain its employees and reduce the turnover rate.

H4: There is a significant relationship between work-life balance and employee retention.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

CHAPTER 3: RESEARCH METHODOLOGY

3.0 Introduction

Chapter 3 of this research report covers the research and sampling methodology, data collection methods, research instrument, and construct measurement used for the questionnaire. The chapter also details the data processing and analysis methods used. Additionally, a pilot test conducted during the research is discussed in this chapter.

3.1 Research Design

Research design provides a suitable framework for carrying out research. According to Given et al, (2023), it serves as the "glue" that integrates all research elements and facilitates the organization of the proposed research work. The research design is a strategy, plan, and structure that ensures researchers can control variance and answer research questions. It is an effective plan that can help researchers specify the methods and procedures for collecting and analyzing data and information. The objective of this study is to investigate the factors that affect employee retention rates in the service industry. Descriptive research will be employed to access information and data that represent the characteristics of the population, which will help the researcher determine the factors that contribute to the situation.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

3.2 Sampling Design

3.2.1 Target Population

Employees' inability to maintain a work-life balance can significantly impact their personal and professional lives. This underscores the need for organizations to prioritize and cultivate a culture that supports work-life balance. Such a culture can help employees work more efficiently and with greater focus, leading to better outcomes for the organization (Lee et al, 2022).

Moreover, research has demonstrated that work-life imbalance can have adverse effects on employee performance. When employees struggle to balance their work and personal responsibilities, their stress levels increase, which can negatively impact an organization's overall competency and effectiveness. However, providing flexible working hours can empower employees to take control of their lives, reduce stress and anxiety levels, and improve their performance in the workplace. Emphasizing work-life balance can also lead to increased employee satisfaction, motivation, and productivity, benefiting both the employees and the organization as a whole (Chopra et al, 2023).

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

3.2.2 Location

For this research, Malaysia has been chosen as the location. The target population includes individuals who have worked in the service industry in Malaysia. The selection of Malaysia as the target location is due to the diverse nature of industries in the service sector and the unique factors that affect employee retention. Additionally, Malaysia has a diverse population, comprising people of different races, religions, colors, and cultures, which can provide valuable insights into the research variables. By combining data from different groups

of people who share similar characteristics, i.e., working experience in the service industry, the research can be more precise.

The sampling technique used in this research is convenience sampling, which is a non-probability sampling method. Researchers use sampling techniques to select a small number of individuals to represent a larger population. Probability sampling and non-probability sampling are the two main categories of sampling techniques. Probability sampling ensures that each individual has an equal chance of being in the sample and is thus more accurate. Cluster, simple random, stratified, and systematic sampling are all examples of probability sampling techniques. Non-probability sampling, on the other hand, is based on judgment and includes convenience sampling, quota sampling, snowball sampling, and judgment sampling (Given et al, 2023). In this research, the convenience sampling technique has been chosen because it is inexpensive and more accessible than other methods. The respondents are readily available and can provide valuable information for the research study.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

3.2.3 Sample Size

As per Given, et al, (2023) the sample size of an empirical study is of utmost importance. When extrapolating from a random sample, the researcher must ensure that the sample size is large enough to avoid any sampling biases or errors. Therefore, to examine the factors affecting employee retention rates in the service industry, a sample size of 180 respondents has been set for this research study. It is worth noting that more than 180 survey questionnaires have been distributed to the respondents with working experience in the service industry as not all of the target population will respond to the survey (Given, et al, 2023).

3.3 Data Collection Method

Gathering relevant research information is crucial for evaluating the research problem and outcomes, and testing the hypothesis. Data collection has two main components: primary data and secondary data, both of which are used in this research.

3.3.1 Primary Data

When researchers gather data directly from personal experience, it's called primary data. This can be done by conducting interviews, social surveys, or experiments. According to Given, et al, (2023), the best procedures for collecting primary data depend on the specific research problem. Primary data is considered to be more trustworthy, accurate, and impartial in research.

For this study, we plan to distribute a survey questionnaire to 180 individuals with work experience in Malaysia's service industry using G Forms by google. The questionnaire will be divided into two sections: Section A and Section B. Section A will contain demographic questions, while Section B will ask about the research's independent and dependent variables.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

3.3.2 Secondary Data

Research is a systematic and methodical process of gathering and analyzing information to gain knowledge and understanding of a particular subject. In research, secondary data plays a crucial role in providing relevant insights and information that has been previously collected by other researchers or is easily accessible through various sources, such as textbooks, magazines, and newspaper articles. According to Given et al. (2023), a majority of

quantitative researchers rely on secondary data sources, including official statistics, administrative records, and other accounts, to support their research findings. For our particular study, we will be utilizing secondary resources from previous research conducted by other scholars. We will obtain relevant research materials, such as journal articles, from credible platforms, including Google Scholar, to ensure the accuracy and reliability of our research.

3.4 Construct Measurement

3.4.1 Origin of Constructs

Table 3.1 shows the origin of constructs of questionnaire items obtained from the relevant journals and articles.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

Table 3.1 Origin of Constructs

Variables		**Adopted Questionnaire**	**Reference**
Working Environment	WE1	My organisation provides suitable and comfortable working conditions.	Zainee (2020)
	WE2	There is a spirit of cooperation and teamwork in my organisation.	Zainee (2020)
	WE3	I always feel safe working here in this environment.	Zainee (2020)

	WE4	The company does everything to ensure the well-being of its academic staff.	Zainee (2020)
Supervisor Supports	SS1	My supervisor demonstrates trust and confidence in me.	Lee et al, (2022)
	SS2	My supervisor provides me with helpful performance appraisals.	Lee et al, (2022)
	SS3	My supervisor jointly sets performance objectives with me.	Lee et al, (2022)
	SS4	My supervisor helps me develop my career plan	Lee et al, (2022)
Compensation	C1	I am satisfied with the wages that I receive from my work.	Parry et al, (2023)
	C2	I am satisfied with the benefits such as health insurance, vacation, and sick leaves that I receive from work.	Parry et al, (2023)

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

	C3	I have been paid fairly for the work	Parry et al, (2023)
		I contribute to my company.	
	C4	I am satisfied at work because there are bonuses /rewards are given for excellent performance.	Parry et al, (2023)
Work-Life Balance	WLB1	I often neglect my personal needs due to the demands of my work.	Sun, (2023)
	WLB2	My job makes it difficult to maintain the kind of personal life I would like.	Sun, (2023)
	WLB3	I have to miss out on important personal activities due to my work.	Sun, (2023)
	WLB4	My personal life suffers due to my work	Sun, (2023)
Employee Retention	ER1	I want to stay with my company because there is career advancement for me	Zainee, (2020)

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, reprinting, is not permitted.

	ER2	I want to stay with my company because there would be a salary increase upon regularisation.	Zainee, (2020)
	ER3	I want to stay with my company because the job description matches my skills, experience and education.	Zainee, (2020)
	ER4	I want to stay with my company because there are retirement benefits.	Zainee, (2020)

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

3.4.2 Scale of Measurement

3.4.2.1 Nominal Scale

The nominal scale is a type of measurement scale that assigns values to objects for identification and classification purposes. It is commonly used in demographic sections of surveys, such as gender and education level (Given et al, 2023). For example, when classifying respondents by gender, the nominal scale divides them into two categories: male and female. Education level is also classified using this scale, with options including Primary school, Secondary school, Diploma level, Bachelor's degree, Master's degree, and others. You can find an example of the nominal scale being used in survey questionnaires in Table 3.2 below.

Table 3.2 Example of Nominal scale

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

4. Education level

- ☐ Primary School
- ☐ High School
- ☐ Diploma Level
- ☐ Bachelor's Degree
- ☐ Master's Degree
- ☐ Other: _____

3.4.2.2 Ordinal Scale

An ordinal scale is a type of measurement scale used to assign values to variables based on their relative ranking in a given dataset. This scale is commonly used to rank ordered categories such as best to worst, high to low, or first to last (Given et al, 2023). Examples of variables that can be measured on an ordinal scale include height, weight, age, and income level.

