



Research Article

Rethinking Employee Retention: Psychological Determinants That Matter Most

Andini Febriyanti¹, Refren Riadi², Wiwin Surtinah³

^{1,2,3} Kusuma Negara College of Economics

Received: 20-04-2026; Accepted: 29-04-2026

Abstract

Employee retention remains a critical challenge for organizations, particularly in identifying psychological factors that influence employees' decisions to stay. While prior research highlights job satisfaction and self-efficacy as key predictors, findings remain inconsistent regarding their relative impact on retention. This study examines the effects of job satisfaction and self-efficacy on employee retention and identifies the more dominant factor. Using a quantitative approach, data were collected from 50 respondents through questionnaires with proportional stratified random sampling. Analysis was conducted using SPSS version 21, including partial (t-test) and simultaneous (F-test) tests. Results show that job satisfaction has a positive and significant effect on employee retention ($t = 4.987 > 1.677$; $p < 0.05$), while self-efficacy has no significant effect ($t = -0.024 < 1.677$; $p > 0.05$). However, both variables simultaneously influence retention significantly ($F = 21.212 > 3.195$; $p < 0.05$). These findings indicate that job satisfaction is the primary determinant of employee retention. This study contributes by clarifying the inconsistent role of self-efficacy and emphasizing the importance of enhancing job satisfaction to improve retention outcomes.

Keywords: Job Satisfaction, Self-Efficacy, Employee Retention

JEL Classification: M54, J28, D91

How to cite: Febriyanti, A., Riadi, R., Surtinah, W., (2026), Rethinking Employee Retention: Psychological Determinants That Matter Most, *Journal of Business Orientation and Entrepreneurship (JOBS)*, 7(1), 20-28

Corresponding author: Wiwin Surtinah (wsurtinah7@gmail.com)



This is an open-access article under the [CC-BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) international license

1. Introduction

Human resource management plays a crucial role in maximizing organizational performance, as human capital remains the most valuable asset in ensuring the sustainability of business operations (Tunyi et al., 2023; Al-Titet et al., 2022). In today's competitive environment, organizations are not only required to recruit qualified employees but also to retain them effectively. Failure to retain competent employees can lead to increased recruitment costs, loss of organizational knowledge, and decreased productivity (Cachón-Rodríguez et al., 2022). Therefore, employee retention has become a strategic priority for organizations seeking long-term success.

Employee retention refers to an organization's ability to maintain its workforce and ensure employee loyalty over time. High turnover rates can negatively affect organizational stability and performance. This issue is particularly relevant in the context of PT. Sumo Internusa, where a decline in employee retention was observed in 2023, indicating underlying problems related to workforce stability. This phenomenon highlights the need to identify key factors influencing employee retention within the organization.

Previous studies have identified several determinants of employee retention, including job satisfaction and self-efficacy. Job satisfaction reflects employees' emotional responses to their work, including aspects such as compensation, working conditions, relationships, and career opportunities (Purba et al., 2022). Employees with higher levels of job satisfaction tend to demonstrate stronger organizational commitment and a greater intention to remain in the company. However, empirical findings on the relationship between job satisfaction and employee retention remain inconsistent. While some studies report a positive and significant effect (Biason, 2020; Damayanti & Ariyanti, 2021; Feng, 2023), others find no significant relationship (Ramapriya & Sudhamathi, 2020; Zebua et al., 2022). This inconsistency indicates a gap that requires further investigation.

In addition to job satisfaction, self-efficacy is also considered an important psychological factor influencing employee behavior. Self-efficacy refers to an individual's belief in their ability to successfully perform tasks and overcome challenges (Ali & Wardoyo, 2021). Employees with high self-efficacy are generally more confident, proactive, and resilient, which may increase their likelihood of staying in the organization. Nevertheless, similar to job satisfaction, prior research on the relationship between self-efficacy and employee retention shows mixed results. Some studies report a significant positive effect (Aisyah & Faeni, 2021; Otafiani et al., 2024), while others find no significant influence (Sumarni & Muttaqin, 2024). These contradictory findings highlight the need for further empirical validation.

