

ORGANIZATIONAL COMMITMENT AND JOB SATISFACTION INFLUENCING EMPLOYEE RETENTION AT BEIJING CAISHIKOU DEPARTMENT STORE CO., LTD.

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Abstract

The objective of this study was twofold: (1) to investigate the influence of organizational commitment on employee retention and (2) to investigate the influence of job satisfaction on employee retention at Beijing Caishikou Department Store Co., Ltd. The study employed a quantitative research approach, using a structured questionnaire as the primary instrument. The population comprised 931 employees from various departments and positions, and a sample of 260 participants was determined using a ratio of 20 to 13 observed variables. The sampling method was purposive sampling, where the company's Human Resources Manager selected suitable respondents based on job diversity, tenure, and willingness to participate. Data were analyzed using descriptive statistics to summarize demographic characteristics and opinions, while inferential analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) to test the causal relationships among variables.

The findings revealed that both organizational commitment and job satisfaction had a statistically significant positive influence on employee retention at the .001 level, explaining 56.1% of the variance in employee retention. Job satisfaction exerted a stronger effect than organizational commitment, indicating that employees who are more satisfied with their work environment, compensation, and career opportunities are more likely to remain with the organization.

Keywords: Organizational Commitment, Job Satisfaction, Employee Retention

Introduction

In the 21st century, organizations around the world are facing a wide range of challenges brought about by rapid economic, technological, and social changes, which inevitably affect business operations and human resource management. One of the key issues modern organizations place great emphasis on is retaining high-quality employees over the long term, which is a crucial component of competitive advantage and sustainable development. China is a developing country transitioning into a consumption-driven economy. Structural changes in the service sector labor market, especially in the retail industry, pose a major challenge for organizations, as frontline employees play a direct role in delivering value to customers. However, the retail industry has a high employee turnover rate due to repetitive job tasks, service-related pressure, and limited opportunities for advancement (Arokiasamy, Krishnaswamy, & Smith, 2021). Therefore, studying employees' intention to stay has become a topic of interest among both academic and organizational leaders.

Retaining employees in China's retail sector presents a significant challenge. A survey by a leading human resources organization indicated that by 2023, more than 85 percent of companies surveyed nationwide had a voluntary turnover rate of office staff below 11 percent, and only 3.4 percent had a turnover rate above 25 percent (Swedish Chamber of Commerce China, 2023). This suggests that the workforce turnover situation at the organizational level, even outside the retail sector, warrants serious consideration, and that the highly volatile retail sector could face significantly higher turnover rates.

Beijing Caishikou Department Store Co., Ltd. is considered one of the leading and long-established department stores in Beijing, yet it faces challenges from competition with online retail platforms and shifting customer expectations. Although the organization maintains a certain level of stability, data from the Human Resources Department indicates a high turnover rate among operational-level employees. This results in recurring recruitment and training costs, as well as long-term impacts on customer experience. Such a situation highlights the inadequacy of the current human resource management strategies in addressing employees' needs and expectations. Over the past decade, research has increasingly focused on the roles of job satisfaction and organizational commitment as internal factors influencing employees' decisions to stay with or leave an organization (Pratama, Suwarni, & Handayani, 2022). Job satisfaction refers to the extent to which employees feel content with various aspects of their work, such as job characteristics, compensation, advancement opportunities, and relationships with supervisors and colleagues, reflecting a balance between expectations and actual experiences (Biaison, 2020). Meanwhile, organizational commitment, as conceptualized by Allen and Meyer (1990), comprises three dimensions: affective, continuance, and normative commitment, all of which significantly influence employee behavior and organizational loyalty (Pertiwi & Supartha, 2021).

Although numerous international studies have examined the influence of job satisfaction and organizational commitment on employee retention across various contexts, there remains a limited number of systematic studies focusing on this issue within semi-state-owned retail organizations in China. Cultural differences, job characteristics, and organizational structures in the Chinese context may cause psychological factors to exert different effects than those observed in Western settings, as most previous research references. Therefore, empirical research within the local context is necessary to fill the academic gap and propose contextually relevant strategies. To gain a deeper understanding of employee retention in the retail industry, this study aims to investigate levels of job satisfaction and organizational commitment among employees at Beijing Caishikou Department Store Co., Ltd., and to analyze how these factors influence their decisions to remain in their jobs. The research seeks to generate practical knowledge for human resource management in retail organizations and offer insights for developing policies that promote commitment and job satisfaction, reduce turnover rates, enhance work performance, and strengthen long-term business competitiveness.