In this study, the age of respondents was classified into five categories: "below 20", "21-30", "31-40", "41-50", and "above 51". Similarly, the income level of respondents was classified into five categories: "less than RM1000", "RM1001-RM3000", "RM3001-RM5000", "RM5001-RM7000", and "above RM7000".

Table 3.3 is an example of how an ordinal scale can be applied to survey questionnaires.

Table 3.3 Example of Ordinal Scale

5. Level of income

- [ ] Less than RM1000
- [ ] RM1001 – RM3000
- [ ] RM3001 – RM5000
- [ ] RM5001 – RM7000
- [ ] Above RM7000

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying or reprinting, is not permitted.

3.4.2.3 Likert Scale

The Likert scale is a rating system that can assess the behavior, opinions, or attitudes of respondents. It is commonly used in surveys to help researchers gain insight into the personality and perception of their participants. For this research topic, a five-point Likert scale will be employed to gauge the level of agreement or disagreement among respondents regarding the variables (Given, et al, 2023). The available options for respondents to choose from include "Strongly disagree," "Disagree," "Neutral," "Agree," and "Strongly agree." Table 3.4 is an example of the Likert scale used in the questionnaire.

Table 3.4 Example of Likert scale

Supervisor Support

No.	Statement	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1.	My supervisor demonstrates trust and confidence in me.					
2.	My supervisor provides me with useful performance appraisal.					
3.	My supervisor jointly sets performance objectives with me.					
4.	My supervisor helps me develop my career plan					

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting is not permitted.

3.5 Data Analysis Tool

3.5.1 Data Analysis

As a researcher, data analysis is an important process to evaluate and logically analyze the data collected. It helps to investigate every component of the data and reach the research objective. There are several analytic procedures available that help to distinguish the phenomenon of interest from the statistical fluctuation in the data and to develop inductive inferences from it. In this research, we will be using IBM SPSS Statistics Subscription Software for data analysis. The software provides various functions for researchers, such as descriptive statistics, reliability tests, and more.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

3.5.2 Descriptive Analysis

Descriptive analysis is a process that helps researchers to summarize raw data in a structured form, making it easier to understand, adapt, order, and rearrange collected data to generate descriptive information. This analysis method provides a straightforward overview of the sample and the measures used. There are various types of descriptive statistics, such as central tendency, frequency, distribution, dispersion, and others, which are essential for statistical data analysis. Descriptive analysis is a vital step as it helps determine the conclusion of the data distribution, detect typos and outliers, and identify similarities between variables. In this research, descriptive analysis simplifies the collected data.

Collected from 180 respondents by applying a numerical approach and reducing the large amount of data more efficiently.

3.5.3 Reliability test

Cronbach's Alpha is a statistical tool used to measure the internal consistency of a scale or test. According to Given et al, (2023), it measures how closely item responses, such as survey answers, are related to each other. The value of Alpha ranges from 0.00 to 1.00 and its size varies depending on the number of items in the scale. However, if the test items are interrelated, it can affect the value of Alpha. Sharma (2016) provided a table to explain the values of Cronbach's Alpha, which is shown below.

Table 3.6: Rules and Thumb of Reliability Test

Cronbach Alpha	**Internal Consistency**
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good
$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$0.5 > \alpha$	Unacceptable

Adapted from: Sharma. B (2016).

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

3.5.4 Pearson Correlation Coefficient

Pearson correlation coefficient is a statistical technique that helps to determine the relationship between two or more variables. The technique measures the degree of association between independent variables and dependent variables. The correlation coefficient has a range from positive (+1) to negative (-1). A value of (+1) indicates that there is a strong positive linear relationship between two variables, while a value of (-1) indicates a strong negative linear relationship between two variables. A value of 0 means that there is no linear relationship between two variables.

In this research study, we will use the Pearson correlation coefficient to investigate the relationship between the independent variables (working environment, supervisor support, compensation, and work-life balance) and the dependent variable (employee retention). This will help us determine if there is a linear relationship between the research variables and enhance the accuracy of our data.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted

The correlation coefficient is considered low when the r value is below 0.4, moderate between 0.40 to 0.60, and high above 0.60. Other authors, such as Given, et al (2023) have also interpreted the strength of the correlation coefficient as shown in Table 3.7.

Table 3.7 Interpretation of Correlation Coefficient

Correlation Coefficients	Interpretation
0 – 0.10	Negligible Correlation
0.10 – 0.39	Weak Correlation
0.40 – 0.69	Moderate Correlation
0.70 – 0.89	Strong Correlation
0.90 – 1.00	Very Strong Correlation

Adapted from: Schober, Boer & Schwarte (2018)

3.5.5 Multiple Linear Regression

In statistical analysis, multiple linear regression is used to determine the impact of independent variables on a dependent variable. This technique is highly useful in predicting precise and accurate outcomes, particularly in research studies. By utilizing a few explanatory variables, multiple linear regression can also predict the result of the response variable. In this particular study, multiple linear regression can help the researcher to establish a clear understanding of the linear relationship between the independent variables such as the working environment, supervisor support, compensation, and work-life balance, and the dependent variable, which is employee retention.

The multiple linear regression model is formulated as below:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + \cdots + b_nX_n + e$$

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

CHAPTER 4: DATA ANALYSIS

4.0 Introduction

This chapter presents the results of a research questionnaire that was completed by 150 out of 180 respondents. It consists of two parts. The first part provides a descriptive analysis of the data collected using IBM SPSS Statistics Subscription Software. Analysis results are presented in the form of pie charts and tables. The second part comprises a reliability test and inferential analysis, which is conducted through Cronbach's Alpha, Pearson's Correlation Analysis, and Multiple Linear Regression to test the research variables.

4.1 Descriptive Analysis

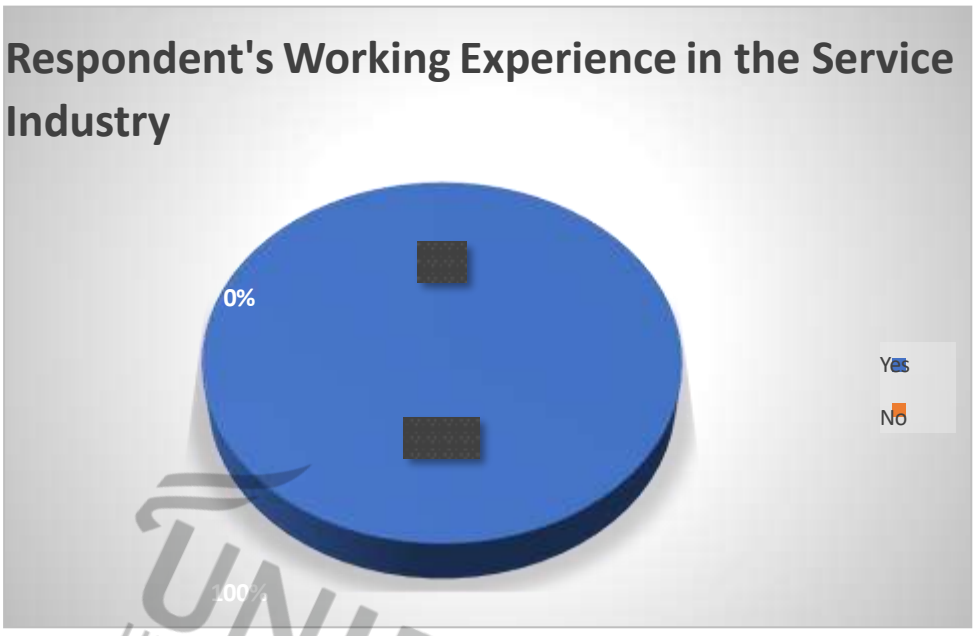
The researcher will analyze and summarize the demographic information of the respondents, which includes their work experience, gender, education level, age, and income level. One hundred fifty sets of questionnaires were distributed to the respondents through Google Forms. The diagrams and interpretation results were generated using the SPSS Statistics software and are presented below.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

4.1.1 Respondent's Demographic Profile

4.1.1.1 Working Experience

Figure 4.1: Respondent's Working Experience in the Service Industry



Sources: Developed for Research

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting is not permitted.

