

Effects of Alternative Opportunities and Compensation on Turnover Intention of Singapore PMET

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Abstract—In Singapore, talent retention is one of the most persistent and real issue companies have to grapple with due to the tight labour market. Being resource-scarce, Singapore depends solely on its talented pool of high quality human resource to sustain its competitive advantage in the global economy. But the complex and multifaceted nature of turnover phenomenon makes the prescription of effective talent retention strategies in such a competitive labour market very challenging, especially when it comes to monetary incentives, companies struggle to answer the question of “How much is enough?”

By examining the interactive effects of perceived alternative employment opportunities, annual salary and satisfaction with compensation on the turnover intention of 102 Singapore Professionals, Managers, Executives and Technicians (PMET) through correlation analyses and multiple regressions, important insights into the psyche of the Singapore talent pool can be drawn.

It is found that annual salary influence turnover intention indirectly through mediation and moderation effects on PMET’s satisfaction on compensation. PMET are also found to be heavily swayed by better external opportunities. This implies that talent retention strategies should not adopt a purely monetary based blanket approach but rather a comprehensive and holistic one that considers the dynamics of prevailing market conditions.

Keywords—Employee Turnover, High Performers, Knowledge Workers, Perceived Alternative Employment Opportunities Salary, Satisfaction on Compensation, Singapore PMET, Talent Retention.

I. INTRODUCTION

HUMAN capital is becoming an increasingly important source of competitive advantage in this modern economy [1], [2], where homogenization of work processes, product designs and service profiles become more proliferate among industry players. It is deemed the resource among all other factors of production which makes the difference in the success and survival of an organization [3].

The financial cost of replacing a knowledge worker had been estimated to be more than a year’s salary [4]. This is incurred in addition to the indirect loss to the company through loss of knowledge and organizational memory [5], decreased productivity [6], lowered morale of existing staffs [7] and customer dissatisfaction [5]. However, voluntary turnover is becoming an acute problem in many Asian countries [8], [9], including Singapore [10]. Being a

globalized city-state serving as the gateway to Asia, Singapore has a developed economy and enjoys low unemployment rates with the 2011 unemployment rate at 2.0% [11]. Job opportunities are aplenty and employees have high job mobility. This is especially the case for high-performing Professionals, Managers, Executives and Technicians (PMET) [12] who have more opportunities because their skills and knowledge “gives them freedom to move since (their) knowledge has a multitude of applications in the information or knowledge age” [13]. Organizations also struggle with having to throw in more money to keep their people [14].

Factors affecting employee retention have been well studied but research focused on highly-skilled professionals in Asia is limited, least to say studies on the interaction effects. Due to differences in economic, social and cultural environments, findings from western studies may lack applicability [15]. In Singapore, talent management issues are likely expected to become even more pressing as the Government plans and moves to evolve its workforce into one with increasingly higher skills in order to sustain its competitive edge in the Asia region [16]. This paper will attempt to address these challenges by focusing on the linkages between perceived alternative employment opportunities, annual salary, satisfaction on compensation and turnover.

II. THE INFLUENCE OF PAEO ON TURNOVER INTENTION

Perceived alternative employment opportunities (PAEO) refers to an individual’s perception of the availability of opportunities in the labour market which pulls them to consider alternatives [17]. This perception is dependent on the employees’ skill sets and experience [18] and will have relevant implications for the high-skill PMET in Singapore.

The general labour market condition predicts voluntary turnover through the perceived ease of movement by employees [17]. In a tight labour market, such as Singapore, with plentiful jobs, one would intuitively expect the resignation rate to be higher than a loose labour market where jobs are scarce. Hiring expectations among employers in Singapore is also high with for instance 35.9% of employers planning to increase headcount while the majority (57.3%) intends to keep headcount steady in 2012 [19].

Although PAEO does not reflect actual market labour conditions, past research has found positive association of PAEO with the labour market and turnover [20]. Based on the preceding discussion, the following hypothesis is proposed:

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- H1: Perceived Alternative Employment Opportunities (PAEO) is positively correlated to PMET Turnover.

