Factors Affecting Employee Retention at Tira Thai Public Company Limited, Samut Prakan, Thailand

Channthou Chim  Pongsatean Luengalongkot and Sunee Hongwiset

Graduate school of Public Administration, Burapha University, Chonburi, Thailand
Email: Channthouchim@yahoo.com; Email: pongsate@hotmail.com; Email: nynahong@gmail.com

Abstract

This research is about factors affecting employee retention at Tira Thai Public Company Limited, Samut Prakan, Thailand. This study aims to study the level of employee retention at TRT and to study the important factors affecting employee retention at TRT. There are 495 population in this research from TRT located in Samut Prakan, Thailand. There were 300 participants used as a sampling group and were selected by using a stratified random sampling technique. Participants from each department were randomly selected by using simple random sampling technique. The statistical analysis used multiple regression and descriptive statistic. The result shows that the level of employee retention at TRT is in high level. At the same time, there are three factors affecting employee retention, namely, employee relation, job compensation, employee training and professional development. Work environment and leadership were not affect employee retention.

Keywords: Employee retention, Job compensation, Employee training and professional development.

Introduction

Nowadays in the job market, employees have more requiring from employers. However, their inquiry reached and formed them to satisfy and insist depend on the employers. An organization’s ability to retain staff is an essential component of talent sustainability. It has become increasingly more difficult for organizations to retain qualified talent staff. For this reason, therefore, employee retention strategy is extremely important role to prevent high employee turnover. Effective strategy consists of many factors that human resource management needs to embrace for employee satisfaction. As all employees are different, succeeding the staff retention is very challenging and tough. It is not an easy thing to lead people and make them stay. The ability to maintain the quality staff staying for many years is a strong positive point for company. Having the potential staff will not only boost the competitiveness of companies, but will also reduce spending and other dissatisfaction things. Every leaving of employee, the company usually wastes time on finding replacement and double expend on advertisement, recruitment and training. As the new one has to train and start from the beginning, working process also
affected. Another problem is the speed of recruitment, which is always late for selecting new staff. This problem causes intrinsic demotivation to other who has to temporarily respond over the quitting employee. It is bad effect to company for irresponsible of management. Not only employee is unhappy to work, but also affects to job productive and quality. The case of selective disqualify staff because of emergence requirement usually messes up the work and ruins the environment Parker, O., & Wright, L [1] Therefore, restart is not always good when task is in progressing. Error, disqualified, slow processing, and misunderstanding the task are easy to happen for new staff and they are happening at TRT in every replacing. Hence, the researcher would like to know how the management practice is as well as alert to the relevant stakeholder aware of it. If a good foundation is not prepared for the employees, organizations cannot expect them to stay. Employees will no longer endure what they do not like in their employment situation.

Research Objectives

This research aims to study the level of employee retention and to study the important factors affect employee retention at TRT. The research questions are following:

1. What are the level of employees retention at TRT?
2. What are the important factors affecting employee retention at TRT?

Research Hypothesis

Job compensation, Employee training and professional development, Leadership, Work environment and employee relation affect employee retention at TRT

Conceptual framework

![Conceptual framework](image)
Review of Literature

Employee retention is the way to keep the staff working in a long period until they are retired or the project ended Gharib, Kahwaji, & Elrasheed [2] . Job compensation contained the amount of salary, wage, incentives, or equivalents employee received in return for action which employee contributes where they worked. Job compensation has direct effect on employee retention Gharib, Kahwaji, & Elrasheed [2]. Employee training and professional development was the knowledge and it was the expensive asset for employee to fight in the war of talent. Employee training and professional development has direct effect on employee retention Das & Baruah [3]. Work environment was one of the reasons that each employee decided to stay or leave. If the climate they faced fitted into their desire and characteristic, the possibility of staying might be longer. Work environment has direct effect on employee retention Khan, A. S., Khan, S., Nawaz, A., & Qureshi, Q. A [4]. Employee relation was defined as the relation among employee themselves. It helped employee’s work more productive Long, C. S., Perumal, P., & Ajağbe, A. M. [5]. Employee relation has direct effect on employee retention. Leadership was the “involvement in decision making, more appreciation, better communication, more team building, flexible work conditions, more autonomy and better coaching”. Leadership has direct effect on employee retention Kossivi, B., Xu, M., & Kalgora, B [6]