Table 4.1: Respondent's Working Experience in Service Industry

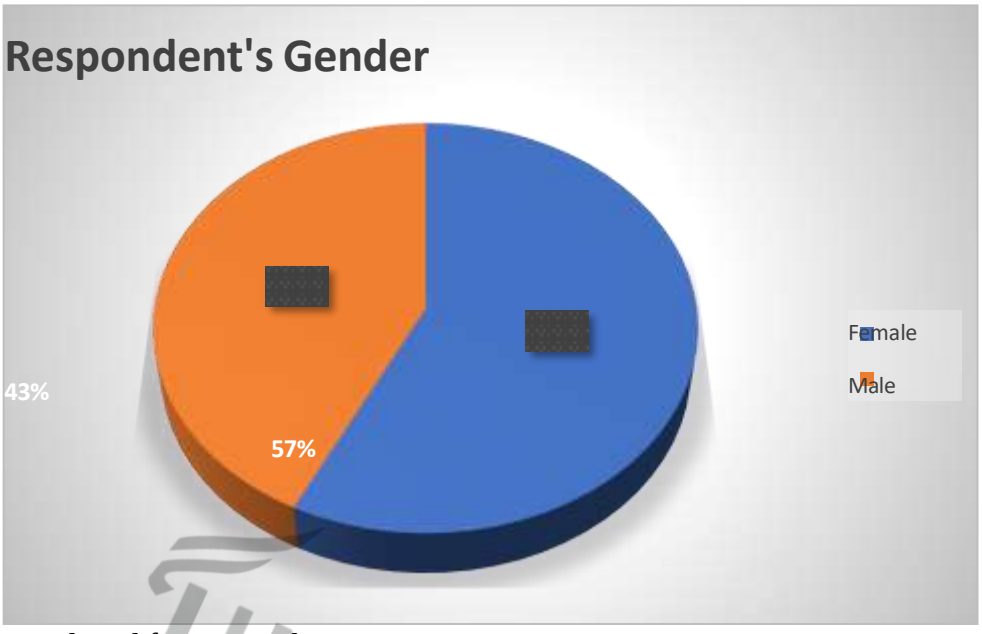
Respondent's Working Experience			
		Frequency	Per cent
Valid	Yes	150	100

Sources: Developed for Research

The table above displays the service industry work experience of all 150 respondents, which represents 100% of the research.

4.1.1.2 Gender

Figure 4.2: Respondent's Gender



Sources: Developed for Research

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting is not permitted.

Table 4.2: Respondent's Gender

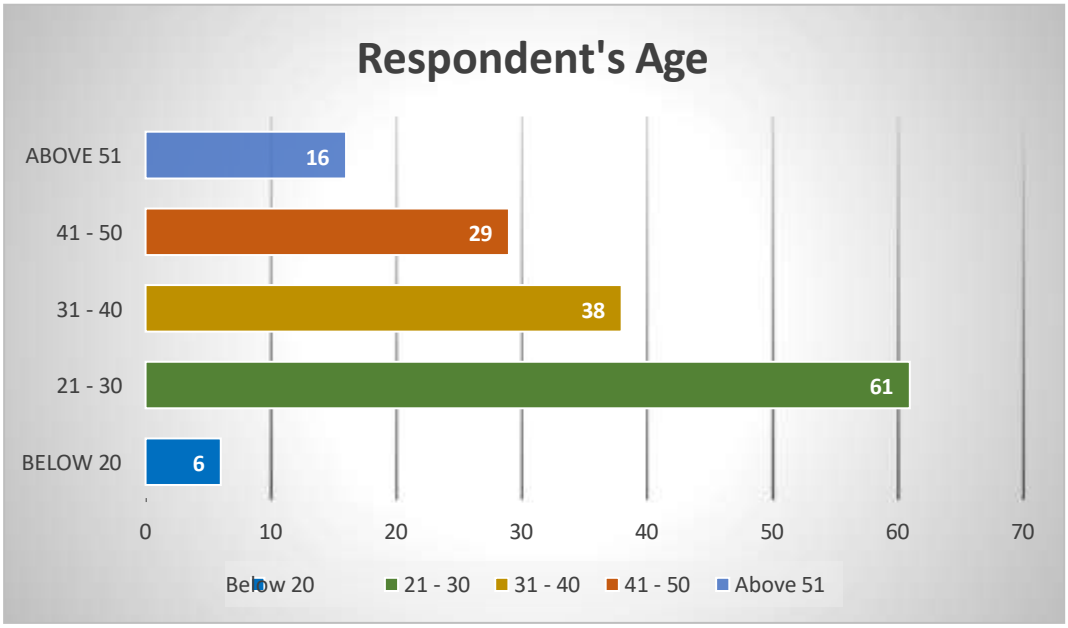
Respondent's Gender			
		Frequency	Per cent
Valid	Female	86	57.3
	Male	64	42.7
	Total	150	100.0

Sources: Developed for Research

The research conducted involved the participation of 150 individuals. Out of these, 86 were female and 64 were male, with a higher percentage of female respondents at 57.3% compared to male respondents at 42.7%. This resulted in a difference of 14.6%, indicating a slight gender disparity. The study utilized Bluetooth 4.2 technology, which enabled the researchers to gather data accurately and efficiently. Overall, the study provides insight into the demographics of the participants and the technology used to conduct the research.

4.1.1.3 Age

Figure 4.3: Respondent's Age



Sources: Developed for Research

Table 4.3: Respondent's Age

Respondent's Age			
		Frequency	Per cent
Valid	Below 20	6	4.0
	21 – 30	61	40.7
	31 – 40	38	25.3
	41 – 50	29	19.3
	Above 51	16	10.7
	Total	150	100.0

Sources: Developed for Research

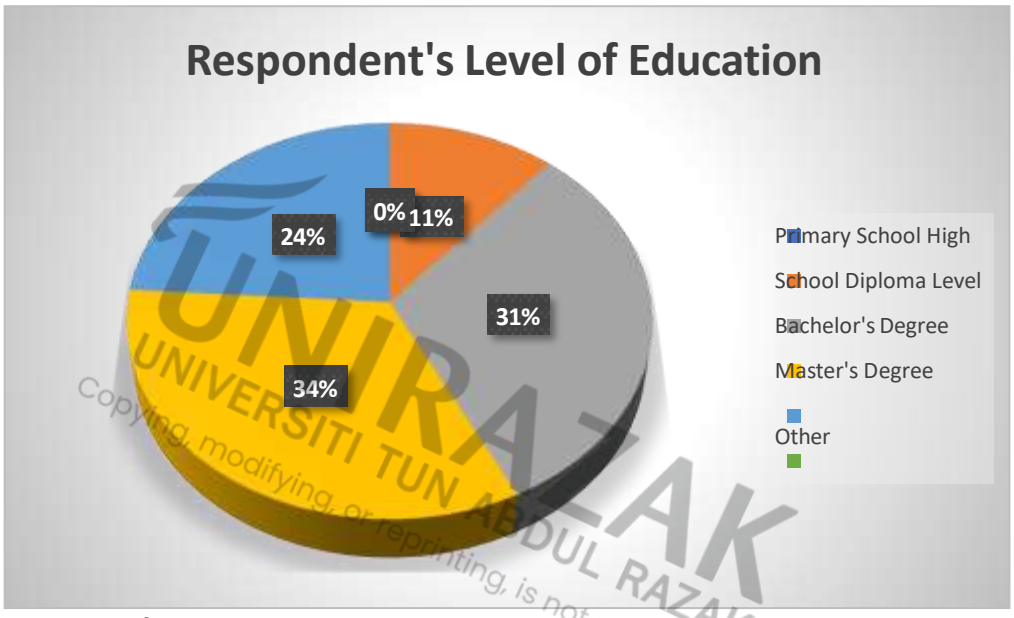
The age distribution of the 150 respondents who participated in this research study is presented in Table 4.3. The respondents were classified into five age groups: below 20 years old, 21-30 years old, 31-40 years old, 41-50 years old, and above 51 years old. Out of the total 150 respondents, six were below 20 years old, representing 4% of the total respondents. 61 respondents were between 21 and 30 years old, which is the largest group and accounts for 40.7% of the total respondents. 38 respondents were between 31 to 40 years old, accounting

UNIRAZAK UNIVERSITI TUN ABDUL RAZAK Copying, modifying, or reprinting, is not permitted

for 25.3% of the total respondents. 29 respondents were between 41 and 50 years old, representing 19.3% of the total respondents. Finally, 16 respondents were above 51 years old, accounting for 10.7% of the total respondents. Hence, the study had a diverse representation of age groups, with the majority of respondents being in their twenties while a small percentage of respondents were below 20 years old or above 51 years old.