III. INFLUENCE OF SATISFACTION ON COMPENSATION AND ANNUAL SALARY ON TURNOVER INTENTION

A fair day's wage for a fair day's work has been one of the core principles behind scientific management since it was pioneered by Frederick Taylor [21]. In modern day, compensation and benefits form the fundamental component of any employment contract, which includes base salary, bonuses, stock options, cash incentives, leaves, medical entitlements and any other forms of monetary, non-financial privileges or fringe benefits [22]. Individuals may become economically committed to their work, trading their manpower for compensation and they will stay as long as it is too costly to leave [23].

Good compensation and benefits can arguably lead to job satisfaction and commitment to the organization, hence reducing turnover. Attractive pay has been reported to be inversely related to turnover [24] and compensation above equilibrium rates have been advocated [25] because high pay maximizes an employee's self-interest, inducing higher levels of satisfaction [26]. The same positive results on turnover are also observed for generous benefits [27]. By induction, satisfaction on compensation, including pay and all benefits (COM), should play a part in influencing PMET turnover intention, given the pervasive material culture [28]. But it has also been argued that monetary rewards are over-rated as the dominant factor affecting employees turnover [29] as evidenced by the myriad alternative turnover antecedents reported in literature [30]. And this argument may be particularly true for PMET in Singapore who have moved up Maslow's hierarchy [31] with their work abilities and have adequately satisfied their basis needs [10]. Additionally, it has been suggested that money is a hygiene factor and not a motivator [29], meaning that people work not only for money. In fact, Berggren [32] has argued that money is not the key to retention. The extent to which the interplay of money and satisfaction on employment decision remains contestable it seems. Nonetheless, studies conducted in China and Hong Kong found base salary to be one of the most important criteria to retain and motivate employees [33] and studies in Singapore also reported remuneration to be one of the most important factors of turnover intention [34], [35]. Meanwhile, the Hudson Report on employment and human resource trends in Singapore revealed that monetary incentives form the key retention tool for Singapore companies in 2012 [14]. Thus, it will be interesting to test whether a tangible inducement like annual salary (AnnSal) which is a main component of compensation and benefits should be positively correlated to satisfaction on compensation and PMET turnover intention.

Based on all the preceding discussion, the following hypotheses are proposed:

- H2a: Satisfaction on Compensation is negatively correlated to PMET Turnover.
- H2b: Annual Salary is positively correlated with Satisfaction on Compensation.

- H2c: Annual Salary is negatively correlated to PMET Turnover.

IV. MEDIATION AND MODERATION OF COM ON ANNSAL

The discourse on the merits of money as an effective retention tool [29], [24] implies the diversity of empirical and academic evidences on this issue. Given that annual salary is an important component of the compensation package, it follows from earlier arguments in postulating positive correlation between ANNSAL and COM that mediation and moderation effects on turnover intention can be present as well.

Higher pay may not necessarily bring about equally high levels of utility and adequacy of the salary quantum is a relative concept dependent on contextual factors such as the employees' professional profiles [12], [36]. Additionally, there are difficulties and uncertainties in obtaining perfect market information to optimize the decision making process and in the translation of money into satisfaction [37]. Decisions are also likely based on heuristics [38] as well when employees value and balance effort against rewards [39]. Thus, the examination of this mediation effect should help further resolve the pay conundrum.

- H3a: The relationship between Annual Salary and PMET Turnover is mediated by Satisfaction on Compensation such that higher Salary leads to higher Satisfaction on Compensation and then lower PMET Turnover.
- H3b: The relationship between Annual Salary and PMET Turnover is moderated by Satisfaction on Compensation. Specifically, higher Salary will lead to a stronger relationship between PMET Turnover and Satisfaction on Compensation.

