

Factors Influencing Employee Retention Among Production Operators in Manufacturing Companies In Malaysia

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Abstract: Malaysia has effectively diversified its economy from agriculture and commodity-based to one that currently includes service and manufacturing industries since achieving independence in 1957. Furthermore, foreign direct investment generates new jobs and opportunities for local employees in Malaysia. Employees with relevant skills, knowledge, and talents have more options to determine their career path. In this study, four factors namely compensation, career development, work-life balance and work environment that may affect employees to make a decision about their career and may be important factors in employee retention for the organization. The main objective of this study is to identify the relationship between the employee retention with compensation, career development, work-life balance and work environment. The study examines if the above factors influencing the employee retention among the production operator in manufacturing company in Malaysia. The target population of this study was 415 local production operators in bricks manufacturing, biscuits manufacturing, furniture manufacturing, pallet manufacturing, fruits manufacturing and textile manufacturing. The questionnaires of study were self-administered, and a total of 192 production operators responded. The study concluded that work-life balance and work environment have a positive and significant impact on employee retention among production operators in manufacturing companies in Malaysia. Hence, it is essential for organizations to formulate and implement their retention strategies through a better work-life balance, and a better working environment.

Keywords: Employee Retention, Compensation, Career Development, Work-Life Balance, Work Environment

1. Introduction

This research focuses on the production operators in the manufacturing sectors in Johor, Malaysia. Manufacturing is one of the main sectors in the global economy and Malaysia. This sector involves an activity range of human from handicraft to high-tech. Again, it generally includes a transformation process of raw material into finished goods. Su and Yao (2016) empirically confirmed that manufacturing sector is the engine of growth in middle-income countries, as long as they have sufficient levels of human capital. The findings of Karim and Shabbir (2012) emphasize the importance of human capital, with the employment variable having the largest elasticity in terms of contributing to the manufacturing sector's share of GDP. Therefore, retaining and securing skilled people plays a vital role in this process. It is especially significant to retain the production operators in manufacturing industry as they normally account for more than 50% of the total manufacturing industry's employees.

While more and more Malaysian employers and managers understand the significant of employee retention in their industry, the related discussions in employee retention specific to production operators in global manufacturing sectors is not widespread, let alone Malaysia. Various related studies commonly focus on certain industries and occupations around the world, such as education industry (Erasmus, Grobler & Niekerk, 2015, Shibiti, 2019), banking industry (Adom, 2018, Kakara, Raziqb & Khan, 2017), pharmaceutical industry and hospitality industry (Chuwadi, J. & Nuha, 2018, Salman et al, 2016, Raziqb & Khan, 2017, Scot, 2016) but there are few studies on employee retention in manufacturing industry in the literature. In addition, employee retention is more important than ever in the tight labor markets. Based on the recent article of Legal Jobs (February 26, 2021), the crucial stats indicate that employee retention rates reach a record low in March 2020. By 2030, low retention rates will cost an average of US\$430 billion per year. In the past few years, numerous data surveys have shown that the employee retention rate has been declining year by year. Furthermore, according to the Malaysian Department of Statistics, the manufacturing companies had the biggest amount of job losses among Malaysian industries in 2018 (Ibrahim *et al.*, 2019). This data should be taken seriously and further investigation is required. Consequently, productivity, employee morale, and company revenue could be impacted when there is high voluntary turnover. Therefore, the objective of this study is to identify the relationship between the employee retention with compensation, career development, work-life balance and work environment

This research will have a profound impact on different types of stakeholders because it delivers the useful and relevant information on employee retention. This information may improve the strategies for retaining high performance employees, especially for manufacturing companies in Malaysia. The research will enable manager more understand production operators' perspectives and expectations in order to develop an effective program that address any specific challenges that may affect employee retention. Moreover, the research can provide the reliable, more accurate and relevant data to policy makers during the policy making process. Indirectly, the research finding may deliver the policy makers more ideas and suggestions on their policy decision. On the other hand, for students of human resource management generally, the study will lead to the recognition of new areas and creation of new framework to encourage further study on the subject of employee retention in the manufacturing sectors in Malaysia. It is also hoped that this research finding can be used as basis of literature review, reference and further development and research by practitioners, academics and students at universities and other institutions of higher learning.