Based on these inconsistencies, the main research problem addressed in this study is: Do job satisfaction and self-efficacy significantly influence employee retention, and which variable has a more dominant effect? This study aims to fill the gap by providing empirical evidence on the relative contribution of these psychological factors in shaping employee retention.

The novelty of this research lies in its focus on comparing the simultaneous and partial effects of job satisfaction and self-efficacy to identify the most influential factor in employee retention. Additionally, this study contributes to the literature by clarifying inconsistent findings from previous research and offering a more nuanced understanding of psychological determinants of retention.

Practically, the findings of this study are expected to provide insights for organizations in developing effective human resource strategies, particularly in prioritizing key factors that enhance employee retention and organizational stability.

2. Literature Review and Hypothesis

Employee Retention

Aditeresna and Mujiati (2018) define employee retention as a method used by management to retain competent employees to stay in the company for a certain period. Aulanda & Arafah (2020) define employee retention as the ability of a company or organization to retain employees who have the potential to remain loyal to the company and keep employees from leaving. Based on several definitions from the experts above, the authors synthesize Employee Retention as an organization's ability to retain its best employees. For organizations to retain employees who are most likely to stick with the company and their jobs, employee retention is crucial.

Job satisfaction

Setyaji and Rijanti (2022) stated that job satisfaction is a general attitude about one's work that reflects the gap between the amount of compensation received and the amount they think they should receive by considering five factors of job satisfaction, namely satisfaction with salary, satisfaction with the job itself, satisfaction with the attitude of superiors, satisfaction with coworkers, satisfaction with promotions. Zainal et al., 2018: 623) stated that "Job satisfaction is a person's success in completing work according to a previously agreed job description in order to achieve the desired work results. Based on several definitions of the experts above, the author synthesizes job satisfaction as an emotional condition or a person's perspective on their work.

Self-Efficacy

Muttaqin.R, (2024) believes that self-efficacy is a person's way of assessing and believing in their ability to act positively or negatively, correctly or incorrectly, and also whether the individual concerned can handle it as requested. According to Nurodin (2019:100), self-efficacy is a personal assessment of whether or not someone is capable of performing an action well or badly, correctly or incorrectly, and whether or not they can complete it as requested. Based on several definitions from the experts above, the author synthesizes efficacy as Self Is Confidence individual towards one's own abilities and competencies to mobilize motivation. So, people who believe that they are capable of performing a task are more likely to be successful than people who have self-efficacy. low self-esteem.

Research Hypothesis**The Influence of Job Satisfaction on Employee Retention**

In this study, the theoretical framework focuses on how Job Satisfaction affects Employee Retention, referring to one of the factors that impact employee retention. The pleasant or unpleasant emotional state of employees regarding their work. When employees have positive feelings about their work, they feel like they want to stay longer in the company. People who feel satisfied with their jobs have a high commitment to the organization and tend to have a desire not to leave the company. Job satisfaction includes positive or negative feelings felt by employees towards their jobs and includes various aspects such as working conditions, compensation, relationships with superiors and coworkers, and career development opportunities. A positive attitude about one's job indicates a high level of job satisfaction, while negative feelings indicate a low level of job satisfaction.

Based on previous research conducted by Biason (2020), Damayanti and Ariyanti (2021), Hernawan and Srimulyani (2021) and Feng (2023), Diva Ditya Mersita Wandara and I. Made Artha Wibawa (2020) showed that job satisfaction has a positive and significant effect on employee retention.

The Influence of Self-Efficacy on Employee Retention

In this study, the theoretical framework focuses on how Self-Efficacy affects Employee Retention. Self-Efficacy refers to the results of the process in the form of decisions, beliefs or expectations about the extent to which an individual estimates his/her ability to carry out certain tasks or actions needed to achieve results according to the desired goals, Self-Efficacy is not related to the skills possessed, but is related to beliefs about what can be done with the abilities he/she has, no matter how big they are, in meeting work demands (Ghufron and Risnawati, 2017).