The hypothesized relationships in this study are depicted in Fig. 1:

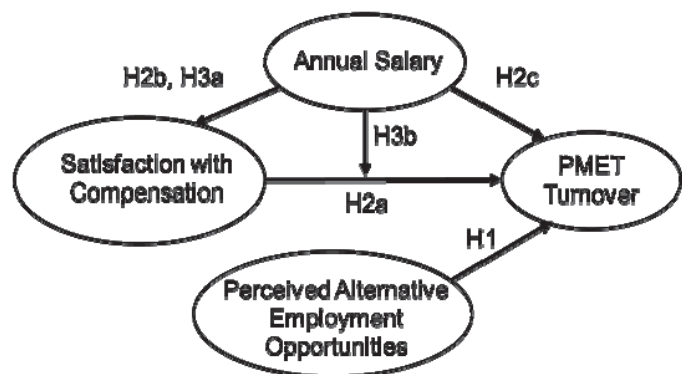


Fig. 1 Influence of Annual Salary and Satisfaction on Compensation on PMET Turnover

V. RESEARCH METHOD

A. Sampling and Data Collection

Data will be collected using a questionnaire that contains measures of COM and turnover intention (TI). Additionally, demographic characteristics, including tenure, gender, annual salary range and education level of the respondents will be

requested as these factors have been known to correlate with TI [40]. Some of these factors can be treated as controls in the analysis to avoid confounding the results.

The questionnaires are administered to 124 working professionals in Singapore by the authors and a minimum annual salary criterion is imposed to ensure that the respondents represent the PMET population. The median monthly income in Singapore for 2011 is S\$2,925, excluding employer Central Provident Fund (CPF) contributions [41]. Taking into account an annual wage supplement of one month, the average annual median salary in Singapore can be estimated to be S\$38,025, excluding CPF contributions. Thus, it is reasonable to assume that the PMET, who by virtue of their capabilities are above average, should at least make this amount annually. The annual salary ranges upwards from S\$40,000 (rounded up for ease of reading and estimation) served as a check that the respondents are indeed from the PMET population and 102 usable data has been obtained.

B. Measure

Tenure, gender, annual salary range and education level will be measured as nominal variables comprising of several categories. Tenure will consist of 6 categories: less than 2 years (n=1), 2-4 years (n=2), 4-6 years (n=3), 6-8 years (n=4), 8-10 years (n=5) and more than 10 years (n=6). Annual salary range excluding CPF contributions will consist 6 categories: less than S\$20,000 (n=1), S\$20,000-40,000 (n=2), S\$40,000-60,000 (n=3), S\$60,000-\$80,000 (n=4), S\$80,000-S\$100,000 (n=5) and more than S\$100,000 (n=6). Education will consist of 2 categories: Non-Tertiary Education (n=0) and Degree and Above (n=1). For Gender, the 2 categories will be: Female (n=0) and Male (n=1).

The three items used by [42] to measure the Satisfaction on Compensation will be adopted to measure the same factor in this study. Modifications are made to the items to generalize them to include all occupations and to make them more appropriate for respondents with different marital status (i.e. "family life" in item 1 is replaced by "family/personal life"). Six-point Likert scales will be used to offset the possible central tendency bias from Asian respondents [43]. Starting at a value of '1' which demarcates least agreement/likelihood, the scale progresses in increments of '1s'. In this way, respondents are able to order the intensity of their agreement/likelihood such that at a value of '6', most agreement or likelihood is represented. The items are:

1. You are fairly rewarded compared to similar jobs in your organization.
2. You are fairly rewarded compared to similar jobs outside your organization.
3. Your organization cares about employee welfare.

PAEO scale is obtained from the established two items measure from [44]. Six-point Likert scales will be used. The two items are:

1. There is high probability that you can find an acceptable alternative to your job.
2. You can find an alternative job within a year's time if you search for it.

Turnover Intention is a three items measure extracted from the Michigan Organizational Assessment Scale [45] that is widely used in research. Six-point Likert scales will be used. The three items are:

1. You frequently think about leaving your current organization.
2. It is likely that you will actively look for a job in the next year.
3. You will probably look for a job in the next year.

