



การประชุมวิชาการและนำเสนอผลงานวิจัยระดับชาติและนานาชาติ ครั้งที่ 10
"Global Goals, Local Actions: Looking Back and Moving Forward"

Influences of Structural Causal Organizational Support Perception and Organizational Commitment toward the Employee Retention of a Financial Institute in Bang Bon District

Pongsin Sukantapong¹, Thanyanan Boonyoo², Pharin Thanonthaweekul³

¹Master Student of Business Administration Program, Southeast Asia University

²Lecturer, Doctor of Business Administration Program, Southeast Asia University

³Physicians, Specialist of Family Medical, Pharin Clinic Acupuncture, Anti-Aging

Abstract

This study aimed to (1) explore levels of organizational support perception, organizational commitment and employee retention; (2) investigate the structural causal organizational support perception and organizational commitment toward the employee retention of a financial institute in Bang Bon District. Samples in this exploratory quantitative study were 145 employees of a financial institute in Bang Bon District. The research instrument in this study was a questionnaire which was statistically analyzed by percentage, means, standard deviation, and structural equation model analysis. The results of the study revealed that: (1) organizational support perception, organizational commitment, and employee retention of these participants were overall averaged at high level; and (2) the results of structural causal organizational commitment showed that the perceived organizational support had overall influence to organizational commitment factors (i.e. belief, affective, and trust commitments). Organizational commitment, belief and affective factors have direct impact on employee retention; however, trust commitment didn't. Recommendation based on the results of the study was that financial institute in Bang Bon District should provide all factors of employees' perceived organizational support to enhance employees' satisfactory organizational commitment and retention.

Keywords: *Organization support perception / organizational commitment / employee retention*

บทคัดย่อ

การวิจัยครั้งนี้มีวัตถุประสงค์เพื่อ (1) ศึกษาระดับของการรับรู้การสนับสนุนจากองค์กร ความผูกพันต่อองค์กร และการคงอยู่ของพนักงาน และ (2) ศึกษาโครงสร้างเชิงสาเหตุของการรับรู้การสนับสนุนจากองค์กรและความผูกพันต่อองค์กรที่มีผลต่อการคงอยู่ของพนักงานสถาบันการเงินแห่งหนึ่งในเขตบางบอน โดยงานวิจัยนี้เป็นการวิจัยเชิงปริมาณด้วยวิธีการสำรวจ กลุ่มตัวอย่างที่ใช้ในการวิจัย คือ พนักงานพนักงานสถาบันการเงินแห่งหนึ่งในเขตบางบอน จำนวน 145 คน เครื่องมือที่ใช้ในการวิจัยเป็นแบบสอบถาม สถิติที่ใช้ในการวิจัย คือ การวิเคราะห์ด้วยค่าร้อยละ ค่าเฉลี่ย ส่วนเบี่ยงเบนมาตรฐาน และการวิเคราะห์สมการโครงสร้าง ผลการวิจัยพบว่า (1) การรับรู้การสนับสนุนจากองค์กร ความผูกพันต่อองค์กร และการคงอยู่ของพนักงาน



การประชุมวิชาการและนำเสนอผลงานวิจัยระดับชาติและนานาชาติ ครั้งที่ 10
"Global Goals, Local Actions: Looking Back and Moving Forward"