Based on previous research conducted by Aisyah, N and Faeni, DP (2021), Otafiani, WP, Harini, C., &Jalantina, DK (2024), it shows that self-efficacy has a positive and significant effect on employee retention.

3. Data and Method**Research Object**

The research objects in this study are Job Satisfaction (X1) and Self-Efficacy (X2) as independent variables, and Employee Retention (Y) as the dependent variable at PT. Sumo Internusa. The

selection of these variables is based on their theoretical relevance in explaining employee retention from two perspectives, namely organizational factors (job satisfaction) and individual psychological factors (self-efficacy). This combination allows the study to provide a more comprehensive understanding of the determinants of employee retention.

Location and Time of Research

This research was conducted at PT. Sumo Internusa, located at Jl. BSD Boulevard Utara, Lengkong Kulon, Pagedangan District, Tangerang Regency, Banten 15331, from March to July 2025. The selection of this location is based on the existence of a real phenomenon, namely a decline in employee retention in 2023. This condition makes the company a relevant research setting, as it allows the study to analyze actual problems and provide practical insights for organizational improvement.

Population and Sample

According to Sugiyono (2019:126), population refers to a generalization area consisting of objects or subjects with certain characteristics determined by the researcher. The population in this study includes all 93 employees of PT. Sumo Internusa.

Sugiyono (2017:81) defines a sample as a portion of the population that represents its characteristics. Due to limitations in time, cost, and resources, this study uses a sample rather than the entire population. The sample size was determined using the Slovin formula with a 10% margin of error, resulting in 50 respondents.

The use of a sample in this study provides advantages in terms of research efficiency while still maintaining representativeness. By applying proportional stratified random sampling, each subgroup within the organization is proportionally represented, thereby reducing sampling bias and increasing the reliability of the findings.

Method of collecting data

This study uses quantitative data obtained directly from respondents through questionnaires distributed to employees of PT. Sumo Internusa. The questionnaire method was selected because it allows for efficient data collection and ensures standardized responses across all participants.

The use of questionnaires also supports objective measurement of variables, enabling statistical analysis to test the relationships between job satisfaction, self-efficacy, and employee retention. This method enhances the validity and reliability of the data, making it suitable for quantitative research aimed at identifying causal relationships.

4. Results

Instrument Reliability

Table 1. Instrument Reliability Test Results

NO	Variables	Coefficient Cronbach's Alpha	Information
1	Job satisfaction	0.871	Reliable
2	Self-Efficacy	0.789	Reliable
3	Employee Retention	0.841	Reliable

Source: Processed Data (2025)

The Cronbach's Alpha value for all variables is greater than 0.60, so it can be concluded that the indicators or questionnaires used for the variables of job satisfaction, self-efficacy and employee retention are all stated to be reliable as measuring tools for the variables.

Normality Test

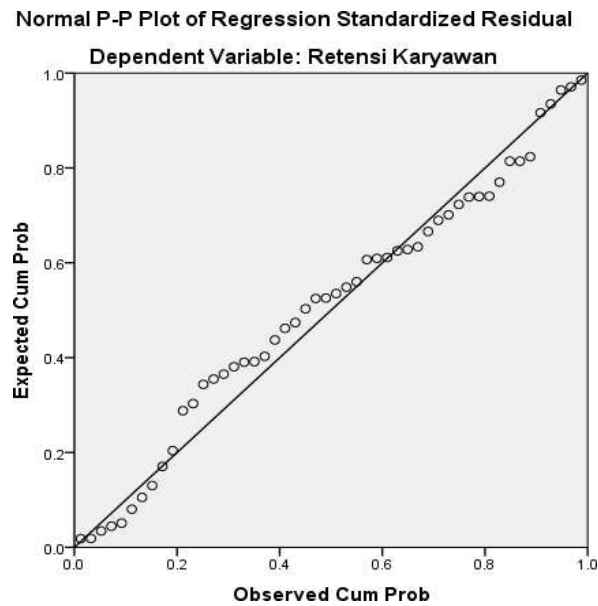


Figure 1. P-Plot Graph

The image above shows that the data is spread around the diagonal line and follows the direction of the diagonal line. This indicates a normally distributed pattern, so the regression model meets the assumption of normality.

