



กลุ่มที่ 1

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Room 1

Education, Liberal Arts, Tourism,
Political Science, Fine Arts

ANTECEDENTS OF EMPLOYEE INTENTION TO STAY : A CASE STUDY OF A COMMUNICATION TECHNOLOGY COMPANY IN CHINA

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ABSTRACT

This study aims to explore the effect of intrinsic motivation and extrinsic motivation on job satisfaction. This research also examined the impact of job satisfaction on intention to stay. The study extends two-factor theory of employee motivation in a telecommunication technology company in China while applies social exchange theory to present the impact of job satisfaction on intention to stay. This study uses quantitative approach via self-administered questionnaire. The study collected the data from 240 employees of a communication technology company in Yunnan province, China. This study use regression analysis to test hypotheses. The findings suggested that intrinsic motivation and extrinsic motivation have statistically significantly positive impact on job satisfaction. Meanwhile, job satisfaction ($\beta=0.786$) has statistically significantly positive impact on intention to stay. This study found that extrinsic motivation ($\beta=0.646$) has stronger impact on job satisfaction than intrinsic motivation ($\beta=0.345$). Hence, the company should focus on improving extrinsic motivation of employee such as pay, supervisor.

Keywords: Intrinsic motivation, Extrinsic motivation, Job satisfaction, Intention to stay, technology communication company

1. Introduction

China is the world's largest market for mobile technology. Since the reform and open up, the telecommunications industry has grown from weak to strong, with the total volume of telecommunications business growing from 1.92 billion yuan in 1978 to 2,755.7 billion yuan in 2017 (National Bureau of Statistics, 2018). China has made a historic leap from following 2G, breaking through 3G, and synchronizing 4G to leading 5G. In 2017, China had 1.42 billion mobile internet users which included 1.13 billion mobile broadband users (i.e., 3G and 4G users) and 750 million mobile internet users which were 4.9 times and 1.8 times the 2012 numbers respectively. Mobile internet access traffic was 24.6 billion GB which was 28.6 times that of 2012. China has entered the era of mobile internet and is on its way to becoming a powerful country in the internet (National Bureau of Statistics, 2018). The competition among telecom operators is becoming more intense, and the operators are more focused on their own brands and customers. The core business has gradually transferred the work of the construction, maintenance, and optimization of the communication network to the equipment supplier and the professional communication technology service provider. On the other hand, with the rapid development of the China Telecom industry, the growth of telecom business has also brought about the rapid development of the scale of communication technology service market. The Chinese communication technology service providers depend on the communication operators. They must keep up with the development of communication technology and even keep a certain prospect to provide all kinds of communication technology services for the operators and occupy the dominant position in the competition.

The fierce competition in telecommunication industry forces the company to retain talent employee. Therefore, the company needs to implement strategies to mitigate employee turnover problems. The motivation of employees in all positions can improve the efficiency, business success, and sustainability of telecommunications. Selecting the right structure of motivation factors can create right kind of results (Lorincova and others, 2019). Employee motivation is one of the most important factors to improve employee performance and organizational performance (Sandhya & Kumar, 2011). The managers must be always aware to bring up the new strategies to satisfy the employees in order to develop the organization's performance and productivity and the employee develops their mind to intention to stay more (Lambert & Hogan, 2009). Mohlala (2011) asserted that employee intention to stay has become the most important focus of the major communication technology companies, and the retention of talent has become an important part of the company's human resource strategy. It is crucial to the construction of a highly efficient talent team and flourishing companies.

Research problem of this study is focused on impact of intrinsic motivation and extrinsic motivation on job satisfaction as well as the impact of job satisfaction on intention to stay. The study extends two-factor theory of employee motivation in a telecommunication technology company in China while applies social exchange theory to present the impact of job satisfaction on intention to stay.

2. Research Objective

- (1) To explore the role of intrinsic motivation and extrinsic motivation on job satisfaction and employee intention to stay.
- (2) To study the role of job satisfaction on employee intention to stay.
- (3) To extend two-factor theory of employee motivation in a telecommunication technology company in China while applies social exchange theory to present the impact of job satisfaction on intention to stay.

3. Literature Review

3.1 Theory, Concept and Related Research

Two-factor theory

Herzberg (1968) suggested in two-factors theory of motivation that there were two factors driving employee satisfaction in the workplace: motivation factors and hygiene factors. The hygiene factor theoretically satisfies the first three level of Maslow's hierarchy of needs (McLeod, 2007). The hygiene factor purpose is to prevent employee dissatisfaction. These factors encourage employee to work hard and enjoy their work, thus, develop extrinsic motivation within the workforce (Herzberg, 1976,1984). Company policy and administration, supervision, interpersonal relations, working conditions, salary, job security are hygiene factors. In contrast, motivators are achievement, the work itself, responsibility, advancement, and growth (Katt & Condly, 2009) which induce intrinsic motivation. On the contrary, salary could be a motivator if it represents a symbol of achievement at work (Hyun & Oh, 2011).