สถาบันการเงินแห่งหนึ่งในเขตบางบอนมีค่าเฉลี่ยโดยรวมอยู่ในระดับมาก และ (2) ผลการวิเคราะห์ความสัมพันธ์โครงสร้างเชิงสาเหตุ พบว่า การรับรู้การสนับสนุนจากองค์กรมีอิทธิพลโดยรวมกับความผูกพันต่อองค์กรด้านความเชื่อมั่นอย่างแรงกล้า ด้านจิตใจ และด้านความไว้วางใจในองค์กร ส่วนความผูกพันต่อองค์กรด้านความเชื่อมั่นอย่างแรงกล้า และด้านจิตใจมีอิทธิพลโดยตรงต่อการคงอยู่ของพนักงาน แต่ความผูกพันต่อองค์กรด้านความไว้วางใจในองค์กรไม่มีอิทธิพลโดยตรงต่อการคงอยู่ของพนักงาน ซึ่งจากผลการวิจัยนี้สถาบันการเงินแห่งหนึ่งในเขตบางบอนควรมุ่งสร้างให้พนักงานเกิดการรับรู้การสนับสนุนจากองค์กรทุกด้าน เพื่อให้พนักงานเกิดความผูกพันและคงอยู่ในองค์กรด้วยความสมัครใจ

คำสำคัญ: การรับรู้สนับสนุนจากองค์กร / ความผูกพันต่อองค์กร / การคงอยู่ของพนักงาน

Introduction

Employees' movement is regarded as a challenge within organizations as it signifies the retention and turnovers of employees. Moreover, it can also be a hindrance to organization's success. Although turnovers are inevitable, every enterprises require strategies to reduce employee turnovers as much as possible (Nasyira, Othman & Ghazail, 2014, p. 836). Employee retention serves as a guideline that contributes to the company's work performance, therefore, many organizations try to support desirable working environments, to increase work satisfaction, and to reduce the rate of turnovers (Iqbal & Hashmi, 2015, p. 21). Additionally, the employee retention can improve work efficacy. Financial institute plays an important role in developing and transforming the economic system based on Thailand 4.0 economic policy. This policy has primarily focused on human resources to transform all organizations to have sustainable growth, to endeavor their employees with good governance together with leveraging the employees' work efficacy and to engage to workforce flexibility arrangement. Furthermore, Thailand 4.0 policy aims to enhance the effectiveness of overall workforce governance and reduce the turnovers within the organizations by giving significance to the workforce transfer and only recruiting some positions which needed experts or specialists. However, in 2017 the total number of employees was slightly reduced in financial institute, compared to those of 2015 to and 2016 (Financial Institute, 2018), by concluding in brief in Table 1.



การประชุมวิชาการและนำเสนอผลงานวิจัยระดับชาติและนานาชาติ ครั้งที่ 10
 "Global Goals, Local Actions: Looking Back and Moving Forward"

Table 1 Showing the number of employees for the year 2013-2017

Number of Employees		2013	2014	2015	2016	2017
Full Time	Top Manager	63	70	76	78	73
	First-Middle Manager	2,621	2,720	3,206	3,319	3,293
	Employees	17,941	20,056	20,616	20,214	19,051
Temporary	Service Employpass	112	61	109	135	127
	Outbound	39	107	50	32	16
Total		20,749	23,014	24,057	23,778	22,560

Source. From Sustainability Report 2013-2017, by A financial institute, Retrieved January 20, 2018, from <https://www.ktb.co.th/th/about-ktb/sustainability/sustainability-reports>

Notably, it was found that financial institutes have gradual high level of workforce rotation. To reduce the problem, they therefore need to seek some strategies or factors to keep employees and to reduce the annual rate of gradual turnovers. Several studies since mid-1990s found the significance of the methods that contribute to the successful techniques in maintaining sustainability of the employee retention. According to Iqbal & Hashmi's study (2015, p. 21), organizational human capital is a resource that contributes to the competitiveness among organizations and it is a way to construe employees' perceived organizational support which has influence on longer employee retention (Islam et al., 2013, p. 1238; Liu et al, 2015, p. 389). Kalidass & Bashron's study (2015, p. 82) also showed that the perceived organizational support is the main factor in engaging organizational commitment. Furthermore, it is a significant factor in increasing the efficacy of the strategic governance of administrative employee retention. Additionally, with the organizational support (both in benefits and welfares), it can promote the employees' satisfaction and increase positive attitude of the organizations. Lastly, it can create sustainability in the organizational commitment and employee retention (Worku, 2015, p. 1).

