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Factors Influencing Employee Retention; The Moderating Roles of Job Embeddedness in Ecommerce Logistic Industry

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Abstract
Employee retention is an important aspect of the business strategy as it contributes to the growth of the organisation. Retaining employees, particularly talented employees, would give the company a competitive advantage over the long term. Thus, this study was conducted to understand the factors influencing employee retention with the moderating roles of job embeddedness in eCommerce Logistic Industry. The primary data of this study was gathered by distributing 96 questionnaires to respondents in one Logistics organization. The data were analysed using SPSS software version 25 to study the relationship between the independent variables (compensation, rewards, and work environment) with the dependent variables (employee retention). Also, PROCESS macro-Hayes was used to analyse the role of moderating variable (job embeddedness) in influencing the relationship between independent and dependent variables. Results indicate that reward and work environment is proven to have important influences on employee retention. Results also indicate that reward and job embeddedness (moderator) are proven to have no influence on employee retention.
This study explores the human resource implications and their consequences for human resource management. The results can be used to guide the implementation of policies and initiatives that can improve the experience and performance of employees and organisations. In addition, the drawbacks and suggestions for future studies are also addressed at the end of this study.

**Keywords:** Compensation, Rewards, Work Environment, Job Embeddedness, Employee Retention

**Introduction**

The interest of this study starts with the acknowledgement of the value of employees' experience in an organisation. This is because building bridges of employees’ and organisation across every level has been the impetus for organisations performance (Hamstra, Van Vianen and Koen, 2019). The performance of organisations is often linked to the quality of its employees who contribute knowledge and skills to organisations (Coetzer, Inma and Poisat, 2016).

Employee turnover is an undesirable event in the organisation management process (Dechawatanapaisal, 2017). In the earlier study, turnover has already been an issue in organisations. Research by Mobley (1982); Staw (1980) confirmed that employee turnover is an economical cost, whereby unmanaged departure of employees social and communication structure and decrease cohesion and commitment among those who stay.

Dechawatanapaisal (2017) explained that employers need to consider the risk of losing their employees that are well-trained for a better prospect in other organisations. Turnover affects operations and qualities in terms of economic costs which consists of direct and indirect costs (Dechawatanapaisal, 2017) and social costs (Boxall and Purcell, 2008).

In research by Bergiel et al., (2009); Searle, (2020) and Oruh, Mordi, Ajonbadi, Mojeed-Sanni & Rahman (2020), the effective management of employee turnover has long been a crucial issue for organisations. Rapid employee turnover is not good for the image of the company, also as a secured employer (Gaudencio, Coelho, & Ribeiro, 2020; Ghosh et al., 2012). Many eCommerce organisations were clear that employee engagement matters as it will help to retain their best talent (see Yee, Kee, Xing, et al., 2019; Oktaviany, 2014).

Additionally, studies have proven that the employees’ turnover would result in a high expense to the organisation (Coetzer et al., 2017). According to Abbasi and Hollman (2000), there are two categories of employee turnover: voluntary and involuntary. They further elaborated that voluntary turnover occurs when an employee decides to resign themselves while involuntary refers to employees’ dismissal. Human Resource Management International Digest (2017) mentioned that even when the workers decided to leave their jobs, the retention workers helped negotiate better terms. It is imperative that employers to retain high-quality employees even when the market is unfavourable since high performing employees are short in supply (Sandhya, & Sulphey, 2020; Allen, Bryant and Vardaman, 2010).

According to Walker (2001), seven factors reduce turnover which consists of compensation and appreciation of the work performed; challenging work; opportunities to learn; positive relationship with colleagues; recognition of capabilities and performance contributions; good work-life balance; and good communication.
Sigler (1999) mentioned that an adequate base salary allows the organisation to effectively compete for employees in the labour market. Several research studies found that highly competitive wage systems promote employee commitment and thus results in the attraction and retention (Luna-Arocas, Danvila-Del Valle, & Lara, 2020; Becker and Huselid, 1999; Guthrie, 2001; Shaw et al., 1998; Moncarz, Zhao and Kay, 2009). Meanwhile, McBey and Karakowsky (2001) quoted that the higher the satisfaction with pay/financial rewards received, the lower the expected level of turnover behaviour (Ramadian, Eliyana, Hamidah, & Rakawuri, 2020; Dalton and Todor, 1979, 1982; Porter and Steers, 1973).

