**The Impact of Performance and Job Satisfaction on the Retention of Indonesian Migrant Workers in Taiwan**

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**Abstract**

This study explores the factors influencing the retention of Indonesian Migrant Workers (PMI) in Taiwan in the context of the Long-Term Migrant Worker Retention program implemented by the Ministry of Manpower of Taiwan. The research aims to analyze the impact of employee performance and job satisfaction on PMI retention. A quantitative approach was employed, involving 200 PMI respondents in Taiwan. The findings reveal that employee performance has a partial influence on PMI retention, contributing 36.0%, while job satisfaction has a higher partial effect of 38.3%. When considered simultaneously, employee performance and job satisfaction account for 45.1% of the variance in PMI retention. Among these factors, job satisfaction exerts the most dominant influence, driven by opportunities for career development, competitive salaries compared to similar industries, and benefits and bonuses that align with employee expectations. These factors highlight the critical role of job satisfaction in enhancing the retention of Indonesian Migrant Workers in Taiwan

**Keywords:** employee performance, job satisfaction, retention, indonesian migrant workers

# 1. Introduction

Indonesian Migrant Workers (IMWs) play a significant role in the global labor market. According to Law Number 18 of 2017 concerning the Protection of Indonesian Migrant Workers, IMWs are Indonesian citizens who are employed outside the territory of Indonesia for wages. This definition encompasses workers in various sectors, including individual or household employers, as well as crew members in maritime industries. The employment of IMWs requires compliance with certain legal documents, such as work competency certificates, passports, work visas, placement agreements, and employment contracts that outline work, wages, and orders.

In recent years, the number of IMWs has shown a significant increase. Based on data from the Indonesian Migrant Worker Protection Agency (BP2MI), the placement of IMWs rose from 72,624 in 2021 to 200,802 in 2022—a remarkable 176% increase. By 2023, the total number reached 274,965, marking a further 37% growth. Taiwan has emerged as a key destination, with IMW placements increasing from 7,789 (10.73% of total placements) in 2021 to 83,216 (30.27%) in 2023. This trend highlights Taiwan's importance as a labor market for IMWs.

Despite the growing opportunities, challenges persist. Many migrant workers are employed in jobs below their skill levels, with skilled workers often relegated to unskilled positions. This mismatch contributes to high turnover rates among migrant workers, leading to significant costs for employers, such as recruitment expenses, training costs, and lost productivity. Moreover, these issues undermine efforts to develop sustainable local and national workforces, as migrant workers often leave one employer without transitioning to another within the same locale.

To address these challenges, Taiwan’s Ministry of Labor introduced the "Long-Term Migrant Worker Retention Program" in April 2022. This program aims to mitigate labor shortages in key sectors, including manufacturing, agriculture, and social welfare, by facilitating the transition of experienced migrant workers to "mid-level technical workers." Workers who meet the prerequisites—such as technical skills, salary thresholds, and language proficiency—can secure improved wages and longer-term employment. Additionally, medium technical workers are eligible for benefits like labor and health insurance, pensions, and reduced administrative fees. By December 2023, more than 21,000 migrant workers had registered in this program, demonstrating its growing significance.

Employee retention is crucial for the success of such programs. Retention efforts focus on creating an environment that meets the diverse needs of workers, thereby reducing turnover and ensuring operational stability. Research emphasizes the high costs of turnover, which can amount to 2.5 times an individual's annual salary, alongside other losses such as decreased morale and reduced productivity. Effective retention strategies include offering financial and non-financial incentives, such as bonuses, health benefits, and training opportunities, to improve job satisfaction and performance.

The Taiwanese government has further reinforced its retention efforts by establishing the Long-Term Migrant Worker Retention Service Center in December 2023. This center supports employers in navigating the legal and procedural requirements for retaining migrant workers. The initiative reflects a strategic approach to addressing labor shortages while promoting sustainable workforce practices.

Employee motivation also plays a critical role in retention. Studies show that motivated workers are more likely to remain with their employers, contributing to organizational stability and success. Employers must view migrant workers not merely as a means to an end but as valuable assets that add significant value to their organizations. Strategic retention measures, supported by sound migration policies, can ensure the effective and sustainable integration of migrant workers into the labor market, benefiting both employers and employees.

# 2. Literature review

## 2.1 Employee Retention

Employee retention, as defined by Philips & Connell (2003), is the process of encouraging employees to stay in an organization for the longest possible period or until a project is completed. This process is critical for organizations whose financial sustainability and competitiveness rely on scarce and specialized skills, particularly when such talent is rare or difficult to replace. Similarly, Igbinoba et al. (2022) describe employee retention as a strategy aimed at enhancing organizational performance by maintaining employees with extensive experience. This approach improves efficiency and reduces costs associated with recruitment, turnover, training, and lost productivity. Horwitz, as cited by Awolaja & Muyideen (2023), emphasizes that employee retention involves providing opportunities for personal and professional development as well as career advancement. These opportunities strengthen employee commitment and foster long-term contributions to organizational success.