Based on the background and significance of this study, the researcher explored the influences of structural causal organizational support perception and organizational commitment toward the employee retention of a financial institute in Bang Bon District. This is could serve as a guideline in contributing to the employees' organizational commitment and in developing human resources system which would increase the employee retention. Moreover, it would also be beneficial to the development of appropriate planning strategies of human resources to change environments that gear towards the enhancement of effective work behavior which will affect the sustainability of the organizational growth.



การประชุมวิชาการและนำเสนอผลงานวิจัยระดับชาติและนานาชาติ ครั้งที่ 10
"Global Goals, Local Actions: Looking Back and Moving Forward"

Research Objective

1. To explore the levels of perceived organizational supports, organizational commitment, and employee retention of a financial institute in Bang Bon District.
2. To investigate the structural causal organizational support perception and organizational commitment toward the employee retention of a financial institute in Bang Bon District.

Research Scope

1. Population scope: This quantitative study consisted of 227 employees of a financial institute in Bang Bon District (Financial Institute, 2018). Samples in this study were 145 employees of the financial institute in Bang Bon District. The size of samples employed Taro Yamane's concept of 95% of reliability and $\pm 5\%$ of acceptable error (Yamane, 1973). This study implemented both stratified samplings and simple random samplings.

2. Content scope: Variables in this study were: (1) Organization support perception; (2) organizational commitment factors: belief commitment in achieving organizational goals and values, affective commitment, and organizational trust commitment, and (3) employee retention.

3. Duration scope: This study was conducted for 5 months (June - November 2018).

Review Literature

After reviewing the literary works, concepts, theories, and related research studies, the researcher has summarized as the following:

1. Organizational support perception is regarded as a social change based on fundamentals of organizational behavior and social exchange theories. The benefits of organizational support are correlated to social needs and employees' emotion (Bilgin & Demirer, 2012, p. 470). Giving importance to collaboration and well-being of employees are related to the organizational commitment and motivation in achieving organizational goals (Nasyira, Othman & Ghazail, 2014, p. 836). From a similar study of Islam et al. (2013, p. 1238), the employee retention depended on the influence of perceived organizational support and organizational commitment in retaining employees within the organization. Subsequently, Iqbal & Hashmi's (2015, p. 21) study showed that to contribute to the employees' organizational commitment and to the sustainability of employee retention within the organization, it is necessary for the organization to establish the employees' perception of organizational support.

2. Organizational commitment is a concept of behavior associated with attitudes, values, and emotions of individuals who have full effort of workforce flexibility. It is also correlated with organizational beliefs. This kind of behavior has influenced on individual



การประชุมวิชาการและนำเสนอผลงานวิจัยระดับชาติและนานาชาติ ครั้งที่ 10
"Global Goals, Local Actions: Looking Back and Moving Forward"

behavior of organizational membership retention (Sharma & Sinha, 2015, p. 72). Organizational commitment structure can be measured into 3 elements: (1) high loyalty and trust that administrative policies can create positive organizational image; (2) workforce psychological aspect which includes their creativity with efficient operation; and (3) organizational trust which has effects on correlation of organizational values and can be applied at work (Dadgar et al, 2013, p. 1220). As Kalidass & Bahron's study (2015, p. 82) on the influence of perceived supervisor support, perceived organizational support and organizational commitment towards employees' turnover intention, it is revealed that the perceived organizational support was a key factor that contributes to organizational commitment and could be a psychological norm to promote their work satisfaction and to reduce their employee turnover intention.

3. Employee retention is a measurement that represents organizational achievement standard. It is necessary that organizations encourage and motivate employees to remain in the organization. This can also keep knowledgeable, skilled, and high capable employees (Shakeel, 2015, p. 33). Therefore, it is necessary that organization contribute to the employee retention and develop the organizational growth gradually (Adi, 2012, p. 340). More importantly, this technique can create higher quality products and services (Mitchell et al., 2001, p. 1103). To achieve the employees' turnover intention, the superiors should develop strategies to manage the willingness of employees' loyalty, to support them in adjusting themselves to swiftly follow organizational cultures, and to contribute love and loyalty for organizational commitment. Consequently, the employees would put high effort to further achieve the organizational goals (Neuhauser, 2002, p. 470).