Pawirosumarto et al (2017) explained a conducive work environment would give a good impact on the continuity of the employment, while less conducive work environment will negatively impact the continuity of its employment. Furthermore, Ghosh et al. (2013) found that compensation, rewards, and work environment adequately captures the nuances of the turnover decision taken by individual employees. The researchers posits that these three variables are sufficient to comprehend several dimensions of motivation, expectation well-being and satisfaction that help an organisation gain leverage in enmeshing and retaining their employees.

In addition to that, when addressing the problem of retention, Ghosh et al (2013) mentioned that job embeddedness should be explored more directly by asking “why do people decide to stay” instead of “how do they leave”. Ghosh et al (2013) suggested that approaching employee retention through the influence of job embeddedness is important, which could constrain employees from leaving the organisation. Many researchers have cited that job embeddedness is an attachment variable, including the relatively stable, accumulated, and non-affective forces that keep individuals from leaving them (Mitchell et al., 2001). Mitchell et al. (2001) mentioned in Dechawatanapaisal (2017) that job embeddedness theory focuses on why people stay. The organisation has been striving for their employees to feel embedded, which has emerged as a recent contract to explain employee turnover (Dechawatanapaisal, 2017). Researchers also argue that job embeddedness is direct precedence of both intents to quit and voluntary turnover (Dechawatanapaisal, 2017).

Observations made in the literature on human resource practices and employee retention indicates gaps such as employee retention should be further ascertained, it caused identified, and accordingly, a robust retention strategy should be established (Ghosh et al., 2013). In addition, a substantive number of studies on employee retention in areas such as compensation, rewards, and work environment in general (Ghosh et al., 2013). While these generalised findings are useful, they only skim the surface of the experience of the employees. Consensus on the causes of employees leaving an organisation has been inconclusive (see Boselie et al., 2005; Savaneviciene and Stankeviciute, 2012). This study was done to further explore the retention strategies for an organisation to embark.

Finally, empirical evidence of the role of job embeddedness is limited (Karatepe and Ngeche, 2012; Burton et al., 2010; Swider et al., 2011). Much of what is known about job embeddedness is based on data from developed countries such as the US (Bergiel et al. 2009; Lee et al. 2004; Ramesh and Gelfand, 2010; Zhang et al., 2012). This study attempts to present empirical evidence from a developing country. To date, no study has focused exclusively on logistics service provider industries in developing country.
With regards to the above, this study builds upon extending job retention by investigating the factors affecting employees’ retention following a suggestion by Ghosh et al. (2013), including compensation, rewards, and work environment. Additionally, a moderating variable was tested to determine if the moderator influence the relationship between the independent variables and the dependent variable.

This study was focused on the premise that a desire to understand the current status of employees' experience in an organisation is crucial to assess whether organisations are meeting their needs and, eventually, to ensure that these employees have a positive experience in promoting their continued development and, most of all, retention of employees. In addition, the company must understand that employees are a powerful long-term investment in order to stay competitive.

Literature Review

Dependent Variable

Employee Retention

Ghosh et al. (2013) clarified that employee retention strategies were an integral part of the overall business strategy of the organisation. They further elaborate that productivity decreases every time employees leave the company. In earlier studies by Sigler (1999), retention was focused on talented employees that can be a source of advantage for an organisation. Coetzer et al. (2017) found out that substantial expenses are incurred when key employees quit. Dechawatanapaisal (2017) added that these costs may also reflect economic costs. This would also have an effect on the growth of organisations.

Intelligent employers never undermine the value of attracting the best talent (Dechawatanapaisal, 2017). Brown (2009), discussed that many scholars have regarded employee retention management as a strategic and coherent process that explores why employees join the organisation. Instead, Dechawatanapaisal (2017) mentioned that “What makes people stay?” are the questions that challenge researchers and practitioners.

