

# FACTORS INFLUENCING EMPLOYEE RETENTION THROUGH THE MEDIATOR JOB SATISFACTION: A STUDY OF OFFICE STAFFS IN HO CHI MINH CITY

CÁC YẾU TỐ ẢNH HƯỞNG ĐẾN VIỆC GIỮ CHÂN NHÂN VIÊN THÔNG QUA MỨC ĐỘ HÀI LÒNG TRONG CÔNG VIỆC: NGHIÊN CỨU ĐỐI TƯỢNG NHÂN VIÊN KHỐI VĂN PHÒNG TẠI THÀNH PHỐ HỒ CHÍ MINH

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## ABSTRACT

This paper examines the relationship between employee-related factors and Employee Retention through the mediator Job Satisfaction of office employees in Ho Chi Minh City. The conceptual model is adapted from previous research and Herzberg's two-factor theory. The theory emphasized the certain elements belonging to two categories namely intrinsic and extrinsic value that lead to people's satisfaction. Six factors include Training, Pay, Recognition, Working Environment, Leadership and Career Development. The data is collected through questionnaires from 422 office staffs in Ho Chi Minh then only 395 qualified responses are analyzed. SPSS and AMOS tools are used to analyze the data through Reliability test, Model fit test, SEM method. The final result reveals that Pay and Training are insignificantly related to Job Satisfaction meaning that the relationship among Pay, Training and Employee Retention through mediator Satisfaction cannot be concluded. Whereas Recognition, Working Environment, Leadership and Career Development have significant positive relationships with Satisfaction, these variables also have indirect positive relationship with Employee Retention through the mediator. This research is useful for organizations which aim to build the retention strategy to keep the best employees in the company.

**Keywords:** Herzberg's two-factor theory; office staff; retention; satisfaction

## TÓM TẮT

Bài báo trình bày nghiên cứu mối quan hệ và sự tác động của sáu yếu tố: Đào tạo, Tiền công, Sự công nhận, Môi trường làm việc, Lãnh đạo, Phát triển nghề nghiệp đến việc giữ chân người lao động (Employee Retention) thông qua biến trung gian Mức độ hài lòng trong công việc (Job Satisfaction). Mô hình giả thiết được xây dựng dựa trên những nghiên cứu trước đây kết hợp với thuyết hai yếu tố của Herzberg. Thông qua khảo sát mẫu gồm 422 nhân viên khối văn phòng tại thành phố Hồ Chí Minh, kết quả phân tích định lượng cho thấy, các biến: Sự công nhận, Môi trường làm việc, Lãnh đạo, Phát triển nghề nghiệp có mối quan hệ tích cực với biến trung gian Mức độ hài lòng trong công việc, có mối quan hệ gián tiếp tới biến Lưu giữ nhân viên; biến độc lập Tiền công và Đào tạo không có mối liên quan đến biến trung gian Mức độ hài lòng trong công việc, do đó chưa thể kết luận được mối quan hệ giữa hai biến này với biến Lưu giữ nhân viên. Dựa vào kết quả nghiên cứu, tác giả đề xuất một số khuyến nghị cho các doanh nghiệp muốn giữ chân nhân viên thông qua các yếu tố phi tài chính.

**Từ khóa:** thuyết hai yếu tố Herzberg; nhân viên văn phòng; lưu giữ nhân viên; mức độ hài lòng

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## 1. INTRODUCTION

In the context of globalization, Vietnamese labor market is facing many opportunities as well as challenges. The appearance of foreign owned or multinational companies besides local business has been creating more employment opportunities for Vietnamese workers. Besides that most of the Vietnamese workforces are young people; they switch to the new working environments frequently that lead to the shortage of qualified workers at present. Paradoxically, Ho Chi Minh City as well as Vietnam has labor surplus situation but lacks of high qualified workforce. This issue raises a concern for management team in every company. They consider employee retention is very important to help businesses achieve their goals and objectives; hence the retention strategy of key employees has received a lot of attention from many organizations (Moncraz et al., 2009). In Vietnam, currently the employee turnover rate fluctuates through the years, this situation shows that a lot of businesses in Vietnam are confused in finding an effective solution to retain their employees. Moreover, their human resources management strategies seem not really practical. Therefore, this paper sets out the important elements needed to pay attention from enterprises.