High employee turnover can negatively impact organizations by increasing financial costs, reducing sustainability and productivity, disrupting service delivery and workflows, and causing a loss of experience and specialized knowledge. It also leads to administrative inefficiencies, damages organizational reputation, weakens internal communication networks, and decreases morale and job satisfaction among remaining employees. Retaining key employees is crucial for increasing customer satisfaction, improving productivity, fostering strong workplace relationships, and supporting succession planning. It ensures that organizational knowledge is preserved and continuously developed, preventing costly losses to the business (Awolaja & Muyideen, 2023).

## 2.2 Employee Performance

According to Mathis and Jackson (2016), performance refers to what employees do or fail to do and serves as a critical link between strategy and organizational outcomes. Factors influencing individual employee performance include their abilities, motivation, support received, the tasks they perform, and their relationship with the organization. Boudreau & Milkovich (2007) define employee performance as the extent to which employees complete tasks according to company requirements. This performance depends on three key dimensions: ability, motivation, and opportunity. Ability encompasses both physical attributes, such as stamina and coordination, and intellectual capabilities, like reasoning and memory. Motivation refers to an individual's willingness to work towards organizational goals, while opportunity is influenced by workplace support, availability of tools and materials, supportive colleagues, and sufficient time to perform tasks effectively.

Gibson, Ivancevich, and Donelly (2018) highlight that individual, organizational, and psychological characteristics affect employee performance, with job involvement and satisfaction playing significant roles. Measuring employee performance, as explained by Mathis and Jackson (2016), involves three key elements: productivity, which considers both the quantity and quality of work relative to resources used; production quality, emphasizing the balance between output and standards; and high-quality customer service, which enhances competitive performance through workforce knowledge, reliable support, and optimal service delivery. These factors collectively contribute to achieving organizational success.

## 2.3 Employee of Job Satisfication

According to Robbins (2018), job satisfaction is a general attitude toward work, reflecting the difference between the rewards employees receive and what they believe they should receive. Sinambela (2019) expands on this, stating that job satisfaction encompasses an individual's overall attitude toward their work, shaped by interactions with colleagues and superiors, adherence to organizational policies, meeting performance standards, and dealing with less-than-ideal work conditions. Employee satisfaction is a complex evaluation of various distinct job elements.

Gilmer, as cited in Sutrisno (2016), defines job satisfaction as an emotional state arising from the alignment between the value of work-related rewards provided by the organization and the value desired by the employee. Factors influencing job satisfaction include opportunities for advancement, where employees can enhance their skills and be rewarded accordingly; job security, which fosters a sense of stability; and salary, as a critical determinant of satisfaction. Additionally, the company’s management, supervision quality, and intrinsic factors of work, such as skill utilization and pride in tasks, significantly impact satisfaction.

Working conditions also play a vital role; a comfortable physical environment enhances productivity. Social aspects, including interactions among colleagues, and effective communication between employees and management, foster a sense of belonging and fulfillment. Lastly, the provision of adequate facilities, such as healthcare, pensions, and leave benefits, further contributes to employee satisfaction. Together, these factors create a comprehensive framework for understanding and enhancing job satisfaction.

## 2.4 Hypotheses Development

The relationship between employee performance and employee retention has been extensively studied, with research indicating a significant influence. Aburub (2020) demonstrates that employee performance, particularly special abilities that benefit the organization, encourages companies to retain high-performing employees. Similarly, Igbinoba et al. (2022) highlight the role of employee performance in shaping retention strategies, emphasizing that high performance significantly impacts these strategies based on performance assessments. Halvoersen et al. (2014) further support this relationship, stating that employees’ ability to complete tasks effectively is a critical component of performance evaluation, which influences long-term retention. This leads to the first hypothesis:

*H1: Employee performance has a partial influence on the retention of Indonesian Migrant Workers in Taiwan.*

Job satisfaction also plays a pivotal role in employee retention. Chepkosgey (2019) finds that high job satisfaction motivates employees to stay with a company long-term, while dissatisfaction often leads to turnover. Krishnamoorthy and Aisha (2022) emphasize that satisfaction derived from company policies, compensation, benefits, and bonuses can be a strategic factor in employee retention. Hof et al. (2021) add that job satisfaction linked to workplace facilities, the work environment, and strong relationships among colleagues and between leaders and employees fosters retention. This leads to the second hypothesis:

*H2: Job satisfaction has a partial influence on the retention of Indonesian Migrant Workers in Taiwan.*

Given the interconnectedness of employee performance and job satisfaction in influencing retention, it is also important to explore their combined effect. The simultaneous impact of both variables on retention underscores the significance of both factors in maintaining a stable workforce. Therefore, the third hypothesis is:

*H3: Employee performance and job satisfaction have a simultaneous influence on the retention of Indonesian Migrant Workers in Taiwan*.

Figure 1 Research Framework



H1



H3

**Job Satisfaction (X2)**

**Employee Performance (X1)**

**Retention of Indonesian Migrant Workers in Taiwan (Y)**

Source : Author

# 3. Research Method

**3.1 Types and Approaches of Research**

This study uses a quantitative approach with a descriptive-analytical type to analyze the relationship between employee performance, job satisfaction, and employee retention. The aim is to statistically measure and describe the factors influencing the retention of Indonesian Migrant Workers in Taiwan.