According to Gopalan and others (2017), intrinsic motivation depicts an activity done only for own contentment without any external anticipation. Legault (2016) asserted that intrinsic motivation is for enjoyable and challenge. Extrinsic motivation was often defined in terms of external sources (e.g., rewards, deadlines, competition). They also suggest that extrinsic motivation can contribute to well-being and performance when coming from values with which the person identifies or which are fully integrated within the person, even though the person was not intrinsically motivated (Sansone & Harackiewicz, 2000). Legault (2020) suggested that extrinsic motivation arises from an externally or socially created reason to perform an action. Extrinsic motivators such as money or other rewards can produce extrinsic motivation due to the fact that they generate desire for the consequence of the activity; they do not produce desire to engage in the activity for its own sake. Intrinsic motivation and extrinsic motivation could lead to job satisfaction.

Job satisfaction refers to the employees' psychological and physiological satisfaction with the working environment and the work itself, as well as the workers' subjective reaction to the work situation (Hoppock, 1935). Job satisfaction is a worker's sense of achievement on the job (Aziri, 2011).

Social exchange theory

Social exchange-relationships develop when employers properly manage employees, which would produce beneficial consequences (Cropanzano & Mitchell, 2005). Blau (1964) asserted that social exchange includes favors that foster future obligations while the nature of the return cannot be bargained. Social exchange

is different from economic exchange. Social exchange tends to induce feelings of personal obligations, gratitude, and trust. Hence, intention to stay of employee is the feelings of personal obligations.

Naim and Lenkla (2016) suggested that intention to stay refers to the employee feeling of attaching and committing with the organization. Dewettinck and Van Ameijde (2011) argued that intentions to stay affects the attitudes and behavior of the employees. If an employee considers performing his duties as a virtue and loves his job, then he does not need too much external motivation to improve performance. Intrinsic motivation remains a moderate to strong predictor of performance regardless of whether incentives are present (Cerasoli and others, 2014). Rogstadius and others (2011) suggested that intrinsic motivation can indeed improve the quality of workers' output. Therefore, this study proposes

Hypothesis 1: Intrinsic motivation has positive impact on job satisfaction.

Employees who are highly motivated for advancement tend to be highly achievement-oriented (Gamache and others, 2015). Consistently, Mafini and Dlodlo (2014) found moderate to strong correlations between the extrinsic motivation factors and job satisfaction. Similarly, Edrak and others, (2013) suggested that there are significant and positive relationship between extrinsic motivations and job satisfaction while extrinsic motivation is identified as the predictor for job satisfaction. Therefore, this study proposes

Hypothesis 2: Extrinsic motivation has positive impact on job satisfaction.

If employees are satisfied with their job, they will be more willing to stay with the company (Leip & Stinchcomb, 2013). Job satisfaction has a significant effect on the intention to stay (Eslami & Gharakhani, 2012). Therefore, this study proposes

Hypothesis 3: Job satisfaction has positive impact on intention to stay.

3.2 Research Framework



Figure 1 Research Framework

4. Research Methodology

The current study is quantitative research. This study distributed 600 questionnaires to employees of the selected telecommunication company in Yunnan province, China. The study collected the data from 240 respondents which is adequate sample size for known population of 600 employee according to Yamane (1967) with 95% level of precision.

4.1 Research Instrument

The distributed questionnaires include measurement items of related variables which are intrinsic motivation, extrinsic motivation, job satisfaction, and intention to stay. They were measured on 5-point Likert scale (1 for Strongly Disagree and 5 for strongly Agree). For intrinsic motivation, six measurement items were

adopted from Arvey and others, (1989). For example, “My job keeps me busy all the time.” For extrinsic motivation, six measurement items were adopted from Arvey and others, (1989). For example, “My boss is able to handles people properly.” For job satisfaction, five measurement items were adopted from Brayfield & Rothe (1951). For example, “At this very moment, I am enthusiastic about my work.” For intention to stay, three measurement items were adopted from Mowday and others, (1984). For example, “I do not intend to quit my job”.