Based on the aforementioned literature review, the conceptual framework for this study is presented below.



การประชุมวิชาการและนำเสนอผลงานวิจัยระดับชาติและนานาชาติ ครั้งที่ 10
 "Global Goals, Local Actions: Looking Back and Moving Forward"

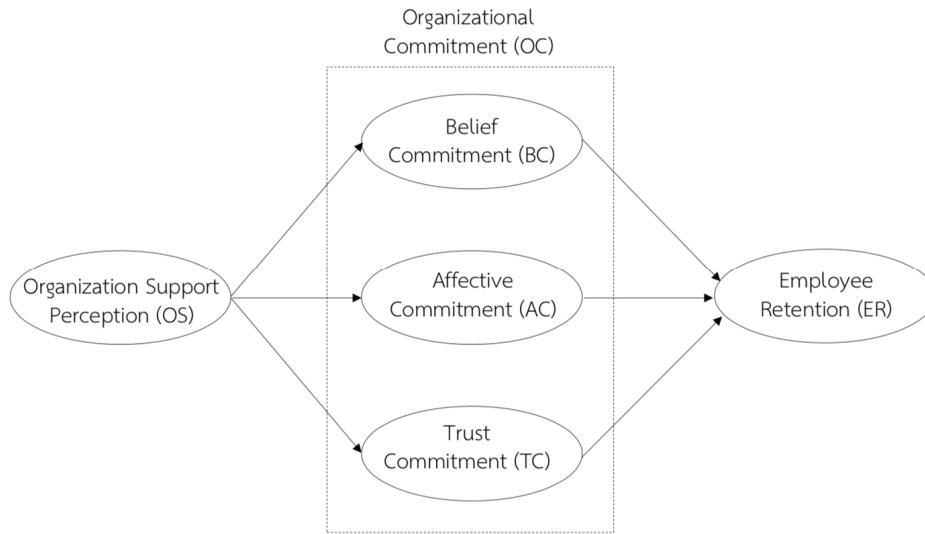


Figure 1 Research Framework

Research Hypotheses

Hypothesis (H1): Organization support perception has impact directly on the organizational commitment of belief.

Hypothesis (H2): Organization support perception has impact directly on the organizational commitment of affective.

Hypothesis (H3): Organization support perception has impact directly on the organizational commitment of trust.

Hypothesis (H4): Organizational commitment of belief has impact directly on the employee retention.

Hypothesis (H5): Organizational commitment of affective has impact directly on the employee retention.

Hypothesis (H6): Organizational commitment of trust has impact directly on the employee retention.

Hypothesis (H7): Organizational commitment of belief as the mediator variable correlated with the influences of organization support perception and employee retention.

Hypothesis (H8): Organizational commitment of affective as the mediator variable correlated with the influences of organization support perception and employee retention.

Hypothesis (H9): Organizational commitment of trust as the mediator variable correlated with the influences of organization support perception and employee retention.



การประชุมวิชาการและนำเสนอผลงานวิจัยระดับชาติและนานาชาติ ครั้งที่ 10
"Global Goals, Local Actions: Looking Back and Moving Forward"

Research Methodology

This study is a quantitative study which involved 227 participants from a financial institute in Bang Bon District (Financial Institute, 2018). Samples in this study were 145 employees of the financial institute in Bang Bon District. The size of samples was measured by Taro Yamane's concept with 95% reliability and $\pm 5\%$ of accepted errors (Yamane, 1973). This study implemented stratified and simple random samplings. The research instrument is a questionnaire. Part one included the personal data of the respondents and parts 2 to 4 included levels of perceived organizational support, organizational commitment, and employee retention, respectively. The data was measured by 5 Likert's scales (Likert, 1932). Data was collected from 145 employees, investigated the completion of the data and the data was analyzed by statistic software program. Section one of personal factor was analyzed by percentage and the data of sections two to four were analyzed by means and standard deviation. The last section of the relationship of causal structure analysis and the level of direct and indirect variables of the structural equation structure analysis were analyzed using statistical software program.