**3.2 Population and Sample**

The population includes Indonesian Migrant Workers in Taiwan in 2023, totaling 83,216, based on BP2MI data. A sample of 200 respondents is selected, as recommended by Joreskog & Sorbom for studies with three variables.

**3.3 Data Collection Technique**

Data collection involves both literature and field studies. The literature study includes reviewing relevant books, journals, and articles, while the field study uses a questionnaire distributed to 200 Indonesian Migrant Workers in Taiwan.

**3.4 Measurement Scale**

A 5-point Likert scale is used to measure responses, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), as shown below:

| Answer | Score |
| --- | --- |
| Strongly Agree (SA) | 5 |
| Agree (A) | 4 |
| Doubtful (D) | 3 |
| Disagree (DA) | 2 |
| Strongly Disagree (SDA) | 1 |

**3.5 Variable Operationalization**

The study defines and measures variables as follows:

1. Employee Performance (X1): Measured by physical and intellectual capabilities, motivation, ability to meet targets, and a supportive work environment.
2. Job Satisfaction (X2): Measured by factors like opportunity for advancement, salary satisfaction, job security, company policies, and work environment.
3. Employee Retention (Y): Measured by opportunities for development, job promotion, work rules, company commitment, and work benefits.

**3.6 Instrument Quality Test**

To ensure the quality of the research instrument, validity and reliability tests are conducted:

* Validity: Data validity is assessed using Pearson’s correlation, ensuring that the correlation coefficient exceeds the table value.
* Reliability: Cronbach’s Alpha is used to test internal consistency. A coefficient above 0.60 indicates reliability.
* Classic Assumption Tests:
  1. Normality: Data distribution is analyzed using the Normal P-Plot and Kolmogorov-Smirnov test (significance > 0.05 for normality).
  2. Multicollinearity: Multicollinearity is checked using tolerance values and VIF, where VIF < 10.00 indicates no multicollinearity.
  3. Heteroscedasticity: A scatterplot of residuals against predicted values is used, with the absence of patterns indicating no heteroscedasticity.
  4. Autocorrelation: Autocorrelation is tested in the regression model

# 4. Result and Discussion

## 4.1. Respondent Characteristic

The characteristics of the respondents in this study refer to the research subjects who were subjected to research treatment or experiments. These characteristics help determine the diversity of respondents based on gender, age, education level, and position, which are displayed in the form of frequency distribution tables.

Table 1. Respondent Characteristics Based on Gender

| Gender | Frequency | Percentage |
| --- | --- | --- |
| Male | 67 | 33.5% |
| Female | 133 | 66.5% |
| **Total** | **200** | **100.0%** |

*Source: Primary Data processed by Researchers (2024).*

Table 1 shows that the majority of respondents were female, with 133 people (66.5%), while 67 people (33.5%) were male.

Table 2. Respondent Characteristics Based on Age

| Age Range | Frequency | Percentage |
| --- | --- | --- |
| 17 – 25 years old | 59 | 29.5% |
| 26 – 35 years old | 111 | 55.5% |
| 36 – 45 years old | 27 | 13.5% |
| > 46 years old | 3 | 2.5% |
| **Total** | **200** | **100.0%** |

*Source: Primary Data processed by Researchers (2024).*

Table 2. shows that the majority of respondents were aged 26-35 years old, with 111 people (55.5%). There were 59 respondents (29.5%) aged 17-25 years old, 27 respondents (13.5%) aged 36-45 years old, and 3 respondents (2.5%) aged above 46 years old.

Table 3. Respondent Characteristics Based on Length of Work

| **Length of Work** | **Frequency** | **Percentage** |
| --- | --- | --- |
| 1 – 2 years | 107 | 53.5% |
| 3 – 4 years | 55 | 27.5% |
| > 4 years | 38 | 19.0% |
| Others | 0 | 0.0% |
| **Total** | **200** | **100.0%** |

*Source: Primary Data processed by Researchers (2024).*

Table 3 shows that the largest number of respondents had worked as PMI in Taiwan for 1-2 years, totaling 107 people (53.5%). There were 55 respondents (27.5%) who had worked for 3-4 years, and 38 respondents (19%) who had worked for more than 4 years

## 4.2. Instrument Test

**Validity test**

The questionnaire used in this study must be valid and reliable. Before data collection, it was tested for validity and reliability using 30 trial samples, not including research participants. The validity test used the Pearson Correlation (product moment), calculated with SPSS version 21.0. The r table value at a 0.05 significance level was 0.361. If the r count exceeds the r table, the item is considered valid. The results of the validity and reliability tests are as follows:

* 1. **Employee Performance**

The results of the employee performance validity test (rcount) are summarized in the table below.