## 2. LITERATURE REVIEW

### Employee Retention

Employee Retention is defined as 'the ability to hold onto those employees you want to keep, for longer than your competitors' (Johnson, 2000:34). The term "employee retention" can be understood as the effort of organizations to enhance their employee satisfaction and commitment by giving them a lot of opportunities and ambitious for career

development (Bogdanowicz and Bailey, 2002). Organizations voluntarily build the environments to facilitate worker's long-term engagement (Chaminade, 2007). Ldama and Bazza (2015), expressed that talented-employee retention costs a lot of money, yet it even costs more when proficient staffs have resigned their positions. In most of the previous papers, voluntary employee turnover received more attention than involuntary turnover, because it is considered as a managerial problem, people choose to leave jobs when they are no longer interested or they can find alternative ones (Hom and Kinicki, 2001). According to Mowday and Colwell (2003), job satisfaction is very essential, it involves in the decision to continue working or to quit the jobs. Some empirical research also support the positive relationship between Job satisfaction and Employee retention such as Udo et al. (1997), found that job satisfaction, job involvement, and organizational commitment are related to employee retention in the USA. That means every factor distributes to employees attitude whether they feel satisfied or dissatisfied with their jobs, then they are going to make the decision related to organizational commitment, therefore, job satisfaction will appear as mediator.

### Job satisfaction

Satisfaction seems to be a popular matter for all fields and subjects, from customers, employers, employees, students to many other people in the world, they all need a certain level of gratification. Armstrong (2006), he explained that the positive attitude and excitement are perceived by employees themselves called job satisfactions whereas job dissatisfaction refers to negative feeling and unfavorable attitudes. In general "Job Satisfaction" is a multifarious and complex concept. It has a close relationship with motivation but it is not the same as motivation, it's more relevant to people's attitudes and feelings (Mullins, 2005). There are many factors affect the satisfaction, for example, salary, promotion, management, teamwork and working condition. They derived from Herzberg's Two Factor Theory, based on the factor that leads to the satisfaction (Rue and Byars, 2003). In 1959, Herzberg researched the factors affecting people attitude at work, he classified the essential factors into two dimensions Hygiene and Motivation (table 1). Herzberg said that the absence of Hygiene factors could lead to the job dissatisfaction and the presence of Motivation factors would increase the job satisfaction.

Table 1. Job Satisfaction Factors

Factors Leading to Dissatisfaction (Hygiene)	Factors Leading to Satisfaction (Motivation)
Company Policy	Achievement
Supervision	Recognition
Relationship with Boss	Work Itself
Work Conditions	Responsibility
Salary	Advancement
Relationship with Peers	Growth

(Source: Herzberg, 1976)

Although Hygiene Factors are not the source of satisfaction, it needs to be improved first in order to reduce dissatisfaction and create a motivating work environment for employees; therefore employee satisfaction increases. Many positive results of employee's retention come from job satisfaction. Light (2004), has found the positive relationship between job satisfaction and intent to stay in the organization of employees. Besides that, there are many researchers such as Bockerman and Iimakkunnas (2004), confirmed the negative relationship between job satisfaction and intention to quit as well as staffs' turnover. In order words, job satisfaction is considered as the most important tool to retain workers (Behera, 2011).