Research Objective

1. To investigate the influence of organizational commitment on employee retention at Beijing Caishikou Department Store Co., Ltd.
2. To investigate the influence of job satisfaction on employee retention at Beijing Caishikou Department Store Co., Ltd.

Research Hypothesis

H1: Organizational commitment has a positive effect on employee retention at Beijing Caishikou Department Store Co., Ltd.

H2: Job satisfaction has a positive effect on employee retention at Beijing Caishikou Department Store Co., Ltd.

Conceptual Framework

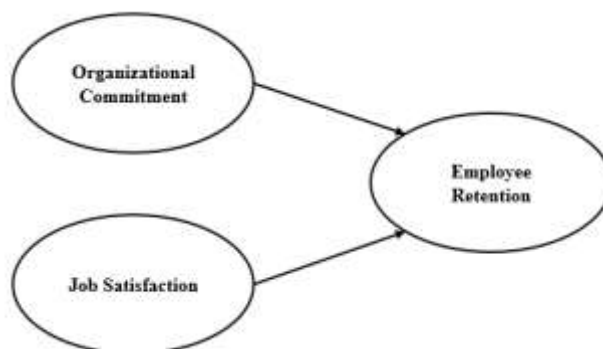


Figure 1 Conceptual framework

Literature Review

Concepts and theories related to organizational commitment

Organizational commitment refers to the psychological attachment and loyalty that employees have toward their organization, reflecting their intention to remain and work toward achieving long-term organizational goals. This concept was significantly developed through the three-component model proposed by Meyer and Allen (1991), which comprises: (1) Affective Commitment, referring to employees' emotional attachment and identification with the organization; (2) Continuance Commitment, referring to the awareness of the costs or potential losses associated with leaving the organization; and (3) Normative Commitment, referring to the sense of moral obligation and responsibility to remain with the organization. Organizational commitment is influenced by several factors, including job satisfaction, organizational support, perceived fairness, and inspirational leadership. Moreover, the Social Exchange Theory posits that fair, reciprocal relationships between employees and the organization enhance employees' sense of obligation and strengthen their commitment (Cropanzano et al., 2017). Likewise, Self-Determination Theory suggests that when employees experience autonomy in their work, opportunities for personal growth, and a sense of belonging within their team, they develop higher intrinsic motivation, which in turn fosters stronger organizational commitment (Gagné et al., 2022). Therefore, organizational commitment serves as a vital indicator of workforce sustainability and a key mechanism influencing organizational performance and long-term success.

Concepts and theories related to job satisfaction

Job satisfaction is a fundamental concept in organizational psychology and human resource management, referring to a positive emotional state that arises from an individual's evaluation of their work experience (Locke, 1976). It indicates the extent to which employees hold favorable attitudes toward their job responsibilities, work environment, and organization. The concept is grounded in several key theories. One of the most influential is Herzberg's Two-Factor Theory, which divides the determinants of job satisfaction into two categories: motivator factors (such as achievement, recognition, and career advancement), which enhance satisfaction, and hygiene factors (such as pay, working conditions, and relationships with colleagues), which, if absent, lead to dissatisfaction (Herzberg et al., 1959). Another foundational perspective is Vroom's Expectancy Theory, which posits that job satisfaction is derived from an individual's perception that their efforts will result in desirable outcomes aligned with personal goals (Vroom, 1964). In recent years, the concept has evolved within the framework of positive organizational psychology, emphasizing that job satisfaction is closely associated with employee well-being and work engagement—two essential elements that drive retention and organizational performance (Judge et al., 2017). Therefore, job satisfaction

is not merely an indicator of employee happiness but a strategic mechanism for enhancing productivity, sustaining commitment, and promoting long-term organizational success.

Concepts and theories related to employee retention

Employee retention refers to the organization's ability to retain valuable employees over the long term, thereby minimizing turnover and strengthening loyalty to the organization (Hom et al., 2017). This concept is grounded in several theoretical perspectives that explain why employees choose to remain with their organization. The Social Exchange Theory posits that when employees perceive fairness, organizational support, and reciprocal benefits in their relationship with the organization, they develop a sense of obligation and attachment that decreases their intention to leave (Cropanzano et al., 2017). Similarly, the Three-Component Model of Organizational Commitment by Meyer and Allen (1991) highlights affective, continuance, and normative commitment as key psychological factors influencing employee retention. Furthermore, Herzberg's Two-Factor Theory (1959) explains that retention is enhanced through the presence of motivator factors such as achievement, recognition, and opportunities for advancement, along with the proper management of hygiene factors such as salary, working conditions, and interpersonal relations, which help prevent dissatisfaction. Recent studies integrating the Job Demands–Resources (JD-R) Model have emphasized that organizational support, career development, and work–life balance are essential resources that promote engagement and retention (Bakker & Demerouti, 2017; Tabrizi et al., 2023). Employee retention, therefore, extends beyond financial incentives to encompass psychological experiences, workplace relationships, and sustainable career development within an effective human resource management framework.