Multicollinearity Test

Table 2. Multicollinearity Test

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	19,204	7,006		2,741	.009		
1 Satisfaction							
Work	.606	.121	.691	4,987	.000	.583	1,717
Self-Efficacy	-.005	.199	-.003	-.024	.981	.583	1,717

So it can be concluded that there is no multicollinearity between the independent variables in the regression model.

Heteroscedasticity Test

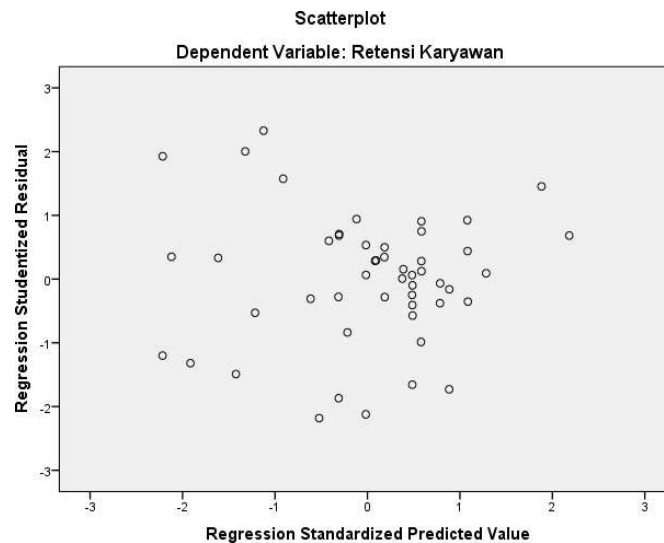


Figure 2. Scatterplot Graph of Dependent Variable: Employee Retention

Based on the image above, it can be seen that there is a clear pattern and the points narrow irregularly above and below the number 0 on the Y axis. This concludes that there is no heteroscedasticity in the regression model, so the regression model is suitable for use in predicting Employee Retention based on the input of independent variables of job satisfaction and self-efficacy.

Partial Test (t-Test)

Table 3. Partial Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	19,204	7,006		2,741	.009
1 Job satisfaction	.606	.121	.691	4,987	.000
Self-Efficacy	-.005	.199	-.003	-.024	.981

The partial test results indicate that job satisfaction has a positive and significant effect on employee retention, with a t-value of 4.987 ($p < 0.05$), thus the hypothesis is accepted. Conversely, self-efficacy does not have a significant effect on employee retention, indicated by a t-value of -0.024 ($p > 0.05$), thus the hypothesis is rejected. These findings indicate that employee retention is more influenced by the level of job satisfaction than self-efficacy.

Simultaneous Test (F Test)

Table 4. Simultaneous Test

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	1785.147	2	892,574		
Residual	1977.733	47	42,079	21,212	.000b
Total	3762.880	49			

This indicates that the regression model is feasible to use and that the independent variables simultaneously have a significant effect on Employee Retention. However, the t-test results indicate that only the Job Satisfaction variable (X1) has a positive and significant effect on Employee Retention, while the Self-Efficacy variable (X2) has no significant effect. Thus, although the regression model is declared feasible overall, the only real influence on Employee Retention comes from the Job Satisfaction variable.

5. Discussion

The Influence of Job Satisfaction on Employee Retention

The findings indicate that job satisfaction has a positive and significant effect on employee retention. This suggests that employees who experience higher levels of satisfaction through factors such as fair compensation, supportive work environments, and positive interpersonal relationships are more likely to remain with the organization. From a theoretical perspective, this result aligns with social exchange theory, where employees who perceive favorable treatment from the organization tend to reciprocate with loyalty and long-term commitment.

