



**A STUDY ON FACTOR WHICH AFFECT EMPLOYEE'S RETENTION AT NAZA  
KIA MALAYSIA SDN. BHD.**

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

**FACULTY OF BUSINESS MANAGEMENT**

**UNIVERSITI TEKNOLOGI MARA**

**MELAKA CITY CAMPUS**

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**“DECLARATION OF ORIGINAL WORK”**

I, NURSAZLINA AKMAL BINTI MUHAMAD ALI, (I/C Number: 881030-03-5312)

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

Date: December 30, 2011

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The Project Advisor,

Profesor Madya Zaiton Mahmud

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Dear Madam,

### **SUBMISSION OF PROJECT PAPER**

Attached is the project paper titled “**A STUDY ON FACTOR WHICH AFFECT EMPLOYEE’S RETENTION AT NAZA KIA MALAYSIA SDN. BHD.**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,

**NURSAZLINA AKMAL BINTI MUHAMAD ALI**

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Bachelor of Business Administration (Hons) Human Resource Management

<b>TABLE OF CONTENT</b>	<b>PAGES</b>
<b>ACKNOWLEDGEMENT</b>	<b>i</b>
<b>TABLE OF CONTENT</b>	<b>ii</b>
 <b>CHAPTERS</b>	
 <b>1. INTRODUCTION</b>	
1.1 Introduction	1
1.2 Company Background	2
1.3 Problem Statement	4
1.4 Research Question	5
1.5 Research Objective	5
1.6 Theoretical Framework	6
1.7 Hypothesis	7
1.8 Significant of Study	8
1.9 Scope of Study	9
1.10 Definitions of Terms	9
 <b>2. LITERATURE REVIEW</b>	
2.1 Introduction	11
2.2 Employee's Retention (Dependent Variable)	11
2.3 Compensation (Independent Variable)	13
2.4 Learning Opportunities (Independent Variable)	16
2.5 Work/life Balance (Independent Variable)	19
 <b>3. RESEARCH METHODOLOGY</b>	

# CHAPTER 1

## INTRODUCTION

### 1.1 Background of Study

Employee retention is an ability of the organization to retain their employees. Many consider employee retention as relating to the efforts by which employers attempt to retain employees in the workforce. Retention is become the strategies in the organization in order to make it has a competitive advantage. In a business setting, one of the employer goals is to decrease the turnover rate because it can reduce the recruiting expenses, orientation for new employee, training cost and decrease in productivity. The most important factor that the employer need to look seriously in retaining employee are not to lose the talented and knowledgeable employee because it is a big lost if the company is losing them. This is because key employee make the company growth, successful and able to achieve the organization goals by increase the profits of company. Moreover, they are the backbone of the company which is lead to the direction and future of the organization. The labour market continues to tighten and there are less available skilled, loyal and motivated employees (Memcott, 2002).

High motivation can lead employee to stay in the organization. This is because motivation is the force that makes us do things. To motivate the employee, employer require to provide compensation and benefits that truly meet employee needs. The logical reason people go to work because they need money in order to survive and complete their basic needs. Then, their needs will change to physical needs, safety needs and social needs, so the employer obliges getting alert with this changing to satisfied employees. When individual needs being satisfied so they will have support to complete the task or work. Research has shown that there may be many environmental features that can be created and maintained to give employees job satisfaction. Pay and benefits, communication, motivation, justice and leisure time all seem to play a part as to whether employees are satisfied with their