Validity and Reliability Test

The current study uses back translation technique from English questionnaire to Chinese questionnaire and afterward, translate from Chinese to English to confirm the content validity. Confirmatory factor analysis suggested that the loadings of all measurement items of all constructs were above 0.5 except item 1 of intrinsic motivation which stated that “My job keeps me busy all the time” which was found that loading value has value lower than 0.5. Therefore, it was removed from the model. In addition, the average variances extracted (AVEs) for Intrinsic motivation (0.490), Extrinsic motivation (0.647), Job satisfaction (0.802), and Intention to stay (0.749) were above 0.5. Hence, this study found that intrinsic motivation, extrinsic motivation, job satisfaction and intention to stay have convergent validity (Fornell & Larcker, 1981). In addition, the composite reliability and Cronbach’s alpha of all four variables exceeded 0.6, showing internal consistency for reliability.

Table 1 Validity and Reliability Test

	Loadings	Cronbach’s Alpha	Composite Reliability	Average Variance	Number of Items
Intrinsic Motivation	0.514-0.832	0.908	0.912	0.490	11
Extrinsic Motivation	0.746-0.844	0.916	0.917	0.647	6
Job Satisfaction	0.731-0.951	0.949	0.953	0.802	5
Intention to Stay	0.763-0.918	0.892	0.899	0.749	3

4.4 Data Collection

This study distributed 600 self- administered questionnaires to employees of the selected telecommunication company in Yunnan province, China. The study collected the data from 240 respondents which is adequate sample size for known population of 600 employee according to Yamane (1967) with 95% level of precision.

4.5 Data Analysis

This study use multiple linear regression to test hypothesis 1 and hypothesis 2 while using simple linear regression to test hypothesis 3 at 95% confidence level.

5. Research Findings

This study found that 51% (123) of respondents were male and 49% (117) were female. Most of respondents (39%, 94) were 26-33 years old. For education, 68% (164) of respondents obtained bachelor degree. For job position, 51% (123) of respondents were entry level. For working experience at the company, 29% (69) of respondents had 2-5 years of working experience. For department, 44% (107) of respondents were in sale department.

Multiple linear regression confirmed that intrinsic motivation and extrinsic motivation have positive impact on job satisfaction ($p = 0.00$). Thus, hypothesis 1 and hypothesis 2 are supported. The coefficient of intrinsic motivation in the regression equation is 0.345. Therefore, the increase of intrinsic motivation for 1 unit would lead job satisfaction to increase by 0.345 while holding other variables in the model constant. Consistently, the coefficient of extrinsic motivation in the regression equation is 0.646. Therefore, the increase of extrinsic motivation for 1 unit would lead job satisfaction to increase by 0.646 while holding other variables in the model constant.

For hypothesis 3, simple linear regression confirmed that job satisfaction has positive impact on intention to stay ($p=0.00$). The coefficient of job satisfaction in the regression equation is 0.786. Therefore, the increase of job satisfaction for 1 unit would lead intention to stay to increase by 0.786 while holding other variables in the model constant. This study emphasizes the importance of job satisfaction to achieve desired performance outcomes. The employee's intention to stay is determined through the level of satisfaction that the organizations has provided (Roehl & Swerdlow, 1999). The study presented here leads us to believe that how an enterprise treats its employees would affect its performance.

Table 2 Summary of hypotheses testing

	P-value	Adj. R-square	β	Result
H1: Intrinsic motivation \rightarrow Job satisfaction	0.000	0.623	0.345	Supported
H2: Extrinsic motivation \rightarrow Job satisfaction	0.000	0.623	0.646	Supported
H3: Job satisfaction \rightarrow Intention to stay	0.000	0.457	0.786	Supported

6. Discussion

This study set out to look at the relationship among intrinsic motivation, extrinsic motivation, job satisfaction, and intention to stay. All hypotheses are supported. This study confirmed hypotheses 1 that intrinsic motivation has positive impact on job satisfaction. Intrinsic motivation remains a moderate to strong predictor of performance regardless of whether incentives are present (Cerasoli and others, 2014). This study confirmed hypotheses 2 that extrinsic motivation has positive impact on job satisfaction. The findings are aligned with Edrak and others, (2013) that suggested that there are significant and positive relationship between extrinsic motivations and job satisfaction while extrinsic motivation is identified as the predictor for job satisfaction. Extrinsic motivation is instrumental in nature and is done for the purpose of achieving other outcomes (Legault, 2016).

This study confirmed hypotheses 3 that job satisfaction has positive impact on intention to stay. The finding is supported by social exchange theory. If employees are satisfied with their jobs, then they will be more willing to stay (Leip & Stinchcomb, 2013). Job satisfaction has a significant effect on the intention to stay (Eslami & Gharakhani, 2012).

