

## **ABSTRACT**

Managing employee turnover and retaining employees are a challenge to almost all organizations throughout the world, and Malaysia banking industry is no exception to this predicament. Furthermore, the banking industry has been criticized for having long and inflexible working hours which affect the life of employees and level of commitment. Similar to other industries, the banking industry also faces high turnover rates and stiff competition with other banks in recruiting and retaining its employees. In addition to that, with the change in lifestyle and demographic profile, recruitment and retention strategy has become central to Human Resource practices. Every organization throughout the world is competing in providing the total recruitment package to attract potential employees to join the organization and ultimately stay with the organization for a long time. The needs to develop this total package further heighten with the war of talent among organizations. As such, providing flexible working is no longer an option to the organizations. Most organization has some form of flexible working arrangements. However, relatively, little is known about the effectiveness of organizational practices, particularly on flexible working practices for retaining employees. This research examined the different types of flexible working practices i.e. flex time, job sharing, flex leave, flex career and flex place, its relationship and effectiveness towards employee retention as the primarily objective. The research further examine whether employee designation, age group and retention practices i.e. availability of flexible working practices, individual needs requirements of flexible working practices and encouragement by employer on flexible working practices effects employee retention as the secondary objective. A questionnaire was distributed via email and by hand to employees of local and foreign banks, primarily in Kuala Lumpur. 120 responded to the survey and results show flex time has the most significant difference in retaining employees in the Malaysia banking industry. The other two practices that should also be considered are flex place and

job sharing. Apart from that, age group and individual needs requirements to flexible working practices also show a significant difference to employee retention.