Research Findings

1. Regarding the personal factor, it was found that the majority of respondents were females (69.66%). Their age was less than 30 years old (34.48%). They had graduated in Bachelor degree or equivalent level (62.07%) and had working period of less than 5 years (28.97) with monthly income of approximately 30,001-40,000 baht (32.41%)

2. Regarding the level of perceived organizational support, organizational commitment, and employee retention, it was found that the respondents had levels of organizational commitment in affective factor at highest level ($\bar{x}=4.40$, $SD=0.411$), followed by employee retention ($\bar{x}=4.37$, $SD=0.439$), perceived organizational support ($\bar{x}=4.36$, $SD=0.394$), trust commitment ($\bar{x}=4.36$, $SD=0.362$), and belief commitment ($\bar{x}=4.35$, $SD=0.420$).

3. Regarding the relationship of causal structure and the influential levels of direct and indirect variables of the structural equation model, by concluding in brief in Figure 2



การประชุมวิชาการและนำเสนอผลงานวิจัยระดับชาติและนานาชาติ ครั้งที่ 10
 "Global Goals, Local Actions: Looking Back and Moving Forward"

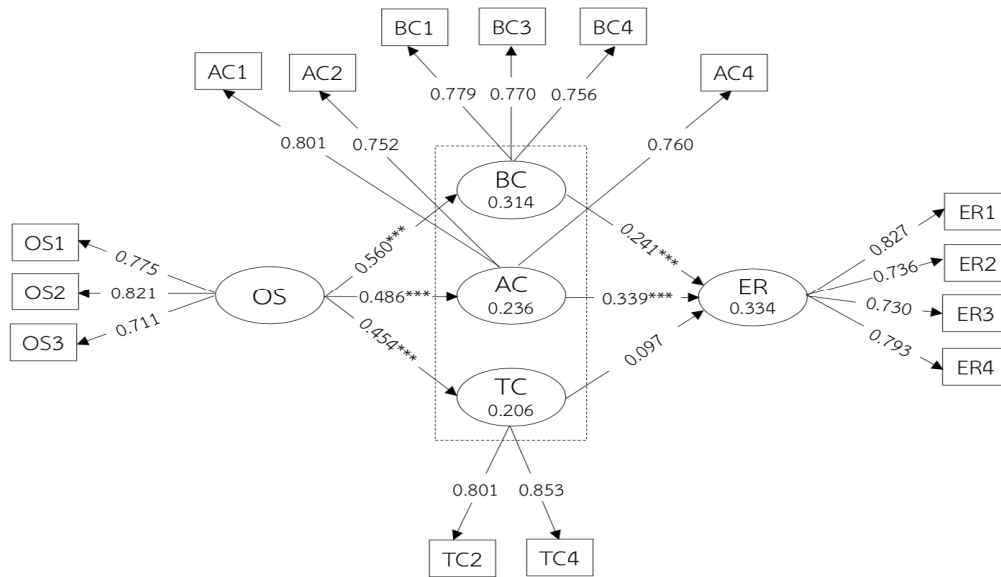


Figure 2 Relationship of Structural Equation Modeling

Figure 2 shows that (1) the organizational commitment with belief commitment (BC) and affective commitment (AC) had directly influenced the employee retention (0.0241, and 0.339 respectively). As for the organization's commitment of trust in the organization (TC), has no direct influence on the employee retention (ER), which is equal to 0.097, and (2) organizational support perception (OS) had directly influenced organizational commitment in belief commitment (BC), affective commitment (AC), and trust commitment (TC) (=0.560, 0.486, and 0.454 respectively).