### Training

Gomez et al. (1995), defined training as instructing people technique or particular skills in order to reduce and prevent from errors or deficiencies in employee performance. Seyler et al. (1998), stated that because of the continuous changes of the business environment, training is considered as a potent measure used by employers to support their employees in terms of knowledge, skills, and attitudes. The organizations should assess the situation whether training is needed at this time then it is applied to help employee enhance their performances. The training program is an important concept of Human Resource Management (HRM) because it is related to job satisfaction and employee retention. Siebern-Thomas (2005), conducted the research in 13 countries from 1994 to 2001 and found that job satisfaction will enhance if employees access to workplace training. Jones (2009), has found a strong relationship between job satisfaction and training, the author also pointed out that training is more likely to affect job satisfaction than the reverse. From the other side, there are still many arguments mentioned different consequences of training. Training provides employees better skills that result in the preferences for working in other companies or on-the-job training has the negative correlation to turnover retentions (Benson, 2006). In this study, the hypothesis suggests the positive relationship between Training and Job Satisfaction.

### Pay

There are two common methods for paying the salary: base pay and contingency-based pay. As Msengeti (2015), defined base pay as compensation relied on some predefined rate such as hourly or weekly rates. According to Zingheim and Schuster (2007), contingent pay is an agile instrument which is decided by employers to give money to staffs who successfully achieve the business's objectives in a given period. Unlike base pay, contingent pay closely related to employee's achievement so it's not stable over time. Parker and Wright (2001), confirmed that employee's behavior and retention can be influenced by monetary compensation. Moyes and Redd (2008), examined the job-related factors affecting job satisfaction of accounting professional and compensation has a positive significant

relationship to Job Satisfaction. Some researchers agree that fair pay considered as a motivator bringing the positive result to workers but it is not enough to keep them stay (Moncraz et al., 2009). Highhouse et al. (1999), recommended pay package will affect the employment decision of workers however high pay package does not mean high employee job satisfaction and commitment, firm's owner should combine suitable strategy for not only pay, compensation but also working environment, colleagues and supervisors' relationship and other factors which encourage employees continue working for organizations.

### **Recognition**

Danish (2010), stated that recognition is the evaluation process of organizations that give the employees a certain status. In other words, employees receive appreciation from organization in term of reward, status or promotion. Nelson (2003) advised the effective recognition must be fair, transparent, inclusive, frequent, timely and varied. Heathfield (2008) required the meaningful recognitions must have fairness, clarity, and consistency. Moreover, the form and content of recognition must be consistent and employee should know the clear reason for the recognition. The value recognitions have a positive relationship with satisfaction (Ali and Ahmed, 2009). The common belief about employee recognition is spread widely to managers; when employees have a sense of achievement through recognition, they will have more motivation to contribute to organization performance.

### **Working environment**

The dimensions of working environment consist of organizational system, interpersonal relationships, and personal growth which have a slight difference to other research (Moos, 2008). Assume that each job is clearly categorized into two sectors: production and service sector, it leads to the differences of working environment's measurements. The psycho social dimensions such as support, workload, demands, decision latitude, stressors etc. are suitable for service sector's environment because workers have to communicate with many people, especially coworkers and customers (Shoab et al., 2009). In this study, the target sample is employee officers who spend most of the time in the office rather than the factory, so the dimensions of workplace adopt basically three components: technical environment, the human environment and the organizational environment which combine physical and psychological as well as the behavioral characteristic of working environment. According to Heneman (2007), an ideal working condition is an essential element of any organizations to create a retention strategy for their employees. Brill et al. (2001), revealed that the design of workspace has a huge effect on employee commitment and satisfaction.

### **Leadership**

Leadership is the process encouraging people to do something by their willingness, not because they are afraid

of suffering the consequences or discipline. Leadership creates a culture of retention that plays an important role in employee's job decision (Wakabi, 2013). According to Muindi (2011), if employees have little involvement in decision making and insufficient communication to their leaders, it easily causes job dissatisfaction; the unsatisfactory is a connection between leader and employee's resignation (Studer, 2004). The same results to support the positive relationship between leadership and job satisfaction come from Chen (2006), their results revealed job satisfaction can be consolidated by leaders who understand clearly the organizations' needs and spread the enthusiasm to subordinates.