This research explores the factors which influencing the employee retention among production operators in Malaysian manufacturing companies within 6 types of manufacturing companies in Johor, Malaysia. These industries are bricks manufacturing, furniture manufacturing, pallet manufacturing, biscuits manufacturing, textile manufacturing and fruits manufacturing. The number of production operators accounts for more than 50% of the total number of employees in these manufacturing companies.

2. Literature Review

The literature review section provides the overview of all relevant literature related to employee retention and critically discussed the independent variables namely compensation, career development, and work-life balance and work environment. Furthermore, theoretical framework and conceptual framework of this study will be presented.

2.1 Employee Retention

Employee retention is defined as a policy or practice which used by companies to keep valuable employees from leaving while meeting operational requirement (Kossivi *et al.*, 2016). Cutler (2001) recognized that retaining the most dynamic and important human resources dedicated and motivated is one of the most essential requirements for management in any company today. It is less critical to see who the company hires than it is to see who is retained. Although some organizations utilize the latest automation technology, most industries still rely heavily on workforce to run their businesses. Furthermore, due to the high expenses and time lag associated in employing new staff, employee retention is seen as one of the primary concerns for HR professionals around the world. (Wadhwa and Madan, 2017, Kakara et al, 2017).

Numerous foreign researchers have extensively studied on the reasons employees choose to leave or stay longer in an organization, such as Tiwari (2015), Cloutier *et al.* (2015), Shakeel & Sahar (2015), Rakhra (2018), Kamalaveni *et al.* (2019). In the recent years, many Malaysian researchers have also carried out the studies in employee retention factors and their relative importance, such studies conducted by Shonubi et al (2017), Ibrahim et al (2019), Ong and Loh (2019), Dalayga, *et al.* (2021). These studies discuss the retaining employee's challenges in different Malaysian industries, nevertheless only a few of the researchers analyze the employee retention in Malaysian manufacturing sectors. B. Dalayga *et al.* (2021) carried out the research on employee retention in private healthcare industry in Malaysia. His study highlighted the shortages of healthcare workforce and examined the factors influencing employee retention among healthcare personnel. Similarly, the study of Baharin and Noordiana (2018) analyzed the employee retention issues in Malaysian hospitality industry. Alias et. al. (2014) indicated that employee turnover is a serious problem in global and Malaysian IT industry. To address this problem, academics have shifted their attention to the deployment of talent management methods that improve both employee engagement and retention.

2.2 Factors Influencing Employee Retention

Employee retention is critical because employees who are satisfied with their jobs perform much better than those who are underperforming. Thus, the organization must have a thorough understanding of the employees' perceptions through emotional displays and job aspects (Abidin *et al.*, 2018). Since the mid-1990s, academic study has focused on not just discovering why employees leave their companies but also on those variables that positively influence employee retention (Nyanjom, 2013). It is important to identify the problems lead to turnover and manage to retain employee by addressing the factors that influence these. Hence, many organizations examine specific factors based of employee retention on their budgets, policies, the nature of their firm, and the type of the work performed by their employees (Yousuf & Ahmed, 2019). Below is the brief discussion for four major factors that influence employee retention in this study.

(a) Compensation

Abanikanta (2019) defined compensation, in general, as reimbursing any loss, harm or psychological harassment, as well as paying salaries as a remuneration for mental and/or physical efforts to complete any agreed work or employment. Based on the research finding of Kochachathu (2010) at Intel Malaysia, compensation and rewards had a greater impact on employee retention than the work environment and job design in a comparable study on employee retention. However, Moncraz

et al. (2009) found that compensation isn't one of the most important variables in employee turnover; nonetheless, it might be crucial in enhancing retention. Turnea (2018) cited that non-monetary techniques (such as appreciation, career development, and work–life balance) aren't the only option for businesses to attract and retain talents. Some studies show that salary has a good impact on retention, whereas others show that it does not. According to Agustine & Ssemugenyi (2014), workers with low compensation are less likely to engage in behaviors such as suggestion, consultation and delegation, resulting in a low degree of employee retention among front-line workers. Furthermore, employees whose compensation are lower than those of other organizations are more likely to quit their jobs (Ehrenberg *et al.*, 1994).

