Antecedents of Employee Retention in the Thai Information Technology Industry

Chotika Kamloonwesaruch
Suan Sunadha Rajabhat University, Thailand
Email: s60484945028@ssru.ac.th

Boonthai Kaewkuntee
Suan Sunadha Rajabhat University, Thailand
Email: boonthai.ka@ssru.ac.th

Boonyada Pahasing
Suan Sunadha Rajabhat University, Thailand
Email: boonyada.pa@ssru.ac.th

Somchai Lekapojpanich
Suan Sunadha Rajabhat University, Thailand
Email: somchai@pacificpipe.co.th

Abstract---The information and communication technology industry is an industry that requires advanced knowledge and skills because of the intense competition. As a result, pressure and stress can create high employee turnover rate, leading to higher competition and higher costs. Therefore, the emphasis should be placed on retaining talented employees to continue working with the organization. The objectives of this research were to study: 1) levels of happiness at work, job satisfaction, organizational commitment, and employee retention in the information technology industry in Thailand; 2) examine influences of happiness at work, job satisfaction, and organizational commitment on employee retention in the information technology industry in Thailand; and 3) develop a model for employee retention in the information technology industry in Thailand. This research employed a mixed research methodology combining quantitative and qualitative methods. For the quantitative research part, the research sample consisted of 180 employees and executives in the information technology industry in Thailand. The sample size was determined based on the criterion of 20 times the observed variables. They were selected via stratified sampling. Data were analyzed with a structural equation model. As for the qualitative research component, in-depth...
interviews were conducted with 17 key informants consisting of specialists, executives and employees in the information technology industry. The data were analyzed with content analysis. The findings showed that: 1) the level of happiness at work, job satisfaction, organizational commitment, and employee retention were at a high level; 2) happiness at work had an influence, through job satisfaction and organizational commitment, on the employee retention in the information technology industry in Thailand, with a 0.5 level of statistical significance, and all of which could predict the results by 74 percent; and 3) the model for employee retention in the information technology industry in Thailand, developed by the researcher, was called the ICTER Model, consisting of ICT (referring to information and communication technology), and ER (referring to employee retention). The research findings were that organizations needed to pay attention to three aspects which included: 1) creating a good working environment by designing the workplace and tools to be ready to respond to work because beautiful workplace makes employees more confident and have better perception on the image of the organization; 2) promoting an organizational culture by focusing on employee participation, trust, placing value on the employees’ success, and paying attention to the well-being of employees; and 3) promoting learning activities and capacity building, assigning tasks according to competence and aptitude, focusing on progress and stability in assigned responsibilities, and receiving appropriate and adequate compensation. All of these factors can encourage employees to be happy, have a good quality of life, create bond with the organization and increase productivity in the work which in turn creates success for the organization. The findings can be applied in other business organizations to ensure the sustainability of the employees.

**Keywords**---employee retention, information technology, job satisfaction, organizational commitment, workplace wellbeing.

**Introduction**

Employee retention is one of the major challenges among the organization (Fernando & Sutha, 2022). Employees are the major assets of the company which has vital importance to achieve higher performance, however, employee retention is one of the major challenges among the organizations. In various organizations the employee retention level is low and the employee turnover rate is high. Employee turnover refers to the total number of workers who leave a company over a certain time period. The increase in employee turnover rate has significant negative effect on company performance. As it has several disadvantages on various operations of the company which ultimately have effect on performance (Fulmore, Fulmore, Mull, & Cooper, 2022). With the increase in employee turnover, it causes serious effect on operations of the company because the skillful employees always lead the company and its operations in true direction to achieve company of objectives. Therefore, it is needed to discourage employee turnover and increased the employee retention rate to get higher benefits.
The information and communication technology (ICT) companies of Thailand are also facing the similar issue (Phornlaphatracakhorn, 2019). These companies are facing the issue of employee turnover. The employee retention rate is low which has various negative effects on the company. The decrease in employee retention rate has several reasons due to which employees are moving towards other companies. Majorly, the most important factor which has influence on employee retention and increasing the turnover rate of employees is workforce wellbeing. The workforce wellbeing is not at satisfactory level among these organizations which causes to increase the turnover rate. Furthermore, due to the low level of workforce wellbeing, the job satisfaction of employees is at lower level. The low level of job satisfaction of the employees is directly linked with increase in job turnover. There are two important causes of employee turnover which are workforce wellbeing and job satisfaction. Furthermore, it is also observed that in various companies, organization commitment (Chanpoom & Intrawong, 2019) is also at lower level which also causes to decrease employee retention.