C. Data Analysis Methods

Statistical analysis will be carried out using SPSS V20. Exploratory factor analysis will check for satisfactory item loading and validity of the factor reduction exercise [46]. And Cronbach's alpha calculations will be done for grouped items to ensure the reliability of these items. Descriptive statistics and Pearson's product moment correlation coefficients will be generated to provide an overall summary to the results and to establish the correlations between the different variables. Then, through multiple regression the relationships between the independent and dependent variables and the mediation effects can be examined.

VI. RESULTS

A. Exploratory Factor Analysis

The method of exploratory factor analysis is employed to facilitate the reduction of items into component factors. Principal component analysis and varimax rotation method was conducted on all the 6 measurement items to ensure that categorization of factors is congruent with theoretical expectations. A cut-off value of 0.5 was selected to ensure that items loading was satisfactory.

TABLE I
 COMPONENT MATRIX AFTER ROTATION AND REMOVAL OF Q1 WITH
 CRONBACH'S ALPHA

Factors	Items	Components		
		1	2	3
Satisfaction with Compensation	Q1	-.061	.911	.080
	Q2	-.115	.882	.014
	Q3	-.158	.659	-.157
Perceived Alternative Employment Opportunities	Q4	.120	-.039	.922
	Q5	.208	-.010	.904
Turnover Intention	Q6	.788	-.106	-.054
	Q7	.865	-.153	.271
	Q8	.868	-.124	.329
Cronbach's Alpha for Scale		.859	.774	.843

The component matrix after Varimax rotation in Table I shows that all items loading is above 0.5 and the items are seen to fit within their respective psychological categorizations. The Cronbach's alpha of for all components were greater than 0.7, indicating that the internal reliability was acceptable [47].

The Bartlett's Test of Sphericity with a significance of less than 0.01 (Approximate chi-square = 416.551, degree of freedom = 28) indicates good correlation of the items while

the Kaiser-Meyer-Olkin measure of sampling adequacy equal to 0.662 (And greater than 0.5) indicates that the sample size is acceptable for factor analysis [48].

B. Pearson Correlation Matrix of Variables

Results of the Pearson Correlation Analysis is shown in Table II and it is found that there are statistically significant correlations between TI with Annual Salary (AnnSal) (<0.05), COM (<0.01) and PAEO (<0.01). No significant relationship was found between TI with Gender, Tenure and Education. In addition, COM is also found to correlate with AnnSal (<0.01).

TABLE II
PEARSON CORRELATION MATRIX OF VARIABLES (87 SAMPLES)

	Gender	Tenure	Education	AnnSal	COM	PAEO
Gender	-					
Tenure	-	-				
Education	-	-	-			
AnnSal	.240*	.270**	.115	-		
COM	.016	.100	.027	.316**	-	
PAEO	.043	-.236*	.156	-.075	-.064	-
TI	-.055	-.131	-.011	-.240*	-.276**	.387**

*Correlation is significant at the 0.05 level (1-tailed)

**Correlation is significant at the 0.01 level (1-tailed)

Note: The dummy variable of Gender is defined as male = 1, female = 0 and the dummy variable of Education is defined as Degree and Above = 1, Non-Tertiary Education = 0

C. Multiple Regression of Variables

Bivariate Correlation analyses provide a good starting point but they can only examine the effect of TI and one other variable at a time. A more comprehensive study can be done by adopting multivariate techniques such as multiple regression which examines all the independent variables collectively and simultaneously.

The results of the multiple regression of the variables on TI are shown in Table III along with the corresponding tolerance indices. All the tolerance indices are way above 0.1, indicating no issues of multicollinearity. From the results only COM and PAEO are found to be statistically significant at the 5% respectively. This can imply that AnnSal exerts its influence indirectly on TI through mediation by COM given the significant inter-correlation between these variables found in the Pearson correlation matrix in Table II. To further analyze which of the two significant factors, COM or PAEO exerts a greater influence on TI, hierarchical regression is utilized on the residual score obtained by regressing TI on AnnSal control for its effect on TI. By entering one of the significant factor in the first step and the other factor in the second step, the unique variance contributed by each factor can be determined. The results are shown in Table IV. The ΔR^2 or variance explained by PAEO is found to be multiple times more of COM regardless of whether it was entered as a first or second step, indicating that it exerts more influence on TI. In fact, when PAEO was entered as the first step, it even caused the relationship between COM and TI to become insignificant.