(b) Career Development

Career development is the formal strategy that businesses employ to ensure that workers with the relevant skills and experience are accessible when needed. (Mondy, 2014). In a recent study, researcher, Rachmawati *et al.* (2021) describe the career development as a career planning program for improving individual careers in the future towards making their life better. According to Sthapit and Shrestha (2018), an organization must create a work atmosphere that encourages career development and growth of employees in today's competitive market. Employees seek a variety of job development chances in order to further their careers, thus they transfer employers whenever an appealing opportunity arises (Yousuf & Ahmed, 2019).

(c) Work-life Balance

Work-life balance is characterized as having enough time and energy for personal activities such as hobbies, social/community service, sports, and other outside interests' activities. (Doherty and Manfredi, 2006). In today's competitive global world, many employees, in all industries, faces work-life issues. Karatepe (2012) indicated that hotel staffs suffer the physical and mental stresses as a result of lack of work-life balance. Kar and Misra (2013) found that arduous work, high work demands, long working hours and tight deadlines characterize the Indian IT business, which constantly presents obstacles to their employees. Mitchell *et al.* (2011) point out that having too much works has a detrimental impact on personal life as well as retention. Most of their employees are unwilling to stay in these organizations. Nevertheless, several organizations have realized that addressing employee work-life problems in an effective manner can aid in talent retention. Companies are being compelled to look beyond traditional human resources solutions and implement initiatives including alternative work schedules, leave policies, flexible working hours and employee assistance plans (Kopelman *et al.*, 2006).

(d) Work Environment

Sunyoto (2012) defined the work environment as everything that surrounds the employee and can affect his ability to carry out the tasks and activities that have been allocated to him. Low stress levels, employees who feel appreciated by management, and employees who do not feel intimidated at work are all characteristics of a "good work environment." Some important quality work environment traits have a stronger impact on quitting intention in 'excellent workplaces' than they do in 'poor work environment.' (Markey, Ravenswood and Don, 2012). Employees who are unable to exercise their full potential and are not heard and valued at work are unwilling to stay in the organization due to frustration and stress (Inda and Mishra, 2016). In contrast, employees gain a sense of accomplishment and belonging in a transparent workplace, hence they will choose to continue to work in the organization.

2.2 Theories and Models Related to the Study

Mitchell *et al.* (2001) that employees leave for reasons unrelated to their jobs, and firms must study the source of turnover in order to retain the employees. There are a variety of techniques to studying

employee retention, each focusing on a particular aspect of purposeful employee retention. The following are some of the theories that support this research:

(a) Maslow's Hierarchy of Needs

Maslow's hierarchy of needs was first proposed by Abraham Maslow's 1943 paper that claims humans are motivated by five basic wants, starting with basic-level: physiological, followed by safety, love, esteem and a higher-level is self-actualization. Maslow (1943) initially pointed out that individuals must first satisfy lower level deficit wants before moving on to higher level growth requirements. He later explained that meeting a need is not an "all-or-nothing" situation, conceding that his earlier words may have given the misleading impression that a need must be met 100% before the next need occurs (1987, p. 69). The hierarchy of needs is crucial to unlocking the retention code, despite its complexity. Organizations may improve retention, productivity, and bottom lines by ensuring that employees' needs are satisfied at all levels. The below Figure 1 is Maslow's (1954) hierarchy of needs which are commonly shown as hierarchical tiers within a pyramid in the earliest and most widely used rendition.

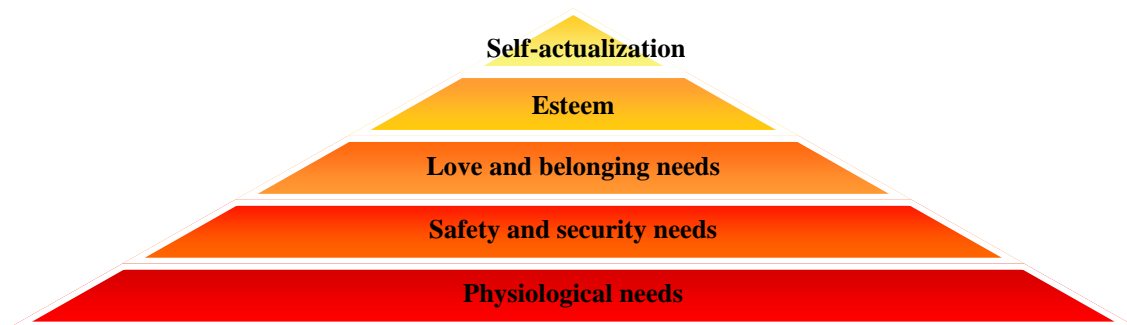


Figure 1: Maslow's Hierarchy of Needs (Maslow, 1954)