Number of previous studies considered employee retention among various organizations (Bunchapattanasakda, Wiriyakosol, & Ya-Anan, 2012; Panich, Nuangjamnong, & Dowpiset, 2020), however, it is very rare that any study formally documented the level of employee retention among ICT companies in Thailand. The issue of employee retention and the problem of increase in employee turnover rate is not addressed by several other studies. Hence, this study is trying to address the problem of low rate of employee retention among ICT companies of Thailand. This study proposes that increase in the level of workforce well-being can increase employee retention. According to the current study, job satisfaction and organization commitment has the ability to promote employee retention. Therefore, to address the problem of employee retention the current study developed following research objectives to:

- To study the levels of happiness at work, job satisfaction, organizational commitment, and employee retention in the ICT companies of Thailand.
- To examine influences of happiness at work, job satisfaction, and organizational commitment on employee retention in the ICT companies of Thailand.
- To develop a model for employee retention in ICT companies of Thailand.

This study majorly based on seven sections in which the second section is based on the review of literature on previous studies. This section developed the study hypotheses with the help of previous studies. Furthermore, the third section is based on the methodology to carry out the whole research. It includes research approach, research design, sampling and data collection from respondents. Fourth section of this research is grounded on the data analysis through statistical tool. In this section, the hypotheses are tested. Nevertheless, fifth section of this study is based on the discussion on results. Section six and section seven is based on the conclusion and study implications, respectively.

**Literature review**

Framework of the study is highlighted in Figure 1 which shows the relationship between workforce wellbeing, job satisfaction, job commitment and employee
retention. In this framework, workforce wellbeing is considered as independent variable. Job satisfaction and organization commitment is considered as mediating variables. Employee retention is considered as dependent variable.

![Diagram showing the relationship between workforce wellbeing, job satisfaction, job commitment and employee retention](image)

Figure 1. Framework of the study showing the relationship between workforce wellbeing, job satisfaction, job commitment and employee retention

Employee retention denotes to the capability of an organization to retain its employees (Hong, Hao, Kumar, Ramendran, & Kadiresan, 2012). Employee retention can be characterized by a simple statistic. But, many of the organizations or researchers consider employee retention as relating to the hard work by which employers’ effort to retain in their workforce. This study considered employee retention as number of employees working in the organization in relation to the employee leaving the organization. The employee retention is measured with the help of employee’s intention to stay at the organization. The number of employees leave the organization has major effects on the organization’s activities.

Workforce is the people engaged in or available for work (Su, Hsu, & Chang, 2022), either in a country or area or in a particular firm or industry. The current study considered place in relation to the organization. Therefore, workforce can be defined as the group of people engaged in any activity at a specific place in specific organization. Wellbeing on the other hand is the activities of the organization to provide various benefits to the employees along with the suitable workplace. Workforce wellbeing is most important among the organizations which is reported in the literature. The current study considered workforce wellbeing in relation to the internal design. The people working in any specific area must have a better interior design of the workplace. The workplace must be suitable for the employees, it should be saved without any risk. The provision of better place in relation to the interior design has significant relationship with workplace wellbeing. Furthermore, workplace wellbeing is also associated with the perceived organizational support. The organizational support in relation to the employees always provides better outcomes (Tavitiyaman, So, Chan, & Wong,
The employee’s perception towards their organizations to support in various matters is important. The managers working with the people should support their subordinates. In case of any emergency or any problem with the employee the organization must be supportive. The orientation of the organization towards the support of employees develops a positive perception among the minds of employees. There must be a balance between the employee work and his/her personal life. The personal life of the employee should not be disturbed due to the work at workplace. It also has major importance in relation to the workforce wellbeing. According to the current study, workforce wellbeing has significant effect on employee retention. A satisfied employee always wants to stay in the organization. The working elements such as interior design of the workplace, perceived organizational support and work life balance always effect on employee retention. The positive perception of the employees towards these factors can lead to the increase the level of retention and decrease the employee turnover rate. In line with this study, previous studies also supported the relationship between workforce wellbeing and employee retention.

Job satisfaction is explained as the degree to which an employee feels self-motivated, content and satisfied with his/her job. Workforce well-being also has an important relationship with job satisfaction. Job satisfaction is another most significant element which has a significant role in employee retention (Aman-Ullah, Aziz, Ibrahim, Mehmood, & Abbas, 2021). In this study, job satisfaction is considered an important factor which provide a link between workforce wellbeing and employee retention. It includes intrinsic job satisfaction and extrinsic job satisfaction. Intrinsic job satisfaction is described as when the company considered only the kind of work and tasks that make up the job. On the other hand, extensive job satisfaction can be explained as when the organization consider various work conditions such as employee work conditions, co-workers and supervisor. Both elements intrinsic job satisfaction and extrinsic job satisfaction has significant influence on employee retention. Provision of intrinsic and extrinsic job elements has the ability to enhance employee retention.