4.1.1.4 Educational Level

Figure 4.4: Respondent's Education Level



Source: Developed for Research

Table 4.4: Respondent's Education Level

Respondent's Education Level			
		Frequency	Per cent
Valid	Primary School	0	0.0
	High School	17	11.3
	Diploma Level	47	31.3
	Bachelor's Degree	50	33.3
	Master's Degree	36	24.0
	Others	0	0.0
	Total	150	100.0

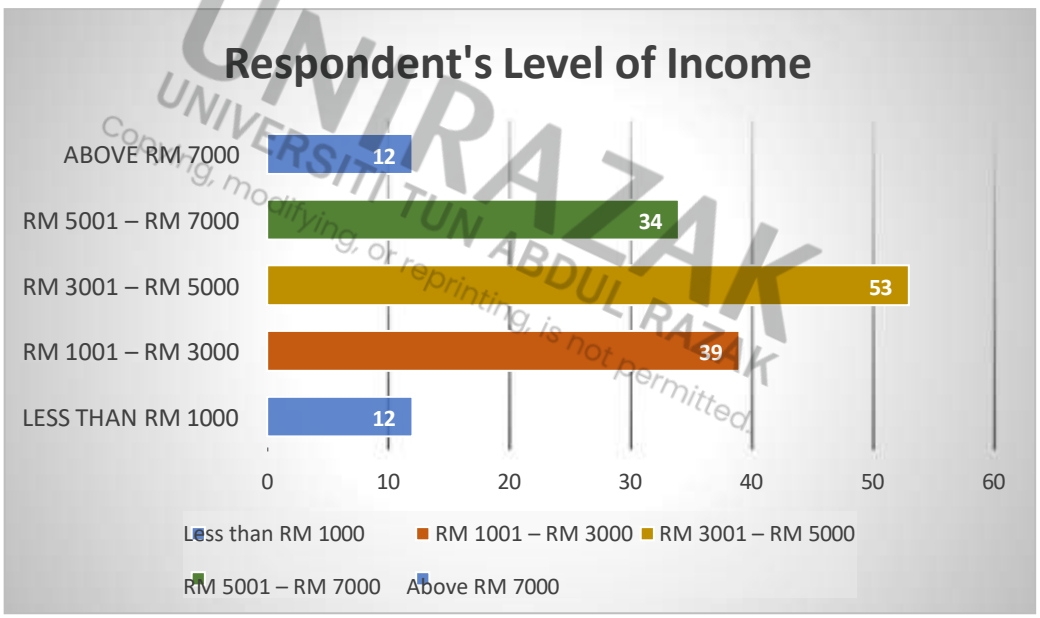
Source: Developed for research

UNIRAZAK UNIVERSITI TUN ABDUL RAZAK Copying, modifying, or reprinting, is not permitted

This study provides insight into the educational backgrounds of the participants. After analyzing the data, the researcher discovered that none of the respondents had a primary school education level, which equates to 0%. A total of 17 participants, or 11.3%, had a high school education level. 31.3% of the respondents held a diploma, totaling 47 participants. The largest group of participants, 50 in total, held a Bachelor's degree, accounting for 33.4%. The research did not identify any respondents with education levels other than those previously mentioned.

4.1.1.5 Level of Income

Figure 4.5: Respondent's Level of Income



UNIRAZAK UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

Source: Developed for Research

Table 4.5: Respondent's Level of Income

Respondent's Level of Income			
		Frequency	Per cent
Valid	Less than RM 1000	12	8.0
	RM 1001 – RM 3000	39	26.0
	RM 3001 – RM 5000	53	35.3
	RM 5001 – RM 7000	34	22.7
	Above RM 7000	12	8.0
	Total	150	100.0

Source: Developed for research

This research analyzed the income levels of the respondents in this study using Figure 4.5 and Table 4.5. The income levels were classified into five groups, namely: less than RM 1000, RM 1001 – RM 3000, RM 3001 – RM 5000, RM 5001 – RM7000, and above RM 7000. The results showed that 12 respondents (8% of the total) had an income level below RM 1000, while 39 respondents (26%) had an income level between RM 1001 and RM 3000. The majority of the respondents, which were 53 individuals (35.3%), had an income level ranging from RM 3001 to RM 5000. Only 12 respondents (8%) had an income level above RM 7000.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting is not permitted.

4.1.2 Central Tendencies of Measurement

This section presents the mean and standard deviation for each construct, including the working environment (WE), supervisor support (SS), compensation (C), work-life balance (WLB), and employee retention.

4.1.2.1 Mean and Standard Deviation of Working Environment

Table 4.6: Mean and Standard Deviation of Working Environment

Item	Statement	Mean	Standard Deviation
WE1	My organisation provides suitable and comfortable working conditions.	3.73	1.231
WE2	There is a spirit of cooperation and teamwork in my organisation.	3.83	1.378
WE3	I always feel safe working here on this environment.	3.91	1.220
WE 4	The company does everything to ensure the well--being of its academic staff.	3.60	1.366

Source: Developed for research

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying or reprinting is not permitted.

Using the data presented in the table, we have computed the mean and standard deviation values for each question in a survey that was responded to by 150 individuals. According to the findings, all questions concerning contrast scored above the average of 3.5, suggesting a general agreement among the respondents with the survey statements. Of all the questions, WE3 achieved the highest score, whereas WE4 had the lowest score.

4.1.2.2 Mean and Standard Deviation of Supervisor Supports

Table 4.7: Mean and Standard Deviation of Supervisor Support

Item	Statement	Mean	Standard Deviation
SS1	My supervisor demonstrates trust and confidence in me.	3.66	1.248
SS2	My supervisor provides me with useful performance appraisal.	3.65	1.377

SS3	My supervisor jointly sets performance objectives with me.	3.57	1.314
SS4	My supervisor helps me develop my career plan	3.61	1.414

Source: Developed for research

The table above presents the mean and standard deviation values of supervisor support for each item in the questionnaire. The survey was completed by 150 respondents, and the results indicate that all contrast items scored above an average of 3.5. This indicates that most respondents agreed with the statements in the questionnaire. Among the items, SS1 received the highest mean value, while SS3 received the lowest mean value.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

4.1.2.3 Mean and Standard Deviation of Compensation

Table 4.8: Mean and Standard Deviation of Compensation

Item	Statement	Mean	Standard Deviation
C1	I am satisfied with the wages that I receive from my work.	3.79	1.118
C2	I am satisfied with the benefits such as health insurance, vacation, and sick leaves that I receive from work.	3.82	1.239
C3	I have been paid fairly for the work I contribute to my company.	3.76	1.217
C4	I am satisfied at work because there are bonuses /rewards are given for excellent performance.	3.80	1.282

Source: Developed for research

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

Building positive relationships among colleagues is vital to establishing a thriving work culture and attaining the organization's overarching objectives. Additionally, when leaders offer support in the form of recognition and input, employees are more likely to participate actively in achieving the company's objectives and demonstrate positive behaviors, including reduced absenteeism, heightened job engagement, and lower turnover rates. Consequently, it is paramount for organizations to cultivate a positive workplace environment and furnish adequate support to their employees.