(b) Expectancy Theory

Victor Vroom of Yale School of Management proposed the expectation theory in 1964. Unlike Maslow and Herzberg, Vroom emphasizes and focuses on outcomes rather than needs. Employee retention and satisfaction are frequently predicted by expectancy theory, which aims to recognize human decision-making. This theory suggests that motivation is a delicate balance of rewards and expectations or needs and works. It also interprets why some people have high job satisfaction and a low turnover intention, while others have average satisfaction and a high turnover intention (Jonathan Fisk, 2009).

2.3 Conceptual Framework

In this study, compensation, career development, work-life balance and work environment are independent variables whereas retention is the dependent variable. This study examined whether the four independent variables influencing the employee retention among production operators in manufacturing companies in Malaysia. The conceptual framework for the research is outlined below:

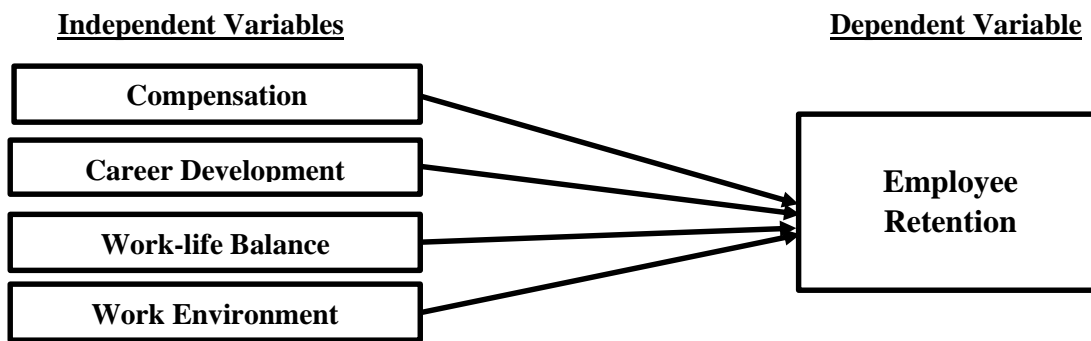


Figure 2: Conceptual framework

Based on the above conceptual model in Figure 1, the following hypothesis had been proposed for this study:

- H1. There is a positive and significant influence of compensation on employee retention among production operators in manufacturing companies in Malaysia.
- H2. There is a positive and significant influence of career development on employee retention among production operators in manufacturing companies in Malaysia.
- H3. There is a positive and significant influence of work-life balance on employee retention among production operators in manufacturing companies in Malaysia.
- H4. There is a positive and significant of influence work environment on employee retention among production operators in manufacturing companies in Malaysia.

3. Research Methodology

In general, there are many different methodologies for conducting research, and there is no single acknowledged research methodology that can be used to solve all research problems (Nayak and Singh, 2015). The research design of this study aims to examine to what extend the compensation, career development, work-life balance and work environment have positive and significant influence on employee retention in manufacturing companies. The quantitative approach was chosen to develop this framework. The sampling unit is individual, the production operators. Using Yamane's (1967) sample size calculation at $\pm 5\%$ precision levels where confidence level is 95%, a sample of 203 was drawn from the targeted 415 production operators in 6 types of Malaysian manufacturing companies in Batu Pahat Johor Malaysia, including bricks manufacturing, biscuits manufacturing, furniture manufacturing, pallet manufacturing, fruits manufacturing and textile manufacturing. Finally, 192 operators have been responded to the questionnaire. In this study, the stratified random sampling strategy was used, which has the advantage of knowing every element in the population and giving everyone an equal chance of being chosen as a subject.

Data collection methods can be classified into two types: primary and secondary data collection methods. This research collected data from both primary and secondary sources. The primary data was collected by using closed-ended questionnaires. In the study, the questionnaire was divided into two sections. The demographic information of the respondents, such as age, gender, marital status, educational level, and work experience, were included in the first section of the questionnaires. There were 5 questions for each variable in the second section, namely employee retention, compensation, career development, work-life balance and work environment. The supervisor browsed the face of questionnaire while the experts went through the language and industry field of the questionnaire. Besides, the secondary data based on previous studies discussing or analyzing the same issues are

important since they can provide information on the current state of affairs on the subject under consideration for the current investigation.