Along with the job satisfaction, organization commitment is also other key element which has relationship with workforce wellbeing. The workforce wellbeing has relationship with organizational commitment as highlighted in previous studies (Findler, Wind, & Barak, 2007). Organization commitment is the commitment of the organization towards the job of the employees. The commitment of the organization to provide various benefits to the employees has real importance. Generally, organization commitment is highlighted in this study as valuable organization commitment towards various tasks. It also includes the efforts of the organization to achieve various objectives related to the employee pay, rewards and various other benefits. All these elements related to the value creation and efforts of the organization towards employee job can have positive role to promote employee retention. Both the elements job satisfaction and organizational commitment has role to influence employee retention. As reported in previous studies that job satisfaction has significant connection to influence the employee retention (Tirta & Enrika, 2020). A satisfied employee does not leave the organization; therefore, it is important to promote significant level of satisfaction among the employees. Additionally, it is also observed in the literature that job satisfaction also has significant relationship with organization
commitment. Finally, from the above discussion following hypotheses are proposed;

**Hypothesis 1.** Workforce wellbeing has positive effect on employee retention.
**Hypothesis 2.** Workforce wellbeing has positive effect on job satisfaction.
**Hypothesis 3.** Workforce wellbeing has positive effect on organization commitment.
**Hypothesis 4.** Job satisfaction has positive effect on employee retention.
**Hypothesis 5.** Organization commitment has positive effect on employee retention.
**Hypothesis 6.** Job satisfaction has positive effect on organization commitment.
**Hypothesis 7.** Job satisfaction mediates the relationship between workforce wellbeing and organization commitment.
**Hypothesis 8.** Organization commitment mediates the relationship between workforce wellbeing and employee retention.

**Methodology**

In the current study, four variables are measured; workplace wellbeing, job satisfaction, organization commitment and employee retention. These variables are measured with the help of primary data. This research employed a mixed research methodology combining quantitative and qualitative methods. In quantitative research, the primary data is used to measure the relationship. All these variables are measured by previous studies with the help of primary data. Therefore, relatively few studies which examined these variables through secondary data. Thus, this study is also preferred to measure these variables through primary data. To apply quantitative research, the research sample consisted of 180 employees and executives in the ICT industry in Thailand. As the ICT companies are under investigation, therefore, employees and executives of these companies are selected as respondents. A questionnaire is designed for data collection from the respondents. While developing a questionnaire, workplace wellbeing is measured through interior design, perceived organization support and work life balance. Job satisfaction is measured by using intrinsic job satisfaction and extrinsic job satisfaction. Organization commitment is measured by using value organization commitment, effort organization commitment and retention organization commitment. Finally, employee retention is measured by using intention to stay at organization. Respondents were selected via stratified sampling. Data were analyzed with a structural equation modeling. Furthermore, for qualitative research, in-depth interviews were conducted from 17 respondents consisting of specialists, executives and employees in the ICT industry. Finally, the data were analyzed with the help of content analysis.

**Results**

Before to apply structural equation modeling, this study preferred to carried out data screening. Data screening has importance before data analysis because it is based on to fix the errors in the data (Won, Wan, & Sharif, 2017). There is a probability of error in the date while data entry. These errors may be related to the missing value as well as outlier in the data. Both the missing value as well as outlier can effect on the results. Therefore, it is important to fix these errors before to check the relationship between variables. In this direction, this study carried out data screening and after data screening the data statistics are
provided in Table 1. It is evident that there is no missing value as well as no outlier in the data.

| Table 1 |
|------------------|------------------|------------------|------------------|------------------|-----------------|------------------|
| Statistical test of empirical variables (n=180) |
| ตัวแปร | M | S.D | %CV | Sk | Ku | χ² | P-value |
|------------------|------------------|------------------|------------------|------------------|-----------------|------------------|
| Desig | 4.24 | .57 | 13.44 | -.740 | -.964 | 1.478 | .478 |
| Orsup | 4.08 | .71 | 17.40 | -1.515 | -1.327 | 4.055 | .132 |
| Intern | 4.31 | .60 | 13.92 | -1.955 | -1.423 | 5.845 | .054 |
| Extern | 4.23 | .57 | 13.48 | -.752 | .405 | .730 | .694 |
| Value | 4.37 | .60 | 13.73 | -2.620 | -3.890 | 21.998 | .000 |
| Effort | 4.19 | .61 | 14.56 | -.971 | -1.855 | 4.385 | .112 |
| Stay | 4.23 | .66 | 15.60 | -2.166 | -1.715 | 7.630 | .022 |