Ardiansyah, Hamidah, & Susita (2020) and Moncraz et al. (2009) have found that successful employee retention practises consist of an organisational foundation (compensation and rewards). Further, research by Nanda, Soelton, Luiza, & Saratian, (2020) and Pawirosumarto et al. (2013) has shown that the work environment has a positive and important impact on employee retention. Also, Ghosh et al. (2013) added that job embeddedness could be approached more explicitly to the retention issue through understanding, "Why do people continue to stay?".

Independent Variables

Compensation

The relationship between pay and retention has been the subject of several studies (Kossivi, Xu and Kalgora, 2016). Ghosh et al. (2013) also suggested that the association between compensation and turnover was the cause of several previous studies. A study by Das and Baruah (2013) cited the fact that monetary compensation is perceived to be one of the most powerful and significant retention factors (Milkovich and Newman, 2004). Irshad (2011) explained that compensation contributes to employees’ retention irrespective of their skills.
and contributions to the company and is likely affected by both desirable and undesirable turnovers.

In an early study by Sigler (1999), the provision of an acceptable minimum wage would effectively allow employees to compete in the labour market. Ghosh et al. (2013) found out that compensation must meet the needs of workers by having a reasonable wage. They further elaborate that a non-competitive compensation package would limit a company to recruit qualified and professional employees.

Meanwhile, Irshad (2011) found from early studies that pay is not sufficient to retain employees, and other factors may affect employees to remain in the organisation. He indicated that increasing workers' wages would retain existing employees and recruit employees from other organisations. Does compensation consider the retention of an employee in the company to be a significant factor? Kalyanamitra, Saengchai, & Jermisittiparsert, (2020) and Bergiel et al. (2009) have established a significant relationship between compensation and retention. They also clarified that employees are reluctant to leave due to compensation.

**Rewards**

In early research by Blau (1964), rewards are when an employee enters into a relationship with their employer to get the organisation’s maximum benefits. Meanwhile, in this decade, researchers have found that rewards play an imperative role in creating and maintaining an employee’s commitment to achieving a high level of success and loyalty in any organisation (Nazir et al., 2016).

A study showed that rewards are the basis for the retention of employees by an organisation (Rotich, 2020; Moncraz et al., 2009). Irshad (2011) pointed out that rewards are essential because they have had an impact on the employees and reinforce employees' view that they are respected. Alferaih, Sarwar and Eid (2018) also pointed out that an appropriate organizational reward system will help to make their employees more efficient.

It was shared by Rai, Ghosh, and Dutta (2018) that rewards should be structured in such a way as to satisfy the need for employees to be compensated justly for their contributions, efforts, and capabilities. Irshad and Afridi (2011) mentioned that a key role which leads to employee’s retention in the organisation rewards.

**Work Environment**

Kossivi et al (2016) have identified that a favourable environment is a flexible atmosphere where work experience is pleasant and adequate. Meanwhile, Pawirosumarto et al (2017) cited Tyssen (2005) as saying that a work environment is a physical type of space, physical layout, noise tool materials, and co-worker relationships.

A favourable working climate tends to be a crucial factor in the retention of employees (Kossive et al., 2016). Wells and Thelen (2002) found out in Das and Baruah (2013) research that having an acceptable degree of privacy and sound control of the work atmosphere has the perfect opportunity to satisfy and retain employees in the organisation for the long term.
Employees will use their working time effectively and optimally when they enjoy their working environment (Pawirosumarto et al., 2017).

Choy, & Kamoche (2020) and Moncraz et al. (2009) have found that employees who have a good working-hour experience, a sense of job satisfaction and a higher degree of job satisfaction are more likely to stay with the organisation. Meanwhile, Naz, Li, Nisar, Khan, Ahmad, & Anwar (2020) and Irshad (2011) have described a work environment as a key factor in employee retention. They further elaborate that workers quit their jobs because of the working climate.

**Moderating Variable**

The inclusion of a third variable modifies the relationship between the independent variables and the dependent variables. In addition, a number of studies have found that job embeddedness plays an intermediary role that moderates the relationship with employees’ retention strategies.