4.1.2.4 Mean and Standard Deviation of Work-Life Balance

Table 4.9: Mean and Standard Deviation of Work-Life Balance

Item	Statement	Mean	Standard Deviation
WLB1	I often neglect my personal needs due to the demands of my work.	3.47	1.283
WLB2	My job makes it difficult to maintain the kind of personal life I would like.	3.48	1.299
WLB3	I have to miss out on important personal activities due to my work.	3.48	1.309
WLB4	My personal life suffers due to my work	3.45	1.364

Source: Developed for research

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, reprinting is not permitted.

The table above presents the results of a study conducted on work-life balance, based on the responses of 150 participants to a questionnaire. The table displays the mean and standard deviation values for each item, providing valuable insights into the participants' perceptions of work-life balance. The findings reveal that all items scored above the average rating of 3, indicating that most respondents agreed with the statements in the questionnaire. WLB1 and WLB2, in particular, received high mean values, suggesting that they are the most significant contributors to work-life balance. On the other hand, WLB4 had the lowest mean value, indicating that it might be an area of concern that needs attention.

4.1.2.5 Mean and Standard Deviation of Employee Retention

Table 4.10: Mean and Standard Deviation of Employee Retention

Item	Statement	Mean	Standard Deviation
ER1	I want to stay with my company due to there is career advancement for me	3.63	1.250
ER2	I want to stay with my company due to there would be a salary increase upon regularisation.	3.89	1.172
ER3	I want to stay with my company due to the job description matches my skills, experience and education.	3.76	1.232
ER4	I want to stay with my company due to the retirement benefits.	3.61	1.460

Source: Developed for research

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting is not permitted.

This table presents the mean and standard deviation values of employee retention for each item in the questionnaire. The results indicate that all items scored above the average of 3.5, which suggests that most respondents agreed with the statements in the questionnaire.

4.2 Reliability Test

Table 4.11: Reliability Statistic for Actual Research

Variable	Cronbach's Alpha	N of Items
Working Environment	.862	4
Supervisor Supports	.847	4
Compensation	.815	4
Work-Life Balance	.936	4
Employee Retention	.815	4

Source: Developed for research

According to Given et al. (2023), Cronbach's Alpha is a commonly used measure to determine the internal consistency of a test or scale. It quantifies the correlation between item responses, such as survey answers. The results of Cronbach's Alpha indicate that the variables of working environment, supervisor support, compensation, and employee retention have a good range. Each variable was measured using four items. Additionally, the work-life balance variable has an excellent Cronbach's Alpha value of 0.936, which suggests that the items used to measure it are highly correlated.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying or reprinting is not permitted.

4.3 Inferential Analysis

4.3.1 Pearson Correlation Analysis

Table 4.12: Correlations

Variable	Mean_ER	
	r	p-value
Mean_WE	.280**	0.01
Mean_SS	.365**	0.00
Mean_C	.450**	0.00
Mean_WLB	.342**	0.00

Source: Developed for research

The main objective of this research study was to investigate how the independent variables, namely working environment, compensation, supervisor support, and work-life balance, are related to the dependent variable, employee retention. Pearson Correlation analysis was the method used to evaluate these relationships. The correlation matrix reveals that all the independent variables have a positive relationship with the dependent variable. The coefficient for working environment suggests a weak positive relationship with employee retention, as indicated by the value of r = 0.280. The coefficient for supervisor support suggests a moderate positive relationship with employee retention, as indicated by the value of r = 0.365. Similarly, the coefficient for compensation reveals a moderate positive relationship with employee retention, with a value of r = 0.450. Lastly, the coefficient for work-life balance also indicates a moderate positive relationship with employee retention, with a value of r = 0.342. Therefore, it can be concluded that this research study confirms a positive relationship between the independent variables (working environment, compensation, supervisor support, and work-life balance) and the dependent variable (employee retention). The findings of this study could be useful for organizations to improve employee retention by focusing on the factors that positively impact it.

UNIRAZAK UNIVERSITI TUN ABDUL RAZAK Copying, modifying, or reproducing, is not permitted.

4.3.2 Multiple Linear Regression Analysis

Table 4.13: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.517[a]	.268	.247	.89265
a. Predictors: (Constant), Mean_WLB, Mean_WE, Mean_C, Mean_SS				

Source: Developed for research

Table 4.14: ANOVA

Model		Some of Square	df	Mean Square	F	Sig.
	Regression	42.228	4	10.557	13.245	.000[b]
	Residual	115.540	145	.797		
	Total	157.768	149			
a. Dependent Variable: ER b. Independent Variable: WLB, WE, C, SS						

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying or reprinting, is not permitted.

Source: Developed for research

Based on the above it can be inferred that the independent variables, namely working environment, compensation, supervisor support, and work-life balance have a significant effect on the dependent variable, employee retention, in this research study.

Table 4.15: Coefficient

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.249	.357		3.498	.001
	Mean_WE	.083	.078	.088	1.068	.287
	Mean_SS	.111	.084	.119	1.322	.188
	Mean_C	.307	.091	.291	3.386	.001
	Mean_WLB	.171	.065	.200	2.636	.009
a. Dependent Variable: Mean_ER						

Source: Developed for research

Based on the data it can be observed that the working environment and supervisor support have a negative correlation with employee retention. Conversely, compensation and work-life balance exhibit a positive correlation with employee retention in the service industry. By using the information from the table above, it is possible to formulate an equation that can determine the statistical significance of independent variables on the dependent variable.

The multiple regression equation is formed as below:

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or printing is not permitted.

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + \cdots + b_nX_n + e$$

Whereas it represents the meanings below:

$Y =$ Employee Retention

$a =$ as constant, Value of Y when X become 0

$X_n =$ Dimension of independent variables

$b_n =$ Unstandardised Coefficient (Beta)

b_1 = Working Environment

b_2 = Supervisor Support

b_3 = Compensation

b_4 = Work-Life Balance

e = error item (if any)

The multiple linear regression is formed as follows:

$$Y = 1.249 + 0.083X_1 + 0.111X_2 + 0.307X_3 + 0.171X_4$$

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

4.4 Test of Significance

Table 4.16: Test of Significance

Construct	Significant Value
Working Environment	.287
Supervisor Supports	.189
Compensation	.001
Work-Life Balance	.009

Source: Developed for research

Working Environment

Rejected H_0, if p < 0.05

H_0 = There is no significant relationship between the working environment and employee retention in the service industry.

H_1= There is a significant relationship between the working environment and employee retention in the service industry.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

As such, the p-value of working environments is higher than the significant level, which is 0.287 > 0.05. Thus, H_0 is accepted, and H_1 is rejected. As a result, it shows no significant relationship between the working environment and employee retention in the service industry.

Supervisor Supports

Rejected H_0, if p < 0.05

H_0= There is no significant relationship between supervisor support and employee retention in the service industry.

H_2= There is a significant relationship between supervisor support and employee retention in the service industry.

As such the p-value of supervisor support is higher than the significant level, which is 0.188 > 0.05. Hence, H_0 is accepted, and H_2 is rejected. As a result, it shows no significant relationship between supervisor support and employee retention.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reproducing, is not permitted.

Compensation

Rejected H_0, if p < 0.05

H_0 = no significant relationship exists between compensation and employee retention in the service industry.

H_3= There is a significant relationship between compensation and employee retention in the service industry.

As such the p-value of compensation is lower than the significant level, which is 0.001 < 0.05. Hence, H_0 is rejected, and H_3 is accepted. As a result, it shows a significant relationship between compensation and employee retention.

Work-Life Balance

Rejected H_0, if p < 0.05

H_0= There is no significant relationship between work-life balance and employee retention in the service industry.

H_4 = A significant relationship exists between work-life balance and employee retention in the service industry.

As such the p-value of work-life balance is lower than the significant level, which is 0.009 < 0.05. Hence, H_0 is rejected, and H_4 is accepted. Thus, it shows a significant relationship between the work-life balance and employee retention in the service industry.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

CHAPTER 5: DISCUSSION, CONCLUSION AND IMPLICATIONS

5.0 Introduction

The chapter discusses the analysis and data collected from the previous chapter, significant research findings, study implications and limitations, and recommendations for future research.