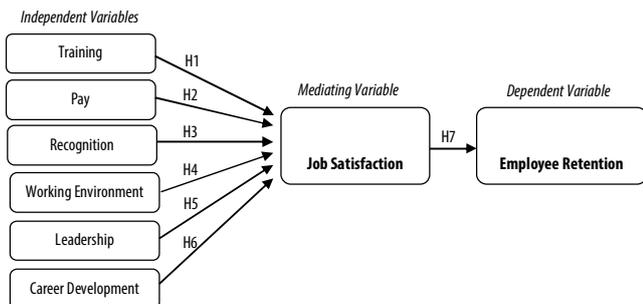
### **Career development**

According to Armstrong (2001), Career development is the excessive significance of the job for which employees work and the development of organization through the employee's career. Prince (2005), indicates that career development is the continuous process to cultivate employees' skills, knowledge, attitudes, and competencies before promoting to a higher level in the hierarchy. Cataldo et al. (2000), mentioned that employees desire to learn more experience and knowledge to promote their career opportunities. Moreover, to achieve the competitive advantage in organizations, employees need not only talented and productive qualities but also career development to enhance their own competencies. Development in employee's skill and expertise also contributes to the employee satisfaction, to keep experienced and competent employees; career growth is treated as a motivation. Therefore, referring to previous studies outcome, this research suggests the employee satisfaction may improve by career advancement.

### **The Suggested Hypotheses**

Job satisfaction will enhance if the employees can access to nice workplace training, environment and leadership styles (Chen, 2006). Trevor (2001), confirmed that the relationship between job satisfaction and employee retention is obviously passive which means when employee dissatisfied at work, they have a high probability of turnover. The hypotheses for this research are summarized as following meanwhile the conceptual model is adapted from Alshanbri et al (2015), and combined with the theory from Herzberg two-factor theory shown in figure 1.

*H1:* Training positively affects Employee Job Satisfaction; *H2:* Pay positively affects Employee Job Satisfaction; *H3:* Recognition positively affects Employee Job Satisfaction; *H4:* Working Environment positively affects Employee Job Satisfaction; *H5:* Leadership positively affects Employee Job Satisfaction; *H6:* Career Development positively affects Employee Job Satisfaction; *H7:* There is a positive relationship between Job Satisfaction and Employee Retention.



(Source: Alshabari et al., 2015; Herzberg, 1976)

Figure 1. Proposed Conceptual Framework

**3. RESEARCH METHODOLOGY**

This research uses the quantitative approach to obtain the purpose of the study, the survey is continually chosen as the main method with questionnaire tool to collect primary data. The questionnaires were directly sent to 422 people who are classified as the office workers in Ho Chi Minh City, spreading from under 20 to over 46 years old. After that, Statistical Package for Social Sciences (SPSS) for first examines the data and Alliaz Managed Operations and Services (AMOS) are used as the main tool for deeper analyzing the results of 395 qualified respondents. The questionnaire is synthesized based on the previous research such as Koikai (2014), Msengeti (2015) and Achieng’Nyaura (2016), so that the measurement scale presents a high reliability.

Table 2. Variables’ Measurement Scales

Variables’ Measurement Scales	Literature Review
Training	Koikai (2014), Achieng’Nyaura (2016)
Pay	Msengeti (2015), Achieng’Nyaura (2016)
Recognition	Koikai (2014)
Working Environment	Msengeti (2015), Achieng’Nyaura (2016)
Leadership	Achieng’Nyaura (2016)
Career Development	Koikai (2014)
Job Satisfaction	Koikai (2014)
Employee Retention	Koikai (2014), Achieng’Nyaura (2016)

The questionnaire is divided into two sections: Demographic details and Perceived Relationship among the factors. Each factor includes five measurement statements using Likert scale which spreading from Strongly Disagree to Strongly Agree.

