



EFFECTIVENESS OF RETENTION PROGRAM TOWARDS  
EMPLOYEES TURNOVER RATE AT STATS CHIPPAK MALAYSIA

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MAY 2011

**DECLARATION OF ORIGINAL WORK**



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**“DECLARATION OF ORIGINAL WORK”**

**I, Norsalmiah Bt Kamaruddin, (I/C Number: 880422-14-5946)**

**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: \_\_\_\_\_**

## LETTER OF SUBMISSION

3<sup>rd</sup> May 2011

The Head of Program  
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Dear Sir / Madam

### SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "EFFECTIVENESS OF RETENTION PROGRAM TOWARDS EMPLOYEES TURNOVER RATE AT STATS CHIPPAK MALAYSIA" to fulfil the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Your kindness to accept this project paper is very much appreciated.

Thank you

Yours sincerely,

NORSALMIAH BT KAMARUDDIN

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Bachelor of Business Administration (Hons) Human Resources

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## **ABSTRACT**

An objective for this research is to study the effectiveness of retention program towards employee turnover rate at Stats ChipPac Malaysia. The respondents selected were 60 of staff that works there. 43.3% of the respondents were male and 56.7% female. Five variables identified as retention program and only one which are health care benefit not significant with the dependent variable. Salary, career development opportunity, recognition and work/life balance are significant with turnover rate at Stats ChipPac Malaysia with strong or very strong coefficients correlation statistically significant at 0.000. Health care matter is not significant towards the objective. The major factor that influenced the turnover rate at Stats ChipPac Malaysia is career development opportunity and recognition. Cronbach's alpha coefficient size indicated that career development opportunity, recognition, health care and wok/life balance are more than 0.5 and the result is reliable and consistence while salary is less than 0.5 means that the result is not reliable and inconsistence. There are 4 hypotheses that can accept the alternate and rejected the null which are salary, career development opportunity, recognition and work/life balance. Only one independent variable rejected the alternate and accepted null which is health care. In this research, researcher used correlation only to know the simple relationship between independent variable and dependent variable. There are two recommendations as 2 major factors that influenced the turnover rate at Stats ChipPac Malaysia. First is provide mentor for career development opportunity and second is intangible reward for recognition. Both of the recommendations is simple but less cost and give high impact to reduce employee turnover rate at Stats ChipPac Malaysia.