4. Regarding the structural equation toward organizational commitment as a mediated factor correlated with the perceived organizational support toward the employee retention; it was found that coefficient paths were different, by concluding in brief in Table 2



Table 2 Results of testing hypotheses

Hypothesis	Coefficient (Coef.)	t test	Results
H1 OS → BC	0.560***	9.447	Supported
H2 OS → AC	0.486***	7.188	Supported
H3 OS → TC	0.454***	6.803	Supported
H4 BC → ER	0.241***	2.796	Supported
H5 AC → ER	0.339***	3.157	Supported
H6 TC → ER	0.097	1.036	Not Supported

Notes: (* refers to p-value ≤ 0.10 or t ≥ 1.65) (** refers to p-value ≤ 0.05 or t ≥ 1.96) (***) refers to p-value ≤ 0.01 or t ≥ 2.58)

Table 2 shows that, (1) the perceived organizational support had influenced organizational commitment in belief, trust commitment and affective commitment (t-test= 9.447, 7.188 and 6.803 respectively); and (2) organizational commitment in belief and affective commitment had influenced employee retention (t-test= 2.796 and 3.157 respectively); however, the trust commitment had no effects on the employee retention (t-test=1.036).

5. In terms of the influence of moderator variable and mediator variables as transforming variables of the relationship among independent variables and dependent variables as shown in Table 3.

Table 3 Results of indirect structural equation modeling

Hypothesis	Effect	Boot SE	Boot LLCI	Boot ULCI
H7 OS → BC → ER	0.134	0.067	0.009	0.276
H8 OS → AC → ER	0.200	0.060	0.104	0.345
H9 OS → TC → ER	0.213	0.063	0.097	0.349

Table 3 regarding the influence of organizational commitment in belief, affective, and trust commitment factors, they were the mediated factor correlated with perceived organizational support and the employee retention. The multiply of coefficient Boot LLCI and Boot ULCI with 0 (zero) confidence intervals. This means that the organizational commitment in belief, affective, and trust commitment factors was a mediated factor correlated with the influence of perceived organizational support and employee retention. The Boot LLCI was counted at 0.009, 0.104, and 0.097 respectively; whereas the Boot ULCI was 0.276, 0.345, and 0.349 respectively.



Discussions

This study has classified the research findings into each factor as follows:

1. Regarding the perceived organizational support, it was found that the perceived organizational support had affected the organizational commitment. The perceived organizational support was considered as a factor that employees perceived as advantageous. Both monetary and non-monetary profits could endeavor employees' commitment in the long run. This study was consistent with Islam et al.'s study (2013, p. 1238) that the perceived organizational support could engage the organizational commitment and could establish employee retention. Additionally, the skilled and professional employees are main resources, thus, organization must find strategies to reduce their turnovers (Iqbal & Hashmi, 2015, p. 21).

2. Regarding organizational commitment, the results of the study revealed that it could influence the employee retention. The organizational commitment was a type of an important response that could promote employees' creativity, engage positive attitude, and contribute to their trust. When the employees feel appreciated, they would show their positive emotions which could reduce the rate of turnovers. Likewise the study of Kalidass & Bahron (2015, p. 82), it showed that the perceived organizational support could cause the organizational commitment and it was the affective norms causing the employees' work satisfaction and reduce their turnovers.

Suggestions

1. Suggestions for Organizational Management Utilities

1.1 From the findings of the study of the perceived organizational support, it is necessary that the organization should establish policies to support its employees to recognize its policies and methods for promotion clearly. This can establish the organizational commitment appropriately.

1.2 From the findings of the organization commitment, it is necessary that the superiors must support positive attitude and creativity in their work. These rely on the existing knowledge to adapt their individual work and their cooperation to achieve organizational goals towards sustainability of their organizational growth.