**4. RESULTS AND DISCUSSION**

**Sample Demographics**

The data collected by online and offline surveys to achieve 422 responses from office staffs in Ho Chi Minh City in 2017. The number of Female respondents is double the number of Male and the age’s range of respondents, the dominant range is from 20-30 years old (69.62%) and the second place belongs to the age of 31-45 (24.56%). Obviously, when the target respondents are office staffs, they mostly have Degree of Diploma level to pass the

entrance assessment, the number for this part is accounted for 76.46% and higher level Master Degree is 19.24%.

Table 3. Cronbach’s Alpha Results

	Number or Items	Cronbach’s Alpha
Training	5	0.898
Pay	5	0.788
Recognition	5	0.838
Working Environment	5	0.829
Leadership	5	0.855
Career Development	4	0.803
Job Satisfaction	5	0.769
Employee Retention	5	0.818

**The Cronbach’s Alpha Reliability Test**

Cronbach’s Alpha is one of the methods using to examine the consistency of internal items in the questionnaire and developed by Lee Cronbach in 1951. Acceptable values of alpha have a range from 0.70 to 0.95 (DeVellis, 2013). The result for Cronbach’s Alpha test is shown as below table.

The Cronbach’s Alpha (table 3) for all variables range from 0.769 to 0.898 depicts the moderate consistency among internal items. Especially Training has Cronbach’s Alpha value 0.898 illustrates that all items measuring training are reliable and consistent. Because the results satisfy the requirements for Reliability test thus there is no variable to be eliminated and the measurement scales are appropriated for EFA analysis.

**Exploratory Factor Analysis (EFA)**

EFA helps to rearrange the scale into multiple sets. The variables belonging to the same set will measure the same concept. It is based on the correlation between variables (interrelationships). Promax rotation and Principal axis factoring are chosen to run EFA test for independent variables and Principal Component is applied for mediator and dependent variables. The final EFA result is reached at third times after deleting unqualified measurement PAY1, PAY2, PAY3.

Table 4. Factor Analysis - Independent variables

	Pattern Matrix <sup>a</sup>					
	Factor					
	1	2	3	4	5	6
Train3	0.907					
Train2	0.874					
Train4	0.859					
Train5	0.767					
Train1	0.598					
Env2		0.775				
Env5		0.753				
Env4		0.690				
Env1		0.617				
Env3		0.565				
Lead1			0.723			
Lead5			0.709			

Lead3			0.700			
Lead2			0.679			
Lead4			0.619			
Rec3				0.773		
Rec4				0.722		
Rec2				0.687		
Rec1				0.587		
Rec5				0.570		
Pay5					0.869	
Pay4					0.836	
Car.Dev2						0.861
Car.Dev1						0.565
Car.Dev3						0.525
Car.Dev4						0.416

This is final EFA result for 06 independent variables, all component variables are regrouped into the same set of measurement. Both mediating and dependent variables are also grouped perfectly in EFA test. In the meantime, KMO and Barlett's Test is conducted in table 3 in order to present an appropriateness of factor analysis with actual data.

Table 5. KMO and Barlett's Test

	Independent Variables	Mediating Variable	Dependent Variable
KMO index	0.921	0.753	0.806
Sig.	0.000	0.000	0.000
Cumulative %	<b>58.056</b>	<b>52.964</b>	<b>58.72</b>

KMO value of independent variables is 0.921, Bartlett's Test of Sphericity is significant with p value 0.000 ( $< 0.05$ ). Moreover, Cumulative% is 58.056% meaning 06 factors can explain for 58.056% of data variation and Observed items are correlated with each factor. Hence EFA model is appropriate. Similarly, The KMO value of Mediating and Dependent Variables are 0.753 and 0.806 (table 5) respectively depict good values so this measurement shows the compatible with actual data and good correlation among observed variables.