5.1 Discussion of Major Findings

Table 5.1: Discussion of Major Findings

Hypothesis	**Result**	**Supported**
H_1= There is a significant relationship within the service industry and between the working environment + employee retention.	β = 0.083 p = 0.286	No

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

H_2= There is a significant relationship in the service industry between supervisor support + employee retention	β = 0.112 p = 0.187	No
H_3= There is a significant relationship in the service industry between compensation + employee retention	β = 0.308 p = 0.001	Yes
H_4= There is a significant relationship in the service industry between work-life balance + employee retention	β = 0.173 p = 0.008	Yes

Source: Adapted and Developed for research

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

5.1.1 There is a clear and significant relationship between working environment and employee retention.

After conducting a thorough analysis, it has been determined that there is no significant relationship between employee retention and working environments. As a result, we have accepted the null hypothesis (H0) and rejected the alternative hypothesis (H1). In line with this, Lee et al. (2022) have also concluded that there is no significant link between the working environment and employee retention. The p-value of 0.925 is considered higher than the standard significance level of 0.05, indicating that even if the working environment is improved, it might not have a significant impact on employees' willingness to stay with the company. Although a less harmonious working environment can lead to communication gaps among employees, this may not have a considerable effect on employee retention (Chopra, 2023).

However, it's important to keep in mind that working environments still play a vital role in influencing employee retention. Nevertheless, other factors, such as compensation, are more critical in retaining employees. According to Zainee et al. (2020), fair compensation can make employees feel valued and respected, motivating them to stay longer in the organization. Therefore, providing tangible and financial rewards can not only improve productivity but also help increase employee retention. In conclusion, compensation is deemed more crucial than the working environment in retaining employees.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying or reprinting is not permitted.

5.1.2 There is a significant relationship between supervisor support and employee retention.

The statistical analysis presented above indicates that there is no significant relationship between supervisor support and employee retention, as the p-value for supervisor support is 0.188, which is higher than the significance level of 0.05. The low beta (β) value of 0.112 also suggests a weak or non-existent connection between working environment and employee retention. Therefore, we accept the null hypothesis (H0) and reject the alternative hypothesis (H2). These findings are consistent with previous research conducted by Sun (2023), where a similar statistical result was obtained, indicating no significant relationship between supervisor support and employee retention. It is important to note, however, that even though our study shows an insignificant relationship between supervisor support and employee retention, it does not necessarily mean that supervisor support has no effect on employee retention. Further research may be needed to explore this relationship more thoroughly.

This research findings suggest that the role of supervisor support in employee retention is not significant. This could be due to several possible reasons. For instance, it is possible that an employee may not leave the company altogether if they do not receive adequate support from their supervisor. Instead, they may choose to leave their current manager and switch to another department or manager within the organization. It is worth noting that the quality of the relationship an employee has with their supervisor may not be the sole determining factor in their decision to quit the organization. Therefore, it is likely that the level of supervisor support may not have a significant impact on employee retention.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, reprinting is not permitted.

5.1.3 There is a significant relationship between compensation and employee retention.

The statistical analysis conducted on employee retention and compensation has uncovered a vital relationship between the two variables. The p-value calculated for compensation was 0.001, which is lower than the significant level of 0.05, indicating a robust positive correlation between compensation and employee retention. This finding is consistent with previous research by Chopra et al. (2023), which also found a similar correlation between compensation and employee retention. When employees are satisfied with their compensation packages, they tend to stay longer and perform better in their roles, as suggested by the study conducted by Zainee (2020). To improve employee retention rates, organizations need to offer compensation packages that align with their employees' expectations. When employees feel that their contributions to the organization are valued and appreciated, they tend to stay longer and work harder. This, in turn, leads to higher retention rates and benefits the organization in terms of employee loyalty, dedication, and overall performance. Moreover, work-life balance is a crucial factor that affects employee retention rates. Organizations that prioritize their employees' work-life balance tend to have higher retention rates. Employees who feel they have a healthy balance between work and personal life tend to stay with the organization longer and perform better in their roles. Therefore, organizations should develop policies and practices that promote work-life balance to improve employee retention rates and foster a positive work culture.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

5.1.4 There is a significant relationship compared between work-life balance and employee retention.

In this study, we analyzed data to determine the relationship between work-life balance and employee retention. Our findings showed that there is a strong positive correlation between work-life balance and employee retention. Specifically, the beta (β) value was found to be 0.173, indicating a significant association between the two variables. Furthermore, the p-value we obtained was 0.008, which is lower than the significant level of 0.05. As a result, we reject the null hypothesis and accept the alternative hypothesis, suggesting that better work-life balance policies can lead to higher employee retention.

Our research reaffirms the conclusions reached by Zainee et al, (2020) on the noteworthy link between work-life balance and staff retention. Moreover, our study has revealed that a considerable number of employees prioritize achieving a harmonious balance between their personal and professional commitments. Notably, younger workers place a premium on flexible work arrangements that facilitate optimal productivity during work hours while affording ample time for personal pursuits. It is vital to note that work-life balance policies are crucial for creating a healthy workplace. Given the significance of this issue, organizations should collect feedback from their employees to understand their needs and address any challenges they face. Sun et al. (2023) also found a positive relationship between work-life balance and employee retention. Factors such as flexible job schedules, job sharing, and job burnout contribute significantly to work-life balance. Therefore, we suggest that organizations should focus on these factors when implementing work-life balance policies to retain their employees.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted

In conclusion, this study highlights the importance of work-life balance policies in fostering a positive work environment. Organizations that offer flexible schedules and prioritize work-life balance are more likely to retain their employees, which, in turn, can lead to better productivity and job satisfaction.

5.2 Implication of the Study

5.2.1 Theoretical Implication

The research delves into the social exchange theory, which elucidates how organisations and employees are connected in the context of employee retention. The theory is based on the understanding that voluntary actions by individuals are driven by the expectation of receiving mutual benefits from another party (Zoller & Muldoon, 2019). By applying this theory, organisations can gain an in-depth insight into the connection they share with their employees and the key drivers that influence employee retention.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

The study highlights two crucial factors that play a significant role in influencing employee retention, namely compensation and work-life balance. When organisations offer compensation that meets employee expectations, it can strengthen the bond between the organisation and the employees, thereby leading to higher employee retention. Similarly, when an organisation offers work-life policies that align with employee expectations, it can significantly boost employee retention. Hence, organisations must strive to meet the expectations of their employees to improve employee retention.

5.2.2 Practical Implication

Employee retention is a critical aspect of any service industry organization. Recent research has revealed that compensation, work-life balance, and the quality of the working environment can significantly impact employee retention. Compensation is a vital factor in attracting and retaining employees. A competitive compensation package, including bonuses, incentives, and rewards, can motivate talented employees to put in more effort and remain with the organization for a longer period. A well-designed compensation package can also lead to higher-quality employees, which can ultimately help organizations avoid high turnover costs.Work-life balance is another critical aspect of employee retention. Maintaining a balance between personal and work hours is essential to ensure employee satisfaction and prevent burnout. Organizations that offer their employees with health and well-being resources to support work-life balance can lead to higher job satisfaction and employee retention rates.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

The quality of the working environment and supervisor support can also impact employee retention. Organizations should provide employees with a safe and comfortable working environment to promote employee well-being. A positive relationship between supervisors and employees is also crucial in retaining employees. Managers should also motivate employees to perform better at work by building a supportive and empowering work culture. By focusing on compensation, work-life balance, and the quality of the working environment, organizations can increase employee retention rates, improve job satisfaction, and avoid high turnover costs.