**Job Embeddedness**

Allen, Peltokorpin & Rubenstein (2016) proposed that job embeddedness would moderate the relationship between organisational conditions and voluntary turnover outcomes. Shibiti (2019) indicated that there is a link between reward satisfaction, compensation, work environment and other retention factors in relation to embeddedness as moderator. Further, there is a growing need to study job embeddedness as a moderator as little is known about it (Burton et al., 2010; Swider et al., 2011). Research by Ma, Mayfield, and Mayfield (2018) stated that Mitchell et al (2001) introduced the idea of job embeddedness, which is the totality of forces that keep people at work. Mitchell, Sablynski, Burton and Holtom (2004) stated in Afsar et al (2018) that job embeddedness is an anti-removal contrast representing the decision of employees to participate in the organisation.

Ghosh et al (2013) suggested that job embeddedness will address more directly to the problem of retention. Ma et al (2018) introduced in their research that job embeddedness can increase employee retention. They also clarified that increasing the job embeddedness of workers is the most successful way to minimise turnover. In Dechawatanapaisal’s research (2017), she suggested that an employee with a higher degree of bonding will be less likely to leave the organisation. In addition, Coetzer et al (2017) clarified that job embeddedness takes into account the large variety of factors that make workers want to stay (Holtom et al., 2008 and Mitchell et al., 2001). Shah et al (2020); Bergiel et al. (2009) have found that job embeddedness has a close relationship with employees’ turnover intentions.

Dechawatanapaisal (2017) found that job embeddedness plays an intermediary role that moderates the relationship with the intention to leave. Furthermore, Coetzer et al. (2017) suggested that the dimension of job embeddedness may be valued differently by employees in large organisations compared to small organisations. In addition, Allen, Peltokorpin & Rubenstein (2016) proposed that job embeddedness would moderate the relationship between organisational conditions and voluntary turnover outcomes. Shibiti (2019) suggested that there is a relationship between satisfaction with reward, compensation, work environment and other retention factors in relation to job embeddedness. Further, there is a growing need to study job embeddedness as a moderator as little is known about it (Burton
et al., 2010; Swider et al., 2011). In addition, much of the empirical work has been conducted in the USA. There is a strong need to examine the moderating role of job embeddedness in developing countries (Ramesh and Gelfand, 2010; Zhang et al., 2012).

As such, this study takes the refinement of the positivism philosophy to investigate the empirically complex range of organisational factors base on the following hypotheses:

\[
\begin{align*}
H1: & \text{ There is a positive and significant relationship between compensation and employee retention.} \\
H2: & \text{ There is a positive and significant relationship between rewards and employee retention.} \\
H3: & \text{ There is a positive and significant relationship between work environment and employee retention.} \\
H4: & \text{ There is a positive moderate of job embeddedness on the relationship between the independent variables (compensation) and employee retention.} \\
H5: & \text{ There is a positive moderate of job embeddedness on the relationship between the independent variables (rewards) and employee retention.} \\
H6: & \text{ There is a positive moderate of job embeddedness on the relationship between the independent variables (work environment) and employee retention.}
\end{align*}
\]

**Methodology**

**Data Collection**
The study examines the role of job embeddedness as moderator of the relationship between independent variables and employee retention in one Logistics organization in Malaysia from December 2020 to January 2021.

**Sampling Details**
This study used the sampling technique of simple random sampling. The total population of employees in the chosen organization consist of 120 employees (Human Resources Department, 2020). Following Sekaran and Bougie’s (2013) table, 96 respondents were used as the sample for this study.

**Measurement of the Variables**

**Background Information**
In this section, enquiries into the background of the respondents are made. These concerned the duration of their employment experiences, salary, job grade, gender, age, and education. It is to expect that the findings from this section would provide an opportunity to explore the understanding of employees’ characteristics.