Table 4. Summary of Employee Performance Validity Test Results

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Item Number** | **Employee Performance (X1)** | | | | | |
| **r count** | **r table** | | | **Result** | |
| 1 | 0,485 | | 0,361 | Valid | |
| 2 | 0,480 | | 0,361 | Valid | |
| 3 | 0,441 | | 0,361 | Valid | |
| 4 | 0,404 | | 0,361 | Valid | |
| 5 | 0,447 | | 0,361 | Valid | |
| 6 | 0,475 | | 0,361 | Valid | |
| 7 | 0,321 | | 0,361 | Invalid | |
| 8 | 0,480 | | 0,361 | Valid | |
| 9 | 0,282 | | 0,361 | Invalid | |
| 10 | 0,479 | | 0,361 | Valid | |
| 11 | 0,487 | | 0,361 | Valid | |
| 12 | 0,595 | | 0,361 | Valid | |
| 13 | 0,388 | | 0,361 | Valid | |
| 14 | 0,417 | | 0,361 | Valid | |
| 15 | 0,449 | | 0,361 | Valid | |
| 16 | 0,595 | | 0,361 | Valid | |
| 17 | 0,485 | | 0,361 | Valid | |
| 18 | 0,522 | | 0,361 | Valid | |
| 19 | 0,480 | | 0,361 | Valid | |
| 20 | 0,475 | | 0,361 | Valid | |

Source: Primary Data processed by Researchers (2024).

Table 4 shows the results of the validity test of the employee erformance instrument from 20 questionnaire statement items, the results obtained were 2 invalid statement items because they had r count < r table (0.361), namely items number 7 and 9. Both items that were declared invalid were then discarded. Meanwhile, 16 statement items were declared valid because they had r count > r table (0.361), namely items number 1, 2, 3, 4, 5, 6, 8, 10, 11, 12, 13, 14, 15,16, 17, 18, 19 and 20. Of the 18 statement items that were declared valid, they can be used as employee performance instruments in the questionnaire to collect research data on employee performance variables.

* 1. **Job Satisfaction**

The results of the validity test (r count) of supervision are summarized in the table below.

Table 5 Summary of the Results of the Job Satisfaction Validity Test

|  |  |  |  |
| --- | --- | --- | --- |
| **Item Number** | **Job Satisfaction (X2)** | | |
| **r count** | **r table** | **Result** |
| 19 | 0,454 | 0,361 | Valid |
| 20 | 0,438 | 0,361 | Valid |
| 21 | 0,495 | 0,361 | Valid |
| 22 | 0,408 | 0,361 | Valid |
| 23 | 0,454 | 0,361 | Valid |
| 24 | 0,526 | 0,361 | Valid |
| 25 | 0,337 | 0,361 | Invalid |
| 26 | 0,419 | 0,361 | Valid |
| 27 | 0,400 | 0,361 | Valid |
| 28 | 0,438 | 0,361 | Valid |
| 29 | 0,415 | 0,361 | Valid |
| 30 | 0,420 | 0,361 | Valid |
| 31 | 0,476 | 0,361 | Valid |
| 32 | 0,315 | 0,361 | Invalid |
| 33 | 0,489 | 0,361 | Valid |
| 34 | 0,412 | 0,361 | Valid |
| 35 | 0,438 | 0,361 | Valid |
| 36 | 0,489 | 0,361 | Valid |
| 37 | 0,400 | 0,361 | Valid |
| 38 | 0,454 | 0,361 | Valid |

Source: Primary Data processed by Researchers (2024).

Table 4.5 shows the results of the validity test of the job satisfaction instrument from 20 questionnaire statement items, the results obtained were 2 invalid statement items because they had r count < r table (0.361), namely items number 25 and 32. Both items that were declared invalid were then discarded. While 18 statement items were declared valid because they had r count > r table (0.361), namely items number 19, 20, 21, 23, 24, 26, 27, 28, 29, 30, 31, 33, 34, 35, 36, 37, 38 and 39. Of the 18 statement items that were declared valid, they can be used as job satisfaction instruments in the questionnaire to collect research data on job satisfaction variables.

* 1. **Employee Retention**

The results of the validity test (r count) of employee retention are summarized in the table below.

|  |  |  |  |
| --- | --- | --- | --- |
| **Item Number** | **Employee Retention (Y)** | | |
| **r count** | **r table** | **Result** |
| 39 | 0,481 | 0,361 | Valid |
| 40 | 0,489 | 0,361 | Valid |
| 41 | 0,468 | 0,361 | Valid |
| 42 | 0,332 | 0,361 | Invalid |
| 43 | 0,429 | 0,361 | Valid |
| 44 | 0,537 | 0,361 | Valid |
| 45 | 0,410 | 0,361 | Valid |
| 46 | 0,477 | 0,361 | Valid |
| 47 | 0,407 | 0,361 | Valid |
| 48 | 0,448 | 0,361 | Valid |
| 49 | 0,386 | 0,361 | Valid |
| 50 | 0,452 | 0,361 | Valid |
| 51 | 0,393 | 0,361 | Valid |
| 52 | 0,489 | 0,361 | Valid |
| 53 | 0,452 | 0,361 | Valid |
| 54 | 0,487 | 0,361 | Valid |
| 55 | 0,318 | 0,361 | Invalid |
| 56 | 0,409 | 0,361 | Valid |
| 57 | 0,407 | 0,361 | Valid |
| 58 | 0,448 | 0,361 | Valid |

Table 6. Summary of the Results of the Employee Retention Validity Test

Source: Primary Data processed by Researchers (2024).