**Measurement model**

After the data screening, this study carried out data analysis with the help of structural equation modeling. The structural equation modeling is started with the help of measurement model assessment. The measurement model assessment is the very first part of structural equation modeling in which the reliability and validity is preferred to examine of all the constructs (Hair, Hult, Ringle, Sarstedt, & Thiele, 2017; Khan et al., 2019). Therefore, this study examined the factor loading of all items and 0.5 as minimum threshold level is considered in the study. The results of factor loading are provided in Table 2 which shows that workplace wellbeing is measured with the help of three scale items, organization commitment is measured with the help of three scale items, job satisfaction is measured with the help of two scale items and finally employee retention is measured with the help of one scale items. It is evident from Table 2 that all the scale items have factor loading above 0.5. In addition to the factor loadings, this study also examined reliability with the help of Cronbach Alpha along with discriminant validity. This study proved that the reliability and validity is also confirmed.

<p>| Table 2 |
|------------------|------------------|------------------|------------------|------------------|
| Factor Loadings (n = 180) |</p>
<table>
<thead>
<tr>
<th>ตัวแปร</th>
<th>Factor Loading (λ)</th>
<th>Error (θ)</th>
<th>t</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Workplace Wellbeing (Wellb)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Interior Design (Desig)</td>
<td>.76</td>
<td>.43</td>
<td>14.20*</td>
<td>.57</td>
</tr>
<tr>
<td>1.2 Perceived organizational support (Orsup)</td>
<td>.73</td>
<td>.47</td>
<td>13.40*</td>
<td>.53</td>
</tr>
<tr>
<td>1.3 Work Life Balance (Balan)</td>
<td>.53</td>
<td>.72</td>
<td>9.20*</td>
<td>.28</td>
</tr>
<tr>
<td>ρc = .72</td>
<td>ρv = .56</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Organization commitment (Commit)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


2.1 Value organization commitment (Value) .72 .49 13.59* .51
2.2 Effort Organization Commitment (Effort) .80 .36 15.77* .64
2.3 Retention Organizational Commitment (Reten) .72 .48 13.52* .52
\[ \rho_c = .79 \quad \rho_v = .55 \]

3. Job Satisfaction (Satis)
   3.1 Intrinsic job satisfaction (Intern) .79 .38 15.37* .62
   3.2 Extrinsic job satisfaction (Extern) .82 .33 16.22* .67
\[ \rho_c = .78 \quad \rho_v = .64 \]

4. Employee Retention (RetEm)
   4.1 Intention to stay (Stay) .94 .12 21.82* .88
\[ \rho_c = .88 \quad \rho_v = .88 \]

**Structural model**

The assessment of structural model helped this study to test the relationship between variables (Hair et al., 2017; Hair et al., 2019). In this process, this study considered the effect of workplace wellbeing on organization commitment and job satisfaction along with employee retention. The effect of job satisfaction is also considered in relation to the organization commitment and employee retention. Furthermore, the effect of organization commitment is checked in relation to the employee retention. The process of hypotheses testing is given in Figure 1 as structural model and results of hypotheses testing are provided in Table 3. It is evident from the results that workplace wellbeing has significant relationship with job satisfaction and organization commitment. It also has a significant effect on employee retention. Furthermore, it is evident from the results that job satisfaction has significant relationship with organization commitment and employee retention. Finally, organization commitment has significant effect on employee retention. Table 3 also shows that the variance explained in the current study in relation to the employee retention is 0.74. It indicated that job satisfaction, organization commitment and workplace wellbeing are expected to bring 74% change in employee retention which is strong.
Results of the study highlighted that all the direct effects are supported. Along with the direct effect hypotheses, this study also proposed indirect effect hypotheses in which the mediation effect of job satisfaction and organization commitment is considered. Three mediation effects are considered in this study. First, the mediation effect of job satisfaction is examined between workplace wellbeing and organization commitment which is significant. Furthermore, the mediation effect of job satisfaction is considered between workplace wellbeing and employee retention which is also significant. Additionally, the mediation effect of organization commitment is examined between workplace wellbeing and employee retention which is also significant.
retention which is also significant. It shows that both the job satisfaction and organization commitment are transferring the positive effect of workplace wellbeing on employee retention.