**Independent and dependent variables**
The items used are as follows:
## Table 1: Descriptions of the items used

<table>
<thead>
<tr>
<th>No.</th>
<th>Variables</th>
<th>Item</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Independent Variable 1; Compensation</td>
<td>I am fairly paid for the responsibility and contribution I make to the organization.</td>
<td>Dechawatanapaisal (2017)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>My pay is appropriate for the role I have in this organization, compared to similar pay at other organizations.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>I feel satisfied with my chances for salary increases.</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Independent Variable 2; Rewards</td>
<td>There are rewards for those who work here.</td>
<td>Fletcher (2015)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>When I do a good job, I receive the recognition for it that I should receive.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>I feel my efforts are rewarded the way they should be.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>The benefits we receive are as good as what other organizations offer.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>I am satisfied with the rewards I receive.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Independent Variable 3; Work Environment</td>
<td>My work supervisor really cares about my well-being</td>
<td>Kundu and Lata (2017)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>My supervisor cares about my opinions.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employees can collectively influence many important issues in the department.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>One can share and discuss job-related issues with peers in the department.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Workstations in the department are comfortable.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>The amount of work one is expected to do on the job is reasonable.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>My superiors make me feel like an important team member.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>The work environment at my organization is good.</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Moderating Variable 1;</td>
<td>I feel attached to this organization.</td>
<td>Dechawatanapaisal (2017)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>It would be difficult for me to leave this organization.</td>
<td></td>
</tr>
</tbody>
</table>
Job Embeddedness

| I feel tied to this organization and want to be a part of it. |
| I am too caught up in this organization to leave. |
| I simply could not leave the organization that I work for. |
| It would be easy for me to leave this organization. |
| I am tightly connected to this organization. |

Dependent Variable 1; Employee Retention

| I am likely to stay in this organization for the next five years. |
| I will not change the organization easily. |
| For me, this organization is the best of all possible organization to work for. |

Kundu and Lata (2017)

Statistical Analysis

The analyses were carried out using IBM SPSS 25.0. The tests carried out in this study were validity and reliability tests as well as four classical assumption tests (normality, autocorrelation, multicollinearity, heteroscedasticity test). Next, correlation analysis was performed to ensure the relationships and the power amongst all of the variables that the researcher test. In addition, a linear relationship between dependent and independent variables was interpreted using regression analysis to predict how well the independent variables able to explain dependent variables. Further, the moderating variable was analysed using SPSS Process v2.16.3 by Andrew F. Hayes (Hayes, 2012).

Results and Discussion

Results

Prior to performing a regression analysis, the necessary assumptions for this statistical analysis were tested. First, the sample size of (N=96) employees was considered sufficient, considering the three independent variables to be used in the study (Tabachnick & Fidell, 2001). The assumption of singularity among the independent variables was also met (compensation, rewards and work environment). An examination of correlations (see Table 2) revealed that no variables were highly correlated. A reliability test was conducted to assess the internal consistency of multiple indicators for each construct. Cronbach alpha values of 0.85 - 0.93 confirmed internal reliability.
Table 2: Correlations, Cronbach Alpha and Collinearity Statistics

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Compensation</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>.861</td>
</tr>
<tr>
<td>2. Rewards</td>
<td>.689**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.926</td>
</tr>
<tr>
<td>3. Work Environment</td>
<td>.548**</td>
<td>.741**</td>
<td></td>
<td></td>
<td></td>
<td>.921</td>
</tr>
<tr>
<td>4. Job Embeddedness</td>
<td>.372**</td>
<td>.532**</td>
<td>.513**</td>
<td></td>
<td></td>
<td>.853</td>
</tr>
<tr>
<td>5. Employee Retention</td>
<td>.435**</td>
<td>.556**</td>
<td>.535**</td>
<td>.796**</td>
<td></td>
<td>.858</td>
</tr>
</tbody>
</table>

Note. **Correlation is significant at the 0.01 level (2-tailed).

The skewness and kurtosis of the regression model in this paper indicated that the assumptions of normality were all satisfied (Hair, Black, Babin, & Anderson, 2010; Pallant, 2013). Moreover, the Durbin-Watson values of 1.836 show no autocorrelation in the regression models. An examination of the Mahalanobis Distance scores indicated no multivariate outliers.