All the survey data of this research were entered, stored, edited and classified by aid of Statistical Package for Social Science (SPSS) software version 26 using these types of analysis namely, correlation and regression methods, mean, medium and others. The result of study was synthesized, evaluated, created, and refined into statistical analysis, which included descriptive, correlation, and regression analysis.

4. Results and Discussion

4.1 Results

This results section explores the respondent profile and then moves on to descriptive analysis to look at the variables at a higher level. Following that, the relevance of variables is discussed in statistical analysis, which includes correlation and regression analysis.

(a) Profile of respondents

The first section of the surveys is included the respondents' demographic information which consists the items related to age, gender, marital status, educational level, and work experience as in Table 1.

Table 1: Demographic profile of respondents

Demographic	Categories	Frequency	Percentage
Age	Below 21 years	35	18.2
	21 -30 years	117	60.9
	31 - 40 years	9	4.7
	41 - 50 years	7	3.6
	over 50 years	24	12.5
Gender	Male	52	27.1
	Female	140	72.9
Marital Status	Married	128	66.7
	Single	55	28.6
	Divorced / Widowed	9	4.7
Education Level	Did not complete high school	43	22.4
	SPM level	141	73.4
	Diploma	7	3.6
	Degree and above	1	0.5
Working Experience	Less than 3 years	32	16.7
	3 to 5 years	96	50.0
	6 to 9 years	23	12.0
	More than 10 years	40	20.8

(b) Statistical test

The correlations and regressions are used to determine the relationship between independent variables.

Table 2: Pearson Correlation Correlations

		Employee Retention	Compensation	Career Development	Work-life Balance	Working Environment
Employee Retention	Pearson Correlation	1	.163*	-.673**	.508**	.687**
	Sig. (2-tailed)		.024	.000	.000	.000
	N	192	192	192	192	192
Compensation	Pearson Correlation	.163*	1	-.158*	.059	.102
	Sig. (2-tailed)	.024		.029	.415	.158
	N	192	192	192	192	192
Career Development	Pearson Correlation	-.673**	-.158*	1	-.471**	-.635**
	Sig. (2-tailed)	.000	.029		.000	.000
	N	192	192	192	192	192
Work-life Balance	Pearson Correlation	.508**	.059	-.471**	1	.496**
	Sig. (2-tailed)	.000	.415	.000		.000
	N	192	192	192	192	192
Working Environment	Pearson Correlation	.687**	.102	-.635**	.496**	1
	Sig. (2-tailed)	.000	.158	.000	.000	
	N	192	192	192	192	192

*. Correlation is significant at the 0.05 level (2-tailed).

** . Correlation is significant at the 0.01 level (2-tailed).

As shown in this Table 2, the relationship between compensation with employee retention (0.163) is significantly which the hypothesis H1 was accepted. This mean, there is a positive and significant influence of compensation on employee retention due to the correlation coefficient is positive and significant at the 0.05 level (2-tailed). The next variable is career development, which was found to be significant and negative relationship with employee retention (-0.673) which the hypothesis H2 was rejected, as a result of the correlation coefficient is significant at the level of 0.01 level (2-tailed). The third variable is work-life balance. The result was shown in the above mentioned table indicated that there is a positive and significant relationship of work-life balance (0.508) on employee retention as the correlation coefficient is significant at the level of 0.01 (2-tailed). Thus, the hypothesis H3 was accepted. Similar to the work-life balance factor, working environment was found significantly related to employee retention, assuming hypothesis H4 was accepted. There is a positive and significant relationship of working environment (0.687) on employee retention. It is because the correlation coefficient is significant at the level of 0.01 (2-tailed).

The linear regression equation is the formula for expressing a dependent variable in relation to an independent variable. Table 3 lists the components and symbols that have been used.

Table 3: Used components and symbols

Components of Employee Retention	Symbols
Compensation	A1
Career Development	A2
Work-life Balance	A3
Working Environment	A4

In this study, the multiple regression analysis was used to determine the relationship between the dependent variable (employee retention) with 4 independent variables (Predictors), namely working environment, compensation, work-life balance and career development. The relevant results are shown in Table 4.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.765a	.585	.576	.61313

a. Predictors: (Constant), I4, I1, I3, I2

Table 4 presents that R square value = 0.585 and adjusted R square value = 0.576. This finding indicated that four components of employee retention generate 0.765 variances on the employee retention. The regression fit is determined by the following table: ANOVA.