Methodology

Population and sample

There are 495 populations in this research from TRT located in Samut Prakan, Thailand. According to Krejcie & Morgan [7] , is used for calculate for sample size. Based on the table, 214 staffs will invite to do questionnaires. To reduce error in the data analysis and in the case of multi independent variables, using large amount of sample created strong relationship for degree of certainty. Therefore, the author decides to increase the number of participant in total amount of 300 instead of 214 to ensure that the criterion of practical significance is met along with statistical significance. The multi-stage random sampling technique was employed to select the sample. The stratified random sampling was applied for choosing participant from each department Edmonds & Kennedy [8]

Research tool: The questionnaire is used as the research tool for collecting data effectively with reliability value 0.938.

Data analysis

The analysis of the collected data are following 1) To study the level of employee retention at TRT, the statistical analysis use mean, and standard deviation. 2) To study the important factors affecting employee retention at TRT, to analyze the data the multiple regression analysis was used at the significances level 0.05.

Research Result

The result of the research found that;

1. Employee retention have a high average score of 3.53 with standard deviation at 0.54 as table 1
Table 1 Descriptive statistic of independent variables and dependent variable

<table>
<thead>
<tr>
<th>Observed Variables</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job compensation</td>
<td>300</td>
<td>3.18</td>
<td>0.72</td>
</tr>
<tr>
<td>Employee training and professional development</td>
<td>300</td>
<td>3.34</td>
<td>0.55</td>
</tr>
<tr>
<td>Leadership</td>
<td>300</td>
<td>3.41</td>
<td>0.59</td>
</tr>
<tr>
<td>Work environment</td>
<td>300</td>
<td>3.31</td>
<td>0.59</td>
</tr>
<tr>
<td>Employee relation</td>
<td>300</td>
<td>3.53</td>
<td>0.54</td>
</tr>
<tr>
<td>Employee retention</td>
<td>300</td>
<td>3.43</td>
<td>0.53</td>
</tr>
</tbody>
</table>

2. The study of factors affecting employee retention at TRT contains five independent variables, job compensation, employee training and professional development, leadership, work environment, and employee relation. Based on the result was found that three factors 1) job compensation 2) employee training and 3) professional development, and employee relation were significantly affect employee retention at TRT. Employee relation was highest level influence to employee retention following by job compensation and employee training and professional development. Work environment and leadership were not affect employee retention. The Regression Equation is Employee retention (Y) = 1.042 + 0.170 Job compensation + 0.126 Employee training and professional development + 0.412 Employee relation + e.

Table 2: Summary of the regression analysis

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Level of employee retention</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>b</td>
</tr>
<tr>
<td>Job compensation</td>
<td>0.170</td>
</tr>
<tr>
<td>Employee training and professional development</td>
<td>0.126</td>
</tr>
<tr>
<td>Leadership</td>
<td>-0.028</td>
</tr>
<tr>
<td>Work environment</td>
<td>0.022</td>
</tr>
<tr>
<td>Employee relation</td>
<td>0.412</td>
</tr>
</tbody>
</table>

Discussion

1. To study the level of employee retention at TRT. The result shows that the level of employee retention at TRT were high level because the employees are willing to work for company and think that their work is appropriate with their ability. Thus they feel that their working life is successful. It
demonstrated that employee retention at TRT is in good condition because the company provides fully support and encourages their employee very well. It is means that they provide enough supports for employee’s satisfaction such as job compensation, training, and retention strategies. The more enjoyable they work, the higher level they engage their work. However, based on the research problem, the amount of employee quit the job were in a noticeable number which is above 50 people in every year among the staff approximately 500 people. Somehow the standard of work is not fully accepted by the staff and they might think their working life is not completely prosperous and fruitfully as they want yet. Humans worked to satisfy their needs; as their workplace could not fulfill, they set change Noe, Hollenbeck [9] In other word, the relationship between input and outcome affecting to reward was not compliment Chiang & Jang [10] These dissatisfactions might affect to their intention to leave for finding a better one.