TABLE III
MULTIPLE REGRESSION OF VARIABLES (87 SAMPLES)

	Beta	P	Tolerance
Gender	-.031	.740	.935
Tenure	.006	.956	.788
Education	-.041	.672	.874
AnnSal	-.134	.191	.783
COM	-.208	.031	.895
PAEO	.370	.000	.932

TABLE IV
DETERMINING VARIANCE CONTRIBUTION OF COM AND PAEO

Hierarchical Step	Entering Com as first Step		Entering PAEO as first Step	
	Beta	ΔR^2	Beta	ΔR^2
1	-.206*	.042	.363**	.143
2	.366**	.134	-.182	.033

*Correlation is significant at the 0.05 level (1-tailed)

**Correlation is significant at the 0.01 level (1-tailed)

D. Mediation of AnnSal on COM

When investigating the mediation effects of AnnSal on COM, PAEO is controlled by using the residual standardized score obtained after regressing TI on PAEO. The mediation effect can then be tested by the following steps [49]:

1. Establish that AnnSal is a significant predictor of TI (by regressing AnnSal on the residual score after regressing TI);
2. Establish that AnnSal is a significant predictor of COM (by regressing AnnSal on COM);
3. Establish that COM is a significant predictor of TI, when controlling for AnnSal (by regressing AnnSal and COM on the residual score)

The results are summarized in Table V. Since the effect of AnnSal becomes insignificant once it is controlled for, COM is a complete mediator for the relationship between AnnSal and TI.

TABLE V
RESULTS OF MEDIATION ANALYSIS OF COM ON ANNSAL

	R ²	F	Beta	P
Regressing AnnSal on TI (Residual)	.051	5.287	-.255	.024
Regressing AnnSal on COM (Residual)	.1	11.057	.316	.001
Regressing COM on TI (Residual) controlling for AnnSal	.095	5.163	-.223	.030
Beta for AnnSal			-.155	.129

E. Moderation Analysis of Variables

To ascertain the possible moderation effects between AnnSal, COM and PAEO, their product terms, COMPAEO, COMAnnSal and AnnSalPAEO are calculated and hierarchical multiple regression is performed on TI on Gender, Tenure and Education [50] (Table VI). Significant moderation effect was found between AnnSal and COM, indicating that the respondents can be segregated into distinct groups based on the interaction of these factors.

TABLE VI
 RESULTS OF MODERATION ANALYSIS

Hierarchical Step	Independent Variable	Beta	P	R ²	ΔR ²
1	AnnSal	-.145	.127	0.232	-
	COM	-.206	.030		
	PAEO	.361	.000		
2	COMP AEO	-.386	.393	0.271	0.039
	COMAnnSAL	-1.286	.036		
	AnnSalPAEO	-.193	.690		

F. Moderation of AnnSal on the relationship between TI and COM

To more closely examine the moderation effect, the respondents were divided into moderate and high income using the median split for AnnSal. The relationship between TI and COM can then be examined using a univariate regression analysis for each of the two income groups. The findings are shown in Table VII. For the Moderate Income group, there was no significant relationship between TI and COM while for the High Income group there was a strong significant relationship between TI and COM at the 1% level. This means that the relationship between TI and COM is completely moderated by AnnSal.

TABLE VII
 RESULTS OF UNIVARIATE REGRESSION ANALYSIS FOR MODERATE AND HIGH INCOME GROUPS

Group	n	Beta	P	t
Moderate Income	40	.023	.890	0.140
High Income	62	-.416	.001	-3.539

VII. DISCUSSION

A. Influence of PAEO

PAEO is found to be positively correlated to TI, supporting H1. It has been suggested that individual employees develop a benchmark based on their current position and experience of work and utilize this benchmark as a comparison level upon which alternatives are evaluated. When the comparison meets expectation, the employee is satisfied, but when it falls below, the employee becomes dissatisfied [51], leading to an intention to upgrade the present situation [36].