### Confirmatory Factor Analysis (CFA)

Table 6. Unidimensionality result (CFA)

Fit Indices	Level of acceptance	Test result	Comment
Chi-Square (CMIN)	$\neq 0$ and $p\text{-value} \leq 0.05$	1416.639 $p\text{-value} = 0.000$	Statistical significance
Chisq/df (CMIN/DF)	$\leq 3.0$	2.503	Statistical significance
CFI	$\geq 0.8$	0.888	Acceptable
TLI	$\geq 0.8$	0.876	Acceptable
GFI	$\geq 0.8$	0.832	Acceptable
RMSEA	$< 0.08$	0.062	Acceptable

Each component item is related only to one structure (factor). If multi-loadings phenomenon happens, it is assumed to be zero. Unidimensionality measures the suitability of the model compared to research data. Refer to

Appendix A for more details of Unidimensionality result. The result of this research model is compared with the cut off value of model-fit measurement indices (Abedi, 2015).

The result is satisfied with the standard indices and it is statistically significant, so the theoretical model of the topic is consistent with the data collected in the market. Moreover, observed variables have estimates of standardized regression weights, when the same measurement variables reflect one factor, they represent high correlation coefficients or variance. Hence, these observed variables have estimates of standardized regression weights greater than 0.5 at the significant level ( $P\text{-value} = 0.001$ ) (Anderson and Gerbing, 1988), the CFA model obtains Convergent validity.

### Structural Equation Modeling (SEM)

SEM is one of the most complex and flexible techniques that many researchers visualized it by path diagram to represent the clear interrelationship among factors (Hair et al., 2006). The outcome shows the relationships between independent variables Recognition, Leadership, Career Development, Environment to mediator Satisfaction are significant with  $p\text{-value} < 0.05$ . And the effect of Satisfaction to dependent variable Retention is supported by significant  $p\text{-value}$ . Nevertheless, the variables Pay and Training have  $P\text{-values}$  0.856 and 0.567 respectively larger than 0.05 then these variables are non-significant and they should be removed from the conceptual model. Career development has highest estimate value, explain 38.3% the variance of Job Satisfaction whereas the mediator Satisfaction interprets up to 67.2% the variance of Employee Retention (table 7).

After removing the variable Training and Pay because of no relationship between them with Job Satisfaction, there are four remained independent variables include Recognition, Working Environment, Leadership and Career Development in adjusted SEM model. The CFA model is analyzed again to test the model fit of adjusted SEM. Overall, it still achieved the good result after the model had an adjustment. Hence the theoretical adjusted model of the topic is consistent with the data collected in the market.

## 5. RECOMMENDATION AND CONCLUSION

### Recommendation

Career Development plays the most important role to retain the key people long-term in the company. To enhance the effectiveness of this factor, organizations should give freedom for employees to accomplish their tasks, create a comfortable working environment so employees are able to accomplish their tasks in a creative way as long as it is effective and on time. Recognition is accounted for 21.6% the variance of job satisfaction; employees appreciate the recognition of their supervisor when they complete the job excellently. Hence, this is a shortcoming if employers do not give timely recognition to

Table 7. Summary of Hypotheses Testing

No	Hypothesis	Standardized Regression Weight	P-value (level of significance 0.05)	Conclusion
1	H1: Training positively affects Employee Job Satisfaction	-0.029	0.567	Not Supported
2	H2: Pay positively affects Employee Job Satisfaction	0.010	0.856	Not Supported
3	H3: Recognition positively affects Employee Job Satisfaction	0.216	0.019	Supported
4	H4: Working Environment positively affects Employee Job Satisfaction	0.153	0.026	Supported
5	H5: Leadership positively affects Employee Job Satisfaction	0.217	0.026	Supported
6	H6: Career Development positively affects Employee Job Satisfaction	0.383	0.000	Supported
7	H7: There is a positive relationship between Job Satisfaction and Employee Retention	0.672	0.000	Supported