Descriptive Analysis

The results show the frequency and percentage for gender at the organisation's respondents. The total respondents are 96. There are 62 females and 34 males among the respondents. It indicates that 64.6% represents female, while 35.4% represents male respondents. Majority of respondents were aged between 25 – 31 years old which is 46 (47.9%) of the respondents, 21 (21.9%) of respondents are between 32 – 38 years old, 16 (16.7%) of the respondents are between 18 – 24 years old, 8 (8.3%) of respondents are between 39 – 45 years old, and lastly, 5 (5.2%) of respondents are 46 years old and above.

For the education level, results in Table 3 indicates that 46.9% represents Degree holders, 28.1% represents Master holders, 19.8% represents Diploma holders, 4.2% represents high school certification, and while only 1.0% represents Certificate’s respondents.

Next, for work experience, 17 respondents (17.7%) worked less than 1 year and between 3 – 4 years in the organisation, 30 respondents (31.3%) who worked between 1 – 2 years and 32 respondents (33.3%) more than 5 years in the organization. For job level, results show that 47 respondents (49.0%) are working in the Junior Executive level, 21 respondents (21.9%) is working the in Senior Executive level, 16 respondents (16.7%) is working in Manager level, 9 respondents (9.4%) is working in the Senior Manager level, and 3 respondents (3.1%) is working in the Management level.

Finally for salary, 48 respondents (50.0%) earns salary between RM2,000 – RM3,999, 18 (18.8%) respondents who earns salary between RM6,000 – RM9,999, 15 (15.6%) respondents who earns salary between RM4,000 – RM5,999, 9 (9.4%) respondents earns salary more than RM10,000, 5 respondents (5.2%) earns salary between RM1,2000 – RM1,999 and 1 respondent (1.0%) who earns salary below RM1,199.
Regression Analysis

First, the regression analysis was carried out with compensation, rewards and the work environment as independent variables and employees’ retention as dependent variables. The study also explores the role of job embeddedness as moderator of the relationship between independent variables and employee retention. In this order, the relationship variables tended to be chronologically plausible based on the literature. The results indicate the percentage variance in the dependent variable explained by the variation in the independent variables.

Results indicate that 34.6% of the dependent variable can be explained by the independent variables of this study that are compensation, rewards, and work environment, while 65.4% can be explained by other factors. Additionally, F-test is significantly based on the value of 0.000. Hence, all the independent variables significantly explained the dependent variable.

Correlation Analysis

<table>
<thead>
<tr>
<th>Table 3: Hypotheses testing results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unstandardized Coefficients</td>
</tr>
<tr>
<td>β</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>1 (Constant)</td>
</tr>
<tr>
<td>Compensation</td>
</tr>
<tr>
<td>Rewards</td>
</tr>
<tr>
<td>Work Environment</td>
</tr>
</tbody>
</table>

Note. a. Dependent Variable: Employee Retention

The findings of correlation analysis for the hypotheses (H1, H2 & H3) testing can be found in Table 3.

**H1:** There is a positive and significant relationship between compensation and employee retention.

Since the p-value is more than 0.05, there is sufficient evidence to not support H1. Therefore, there is no positive relationship between compensation and employee retention (β = 0.079, p = .501).

**H2:** There is a positive and significant relationship between rewards and employee retention.

Since the p-value is lower than 0.05, there is sufficient evidence to support H2. Therefore, there is a positive relationship between rewards and employee retention (β = 0.305, p < .05).
H3: There is a positive and significant relationship between work environment and employee retention.
Since the p-value is lower than 0.05, there is sufficient evidence to support H3. Therefore, there is a positive relationship between work environment and employee retention ($\beta = 0.269, p < .05$).

Based on the findings above, two out of three independent variables (rewards (H2) and work environment (H3)) shows positive and significant effect on employee retention that would lead towards better employee retention. This supported the findings by Tirta, & Enrika, (2020) who shows that good rewards programmes offered in the organisation, it would add advantage to the employee retention strategies.