The significance of job satisfaction in this study reinforces prior research (Biaison, 2020; Feng, 2023), confirming that satisfaction is a critical determinant of retention. However, the inconsistency with other studies that found no significant effect suggests that the influence of job satisfaction may be context-dependent. In the case of PT. Sumo Internusa, it is possible that employees place greater emphasis on tangible and immediate aspects of their work experience, making satisfaction a dominant factor in their decision to stay.

The Influence of Self-Efficacy on Employee Retention

In contrast, self-efficacy was found to have no significant effect on employee retention. This finding indicates that although employees may feel confident in their abilities, such confidence does not necessarily translate into a stronger intention to remain in the organization. One possible explanation is that self-efficacy primarily influences individual performance and task completion rather than organizational attachment.

This result provides an important insight into the inconsistent findings in previous studies. While some research suggests that self-efficacy enhances retention through increased engagement and resilience, the present study indicates that without supportive organizational conditions, such as job satisfaction, self-efficacy alone may not be sufficient to retain employees. In fact, employees with high self-efficacy may feel more capable of seeking better opportunities elsewhere, thereby weakening its direct relationship with retention.

The Simultaneous Influence of Job Satisfaction and Self-Efficacy on Employee Retention

The simultaneous test shows that job satisfaction and self-efficacy together significantly influence employee retention. However, partial analysis reveals that only job satisfaction has a significant individual effect. This finding highlights that while both variables contribute to the overall model, job satisfaction acts as the primary driver of employee retention.

This result suggests that psychological factors do not operate in isolation but interact within a broader organizational context. Self-efficacy may play a complementary role, but its effect becomes meaningful only when supported by favorable job conditions. Therefore, the dominance of job satisfaction in this study emphasizes the importance of organizational practices that directly impact employees' work experiences.

The main finding of this study is that job satisfaction is the most decisive factor in employee retention, while self-efficacy does not have a direct significant effect. This provides a clearer explanation for the inconsistencies in previous research by showing that not all psychological factors contribute equally to retention outcomes.

The study contributes to the literature by highlighting that internal confidence (self-efficacy) alone is insufficient to retain employees without external satisfaction factors. Practically, this implies that organizations should prioritize improving job satisfaction such as through better compensation systems, work environments, and career development rather than relying solely on enhancing employees' personal competencies.

6. Conclusion

Based on the research results, it can be concluded that job satisfaction has a positive and significant effect on employee retention at PT. Sumo Internusa, so that the higher the job satisfaction, the higher the employee's tendency to stay. Conversely, self-efficacy does not have a significant effect on employee retention, so it is not a major determining factor in retaining employees at this company. Simultaneously, both variables still have a significant influence on employee retention, but partially only job satisfaction has a significant effect.

Implications:

The results of this study imply that companies need to focus more efforts on improving employee job satisfaction, such as creating a comfortable work environment, providing fair compensation, and fostering good working relationships between superiors and subordinates. Although self-efficacy does not have a significant impact, companies can still support its development through training and self-development to improve the quality of human resources. Therefore, strategies to improve employee retention should prioritize job satisfaction.

Recommendation

Based on the research results, it is recommended that PT. Sumo Internusa focus more on improving employee job satisfaction by providing fair compensation, creating a comfortable work environment, and strengthening the relationship between superiors and subordinates through open and supportive communication. The company also needs to provide career development opportunities and recognition for employee performance to increase satisfaction and loyalty. Although self-efficacy does not have a significant effect, the company is still advised to provide training and competency development to support the improvement of human resource quality. In addition, employees are expected to be more proactive in improving their skills and work engagement, thus creating synergy that supports sustainable employee retention.