2. To study the important factors affecting employee retention at TRT.

**Hypothesis 1:** Multiple regression analysis supports the hypothesis that job compensation significantly affected employee retention at TRT. The result is consistent with Thanasirisate Suvattanadilok [11] which proved that job compensation significantly influenced to employee retention or turnover rate in the company. Likewise, Herzberg’s theory, job compensation plays as an extrinsic hygiene factor for employee advantage to achieve the job. Job compensation also takes a role as the basic need for people to live as people work for money and use it to arrange their live goal and family, mentioned in Maslow’s theory Khan, A. S., Khan, S., Nawaz, A., & Qureshi, Q. A [4].

According to the result indicates that job compensation affects employee retention at TRT. In other word, both non-financial and financial remuneration have relation with the intention to leave or stay of employee. It is one of the main motivation for employee to work in the company. Based on the literature review and the research result, consequently, job compensation is a part strong indicator for retaining the staff. TRT with a balance remuneration package is able to keep the employee effectively.

**Hypothesis 2:** Multiple regression analysis supports the hypothesis that employee training and professional development affects employee retention at TRT. The result agrees with Das and Baruah [3] which illustrated that employee training and professional development affects employee retention. This factor was the important part for retaining the employee as the money alone could not keep the staff insist. Training and professional development must stand together for employee satisfaction and improvement Khan, Khan, Nawaz, & Qureshi [4] In other word, after basic need, people need the specific skill and growth which was the challenge point for people who lived in the society. Money could help them to live but skill improvement challenge their live to move on independently.

Likewise, employee training and professional development affect employee retention at TRT in this study. It is acknowledged that training forms the backbone of strategy implementation for effective retention. At TRT, employee who received the chance to join training and development are more encourage in their job thus boost retention rate. Manager must be
aware for quality implementation and provide the advantage for the company.

**Hypothesis 3:** Analytical result has proved that leadership does not affect employee retention at TRT which opposite to the finding of Kossivi et al. [6] Leadership showed to be insignificant with p-valued 0.61; that is leadership does not affected to employee retention at TRT. Thai is because leaders have many style and forms. This organization has good leader causing no affected to employee retention.

**Hypothesis 4:** the hypothesis is proposed that work environment significantly affect to employee retention at TRT. Based on the analytical result showed that work environment do not affect employee retention which opposite to the findings of Gharib et al. [2] Work environment showed to be insignificant with p-valued 0.690; however, the result of Pearson correlation in the table demonstrates that there is a relationship between work environment and employee retention. Work environment has relationship but not affected to employee retention at TRT.

Because hypothesis 3 and 4 found to be insignificant in the study and according to the real situation and sample size, most of participants are from production department (145 participants, 48.30%) because this department is the largest with the population of 330 people. Their working place are at the factory and they work independently. In addition, this group of people do not get the fixed salary as the group of people who work in the office. Their present at work is not regular based on the flow of production. According to the statement problem, most people who frequently quit the job are from production department. Regarding to these reasons, leadership and work environment do not really affect their job retention. Their relationship with management team is not so close and their work environment is no matter. As a result, leadership and work environment do not affect their intention to stay or leave in the company.

**Hypothesis 5:** The last hypothesis referred to the proposed of objective, that employee relation significantly affect employee retention. According to the result, this hypothesis has the most significant effect on employee retention with p-valued 0.000 that is consistent with Thanasirisate et al. [11] Attitude enhanced the relationship between colleagues and fostering a supportive employee relation was important for retention. The review found that the employee who got less relation with their coworker was taken the initiative to quit the job. Hence, the more understanding and supportive were promoted, productive and effective of the workflow were promoted Thiagaraj, D., & Thangaswamy [12]

**Recommendation**

**Policy recommendation:**

In this study, employee relation is the greatest influence of the employee retention to leave or stay in their job; therefore, it is important to find a strategy on how to manage people and effective strategies to keep them.

**Recommendation for future research:**

This investigation is the first of its kind to investigate the employee retention at only TRT, Samut Prakan, Thailand; therefore, researcher would recommend that further research should conduct the research to investigate the employee retention for more than one company to ensure the reliability and generally apply in the whole country.
References