Table 6. shows the results of the validity test of the employee retention instrument from 20 questionnaire statement items, the results obtained were 2 invalid statement items because they had r count < r table (0.361), namely items number 42 and 55. Both items that were declared invalid were then discarded. Meanwhile, 18 statement items were declared valid because they had r count > r table (0.361), namely items number 39, 40, 41, 43, 44, 45, 46, 47, 48, 49,50, 51, 52, 53, 54, 56, 57, 58 and 39. Of the 18 statement items that were declared valid, they can be used as employee retention instruments in the questionnaire to collect research data on employee retention variables.

**Reliability**

Reliability testing is used to determine the consistency of the measuring instrument, whether the measuring instrument used is reliable and remains consistent if the measurement is repeated. The instrument reliability test uses the Cronbach's Alpha technique to calculate the reliability of a test that measures attitudes or behavior. The results of the reliability test are summarized in the table below.

Table 7. Summary of Reliability Test Results

|  |  |
| --- | --- |
| **Variable** | **Value of *Cronbach’s Alpha*** |
| Employee Performance | 0,825 |
| Job Satisfaction | 0,827 |
| Employee Retention | 0,828 |

Source**:** Primary Data processed by Researchers (2024).

Table 7 shows the results of the reliability test, namely the Cronbach's Alpha value of employee performance is 0.825, the Croncbach's Alpha value of job satisfaction is 0.827, and the Croncbach's Alpha value of employee retention is 0.828. The Croncbach's Alpha value is greater than 0.80, so the three instruments used in this study are very reliable.

**4.3 Descriptive Analysis**

Descriptive statistical analysis is a way to organize, represent, and describe a data set using tables, graphs, and many other numerical parameters. In this study, the data is described in the form of statistical calculations such as the number of samples (n), minimum score, maximum score, average (mean), median, mode and standard deviation for each variable.

### Table 8 Descriptive Statistics of the Variables Studied

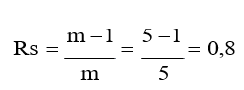
|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Statistics** | | Employee Performance  (X1) | Job Satisfaction  (X2) | Employee Retention  (Y) |
| N | Valid | 200 | 200 | 200 |
| Missing | 0 | 0 | 0 |
| Mean |  | 60.37 | 62.78 | 66.08 |
| Median |  | 60.00 | 62.00 | 66.00 |
| Mode |  | 60 | 61 | 66 |
| Std. Deviation | | 2.240 | 3.380 | 2.629 |
| Variance |  | 5.018 | 11.421 | 6.914 |
| Range |  | 15 | 16 | 12 |
| Minimum |  | 52 | 54 | 60 |
| Maximum |  | 67 | 70 | 72 |
| Sum |  | 12074 | 12555 | 13215 |

**Source:** Primary Data processed by Researchers (2024).

Table 8. shows the results of descriptive statistical analysis with a research sample size (n) of 200 respondents, so it can be explained as follows.

1. **Employee Performance**

The employee performance variable data has a minimum score of 52, a maximum score of 67, an average (mean) score of 60.37, a median of 60.0, a mode of 60.0 and a standard deviation of 2.24. This shows that the employee performance variable data has a small distribution, because the standard deviation is smaller than the mean value. The average score formula for grouping respondents' answers based on a scale of 1 to 5 is:



Information :

Rs : Scala range

m : Number of alternative statement for each item

Based on the average score value, the assessment decision position has the following scale range:

|  |  |  |
| --- | --- | --- |
|  | 1,00 - 1,80 | : Strongly Diagree |
|  | 1,81 - 2,60 | : Disagree |
|  | 2,61 - 3,40 | : Doubtful |
|  | 3,41 - 4,20 | : Agree |
|  | 4,21 - 5,00 | : Strongly Agree |

The overall average score of respondents' statement for the employee performance variable was 3.77 on a scale of 1-5. This shows that most respondents gave an affirmative answer, which means that the respondents' perception of employee performance is included in the “GOOD” category because the average respondent's answer is in the range of 3.41 - 4.20.

Respondents assessed the performance of employees working as Indonesian Migrant Workers in Taiwan as good. The factors that respondents assessed as being able to improve employee performance were:

* 1. The amount of work completed by employees is in accordance with the job responsibilities given by the leader (average score 4.56);
  2. The work completed by each employee is in accordance with the authority given by the leader (average score 4.42); and
  3. The work completed by employees is in accordance with the assignments for each field of work that has been determined (average score 4.34).

The amount of work completed by employees in accordance with job responsibilities, the authority given by the leader so that employees complete work in accordance with the assignment of each field of work that has been determined is a driving factor for each employee in improving their performance. This is in line with the opinion put forward by Mathias and Jakson (2016) that performance is the ability, motivation and support received by employees from the existence of work completed in accordance with the field of assignment, authority and type of work given by the leader in the relationship between the company and employees.

In addition, there are factors that respondents consider need to be improved in order to achieve good employee performance, namely:

1. Employees can provide quality work results in accordance with the deadline given by the leader (average score 3.16);
2. Work completed by each employee is in accordance with the direction given by the leader (average score 3.25); and

Work completed by employees is in accordance with the functions inherent in each specified field of work (average score 3.34).