Research Methodology

1. In this study, the population consisted of all 931 employees of Beijing Caishikou Department Store Co., Ltd., covering various departments and job levels, including management, sales, customer service, warehouse, and administrative support. To determine an appropriate sample size based on statistical principles, the researcher followed the guideline of Hair et al. (2021), which recommends that the number of samples should be at least 20 times the number of observed variables in the model. Since this study included 13 observed variables, the appropriate sample size was calculated as 260 respondents (13×20). The sample was obtained using purposive sampling, with the company's Human Resources Manager selecting suitable employees from the full staff list in accordance with jointly established criteria: diversity of job positions, length of service, and willingness to participate. This sampling approach ensured that participants represented a wide range of perspectives, enabling a comprehensive understanding of the factors influencing employee retention within the organization.

2. The research instrument used in this study was a questionnaire developed based on theories and concepts related to organizational commitment, job satisfaction, and employee retention. The questionnaire comprised five sections: (1) general demographic information (gender, age, education level, marital status, monthly income, and work experience); (2) organizational commitment, covering affective, continuance, and normative commitment; (3) job satisfaction, measuring work characteristics, compensation, advancement opportunities, supervision, and coworker relations; (4) employee retention; and (5) open-ended questions allowing participants to express additional opinions. Sections 2–4 employed a five-point Likert Scale ranging from 1 = strongly disagree to 5 = strongly agree. Prior to data collection, the questionnaire's quality was verified in two stages: (1) content validity, evaluated by three experts with an Item-Objective Congruence (IOC) value above 0.60; and (2) reliability testing, conducted with 30 respondents similar to the target population, yielding a Cronbach's Alpha coefficient above 0.70, confirming satisfactory reliability for actual use.

3. Data were analyzed using the Partial Least Squares Structural Equation Modeling (PLS-SEM) technique with ADANCO software to test the causal relationships among latent variables: organizational commitment, job satisfaction, and employee retention. The analysis comprised two main parts: (1) descriptive statistics, used to present demographic characteristics and respondents' opinions in terms of frequency, percentage, mean, and standard deviation; and (2) inferential statistics, applying the PLS-SEM model to evaluate the direct effects of organizational commitment and job satisfaction on employee retention. Statistical significance was assessed using bootstrapping with 5,000 resamples to ensure robust and reliable hypothesis testing (Hair et al., 2021).

Results

1. The analysis of the general information of 260 respondents revealed that most participants were female, totaling 192 persons (73.85%), while male respondents accounted for 68 persons (26.15%). The majority of respondents were aged 31–40 years (108 persons, 41.54%) and held an education level below a bachelor's degree (125 persons, 48.08%). Most respondents were married (169 persons, 65.00%) and earned a monthly income of 3,000 yuan or less (98 persons, 37.69%).

2. The analysis of mean scores and standard deviations indicated that the respondents' overall opinions toward the variables studied were at a high level. Among the three main variables, Organizational Commitment received the highest average score, followed by Job Satisfaction, while Employee Retention had the lowest mean score. This finding suggests that employees of Beijing Caishikou Department Store Co., Ltd. exhibit strong emotional and psychological attachment to the organization and are generally satisfied with

their work, although their long-term intention to remain may still depend on other organizational or personal factors. The summarized results are presented in Table 1.