Table 5: ANOVA a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	99.196	4	24.799	65.967	.000b
Residual	70.299	187	.376		
Total	169.495	191			

a. Dependent Variable: Employee Retention

b. Predictors: (Constant), Working Environment, Compensation, Work-life Balance, Career Development

Table 5 displayed the finding that F square value = 65.967 while the F critical = 2.400. The p value was 0.000. The model was declared a regression fit that results in individual influences of those variables via the coefficient is appropriate. It is because the computed F was more than the F-critical and the p value 0.000 was less than 0.05. A regression coefficient for each independent variable (Compensation, Career Development, Work-life Balance and Working Environment) and significant level are provided in Table 6.

Table 6: Regression Coefficients ^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.282	.624		2.053	.041
A1 (Compensation)	.177	.141	.060	1.252	.212
A2 (Career Development)	-.353	.064	-.350	-5.538	.000
A3 (Work-life Balance)	.253	.095	.148	2.660	.008
A4 (Working Environment)	.582	.096	.385	6.053	.000

a. Dependent Variable: Employee Retention

The finding given in the Table 6 shows that career development (A2), work-life balance (A3) and working environment (A4) have a significant effect on employee retention among production operator

in manufacturing company in Malaysia whereas $p=0.00$ for A2 ($\beta_1=-.353$) and A4 ($\beta_1=.582$) and $p=0.008$ for I3 ($\beta_1=.253$), which displays statistical significant of 5%. Nevertheless, career development (A2) has a negative coefficient ($\beta_1=-.353$) which indicates that the outcome variable will drop by the beta coefficient value for every 1-unit increase in the predictor variable. In contrast, the result shows that compensation (A1) is not statistically significant when its p-value (0.212) is greater than the significance level of 0.05. The following was the regression equation for employee retention:

$$\text{Retention} = 1.282 + 0.177A1 + -0.353 A2 + 0.253 A3 + 0.582 A4$$

According to the regression equation, it means that for a value of working environment (A4) contributes 0.582 (regression coefficient), this is the maximum contribution and compensation (A1) contributes 0.177 (regression coefficient) is the minimum contributor. The R^2 value is 0.765, $p<0.00$ that shows employee retention accounts 77% variation in the dependent variable.

4.2 Discussions

The following is a discussion of the findings:

(a) *Relationship between compensation and employee retention*

According to the findings of study, compensation has not statistically significant effect on employee retention among production operators in manufacturing companies in Malaysia (p -value 0.212). The study found that production operators weren't being paid fairly for their work. Again, it wasn't a competitive salary while compared with other companies. Moreover, they didn't satisfy their subsidies and numbers of annual leave of the company. The finding of the study didn't support the Maslow's theory which indicates that employees who have not had their basic needs satisfied will make decision (such as leave or stay the company) based on concerns about compensation, safety, or stability. Moreover, the study results are significantly different with the previous research that determine compensation has a significant influence on employee retention. For instance, Shakeel and Sahar (2015)'s study indicated that company cannot retain employees if they do not pay well. Similarly, the finding of Khalid and Nawab (2018)'s study determines a significant and positive relationship between the employee compensation and employee retention in Pakistani organizations.

(b) *Relationship between career development and employee retention*

According to the findings of study, career development has a negative and significant influence on employee retention among production operators in manufacturing companies in Malaysia. Similar to the first variable (compensation), the findings of the study are different from those of most studies. In most previous research results, the career development has a positive and significant influence on employee retention. The research studies of Weng and Xi (2010) summarized that employee retention was positively associated to career development. Employee commitment and engagement can be increased if they give long-term career development that leads to success (Ballout, 2009). A study conducted by Sthapit and Shrestha (2018) indicated that career development is the most powerful employee retention element that can keep young employees at their current jobs.