This can indicate that employee performance is still lacking, namely that employees can provide quality work results from work completed in accordance with the functions inherent in each field of work and in accordance with the direction given by the leadership. Therefore, these three things need to be improved in order to improve employee performance as Indonesian Migrant Workers in Taiwan.

1. **Job Satisfaction**

In the job satisfaction variable, the minimum score was 54, the maximum score was 70, the average (mean) score was 62.78, the median was 62.0, the mode was 61.0 and the standard deviation was 3.38. This shows that the data on the job satisfaction variable has a small distribution, because the standard deviation is smaller than the mean value. The overall average score of respondents' answers for the job satisfaction variable was 3.69 on a scale of 1-5.

This shows that most respondents gave an agree answer, which means that the respondents' perception of job satisfaction is included in the "GOOD" category because the average respondent's answer is in the range of 3.41 - 4.20.

Respondents assessed that job satisfaction for every Indonesian Migrant Worker in Taiwan was considered good. The factors that were assessed by respondents as being able to increase job satisfaction were:

* 1. Employees are given the opportunity by the company to develop their careers (average score 4.68);
  2. The salary received at the company where employees work is greater than other companies in the same field of work (average score 4.51); and
  3. Allowances and bonuses provided by the company according to employee wishes (average score 4.40).

The opportunity given to employees by the company to develop their careers with salaries received higher than other companies in the same field of work as well as benefits and bonuses provided by the company according to employee desires is a driving factor in increasing job satisfaction of Indonesian Migrant Workers in Taiwan.

In addition, there are factors that respondents consider need to be improved in increasing job satisfaction, namely:

1. Complaints submitted by employees can be resolved by company management (average score 2.45);
2. Company management regulations are applied very strictly in completing work (average score 2.75); and
3. Work performance gets appreciation from the company (average score 2.93).

This shows that there is still a lack of job satisfaction for employees as Indonesian Migrant Workers in Taiwan from complaints submitted by employees to be given solutions, the implementation of very strict company management regulations in completing work and work achievements getting appreciation from the company are factors that need to be improved to increase employee job satisfaction.

1. **Employee Retention**

In the employee retention variable, the minimum score was 60, the maximum score was 72, the average (mean) score was 66.08, the median was 66.0, the mode was 66.0 and the standard deviation was 2.63. This shows that the data on the employee retention variable has a small distribution, because the standard deviation is smaller than the mean value. The overall average score of respondents' answers for the employee retention variable was 3.89 on a scale of 1-5.

This shows that most respondents gave an agree answer, which means that the respondents' perception of employee retention is included in the “GOOD” category because the average respondent's answer is in the range of 3.41 - 4.20.

Respondents assessed that employee retention for Indonesian Migrant Workers in Taiwan was considered good. The factors that respondents assessed as being able to increase employee retention were:

* 1. The company provides opportunities for employees to develop their potential through education and job training (average score 4.52);
  2. The company provides opportunities for employees to improve their careers (average score 4.51); and
  3. The company provides work guarantees and benefits that are in accordance with the job position of each employee (average score 4.41).

The company provides opportunities to develop potential through education and job training, provides opportunities to advance careers and provides job guarantees and benefits that are in accordance with the job position of each employee as a driving factor in increasing employee retention as Indonesian Migrant Workers in Taiwan.

In addition, there are factors that respondents consider need to be improved in order to increase employee retention, namely:

1. Work benefits determined by the company according to the workload completed by employees (average score 2.46);
2. The company's commitment to creating a comfortable work environment for each employee (average score 2.82); and
3. The company provides opportunities for employees to be promoted to higher positions (average score 2.90).

This shows that the work benefits determined by the company are not in accordance with the workload completed by employees, there is no company commitment to create a comfortable work.

**4.4. Hypothesis Testing**

Hypothesis testing in this study uses multiple linear regression tests, namely a linear relationship between two or more independent variables with dependent variables, where the data used is usually on an interval or ratio scale. Multiple linear regression tests in the study aim to determine the factors that influence the retention of Indonesian Migrant Workers (PMI) in Taiwan by using employee performance variables, job satisfaction towards worker retention.

**Multiple Linier Regression Equation**

The results of data analysis using multiple linear regression are shown in the table below.

### Table 9 Multiple Linear Regression Results

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta |
|  | (Constant) | 20.276 | 3.911 |  | 5.185 | .000 |
| 1 | Employee Performance  (X1) | .360 | .067 | .307 | 5.368 | .000 |
|  | Job Satisfaction (X2) | .383 | .045 | .492 | 8.601 | .000 |

* 1. Dependent Variable: Employee Retention (Y)

Source: Primary Data processed by Researchers (2024).

Based on table 9, it is known that the multiple linear regression equation between employee performance and job satisfaction on employee retention of Indonesian Migrant Workers in Taiwan is as follows:

Ŷ = 20.276 + 0.360X1 + 0.383X2

From the results of the multiple linear regression equation above, it can be analyzed as follows:

1. The constant of 20.276 states that if the employee performance and job satisfaction values are zero (constant), then the employee retention that occurs is 20.276.
2. The employee performance regression coefficient of 0.360 states that if the job satisfaction value is zero (constant), then every 1 unit increase in employee performance will increase employee retention by 0.360.
3. The job satisfaction regression coefficient of 0.383 states that if the employee performance value is zero (constant), then every 1 unit increase in job satisfaction will increase employee retention by 0.383.