The results of this study also showed that the work environment for retention of employees was positive and significant, which is consistent with the findings of the study by Naz, Li, Nisar, Khan, Ahmad, & Anwar (2020). This indicates that, due to the collectivist culture in the sample country, employees are likely to be impacted by the work environment provided by the organisation, which they hold in high regard and which shows value to them.

This study also revealed that the relationship between compensation (H1) and employee retention did not occur in the organisation. This is contradicted with suggestions by Jaiswal, (2020) and Bibi, Pangil, Johari & Ahmad (2017) that compensation had an imperative relationship with employees’ retention. Thus, this study shows that the compensation structure in the organisation would not impact employee retention strategies.

Based on the findings, it can be recommended that stakeholders in the eCommerce Logistics industry focus more on rewards and work environment that enhances employee retention for employees when implementing human resource practices in regulations and policy. It shows that, with direct influence, it will give the organisation a competitive advantage over their retention strategies to retain employees, particularly talented employees.

Moderating Analysis
The moderator analysis, Andrew Hayes’s PROCESS macro, was used to examine the effect of independent variables (X-variables) on the employee Retention (Y-variable) moderated by job embeddedness (W-variable) to analyse the final hypothesis of this study. The results of the moderation analysis are explained further below in details.
Table 4
Output from Andrew Hayes’s PROCESS Procedure for SPSS for Compensation, Rewards and Work Environment

<table>
<thead>
<tr>
<th></th>
<th>coeff</th>
<th>se</th>
<th>t</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.4273</td>
<td>1.4368</td>
<td>-.9934</td>
<td>.3231</td>
</tr>
<tr>
<td>Compensation</td>
<td>.3858</td>
<td>.3044</td>
<td>1.2676</td>
<td>.2081</td>
</tr>
<tr>
<td>Job Embeddedness</td>
<td>1.0824</td>
<td>.3898</td>
<td>2.7768</td>
<td>.0067</td>
</tr>
<tr>
<td>Compensation x Job Embeddedness</td>
<td>-.0427</td>
<td>.0796</td>
<td>-.5361</td>
<td>.5932</td>
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</tbody>
</table>

<table>
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<tr>
<th></th>
<th>coeff</th>
<th>se</th>
<th>t</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
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<td>.9100</td>
<td>.3261</td>
<td>.7451</td>
</tr>
<tr>
<td>Rewards</td>
<td>.1945</td>
<td>.2073</td>
<td>.9383</td>
<td>.3506</td>
</tr>
<tr>
<td>Job Embeddedness</td>
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<td>.2653</td>
<td>2.9978</td>
<td>.0035</td>
</tr>
<tr>
<td>Rewards x Job Embeddedness</td>
<td>.0080</td>
<td>.0550</td>
<td>.1456</td>
<td>.8846</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>coeff</th>
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<th>t</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
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<td>1.1729</td>
<td>1.3151</td>
<td>.7534</td>
</tr>
<tr>
<td>Work Environment</td>
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<td>.7347</td>
<td>.4644</td>
</tr>
<tr>
<td>Job Embeddedness</td>
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<td>.3526</td>
<td>2.1998</td>
<td>.0303</td>
</tr>
<tr>
<td>Work Environment x Job Embeddedness</td>
<td>.0143</td>
<td>.0711</td>
<td>.2005</td>
<td>.8415</td>
</tr>
</tbody>
</table>

The summary of findings of moderation analysis for the hypotheses (H4, H5 & H6) testing can be found in Table 4.

H4: There is a positive moderate of job embeddedness on the relationship between the independent variables (compensation) and employee retention.

First, for the moderating effect of job embeddedness on the relationship between compensation and job retention, results shows that F (3, 92) = 58.77, p < .001, R2 = .6571. This meant that 65.71% of the variance was due to job embeddedness.

As for the output from Andrew Hayes’s PROCESS Procedure for SPSS, the predictors, compensation b = .3858, t (92) = 1.2676, p = .2081 was a significant predictor of employee retention. This indicates that for each unit increase in compensation, there was a .3858 increase in employee retention. Job embeddedness b = 1.0824, t (92) = 2.7768, p = .0067, was
significant. This means that for each unit of job embeddedness, there was a 1.0824 increase in employee retention. Interaction $b = -.0427$, $t (92) = -.5361$, $p = .5932$, is not significant. There was no positive influence of the moderator effect of job embeddedness on the relationship between compensation and job retention. Thus, there was no sufficient evidence to support H4.