References

- Aditeresna, K. A. R., & Mujiati, N. W. (2018). Pengaruh kompensasi, kepuasan kerja, dan pengembangan karir terhadap retensi karyawan di Kutabex Hotel. *E-Jurnal Manajemen Universitas Udayana*, 7(11), 5814–5845.
- Aisyah, N., & Faeni, D. P. (2021). Pengaruh self-efficacy, quality of work life, dan kompensasi terhadap retensi karyawan PT Antarasukses Express di Kota Tangerang. *Studi Akuntansi, Keuangan, dan Manajemen*, 1(1), 1–8.
- Ali, F., & Wardoyo, D. T. W. (2021). Pengaruh self-efficacy terhadap kinerja karyawan dengan kepuasan kerja sebagai variabel intervening. *Jurnal Ilmu Manajemen*, 9(1), 367–379.
- Al-Tit, A. A., Al-Ayed, S., Alhammadi, A., Hunitie, M., Alsarayreh, A., & Albassam, W. (2022). The impact of employee development practices on human capital and social capital. *International Journal of Information Management Data Insights*, 3(1), 1–10.
- Aprillia, F., & Mukti, A. H. (2018). Pengaruh lingkungan kerja dan perceived organizational support terhadap kepuasan kerja dan dampaknya terhadap retensi karyawan. *Jurnal Ilmiah Bisnis, Pasar Modal dan UMKM*.
- Ariawangsa, D., & Mujiati, N. W. (2024). Pengaruh kepuasan kerja, kompensasi, dan budaya organisasi terhadap retensi karyawan pada masa pandemi Covid-19. *E-Jurnal Ekonomi dan Bisnis Universitas Udayana*, 13(2).

- Bahrin, K., & Yusuf, M. (2022). Pengaruh kompensasi dan kepuasan kerja terhadap retensi karyawan. *Jurnal Entrepreneur dan Manajemen Sains*, 3(2), 260–270.
- Biason, R. (2020). The effect of job satisfaction on employee retention. *International Journal of Economics, Commerce and Management*, 8(3), 405–413.
- Cachón-Rodríguez, G., Blanco-González, A., Prado-Román, C., & Del Castillo-Feito, C. (2022). How sustainable human resources management helps in employee retention. *Evaluation and Program Planning*, 95.
- Damayanti, N., & Ariyanti, F. (2021). Hubungan kepuasan kerja dengan retensi staf rumah sakit. *Health Care: Jurnal Kesehatan*, 10(1), 35–43.
- Feng, S. (2023). Job satisfaction, management sentiment, and financial performance.
- Hernawan, B. D., & Srimulyani, V. A. (2021). Dampak kompensasi terhadap retensi karyawan dengan kepuasan kerja sebagai mediasi. *Reviu Akuntansi, Manajemen, dan Bisnis*, 1(2), 115–125.
- Hendrayanti, S., & Larassati, L. (2024). The influence of compensation, career development, and job satisfaction on employee retention. *Management Analysis Journal*, 13(4), 477–486.
- Herawaty, M. T., Asmadi, I., Rahayu, E. I. H., & Zahra, Z. (2024). Impact of work-life balance on employee retention. *International Journal of Business, Law, and Education*, 5(2), 2405–2417.
- Iwamoto, H., & Suzuki, H. (2019). The relationship between human capital and corporate performance. *Procedia Manufacturing*, 39, 695–701.
- Jufrizen, J., & Pratiwi, S. (2021). The effect of organizational climate on job satisfaction. *Journal of International Conference Proceedings*, 4(2), 217–231.
- Lisdayanti, L., Lie, D., Butarbutar, M., & Wijaya, A. (2015). Pengaruh kepuasan kerja terhadap retensi karyawan. *Maker: Jurnal Manajemen*, 1(1), 30–38.
- Mathis, R. L., & Jackson, J. H. (2016). *Human resource management* (Edisi 10). Salemba Empat.
- Sugiyono. (2019). *Metode penelitian kuantitatif, kualitatif, dan R&D*. Alfabeta.
- Sugiyono. (2021). *Metode penelitian kuantitatif, kualitatif, dan R&D* (Edisi ke-2). Alfabeta.
- Sutrisno, E. (2017). *Manajemen sumber daya manusia*. Kencana.
- Sutrisno, E. (2019). *Manajemen sumber daya manusia*. Prenada Media Group.
- Zainal, V. R., et al. (2018). *Manajemen sumber daya manusia untuk perusahaan: Dari teori ke praktik*. Raja Grafindo Persada.