their subordinates. The retention strategy can be reinforced by many ways such as company give the compliment and gift to workers in form of certificates, gift cards, and cash. Working Environment has a positive relationship to Job satisfaction and reduces employee's intention to quit so leaders should become closer to the staffs and not create the gaps that make employees feel uncooperative. Moreover, Good leaders guide their employees to the right direction, one of the factors keeping employees in the company when they admire and learn something from their management. Employers should be the person who encourages and identify the strength and weakness of subordinates in work. Although in this study Training and Pay do not affect Employee retention through Satisfaction under the sample of 395 HCMC office workers, Training is supposed to be a support tool for worker to develop their skills and knowledge. In reality, when the firms provide suitable and appropriate training that satisfied employee's need, employees have more knowledge about their work and catch up the work easier. It cannot be denied that salary and compensation are the most concern when entering the new company. Even there are many researchers such as Moyes and Redd (2008) found that remuneration positive correlates to Job satisfaction. However, for HCMC office employees, pay has little contribution to their satisfaction, likewise, working under high pressure, employees' need more motivation and condition lead to the satisfaction in the context that employees are keen on choosing passionate job to helps them stick with the company for a long-time. Together with better retention strategy, compensation or remuneration should be paid appropriately to staff.

#### Implication

Ho Chi Minh City is the strongest economic center of Vietnam with many domestic and foreign companies creating more employment opportunities for workers. In addition, Ho Chi Minh Office Staffs are very dynamic and knowledgeable so the employee turnover phenomenon is unavoidable because they always know the way to promote in their career path and switch to a better company if they are not satisfied with their current job. This can be proved by the result above that high level of satisfaction leads to successful employee retention. In addition, companies, as well as government, must develop

and implement the specific law in order to protect the employees during their working period and improve the clarity and transparency and fairness in management strategy. This study provides specific views about the employee satisfaction and retention in Vietnamese and contributes valuable materials for further research. It also attracts the attention of employers about turnover problems so the company can build an adequate retention structure to enhance the employee satisfaction and firm efficiency

#### Conclusion

Six factors Training, Pay, Recognition, Working Environment, Leadership, and Career Development are chosen to test the mediating relationship to Employee Retention. The outcome illustrates a direct positive impact on Job Satisfaction to Employee Retention; this result is the same as Martin, Mactaggart and Bowden (2006). Besides that, four independent variables Recognition, Working Environment, Leadership and Career Development have a significant positive relationship with Job Satisfaction. Career Development has the most contribution to Job Satisfaction 38.3% whereas Working Environment just explains 15.3%. Hence, these four variables can be concluded that they have indirect positive relationship with Employee retention through the mediating variable Job Satisfaction. On the contrary, because of the insignificant relationship with the mediating variable, Training and Pay do not impact Employee Retention through Job Satisfaction. Nevertheless, the previous studies also have a similar result, for instance; Yuliarini (2012) studied the factors impact non-teaching Employee Satisfaction in Malaysia, the research showed that training does not significantly influence on employee satisfaction either. According to the result, the employers should pay more attention to four elements Recognition, Working Environment, Leadership and Career Development in order to build an effective strategy in retaining employees.

#### The limitation of the study

Firstly, this study just collected 395 samples of office staffs in Ho Chi Minh so it cannot cover all the Vietnamese companies. Moreover, there is 11.39% people work at their current firm for 6 months so their information and perceptions of the current company are narrower than the

other that may cause the hesitation and ambiguity in their answer which results in the bias data.

Secondly, two variables Training and Pay are contrary to the literature review and lead to the Hypotheses rejection, the relationship between Training, Pay towards Employee Satisfaction and Retention are inconclusive. Because Vietnam is a developing country with cheap labor cost in the region and the economic contexts are different compared with other developed countries, hence its result is probably dissimilar to the literature review.

Finally, there are also many factors that affect the performance but not included in this study such as Job-itself, work-life balance etc. derived from Herzberg's theory. After adjustment, the model remains four independent variables and it can be added more factors in the model at the beginning to make a better prediction of Job satisfaction and Employee Retention./.

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