



## The Relationship Between Non-Financial Compensation Factors with Employees Retention in a Selected Hotel Industry

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### ABSTRACT

This study aims to determine the relationship between non-financial compensation factors and employees retention in a selected hotel industry. A survey methodology was used in this study. A total of 120 questionnaires were administered to employees who are currently working in the hotel industry. Using the Pearson's Correlation analysis test, this study analysed the relationship between employees retention and financial compensation factors which include opportunities for training and promotion, job challenges, recognition and the working environment. Multiple Linear Regression was used to determine the dominant factor that contributes to retention of employees. The results revealed that there was a significant relationship between the factors and employees retention. The results indicated that the working environment is the most dominant factor that contributes to employees retention.

**Keywords:** Non-financial compensation, training opportunities, job challenges, promotion opportunity, recognition, working environments, employees' retention

### INTRODUCTION

A The 21<sup>st</sup> century is a new era of great globalization and great competency among organisations. Due to incompetency, organisations that cannot adapt to changes have been forced to halt opera-

tions (Latif, Sumaira, Sadidiqui & Yousuf, 2014). In order to survive, organisations should remain competitive and innovative and make changes where necessary. Latif et al. (2014), stated that in order to stay competitive, organisations have made changes to the employee reward system. Besides financial rewards, company must also consider the non-financial benefits that can be rewarded to their employees.

Generally, compensation is all form of financial returns and benefits for employees hard work. Based on Milkovich,

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