In addition, this study found that coefficient of extrinsic motivation is higher than that of intrinsic motivation. This might be a result of China policy that shift from the period of demographic dividend to the period of demographic burden. On the other hand, Confucianism emphasizes the mean, and no one is willing to take risks to start a business. In addition, the epidemic has led to the closure of many small and medium-sized enterprises, and there are many people waiting for employment. Under the condition of constant living expenses, the remuneration is constantly decreasing, so everyone is pursuing the actual remuneration, which is the extrinsic motivation (Zhihu, 2021)

7. Managerial Implication

This study found that intrinsic motivation that this company should focus is empowerment to make decision. The so-called freedom of judgment of employees is to a large extent the freedom of decision-making of employees. The freedom of decision-making and judgment of employees is an important manifestation of employees' participation in organizational management, which can make them feel the trust of their superiors and experience their own interests and organization. Develop a strong sense of responsibility arising from the close relationship, and at the same time, employees will get a sense of accomplishment because of their freedom of judgment and decision-making freedom on major issues at work, thereby being motivated and providing a guarantee for the organization to achieve its goals.

Due to the advancement of corporate system reforms and the overall progress of the global economy, Chinese companies have gradually stepped into the standardized track of employee participation in management. There are two basic ways: direct participation and indirect participation. Direct participation in management means that all employees participate in the entire process of business management decision-making, judgment, and operation. However, this method may reduce the efficiency of decision-making and increase the cost of decision-making. Therefore, this form is generally suitable for small-scale employees. As for large enterprises which have a large number of employees, they can only apply for indirect participation in management. All employees or departmental employees can delegate their representatives to participate in enterprise management in a certain way. In this way to achieve their own freedom of judgment.

This study found that extrinsic motivation that this company should focus is the balance of compensation and job contribution. Employees may feel that workload is not directly proportional to income. In fact, this kind of unfairness may be the most common phenomenon in enterprises because every company has its own profit balance point. Once it exceeds, it means that the company will suffer losses. If it does not create greater value for the company, the company will not easily raise its salary. In order to recruit more excellent talents, the

company should offer higher salaries because working in such a large company, employees' competition will be quite intense and replaceable.

In fact, to break this situation, the initiative is still in the hands of the boss. It is undeniable that there are some employees who want to earn more with less work, but most employees still want to get higher returns through their hard work, so objectively the high salary can indeed stimulate the employees' sense of responsibility and enthusiasm, so that they can cherish their job even more. For employee who do not have improvement, the company can completely discard them and save the money to more valuable employees. Good employees will work harder if they have a satisfactory income, and adopt this method of rewarding the fittest. A benign situation will be formed, the loyalty of employees will be significantly improved, creating more value and benefit.

This study found that work enjoyment for job satisfaction should be emphasized. China has a large population and huge work pressure. Especially in large enterprises, competition is very fierce. There are hundreds of people competing for a job. Many employees cannot relax after they get a job because there is a risk of being replaced at any time. Employees cannot find fun at work. Some company might focus on sales while others focus on branding and corporate culture. If employees want to find enjoyment at work, the company must strengthen the establishment of corporate culture. Companies can organize outdoor activities and holiday activities from time to time. Use it to promote employees' enthusiasm and fun at work. In addition, the core of the organization is people, hence, the company should establish a good communication channel between superiors and subordinates while listen to the demands of employees.

This study found that some employee might want to quit their job. The main reason for employees wanting to leave is that competition in large companies is very fierce and it is very difficult for employees to promote. Employment environment are full of pressure and competition. While excessive competition has occurred in a certain field, it causes people to enter a state of mutual internal friction. Some employees work overtime unconditionally in order to get the boss's attention. So, under the influence of involution, even the employees of large companies will compare weaker companies with themselves. If there is something more suitable for them, they will have the intent of leaving and quitting the company. So, the company should establish a reasonable and legal corporate salary system, clarify the overtime system, and establish a good corporate culture. It is more necessary to provide employees with reasonable promotion channels and regular training and learning for employees. The involution cannot be completely eliminated, and even the best companies will have to face employees leaving, we can use the above methods to minimize the impact of involution on employee retention, thereby reducing the turnover rate.

8. Suggestion for future research

This study has some limitations. The first limitation is the number of responses obtained from the survey was rather small. A larger number of responses would probably yield a more accurate finding. In addition, since this study only investigates the company employees in Yunnan province in China, hence the findings and conclusions drawn from this research are representative of that company employees, and the findings may not

generalize to other geographic regions, industries or cultures. Future research should include employee empowerment and employee engagement in the analysis. Further study might explore the effect of corporate culture as moderator.

9. References

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