A high PAEO implies that the employee perceives more or better alternatives available externally. This raises the comparison level and the employee becomes more susceptible to dissatisfaction. Salancik and Pfeffer [52] also found that employees with more options express less satisfaction with their jobs. Thus it follows logically from here that higher PAEO leads to higher TI. This also points to the importance of corporate communication within the organization to correct for any misalignment in the perception of and the actual general job market conditions due to imperfect information [53]. Because with a wide professional and social network and rich knowledge capital, PMET can readily move once the gap between their rewards and expectations grow [36].

The material and work-intensive culture [28] in Singapore affects PMET greatly as shown by the more dominant effect of PAEO on TI, relative to COM. Driven by ambitions and

personal mastery [54], it seems clear that the main focus of many Singapore PMET lies in their professional lives and they are constantly seeking better opportunities.

B. Influence of COM and ANNSAL

Consistent with previous turnover research [34], it is found that COM is significantly correlated to turnover, specifically, the higher the satisfaction level, the lower the intention to leave the company, thus validating H2a.

With the weakening of the psychological contract between employees and their organization in the modern work ecosystem [55], employees' loyalty shifts from the organization to that of their profession and social networks [56]. Professionals like PMET with high job mobility enjoy high bargaining powers and are even more likely to be committed to themselves than their organizations [57]. They will change jobs continually to obtain the best deal for themselves [58]. Thus it follows that with higher COM, PMET experiences lower TI and conversely, lower COM leads to higher TI. Not surprisingly, AnnSal, which generally forms the main component of compensation, is also found to have a significant positive relationship with COM, validating H2b. However, a correlation of only 0.30 between COM and AnnSal implies that AnnSal can only account for ~30% of the variances in COM, suggesting that other forms of incentives [33] or the compensation structure can come into play [29]. In addition, having a relatively higher salary compared to the median value in Singapore does not necessarily guarantee reduced TI if the PMET feel deserving of better rewards. This argument builds on Stacey Adam's Equity Theory [59] which asserts that employees seek to maintain equity with the inputs they give to a job and the rewards they receive against that of their counterparts. Largely, employees base their comparisons on their perceptions. A sense of inequity leads to dissatisfaction, withdrawal of effort and finally attrition as employees seek greener pasture [51]. A similar analysis could be adapted onto the PMET, but it must be handled more meticulously.

In fact, results from multiple linear regression showed that annual salary was found to be uncorrelated to turnover intention, rejecting H2c. Hausknecht, Rodda and Howard [12] have also found that extrinsic rewards such as pay affect high performers (or the PMET in this study) to a lower degree than low performers.

The notion of money as an important reward may be well-received [24] but the rejection of H3c points to the deeper nuance of compensation discourse among human resource practitioners that money in itself is a crude and indirect tool in managing talent [29]. This also provides good support for the argument that monetary rewards alone are more aptly qualified as hygiene factors [29] with respect to PMET, in which the provision leads more to less dissatisfaction rather than more satisfaction.

Beyond ensuring that the basket of rewards a PMET is entitled to is equitable both internally within the organization and externally against the prevailing job market offerings, it is suggested here that effective communication of such should be

made and emphasized as it serves to align the employees' perception to that of which the organization is actually providing against the industry benchmarks and correct any biases.

Discussion regarding the mediation and moderation effects between AnnSal and COM on TI will provide further insights on this topic.