5.3 Limitation of the Study

During this research, certain limitations in different aspects were identified. One of the primary limitations was the relatively small sample size, with only 180 respondents. Such a small sample size can make it difficult for researchers to obtain sufficient and precise data while examining the factors that affect employee retention in the service industry. Moreover, a smaller sample size may present different statistical analysis results than a larger one. The survey questionnaire was distributed online via Google Forms, which could be inconvenient for some older participants who may prefer physical or interview surveys. As a result, the smaller sample size affected the research in obtaining accurate and precise data. The second limitation was that the scope of the study was limited to the service industry, while other industries, such as manufacturing, finance, and agriculture, were not considered. The participants included in this research were only those with working experience in the service industry. Therefore, the findings of this research cannot be generalised to other industries, as different industries may have different factors affecting employee retention. Consequently, the generalizability of the research's findings could be improved, and researchers from outside Malaysia should interpret the findings with caution. Lastly, the study should have provided new insights into the factors affecting employee retention in the service industry. This is because the study only focused on existing factors from previous research. For instance, there are other factors that could impact the rate of employee retention, such as training and development, career growth, and employee motivation. To provide more accurate and precise findings on the factors affecting the rate of employee retention in the service industry, researchers should expand the scope of the study and consider other independent variables that were not evaluated in this research.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

5.4 Recommendation for Future Research

The current study needs to take measures to increase its reliability and accuracy. One way to achieve this is by expanding the sample size beyond the current cap of 180 respondents. By doing so, more precise and accurate data can be obtained, which can help in drawing more accurate conclusions. Additionally, future studies can consider using different survey methods like face-to-face interviews to gather more information from respondents and receive immediate responses. This can help in obtaining a more comprehensive understanding of the factors affecting employee retention.

Future research can expand its scope and investigate diverse industries like manufacturing, technology, and agriculture, instead of focusing solely on the service industry. This is crucial because different industries have different factors that affect employee retention, and it is necessary to account for these differences. By doing so, the study can provide a more comprehensive understanding of the factors that affect employee retention across various industries. Moreover, future research can explore other independent variables like growth opportunities, training and development, job security, and organizational management, which can have a significant impact on employee retention. By investigating additional factors, future research can obtain more reliable and precise data, which can help in identifying the underlying causes of employee retention across different industries.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reproducing, is not permitted

REFERENCES

Krishnan, S.G. (2020). Gender Diversity in the workplace and its Effects on Employee Performance. *Journal of the Social Sciences*, *4*(3).

Abun, D., Nicole, M. T., Apollo, E. P., Magallanes, T., & Encarnacian, M. J. (2021). Employees' self-efficacy and work performance of employees as mediated by work environment. *INTERNATIONAL JOURNAL OF RESEARCH IN BUSINESS AND SOCIAL SCIENCE*, *10*(7), 1–15.

Akhtar, D. M. I. (2016). Research Design. *Research in Social Science: Interdisciplinary Perspectives*.

Baharin, N. L., & Wan Hanafi, W. N. (2018). Effects of Talent Management on Employee Retention: A Case Study of Hospitality Industry. *Global Business and Management Research: An International Journal*, *10*(3).

Bataineh, K. adnan. (2019). Impact of work-life balance, happiness at work, on employee performance. *International Business Research*, *12*(2), 99.

Bibi, P., Ahmad, A., & Majid, A. H. (2018). The impact of training and development and supervisor support on employees retention in academic institutions: The moderating role of work environment. *Gadjah Mada International Journal of Business*, *20*(1), 113.

Bibi, P., Pangil, F., Johari, J., & Ahmad, A. (2017). The impact of compensation and promotional opportunities on employee retention in academic institutions: The moderating role of work environment. *International Journal of Economic Perspectives*, *11*(1), 378–379.

Brough, P., Timms, C., O'Driscoll, M. P., Kalliath, T., Siu, O.-L., Sit, C., & Lo, D. (2014). Work–life balance: A longitudinal evaluation of a new measure across Australia and New Zealand workers. *The International Journal of Human Resource Management*, *25*(19), 2724–2744.

Chen, L.H., Eldenburg, L. and Goodman, T.H. (2023), "Does the influence of competition and compensation on hospital quality vary with ownership type?", Review of Accounting and Finance, Vol. 22 No. 4, pp. 532-567. https://doi.org/10.1108/RAF-06-2022-016

Choi, S. (2019). Flexible work arrangements and employee retention: A longitudinal analysis of the federal workforces. *Public Personnel Management*, *49*(3), 470–495.

Chopra, A., Sahoo, C.K. and Patel, G. (2023), "Exploring the relationship between employer branding and talent retention: the mediation effect of employee engagement", International Journal of Organizational Analysis, Vol. ahead-of-print No. ahead-of-print. https://doi.org/10.1108/IJOA-02-2023-3638

Dina, S. S., Lumbanraja, P., Ritha, F. D., & Absah, Y. (2017). Compensation, employee performance, and mediating role of retention: A study of differential semantic scales. *EUROPEAN RESEARCH STUDIES JOURNAL*, (Issue 4A)

UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reproducing not permitted.

Falahat, M., Gee, S. K., & Liew, C. M. (2019). A model for turnover intention: Banking industry in Malaysia. *Asian Academy of Management Journal*, *24*(Supp. 2), 79–91.

Frimayasa, A. (2021). Effect of Compensation, Career Development and Work Environment on Employee Retention (Study on Employees of PT Telkom Witel Tangerang BSD). *Journal of Research in Business, Economics, and Education*, *3*(1), 1715–1730.Given, L.M., Case, D.O. and Willson, R. (2023), "Research Design, Methodologies, and

Methods", Looking for Information (Studies in Information, Vol. 15), Emerald Publishing Limited, Bingley, pp. 179-235. https://doi.org/10.1108/S2055-53772023005

Hee, O. C., & Rhung, L. X. (2019). Motivation and employee retention among millennials in Malaysia. *International Journal of Academic Research in Business and Social Sciences*, *9*(2).

Ibrahim, I., Ali, K., Al-Suraihi, W. A., & Al-Suraihi, A.-H. A. (2021). The Impact of COVID-Pandemic and Media on Sustain ability and Employee Retention, In Malaysian Industries. *International Journal of Management and Human Science (IJMHS)*, *5*(2), 1–6.

Jaharuddin, N. S., & Zainol, L. N. (2019). The impact of work-life balance on job engagement and turnover intention. *The South East Asian Journal of Management*, *13*(1).

Kamalaveni, M. S., Ramesh, S., & Vetrivel, T. (2019). A REVIEW OF LITERATURE ON EMPLOYEE RETENTION. *International Journal of Innovative Research in Management Studies (IJIRMS)*, *4*(4), 1–10.

Kaur, R. (2018). Employee Retention Models and Factors Affecting Employees Retention in IT Companies. *International Journal of Business Administration and Management*, *7*(1), 161–174.

Khan, U. (2020). Effect of employee retention on organizational performance. *Journal of Entrepreneurship, Management, and Innovation*, *2*(1), 52–66.

Kossivi, B., Xu, M., & Kalgora, B. (2016). Study on determining factors of employee retention. *Open Journal of Social Sciences*, *04*(05), 261–268.

Larasati, D. P., Hasanati, N., & Istiqomah, -. (2019). The effects of work-life balance towards employee engagement in Millennial Generation. *Proceedings of the 4th ASEAN Conference on Psychology, Counselling, and Humanities (ACPCH 2018)*, *304*.

Lee, C.C., Lim, H.S., Seo, D.(J). and Kwak, D.-H.A. (2022), "Examining employee retention and motivation: the moderating effect of employee generation", Evidence-based HRM, Vol. 10 No. 4, pp. 385-402. https://doi.org/10.1108/EBHRM-05-2021-0101

Mahadi, N., Woo, N. M. F., Baskaran, S., & Yaakop, A. Y. (2020). Determinant factors for employee retention: Should I stay? *International Journal of Academic Research in Business and Social Sciences*, *10*(4).

UNIVERSITI TUNKU ABDUL RAZAK
Copying, recording, or reprinting is not permitted.

Malik, E., Baig, S. A., & Manzoor, U. (2020). *Effect of HR Practices on Employee Retention: The Role of Perceived Supervisor Support*, *3*(1), 1-7

Murtiningsih, R. S. (2020). The impact of compensation, Training &Development, and organizational culture on job satisfaction and employee retention. *Indonesian Management and Accounting Research*, *19*(1), 33–50.

Nasir, S. Z., & Mahmood, N. (2018). A study of effect of employee retention on organizational competence. *International Journal of Academic Research in Business and Social Sciences*, *8*(4).