H5: There is a positive moderate of job embeddedness on the relationship between the independent variables (rewards) and employee retention.

Next, for the moderating effect of job embeddedness on the relationship between rewards and job retention, results shows that $F (3, 92) = 59.05$, $p < .001$, $R^2 = .6582$. This meant that 65.82% of the variance was due to job embeddedness.

The predictors, rewards $b = .1945$, $t (92) = .9383$, $p = .3506$ was significant predictor of employee retention. Job embeddedness $b = .7953$, $t (92) = 2.9978$, $p = .0035$, was significant for each unit of job embeddedness. This indicates that there was a .7953 increase in employee retention. Interaction $b = .0080$, $t (92) = .1456$, $p = .8846$, not significant. This specifies that there was no positive influence of the moderator effect of job embeddedness on the relationship between rewards and job retention. Thus, there was no sufficient evidence to support H5.

H6: There is a positive moderate of job embeddedness on the relationship between the independent variables (work environment) and employee retention.

In addition, for the moderating effect of job embeddedness on the relationship between work environment and job retention, results show that $F (3, 92) = 58.33$, $p < .001$, $R^2 = .6554$. This meant that 65.54% of the variance was due to job embeddedness.

The predictors, work environment $b = .1858$, $t (92) = .7347$, $p = .4644$ was significant predictor of employee retention. Job embeddedness $b = .7756$, $t (92) = 2.1998$, $p = .0303$, was significant. This shows that for each unit of job embeddedness, there was a .7756 increase in employee retention. Interaction $b = .0143$, $t (92) = .2005$, $p = .8415$, not significant. There was no positive influence of the moderator effect of job embeddedness on the relationship between work environment and job retention as evidence by Andrew Hayes’s interaction beta value in Table 4 above. Thus, there was no sufficient evidence to support H6.

Results above revealed that job embeddedness does not show a positive or significant influence on the relationship between compensation, reward, and work environment (H4, H5, H6) towards employee retention. Job embeddedness, therefore, has no moderating effect on retention of employees in independent variables. While this study found very minimal support for the relationship between compensation, job embeddedness and retention of employees, the researcher believes that it may be premature to dismiss the potential relationship as non-existent. Further studies on these relationships may be needed before firm conclusions can be drawn.
Conclusion
Based on the findings above, it can be concluded that two out of three independent variables (rewards (H2) and work environment (H3)) shows positive and significant effect on employee retention that would lead towards better employee retention. This indicates that, due to the collectivist culture in the sample country, employees are likely to be impacted by the work environment provided by the organisation, which they hold in high regard and which shows value to them.

This study also revealed that the relationship between compensation (H1) and employee retention did not occur in the organisation. This shows that the compensation structure in the organisation would not impact employee retention strategies.

Finally, results above revealed that job embeddedness does not show a positive or significant influence on the relationship between compensation, reward, and work environment (H4, H5, H6) towards employee retention. Job embeddedness, therefore, has no moderating effect on retention of employees in independent variables. This indicates that the dimension of job embeddedness in this organization can be measured differently from that of other organisations.

In sum, the research art of this study draws attention to the complexity of the human resource development process, together with the primary objective of understanding employee retention. It can be concluded that focusing on reward and work environment might prove to be a good strategy.

The researcher believes that this approach could be further developed to provide new insights into employee retention research beyond merely seeing (reward and work environment) as predictors. While the relationship between rewards and the work environment is an important contribution to the understanding of retention of employees, much more research is needed to clarify relational exchanges in this context, given the current competitive context in which they are now immersed.

However, this study discussed the limitations in the employee retention study and substantially adds to the literature on the subject. Results have confirmed that industries need a human resource element to stay competitive. In conclusion, the present study offers answers to a number of questions. Around the same time, a range of concerns has been raised about the investigation of factors affecting the retention of employees.

Acknowledgement
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