2. Suggestions for further studies

2.1 Further studies should be extensively expanded to other organizations which are organized more systematically and other larger organizations for organizational planning and development to reduce employee turnovers.



การประชุมวิชาการและนำเสนอผลงานวิจัยระดับชาติและนานาชาติ ครั้งที่ 10
"Global Goals, Local Actions: Looking Back and Moving Forward"

2.2 Further studies should bring explicit evidences of the findings to apply within the same business fields both in public and private enterprises and different fields to compare the outcomes and gradually extend the outcomes for the organizational benefit.

Reference

- Financial Institute. (2018). **Sustainability Report 2013-2017**. Retrieved January 20, 2018, from <https://www.ktb.co.th/th/about-ktb/sustainability/sustainability-reports>.
- Adi, A. N. (2012). Driving performance and retention to employee engagement: A case study in University of Brawijaya. **Journal of Basic and Applied Scientific Research**, 2 (1), 338-350.
- Bilgin, N., & Demirer, H. (2012). The examination of the relationship among organizational support, affective commitment and job satisfaction of hotel employee. **Social and Behavioral Sciences**, 51, 470-473.
- Dadgar, H., Barahoues, F., Mohammadi, M., Ebrahimi, M., & Ganjali, A. (2013). The relationship between organizational culture, job satisfaction, organizational commitment and intention to stay of health personnel's of Zahedan University of Medical Sciences. **World Applied Sciences Journal**, 21(8), 1220-1228.
- Iqbal, S., & Hashmi, M. S. (2015). Impact of perceived organizational support on employee retention with mediating role of psychological empowerment. **Pakistan Journal of Commerce and Social Sciences**, 9(1), 18-34.
- Islam, T., Khan, S. R., Ahmad, U. N., Ali, G., Ahmed, I., & Bowra, Z. A. (2013). Turnover intentions: The influence of perceived organizational support and organizational commitment. **Social and Behavioral Sciences**, 103, 1238-1242.
- Kalidass, A., & Bashron, A. (2015). The relationship between perceived supervisor support, perceived organizational support, organizational commitment and employee turnover intention. **International Journal of Business Administration**, 6(5), 82-89.
- Likert, R. A. (1932). A technique for the measurement of attitudes. **Archives of Psychology**, 140, 5-53.
- Liu, J. Y., Yang, J. P., Yang, Y., & Liu, Y. H. (2015). The relationship among perceived organizational support, intention to remain, career success and self-esteem in Chinese male nurses. **International Journal of Nursing Sciences**, 2, 389-393.
- Mitchell, T. R., Holtom, B. C., Lee, T. W., & Erez, M. (2001). Why people stay: Using job embeddedness to predict voluntary turnover. **Academy of Management Journal**, 44 (6), 1102-1121.



การประชุมวิชาการและนำเสนอผลงานวิจัยระดับชาติและนานาชาติ ครั้งที่ 10
"Global Goals, Local Actions: Looking Back and Moving Forward"

- Nasyira, M. N., Othman, M., & Ghazail, H. (2014). Predictors of intention to stay for employees of casual dining restaurant in Klang Valley area. **International Food Research Journal**, 21(3), 863-871.
- Neuhauser, P. C. (2002). Building a high-retention culture in healthcar. **Journal of Nursing Administration**, 32 (9), 470-478.
- Shakeel, N. (2015). Factors influencing employee retention: An integrated perspective. **Journal of Resources Development and Management**, 6, 32-49.
- Sharma, P., & Sinha, V. (2015). The influence of occupational rank on organizational commitment of faculty members. **Management**, 20, 71-91.
- Worku, S. A. (2015). An investigation of the relationship among perceived organizational support, perceived supervisor support, job satisfaction and turnover intention. **Journal of Marketing and Consumer Research**, 13, 1-8.
- Yamane, T. (1973). **Statistics: An introductory analysis**. (3rd ed.). New York: Harper and Row.