Table 1: Mean and Standard Deviation of Respondents' Opinions

Factors/Variables	$\bar{X}$	SD	Level of opinion
Organizational Commitment	3.68	.61	High
- Affective Commitment	3.74	.69	High
- Continuance Commitment	3.64	.65	High
- Normative Commitment	3.67	.65	High
Job Satisfaction	3.66	.55	High
- Job Characteristics	3.67	.59	High
- Compensation	3.61	.59	High
- Advancement Opportunities	3.69	.60	High
- Supervision	3.70	.60	High
- Coworker Relations	3.64	.61	High
Employee Retention	3.65	.43	High

Table 2: Shows the test results for structural integrity and component weight

Factors	Loading	AVE	Dijkstra-Henseler's rho (ρ_A)	Jöreskog's rho (ρ_C)	Cronbach's alpha (α)
Organizational Commitment		.831	.900	.936	.898
- Affective Commitment (AC)	.906				
- Continuance Commitment (CC)	.919				
- Normative Commitment (NC)	.910				
Job Satisfaction		.830	.949	.961	.949
- Job Characteristics (JC)	.904				
- Compensation (Com)	.919				
- Advancement Opportunities (AO)	.916				
- Supervision (SPV)	.915				
- Coworker Relations					

Table 2 (Continue)

Factors	Loading	AVE	Dijkstra-Henseler's rho (ρ_A)	Jöreskog's rho (ρ_C)	Cronbach's alpha (α)
Employee Retention		.588	.826	.877	.825
- Y1	.778				
- Y2	.759				
- Y3	.781				
- Y4	.749				
- Y5	.766				

From Table 2, it was found that all observed variables in the model have factor loading values greater than .50, ranging from .749 to .919, indicating their reliability in measurement. Dijkstra-Henseler's rho (ρ_A) values range from .826 to .949, Jöreskog's rho (ρ_C) ranges from .877 to .961, and Cronbach's alpha (α) falls within the range of .825 to .949. Importantly, all these values exceed the .70 threshold for reliability. Furthermore, the latent variables demonstrate discriminant validity with AVE values above .50, ranging from .588 to .831. This is in accordance with the established preliminary agreement (Henseler, Hubona, & Ray, 2016).

Table 3: Shows a comparison of discriminant validity according to the Fornell-Larcker criterion

	Organizational Commitment	Job Satisfaction	Employee Retention
Organizational Commitment	.911		
Job Satisfaction	.385	.911	
Employee Retention	.419	.486	.767

* Note: The values on the diagonal are $\sqrt{\text{AVE}}$.

From Table 3, it was found that the model has discriminant validity, as indicated by the square root of the Average Variance Extracted (AVE) being higher than the correlations (r) of each latent variable. This is consistent with the criteria established by Henseler et al. (2016), which state that each latent variable should not be more strongly correlated with another latent variable than the square root of its AVE.

3. Hypothesis testing

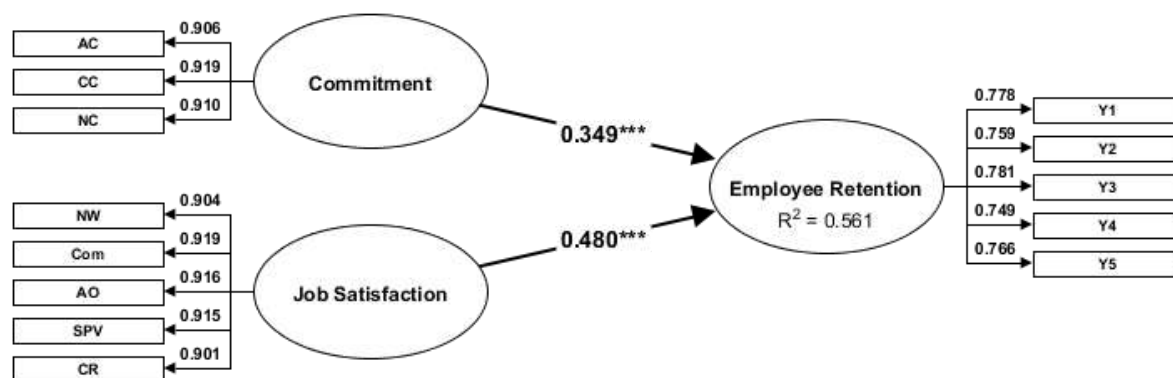


Figure 2 Hypothesis testing

Table 4: Coefficient Values for Hypothesis Testing

Factors	Employee Retention ($R^2 = 0.561$)			
	β	t-test	p-value	Cohen's F^2
Organizational Commitment	.349	7.650***	.000	0.171
Job Satisfaction	.480	11.105***	.000	0.323

*** Statistical significance at .001 level

From Table 4, it was found that Organizational Commitment and Job Satisfaction have a direct positive influence on Employee Retention at Beijing Caishikou Department Store Co., Ltd., with a statistical significance level of .001. Together, these variables explained 56.1% of the variance in employee retention. Among the two predictors, Job Satisfaction ($\beta = .480$, Cohen's $F^2 = .323$) exerted a stronger influence than Organizational Commitment ($\beta = .349$, Cohen's $F^2 = .171$). Based on Cohen's criteria, the overall effect size was moderate, indicating that both variables play a meaningful and practical role in predicting employee retention.