(c) *Relationship between work-life balance and employee retention*

According to the findings of study, work-life balance has a positive and significant influence on employee retention among production operators in manufacturing companies in Malaysia. It is consistent with previous research results that has found that relationship work-life balance has a positive and significant influence on employee retention. For instance, according to Noor and Maad (2008), satisfaction with work-life balance correlates to a higher employee retention rates. Shoaib et. al. (2009) established in a research that employees in the Telecom sector have demonstrated increased loyalty and

retention in the firm when given a balance between work and family life. It showed that improved work-life strategy has a positive significant influence on employee retention in Pakistan's telecom sector. A research conducted by Mitchell et. al. (2011) discovered that non-work related issues such as fatigue, long hours working, and workplace stress disrupt the required work life balance and have a negative impact on employee retention.

(d) Relationship between work environment and employee retention

According to the findings of study, working environment has a positive and significant influence on employee retention among production operators in manufacturing companies in Malaysia. Similarly, Shoaib et. al. (2009) indicated that a positive work environment makes people feel good about themselves and encourages them to stay active in their jobs. The study established that work environment has a positive and significant relationship with the employee retention among the staff in telecom industry in Pakistan. People love working and seek to work in company that provide a pleasant work environment where they feel they are making a difference and where the majority of employees are proficient and working together to take the company ahead, according to Milory (2004). Employees gain from work environments that give a sense of belonging, according to Miller *et al.* (2001). Organizations with broad personalization rules may have a greater chance of satisfying and retaining employees by providing an acceptable level of privacy and sound control over workplace, which boosts employee incentive to stay with the company for the long haul (Wells & Thelen, 2002)

5. Conclusion

In conclusion, most of the respondents aged 21-30 years old as indicated by 60.9%, and majority of the respondents are female as shown by 72.9%. It also established that most of the respondents are married (66.7%), majority of respondents have education at SPM level as indicated by 73.4% and most respondents (50%) have 3 to 5 years working experiences. Based on Graduates Statistics 2019 and 2020 (The source of Malaysia's Official Statistics), Malaysian graduates are increasing year by year. The statistics result shown that the numbers of Malaysian SPM graduates increased from 5.13 million to 5.36 million people in 2020, up 4.4% from the previous year and the SPM graduate labor force participation rate increased from 83.5 % (2018) to 85.0% in 2019. This data may be able to explain why the education level of most respondents are SPM level. At the same time, the study clearly concluded the relationship between employee retention and the four factors, namely compensation, career development, work-life balance and work environment. It found that work-life balance and work environment have positive and significant influence on employee retention among production operators in manufacturing companies in Malaysia. On the contrary, compensation has not statistically significant influence on employee retention while career development has negative and significant influence on employee retention.

There are several implications and suggestions for Malaysian manufacturing companies based on the above findings. One of the study's contributions is to evidently explain that work-life balance and work environment were effective employee retention approaches for managers. The study therefore suggests organizations especially manufacturing industries must consider their employees' work-life balance and work environment prior to their other strategies. The managers are recommended to do a capacity planning to avoid work overload and long working hours, leading to better productivity. Similarly, it is also recommended that employers create a healthy, safe and positive work environment for boosting employee morale, productivity and retention. On the other hand, although the study finding shown that career development has a negative relationship with employee retention, organizations must focus on retaining and developing talent as a talent crisis is projected in the near future. It is recommended that the managers lead their employees better understand the importance of career development. At the same times, managers and HR practitioners are suggested to personalize each

career development plan according to the individual employee. In the same way, based on the study findings, compensation has no significant impact on employee retention. Although most of the respondents weren't being paid fairly and not satisfied their subsidies, they still stay in their present company. This results may only be affected by the coronavirus-driven recession. Therefore, employers still need to concern on the compensation management to improve the retention and the commitment of the employees. It is recommended to design a clear compensation strategy in order to minimize arbitrary salary decisions and ensure that employees are adequately compensated and respected. Furthermore, a quarterly assessment of salary can also ensure that there are no substantial inconsistencies. In addition, the study provides policymakers for more understanding and re-evaluation of retaining employee strategies and practices so that policymakers able to do better in their decision-making by considering a variety of factors that may influence employee behavior, particularly retention.

The two main findings of study are contrast with most of previous study. The first difference is that compensation has not statistically significant effect on employee retention. The second difference is that career development has negative and significant effect on employee retention. Thus, it is suggested that more studies can be required to reconcile these differences in future. Additionally, the future researchers may use another way to conduct the research to gain the deeper understanding of the topic, such as qualitative research or mixed method research.

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