C. Mediation and Moderation effects between AnnSal and COM on TI

Results from multiple linear regression supporting only the correlation between PAEO and COM with TI but not AnnSal with TI seems to run contrary to results from the Pearson correlation matrix which found that PAEO, AnnSal and COM has significant correlation with TI. The reason for this statistical inconsistency becomes clear when mediation analysis supporting H3a revealed that COM is a complete mediator of AnnSal. This is why a bivariate analysis supported the interaction whereas a multivariate analysis rejected it. This further elucidates the argument that money is a blunt human resource tool with only second order effects on TI, especially for PMET who are likely pursuing higher order needs in the Maslow's Hierarchy. Thus, any retention strategy with a focus on monetary rewards may not necessarily be successful and productive [60]. Other aspects of compensation and work in general should be considered as well. The implications here are that the optimal reward the PMET expects can consist of various components in different combinations and order of importance [36].

Evidence in support of H3b revealed yet another layer of intricacy in the paying more to keep people conundrum. The complete moderation of the relationship between COM and TI by AnnSal implied that in order for salary to even have an indirect effect on TI at all, the prerequisite is that the PMET must belong to the high income group of earners, drawing above S\$60,000 in annual salary as inferred from the median split used for the moderation effect analysis. For PMET earning moderate incomes of S\$40,000-S\$60,000, there was no direct and indirect effect from AnnSal on TI, with only PAEO exerting its sole effect as found in this study. The implication from here is that organizations must actively manage the dynamics of external market conditions so that the total rewards is comparable to that of other hirers for similar job scope and requirements and communicate this information effectively to employees to avoid the development of misperception of inequity. Also the implication is that of a more transient work force with diminished loyalty.

Based on the preceding results and discussions, the significant hypothesized relationships between the factors are depicted in Fig. 2.

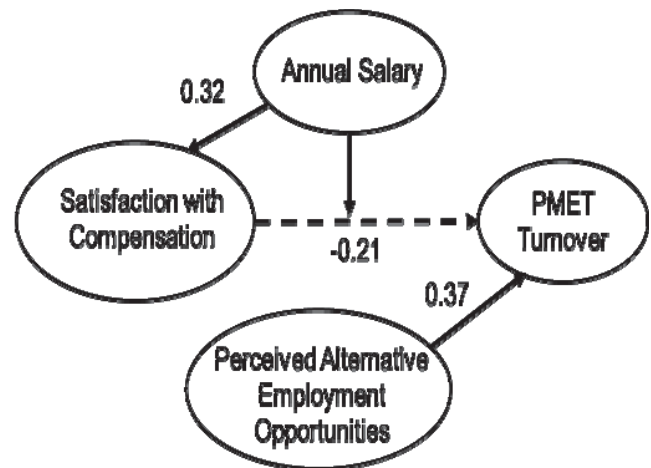


Fig. 2 Influence of Annual Salary, Satisfaction on Compensation and Perceived Alternative Employment Opportunities on PMET Turnover after Statistical Evaluation

VIII. RECOMMENDATIONS

A. Sustaining a Talent Pool

The correlation between PAEO and TI is perhaps a true reflection of the modern job market and this is difficult to control as it involves the external environment. Besides ensuring fair and equitable remuneration, the organization should also learn to manage this inevitable paradigm of having a more transient work force due to diminishing employee loyalty to organizations [61].

Organizations can build in structural safeguards to mitigate the loss of organizational capabilities. The organization should build a talent development system that can ensure a steady supply of quality talents [62]. Having a versatile work force with cross trained workers through job rotations can also help in this direction. For higher level positions, organizations can implement succession planning strategies to identify potential candidate within the organization to understudy key positions [63].

Growth and development of the talent pool within the organization must be an endeavor to be undertaken organization-wide, and not just be the prerogative of the CEO and human resource department alone [62]. This enables strategic priorities to be aligned and permeated to employees and in the process creates greater coherence and a clearer identity which can increase the attractiveness of the organization to employees.

B. Cash is King?

In spite of practitioners and academic alike advocating the importance of monetary rewards as part of the compensation package [14], [22], with some even expounding about the beneficial effects of payments above market rates [25], results here found that annual salary only exerted a secondary effect on TI, being completely mediated by COM. Even then, the effect of COM on TI is completely moderated by AnnSal, influencing only PMET in the high income group.