Obilor, E. I., & Amadi, E. C. (2018). Test for significance of Pearson's correlation coefficient. *International Journal of Innovative Mathematics, Statistics & Energy Policies*, *6*(1), 11-23.

Onah, F. O., & Anikwe, O. S. (2016). The task of attraction and retention of academic staff in Nigeria universities. *Journal of Management and Strategy*, *7*(2).

Orpina, S., Abdul Jalil, N. I., & T'ng, S. T. (2022). Job satisfaction and turnover intention among Malaysian private university academics: Perceived organisational support as a moderator. *The South East Asian Journal of Management*, *16*(1), 26–50.

Parray, Z.A., Shah, T.A. and Islam, S.U. (2023), "Psychological capital and employee job attitudes: the critical significance of work-life balance", Evidence-based HRM, Vol. 11 No. 3, pp. 483-500. https://doi.org/10.1108/EBHRM-07-2022-0160

Saputra, K. R. D., & Riana, G. (2021). The Relationships of Work Environment, Compensation, And Organizational Commitments on Employee Retention. *Journal of Multidisciplinary Academic*, *5*(1).

Schober, P., Boer, C., & Schwarte, L. A. (2018). Correlation coefficients: appropriate use and interpretation. *Anesthesia & analgesia*, *126*(5), 1763- 1768.

Senevirathna, E. (2017). Factors Affecting Employee Retention. *Business School in Partial Fulfillment for the Degree of Bachelor of Arts (Hons) in International Business Management*.

Shamoo, A.E., Resnik, B.R. (2003). Responsible Conduct of Research. Oxford University Press

Sharma, B. (2016). A focus on reliability in developmental research through Cronbach's alpha among medical, dental and paramedical professionals. *Asian Pacific Journal of Health Sciences*, *3*(4), 271–278.

Sharma, G. (2017). Pros and cons of different sampling techniques. *International Journal of Applied Research*, *3*(7), 749–752.

Singh, D. (2019). A literature review on employee retention with focus on recent trends. *International Journal of Scientific Research in Science, Engineering and Technology*, *6*(1), 425–431.

UNIRAZAK UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

Sun, N., Liang, S., Li, H. and Song, H. (2023), "Ex post i-deals, work-life balance, and work well-being in the hospitality industry: the moderating role of gender", International Journal of Contemporary Hospitality Management, Vol. 35 No. 9, pp. 3077-3094. https://doi.org/10.1108/IJCHM-03-2022-0350

Taherdoost, H. (2016). Sampling methods in research methodology; how to choose a sampling technique for research. *International Journal of Academic Research in Management (IJARM)*, *5*(2), 18–27.

Taherdoost, H. (2017). Determining Sample Size; How to Calculate Survey Sample Size. *International Journal of Economics and Management Systems*, *2*.

Vaske, J. J., Beaman, J., & Sponarski, C. C. (2017). Rethinking internal consistency in Cronbach's alpha. *Leisure Sciences*, *39*(2), 163–173.

Wang, T., Long, L., Zhang, Y., & He, W. (2018). A social exchange perspective of employee–organization relationships and employee unethical pro- organizational behavior: The moderating role of individual moral identity. *Journal of Business Ethics*, *159*(2), 473–489.

Welmilla, I. (2020). Strategies for work-life balance for women in the academic profession of Sri Lanka. *Asian Social Science*, *16*(5), 130.

Zainal, N. S., Wider, W., Lajuma, S., Ahmad Khadri, M. W., Taib, N. M., & Joseph, A. (2022). Employee retention in the service industry in Malaysia. *Frontiers in Sociology*, *7*.

Zainee, I.A. and Puteh, F. (2020), "Corporate social responsibility impact on talent retention among Generation Y", Revista de Gestão, Vol. 27 No. 4, pp. 369-392. https://doi.org/10.1108/REGE-06-2019-0070

Zoller, Y.J. and Muldoon, J. (2019), "Illuminating the principles of social exchange theory with Hawthorne studies", Journal of Management History, Vol. 25 No. 1, pp. 47-66. https://doi.org/10.1108/JMH-05-2018-0026

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, scanning, or reprinting is not permitted.

APPENDICES

Appendix A: Survey Questionnaire

Services Industry Challenges: Investigating the Main Touchpoints for Retaining Staff

Questionnaires

Dear respondents,

I am currently conducting a survey for my Research Project on "Services Industry Challenges: Investigating the Main Touchpoints for Retaining Staff ". This research may help future researchers and companies understand what factors affect the rate of staff and employee retention in the service industry. This survey is seeking people who have working experience in the service industry.

The questionnaire is divided into two sections (Section A and Section B). Your response will be collected and used only for academic purposes. Thank you so much for your participation and cooperation in this survey. If you have any inquiries, please feel free to contact me via email at M201101033@ur.unirazak.edu.my.

Sincerely, Roshaya

UNIRAZAK UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or printing is not permitted.

SECTION A: GENERAL INFORMATION

In this section, please reach the question attentively. Please tick "√" your answer accordingly. Each question can choose ***ONLY ONE*** answer.

1. Do you have any working experience before in service industry?

Yes ☐ ☐ No

2. Gender

Female ☐ ☐ Male

3. Age

Below 20 ☐ 21 – 30 ☐ 31-40 ☐ 41-50 ☐ Above 51 ☐

4. Education level

Primary School High School ☐

Diploma Level Bachelor's ☐

Degree Master's Degree ☐

Other: _____ ☐

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

5. Level of income

Less than RM1000 RM1001 – ☐

RM3000 RM3001 – RM5000 ☐

RM5001 – RM7000 ☐

Above RM7000 ☐

SECTION B: CONSTRUCT MEASUREMENT

This following statement is about the relationship between employee retention (dependent variable) and the four independent variables that affect employee retention which are working environment, supervisor supports, compensation, and work-life balance. Please indicate the degree of agreement with the following statements.

Assessment Scale: 1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree. Please tick "√" on the most appropriate box.

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reproducing is not permitted.

Working Environment

No.	Statement	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1.	My organization provides suitable and comfortable working conditions.					
2.	There is a spirit of cooperation and teamwork in my organization.					

3.	I always feel safe working here in this environment.					
4.	The company does everything to ensure the well-being of its academic staff.					

Supervisor Support

No.	Statement	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1.	My supervisor demonstrates trust and confidence in me.					
2.	My supervisor provides me with useful performance appraisal.					
3.	My supervisor jointly sets performance objectives with me.					
4.	My supervisor helps me develop my career plan					

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

Compensation

No.	Statement	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1.	I am satisfied with the wages that I receive from my work.					
2.	I am satisfied with the benefits such as health insurance, vacation, and sick leaves that I receive from work.					
3.	I has been paid fairly with the work I contribute to my company.					
4.	I am satisfied at work due to there are bonuses /rewards given for excellent performance.					

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

Work-Life Balance

No.	Statement	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1.	I often neglect my personal needs due to the demands of my work.					
2.	My job makes it difficult to maintain the kind of personal life I would like.					

3.	I have to miss out on important personal activities due to my work					
4.	My personal life suffers due to my work					

Employee Retention

No.	Statement	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1.	I want to stay with my company due to there is career advancement for me.					
2.	I want to stay with my company due to there would be a salary increase upon regularization.					
3.	I want to stay with my company due to the job description matches my skills, experience and education.					
4.	I want to stay with my company due to there are retirement benefits.					

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying or reprinting, is not permitted.

APPROVAL PAGE

TITLE OF PROJECT: **SERVICES INDUSTRY CHALLENGES: INVESTIGATING THE MAIN TOUCHPOINTS FOR RETAINING STAFF**

NAME OF AUTHOR: **ROSHAYA BINTI HASSAN**

The undersigned is pleased to certify that the above candidate has fulfilled the condition of the project paper prepared in the partial fulfilment for the award of the degree of Master of Business Administration.

SUPERVISOR

Signature **:** _____

Name **:**

Date **:**

UNIRAZAK
UNIVERSITI TUN ABDUL RAZAK
Copying, modifying, or reprinting, is not permitted.

ENDORSED BY:

_____

Dean

Graduate School of Business

Date**:**