



**THE EFFECT OF EMPLOYEE SATISFACTION ON
EMPLOYEE LOYALTY AT TELEKOM MALAYSIA™
BERHAD**

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**BACHELOR OF BUSINESS ADMINISTRATION (HONS)
HUMAN RESOURCE MANAGEMENT**

UNIVERSITI TEKNOLOGI MARA

KAMPUS BANDARAYA MELAKA

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SYAIDATUL NADIAH BINTI HASAN

**Submitted in Partial Fulfillment of the Requirement for the
Bachelor of Business Administration
(Hons) Human Resource Management**

**FACULTY OF BUSINESS MANAGEMENT
UITM, KAMPUS BANDARAYA MELAKA**

2012



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“DECLARATION OF ORIGINAL WORK”

I, Syaidatul Nadiyah Binti Hasan, (I/C Number: 881017-08-5024)

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees
- This project paper is the result of my independent work and investigation, except where otherwise stated
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: _____

Date: _____

13 January 2011

The Head of Program

Bachelor of Business Administration (Hons) Human Resource Management

Universiti Teknologi Mara

Kampus Bandaraya Melaka

Dear Sir/Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “THE EFFECT OF EMPLOYEE SATISFACTION ON EMPLOYEE LOYALTY AT TELEKOM MALAYSIA TM BERHAD” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi Mara.

Thank you.

Yours sincerely

SYAIDATUL NADIAH BINTI HASAN

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1.2 Background of the Study

On the successful history in many recent year, TM also have problem regarding with their employees in term of resignation, termination, welfare, turnover, and others. For the largest company in Malaysia, they need to retain and make the employees satisfy and also make them to stay and loyal to the company. The issue of satisfaction and loyalty are the elements that very important to the company. So, in this study is about to know the employee satisfaction level which consists of three variables that are satisfaction from recognition and rewards, satisfaction from working conditions and also satisfaction from relationship with supervisor that impact to the employee loyalty. Besides that, the main aims in this survey is to determine those independent variables: satisfaction from recognition and rewards, satisfaction from working conditions and also satisfaction from relationship with supervisor effect to the employee loyalty which is as a dependent variable in this study and also to study the correlation. Numerous researches indicate that employee satisfaction is positively related to employee loyalty to their companies (Brown and Peterson, 1993; Griffeth et al, 2000; Hom and Kinicki, 2001). Moreover, Jawahar (2006) also found that employee satisfaction has a linkage with employee loyalty. Besides that, this study also needs to see the relationship between employee satisfactions and employee loyalty.