The interpretation of these results does not dispute these prior findings, but the analysis is that an equitable salary forms only a necessary part of the entire PMET job reward consideration which is not sufficient to ensure low TI. The value PMET ascribe to the rewards could vary, rendering a one size fits all blanket approach to compensation and benefits obsolete. This underscores the complexity and challenges involved in talent retention and calls for a more targeted, categorical approach in which the entire returns PMET receive are considered rather than with heavy focus on the monetary aspect alone, by tailoring retention interventions to cluster groups [64]. That is to give people what they want in the amount that they want as much as possible. Additionally, organizations must make efforts to benchmark against competing hirers from other organizations in order to mitigate the green is greener on the other side phenomenon [65]. This approach will better match and meet the expectations of the PMET, ensuring reduced turnover.

C. Effective Communication Channels and Paying a Fair Price

It is suggested here that companies should adopt an integrated approach towards talent retention and management challenges [62] and adopt this as one of the corporate values. In order to establish buy-in from the entire organization, there must be transparency and authenticity in communicating remuneration information and the remuneration packages must be kept equitable both internally and externally. This is not a call to make known the specifics of the remuneration quantum but rather to reveal and establish a fair compensation structure which can enhance the attractiveness of the company due to the sense of equity it conveys. This can help formulate a shared vision [54] within the company and foster greater ties and commitment and also enhance the company image. For instance, remuneration package consists of numerous permutations of many components in differing weight. Besides pay, there are leaves, medical benefits, bonuses and other allowances and selective comparison of any component will lead to biases in perceptions. Benchmarking exercise can be conducted industry-wise with the findings, rationales and justifications disseminated transparently through the organization via the most suitable means, i.e. company websites, emails, newsletters, communication sessions or by supervisors and managers to align the messages to the corporate image portrayed. Companies can also solicit for employees' feedback through engagement surveys, feedback session, company blogs or other suitable channels from which issues can be identified and acted upon.

IX. CONCLUSION

In a tight labour market coupled with slowing growth in labour supply, the challenges of talent retention in Singapore is expected to exacerbate in the future as companies compete in a perpetual talent war to sustain their competitive advantages. The complex PMET psyche calls for evolving and rigorous methodologies of analysis and innovative retention strategies to manage this paradigm of diminishing employee

loyalty. The implications are that of a more dynamic and demanding talent pool.

The cognition and behavioral response of the future Singapore work force is expected to become more complex as global and economic advancement enable workers to more than satisfy their basic needs, leading to rising aspirations. More workers would adopt PMET-like qualities or become PMET. Findings presented here can serve as a barometer for employment sentiments into the future with greater implications on the Singapore labour force as the labour composition evolves towards higher skills and knowledge.

In the first order, PAEO and COM was found to be positively correlated to TI, with PAEO exerting a more dominant effect than COM. This can be best explained by the ambitious nature of Singapore PMET which makes them prioritize their professional pursuits above many things, including their personal space.

In relation to the perennial debate on the effectiveness of money as a retention tool, this study found that AnnSal only has second order effects through the mediation of COM. Even then, the effect of COM on TI is completely moderated by AnnSal such that relationship is only significant for PMET in the high income group. With high skills and capabilities, it seems money alone is not persuasive enough to retain the PMET. The modern PMET expects more and demands more. If expectations are not met, they could leverage on their wide social network and savvy to move.

This study also points out that in order to retain their valuable employees, organizations may have to adopt more innovative, non-traditional and integrated solutions like flexible working arrangements which are inherently more difficult to implement than direct pay adjustments. It is also critical for human resource departments to be aware of the implications of labour conditions and industry benchmarks so compensation packages can be managed equitably and competitively, and be able to manage the dynamic staffing needs of the companies.

Effective and transparent corporate communication and equitable and fair treatments are the keys to building up of the resilience of the organizations to the temptations from the external environment. Also, by sustaining and developing the talent pool, turnover and the subsequent negative impacts can be ameliorated.

In conclusion, only the careful and comprehensive considerations of the intricacies involved will lead to the formulation of superior talent retention and talent management policies and strategies.

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