**Discussion**

Findings of the study fulfilled research objective by examining the relationship between workplace wellbeing, job satisfaction, organization commitment and employee retention. The direct and indirect hypotheses are proposed and results of these hypotheses achieve the study objective. Data collection is made from ICT companies of Thailand with the help of questionnaire and in-depth interviews provided the platform to test the hypotheses. Findings of the study reported that workplace wellbeing has significant positive effect on job satisfaction. Among the ICT companies, the wellbeing of the employees can increase the job satisfaction. Job satisfaction has critical role to retain the employees in any organization. In line with the current study, previous studies reported the positive role of workplace wellbeing in job satisfaction (Gomez-Baya & Lucia-Casademunt, 2018). Furthermore, workplace wellbeing is proved to be a most important element in relation to the organization commitment. It has positive effect to promote organization commitment. Therefore, for ICT companies, is it is important to enhance workplace wellbeing to promote organization commitment and job satisfaction. Furthermore, there is a direct effect of workplace wellbeing on employee retention which shows that increase in workplace wellbeing can increase the employee retention.

The problem of employee turnover among the ICT companies of Thailand can be managed with the help of workplace wellbeing. The better workplace for the employees working in this industry can increase the employee retention by decreasing the employee turnover rate. It is also observed that hypothesis of the study shows that job satisfaction has positive effect on employee retention, therefore, it is evident that workplace wellbeing can increase the job satisfaction and job satisfaction can increase the employee retention. In addition to this, it is also evident from the results that job satisfaction has positive effect on organization commitment. Organization commitment has positive effect on employee retention. Therefore, it is clear that the increase in job satisfaction can increase the organization commitment and increase in organization commitment increases the employee retention in ICT industry of Thailand. Previous studies also proved that this relationship is significant and positive. As highlighted in literature that job satisfaction has significant relationship with organization commitment and organization commitment has significant relationship with employee retention (Naz et al., 2020; Tirta & Enrika, 2020). Therefore, it is proved that there is a direct effect of workplace wellbeing on employee retention. However, it also has indirect effect through job satisfaction and organization commitment. As the mediating effect of job satisfaction and organization commitment is also significant between workplace wellbeing and employee retention. It is proved by the hypothesis that job satisfaction and organization commitment have the ability to transfer the positive affect workplace wellbeing on employee retention. Therefore, workplace wellbeing, job satisfaction and organization commitment has a potential to enhance the employee retention by decreasing the employee turnover.
Conclusion

Findings of the study lead to conclude that; the level of happiness at work, job satisfaction, organizational commitment, and employee retention are most important factors for ICT industry. The level of happiness at work has an influence, through job satisfaction and organizational commitment, on the employee retention in the ICT industry of Thailand. Furthermore, the model for employee retention in the ICT industry in Thailand, developed by the current study is called the ICTER Model, consisting of ICT (referring to information and communication technology), and ER (referring to employee retention). The organizations needed to pay attention to three aspects which included: 1) creating a good working environment by designing the workplace and tools to be ready to respond to work because a good workplace makes employees more confident and have better perception towards the image of the organization. Moreover, promoting an organizational culture by focusing on employee participation, trust, placing value on the employees' success, and paying attention to the well-being of employees is important to increase employee retention. Furthermore, promoting learning and capacity building activities, assigning tasks according to competence and aptitude, focusing on progress and stability in assigned responsibilities, and receiving appropriate and adequate compensation has central importance in employee retention. All of these factors can encourage employees to be happy, have a good quality of life, create bond with the organization and increase productivity in the work which in turn creates success for the organization.

Implications of the study

The findings can be applied in other business organizations to ensure the sustainability of the employees. The current study considered ICT companies of Thailand which is really addressed by the previous studies. Studies are carried out on ICT industry among various countries; however, the problem of employee retention or employee turnover is not addressed among the ICT industry of Thailand. This study contributed with the help of addressing workplace well-being, job satisfaction and organization commitment. The relationship between workplace wellbeing, job satisfaction, organization commitment and employee retention are addressed among the ICT companies of Thailand which is not investigated previously. Additionally, the current study considered mediating role of job satisfaction between workplace wellbeing and employee retention. This mediating effect is not considered in previous studies. Additionally, the role of organization commitment as mediating variable is also not addressed between workplace wellbeing and employee retention. This unique contribution of this study in the literature has important contribution to practical implications. Practically, the current study provided several insights for the companies of Thailand to promote employee retention by reducing the rate of employee turnover. In this direction, this study helps the practitioners to promote workplace well-being as it has significant influence to increase the employee satisfaction level and organization commitment which can promote employee retention. Finally, this study recommended the management of ICT companies working in Thailand to promote workplace verifying, job satisfaction and organization commitment to decrease the rate of employee turnover.
References