The multiple linear regression equation above shows that the most influential independent variable is the job satisfaction variable with a regression coefficient of 0.383, then the employee performance variable with a regression coefficient of 0.360. In addition, the equation shows that employee performance and job satisfaction have a positive influence on employee retention of Indonesian Migrant Workers in Taiwan.

This could mean that any increase in employee performance and job satisfaction will increase employee retention of Indonesian Migrant Workers in Taiwan.

**Coefficient of Determination**

This determination coefficient test is conducted to measure the model's ability to explain how much influence the independent variables have together (stimulus) on the dependent variable which can be indicated by the adjusted R Squared value.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1 | .675a | .456 | .451 | 1.949 |

Table 10 Results of Determination Coefficient

* 1. Predictors: (Constant), Job Satisfaction (X2), Employee Performance(X1)
  2. Dependent Variable: Employee Retention (Y)

Source: Primary Data processed by Researchers (2024).

Table 10 shows that the coefficient of determination (Adjusted R Square) is 0.451. This means that 45.1% of employee retention of Indonesian Migrant Workers in Taiwan is influenced by employee performance and job satisfaction, while the remaining 54.9% is influenced by other variables not examined in this thesis research.

**Significance Test**

1. **Simultaneous Test (F-test)**

To determine the significance of the influence of employee performance and job satisfaction together (simultaneously) on employee retention of Indonesian Migrant Workers in Taiwan using the F test, the results of which are shown in the table below.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Model** | | **Sum of Squares** | **df** | **Mean Square** | **F** | **Sig.** |
|  | Regression | 627.722 | 2 | 313.861 | 82.644 | .000b |
| 1 | Residual | 748.153 | 197 | 3.798 |
|  | Total | 1375.875 | 199 |  |

Table 11. F Test Results

* 1. Dependent Variable: Employee Retention (Y)
  2. Predictors: (Constant), Job Satisfaction (X2), Employee Performance (X1)

Source: Primary Data processed by Researchers (2024).

Table 11. shows that the calculated F value is 82.644 with a significant value (Sig.) of 0.000. It is known that at a significant level of 0.05, the number of samples (n) = 200, the 1st degree of freedom (df1) = the number of independent variables (k) = 2 and the 2nd degree of freedom (df2) = n-k-1 = 197, the F table value is 3.042.

Therefore, the calculated F value (82.644) > F table (3.042) and the significant value (0.000) < 0.05, the Ho hypothesis is rejected and Ha is accepted, which means that there is a significant influence of employee performance and job satisfaction simultaneously on employee retention of Indonesian Migrant Workers in Taiwan.

1. **Partial Test (t-test)**

To determine the significance of the influence of employee performance and job satisfaction individually (partially) on employee retention using the t-test, the results of which are shown in table 11. above.

* 1. **The Influenced of Employee Performance Toward Employee Retention**

Table 4.12 shows that the t-value is 5.368 with a significant value (Sig.) of 0.000. It is known that in a two-way test, a significant level of 0.05, a sample size (n) of 200, and degrees of freedom (df) n-2 = 198, the t-table value is 1.972.

Therefore, the t-value (5.368) > t-table (1.972) and the significant value (0.000) <0.05, it means that the Ho hypothesis is rejected and Ha is accepted. This means that there is a significant influence of employee performance on employee retention of Indonesian Migrant Workers in Taiwan.

Meanwhile, based on the regression equation, it can be seen that the regression coefficient of the employee performance variable is positive, which means that the better the employee performance, the higher the employee retention of Indonesian Migrant Workers in Taiwan. Conversely, the lower the employee performance, the lower the employee retention of Indonesian Migrant Workers in Taiwan.

* 1. **The Influenced of Job Satisfaction Toward Employee Retention**

Table 4.12 shows that the t-value is 8.601 with a significant value (Sig.) of 0.000. Therefore, the t-value (8.601) > t table (1.972) and the significant value (0.000) < 0.05, it means that the Ho hypothesis is rejected and Ha is accepted. This means that there is a significant influence of job satisfaction on employee retention of Indonesian Migrant Workers in Taiwan.

Meanwhile, based on the regression equation, it can be seen that the regression coefficient of the job satisfaction variable is positive, which means that the better the job satisfaction, the higher the retention of Indonesian Migrant Workers in Taiwan. Conversely, the lower the job satisfaction, the lower the retention of Indonesian Migrant Workers in Taiwan.

**4.5 Discussion**

1. **The Influence of Partial Employee Performance on Employee Retention**

The results of this thesis research show that partial employee performance has a significant effect of 36.0% on employee retention of Indonesian Migrant Workers in Taiwan. Employee performance is shown through the number of work results completed by employees in accordance with job responsibilities, the authority given by the leader so that employees complete work in accordance with the assignment of each field of work that has been determined as a driving factor for each employee in improving their performance for Indonesian Migrant Workers in Taiwan.