Discussion

The research findings revealed that job satisfaction was the most influential factor affecting employee retention at Beijing Caishikou Department Store Co., Ltd. Employees who felt satisfied with their roles, responsibilities, and work environment were more likely to remain with the organization than those who were dissatisfied. Job satisfaction also contributed to intrinsic motivation, emotional attachment, and a sense of pride in being part of the organization. This aligns with the concept proposed by Herzberg et al. (1959), which explains that motivator factors such as achievement, recognition, and opportunities for advancement

encourage positive attitudes and long-term engagement among employees. The findings also correspond with Judge et al. (2017), who found that employees with higher job satisfaction tend to display positive behaviors such as commitment, participation, and loyalty, thereby significantly reducing turnover intention. Similarly, Tabrizi et al. (2023) supported that job satisfaction derived from organizational support and career development opportunities plays a crucial role in reducing work-related stress and strengthening employees' intentions to remain with the organization in the long term.

At the same time, organizational commitment also played a vital role in employee retention, although its influence was slightly lower. It reflects employees' loyalty, confidence, and intention to remain part of the organization over the long term. Employees with strong affective commitment often feel proud of their work and recognize the organization's value. This finding supports the three-component framework of Meyer and Allen (1991), which posits that affective, continuance, and normative commitment all help reduce employees' intention to leave. It is also consistent with the Social Exchange Theory (Cropanzano et al., 2017), which emphasizes that relationships built on fairness, trust, and organizational support foster reciprocity and loyalty. Additionally, the results align with Hom et al. (2017), who found that organizational commitment positively affects turnover rates, especially in retail businesses that require stable, experienced employees. Therefore, fostering a strong sense of commitment while enhancing job satisfaction is a strategic approach to retaining employees and ensuring the long-term sustainability of the human resources function.

In conclusion, the findings indicate that both job satisfaction and organizational commitment are critical mechanisms directly influencing employee retention at Beijing Caishikou Department Store Co., Ltd. In a highly competitive retail environment with continuous workforce turnover, job satisfaction stemming from recognition, advancement, and a supportive work environment enhances employees' sense of value and long-term attachment to the organization. Meanwhile, organizational commitment strengthens psychological motivation and emotional loyalty toward the company. These findings reaffirm the theoretical perspectives of Herzberg (1959) and Meyer and Allen (1991), emphasizing that employee retention depends not solely on financial compensation but on strategic management practices that simultaneously promote satisfaction and commitment. Such practices foster positive motivation, reduce turnover intention, and contribute to organizational stability and the sustainable development of human resources.

Suggestion

Based on the research findings indicating that job satisfaction and organizational commitment have a statistically significant influence on employee retention at Beijing Caishikou Department Store Co., Ltd., several practical recommendations are proposed for

executives and human resource managers. The organization should prioritize enhancing job satisfaction by improving factors directly related to employee motivation, such as designing more challenging job roles, providing opportunities for career advancement, and ensuring fair recognition and reward systems. It is also essential to foster an open and participatory work environment that encourages employee involvement in decision-making processes, thereby strengthening their sense of ownership and belonging. At the same time, organizational commitment can be enhanced through effective internal communication strategies, the cultivation of a trust-based and value-oriented organizational culture, and continuous managerial support and mentorship. These initiatives will help create a sense of stability and emotional attachment among employees, encouraging them to remain with the organization in the long term and contribute positively to its sustainable development.

Future Research

Future research should broaden the comparative perspective by examining employee retention across different industries, including retail, service, manufacturing, and information technology, to identify contextual variations in the factors influencing employees' decisions to stay. A comparative design would enable the assessment of sector-specific dynamics such as job characteristics, reward systems, and cultural expectations, contributing to a deeper understanding of retention determinants. Future studies are also encouraged to employ a mixed-methods approach that combines quantitative surveys with qualitative techniques, such as in-depth interviews or focus group discussions. This integration would validate statistical relationships while capturing emotional and psychological insights that quantitative data alone cannot reveal. Incorporating potential mediating and moderating variables such as Perceived Organizational Support, Work Engagement, or Work-Life Balance would further clarify the mechanisms linking job satisfaction, organizational commitment, and employee retention. Such comparative and mixed-methods research would refine theoretical models and inform strategic human resource practices to enhance workforce stability and long-term organizational sustainability.

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