Employee performance on Indonesian Migrant Workers in Taiwan which is shown through the number of work results completed by employees in accordance with job responsibilities, the authority given by the leader so that employees complete work in accordance with the assignment of each field of work is in line with the opinion of Boudreau & Milkovich (2007) who stated that employee performance is the level at which employees complete work in accordance with the requirements that have been determined by the company as a function of interaction, one of which is the ability of employees individually to carry out various tasks in a job. The ability of employees to complete the work as a form of performance assessed by the company is in line with the opinion of Mathis and Jackson (2016) that performance is influenced by the work ability of employees as one of the factors that influences employee performance from what an employee does in achieving the results and goals set by the company. The results of this thesis research are in line with research conducted by Abrub (2020), Igbinoba (2022) and Halvoersen, et.al (2014) which have proven that employee performance affects employee retention through performance assessments of special abilities possessed by employees brings benefits to organizations/companies to retain employees who have high performance. For this reason, companies need to implement a retention strategy where employees with high performance from employee abilities in completing their work become a component of individual performance assessments in retaining these employees in the long term

1. **The Influence of Partial Employee Job Satisfaction on Employee Retention**

The results of this thesis research show that employee job satisfaction partially has a significant effect of 38.3% on employee retention of Indonesian Migrant Workers in Taiwan. Job satisfaction is influenced by the opportunity given to employees by the company to develop their careers with salaries received higher than other companies with the same field of work and the benefits and bonuses provided by the company according to the employee's wishes are driving factors in increasing job satisfaction for Indonesian Migrant Workers in Taiwan.

Employee job satisfaction among Indonesian Migrant Workers shown by the opportunity for employees by the company to develop their careers with salaries received higher than other companies with the same field of work and the benefits and bonuses provided by the company according to the employee's wishes is in line with the opinion put forward by Gilmer in Sutrisno (2016) which states that job satisfaction is an emotional state of employees that occurs or does not occur at a meeting point between the value of employee work rewards and the company or organization with the level of reward value desired by the employee concerned. Employee job satisfaction is influenced by several factors, namely the opportunity for employees to improve their abilities while working, a sense of comfort while doing work, and salary as a determinant of employee job satisfaction, the creation of a physical work environment that provides comfort and a pleasant work environment will make it easy for employees to complete their work, smooth communication between employees and management and the availability of facilities such as health benefits, leave, retirement and housing. The results of this thesis research are in line with research conducted by Chepkosgey (2019), Krishnamoorthy & Aisha (2022), and Hof, et.al (2021) which have proven that employee job satisfaction affects employee retention through employee satisfaction in working in the long term. This job satisfaction can be influenced by policies implemented by management, compensation, benefits or bonuses that can be received by employees and the facilities provided by the company, the work environment and work relationships between fellow employees, as well as the work relationship between leaders and employees that are well established can create satisfaction felt by employees to maintain their jobs.

1. **The Influence of Employee Performance and Employee Job Satisfaction Simultaneously on Employee Retention**

The results of this thesis research show that employee performance and employee job satisfaction simultaneously have a significant effect of 45.1% on employee retention of Indonesian Migrant Workers in Taiwan. Employee job satisfaction has the most dominant effect compared to employee performance on employee retention of Indonesian Migrant Workers in Taiwan, while 54.9% is influenced by other variables not studied in this thesis research. The results of this thesis research show that employee job satisfaction has the most dominant effect compared to employee performance on employee retention of Indonesian Migrant Workers in Taiwan through opportunities for employees by the company to develop their careers with salaries received higher than other companies with the same field of work as well as benefits and bonuses provided by the company according to employee wishes. This is a form of strategy implemented by the company so that employees can feel satisfied with their work, in line with the opinion of Lee, et.al (2022) where the company seeks to increase employee retention by offering financial and non-financial packages, such as bonuses, health benefits and/or opportunities for higher education in order to retain employees and improve their performance and job satisfaction.

# 5. Conclusion and Implications

Based on the analysis and discussion, this research concludes that employee performance partially has a significant effect of 3.60% on employee retention among Indonesian Migrant Workers in Taiwan. Employee performance is influenced by the amount of work completed in line with job responsibilities and the authority provided by leadership, which serves as a motivating factor for employees to enhance their performance. Job satisfaction, on the other hand, has the most dominant partial effect of 38.3% on employee retention. This is driven by career development opportunities, competitive salaries compared to similar companies, and benefits and bonuses aligned with employees' expectations. Furthermore, employee performance and job satisfaction simultaneously have a significant combined effect of 45.1% on employee retention, emphasizing the importance of organizational support in enabling employees to meet their responsibilities and fostering satisfaction through competitive compensation and opportunities for growth.

The findings imply that companies employing Indonesian Migrant Workers in Taiwan need to address the mismatch between workload and work benefits by ensuring fair compensation, creating a comfortable work environment, and providing opportunities for promotion. Additionally, while employee performance and job satisfaction are critical factors, other variables such as work discipline and employee competence may also play a significant role. Future research should explore these additional variables to gain a more comprehensive understanding of employee retention. By addressing these aspects, companies can foster a more supportive and engaging work environment that enhances employee satisfaction and retention.

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