

KEY TALENT RETENTION DRIVERS IN DIGITAL START-UPS IN MALAYSIA: THE MEDIATING ROLE OF ORGANISATIONAL COMMITMENT AND PERSON-ORGANISATION FIT

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ABSTRACT

The paucity of research on talent retention in digital start-ups in Malaysia is considerably high. This study, therefore, aims to investigate relevant key antecedents that have affected talent retention, particularly in the context of the ongoing endemic. A hypothetical deductive study, using a survey involving 207 respondents who are employees currently working in digital start-ups in Malaysia. Data obtained were analysed using Statistical Package for the Social Sciences (SPSS) and the Partial Least Squares–Structural Equation Modelling (PLS-SEM). The findings revealed that a supportive work environment was directly affecting talent retention, with career development also affecting indirectly the retention of digital personnel through organisational commitment. However, the findings also indicated that neither career development had no significant effect on talent retention nor person-organisation fit had any mediating effect. The outcomes of the study provide evidence that employees engagement drivers are playing vital roles in affecting the talent retention in digital entrepreneurship. It also serves as a guide for the formulation of human resource strategies on talent development and retention. Thus, Malaysian digital entrepreneurs would be able to gain insights on how to leverage the engagement drivers in order to retain great talents.

Keywords: Supportive work environment, career development, organisational commitment, person-organisation fit, talent retention, Malaysia

1. INTRODUCTION

Covid-19 has somewhat boosted digital entrepreneurship in Asia, whilst talent retention has also emerged as one of the prime issues faced by organisations across the world. Low employee retention or a high talent turnover rate result in more complex, uncertain and unfavourable events, including lack of skilled workers, incremental talent recruitment cost, time consuming training for new hires, disrupted operations within organisations, weakening of employee organisational commitment, negative reputation and more which could bring down businesses, especially start-ups or entrepreneurial companies, at a very fast rate (Zeng, et al., 2021)(Xuecheng et al., 2022)(Hadj, 2020)(Yousaf et al., 2019)(Park, et al., 2019).

Talent turnover is indeed a major contributing factor why digital ventures could not sustain business because the cost to recruit and train new employees was high in digital start-ups especially during the Covid-19 pandemic (Salgado et al., 2020). In fact, in recent years, both business practitioners and contemporary academic researchers have focused on employee engagement which has been established as a significant human resource intervention in order to ensure an organisations' survival and growth in the intense competition within the industry (Rai & Maheshwari, 2021). According to the latest report from Randstad Malaysia (Naeem, 2022), the phenomenon of the "great resignation" is happening during the post Covid-19 recovery era where statistics have shown an increment of 3% of respondent switched jobs

between July and December 2021 compared to 2020. The statistics also showed an increment of 7% of the overall respondents plan to switch employers in first quarter of year 2022. It is believed that these switchers and intenders are mainly among Generation Z, Millennials and Generation X, due to five main factors: compensation, management, work-life balance, financial health and career progression (Naeem, 2022). Malaysia is not alone globally in the 'great resignation' phenomenon. Thus, business founders and entrepreneurs are urged to rethink their talent experience strategies from the employee's point of view, especially when the Covid-19 pandemic has shifted the talents' needs from plain remuneration and compensation packages to both personal wellness and professional career development (Dhesi, 2022). Therefore, the aim of this research was to investigate talent retention, which is influenced by a supportive work environment, career development, organisational commitment and personal-organisation fit among the employees from Malaysian digital start-ups, in the era of post Covid-19 pandemic. In fact, the only research found relevant was (Salgado et al., 2020) who evaluated 27 retention factors affecting talent retention in a Mexican tech start-up. Therefore, this research investigates the factors causing the challenge faced by Malaysia digitals start-ups in talent retention along with the context of post Covid-19 pandemic to close the research gap. With this, this study aims to investigate what and how potential drivers affect retention of talent which could be further accelerated by organizational commitment and person-organization fit.

The following sections set out the review of past research locally and internationally, materials and methods used to test the hypotheses, results and implications, followed by conclusion and recommendations for future research. When most of the key talents from Malaysia tend to relocate to other countries like Singapore in search of better opportunities, business competitiveness and benefits (Aisyah, 2019).

Supportive Work Environment and Talent Retention

Prior research highlighted that a positive relationship exists between a supportive work environment (SWE) and talent retention (TR), where SWE included work climate, supervisory relationships and peer interactions. For instance, (Naz et al., 2020) showed that SWE is a strong predictor towards TR with positive relationship, and inferred that the SWE helps keep the employees safe from burnout and stress which ultimately reinforces the talents desire to stay as they are aware of the perceived organizational support and also felt an obligation of work support from both supervisor and peers based on the Social Exchange Theory (SET). Similar to the research conducted by (Zámečník & Kožíšek, 2021) where good working conditions, good relationships with management, a good climate, respect from management and more summing as SWE, are also important factors to retain talented employees. Some research has also emphasized that good supervisory relationships is indeed one of the main elements in fostering a SWE for talented employees, especially during the Covid-19 pandemic, which could ultimately retain talent. Examples include (Eriksson et al., 2022) (2022) research on nurse turnover in Swedish hospitals, (Hassanein & Özgüt, 2022) study regarding the talent retention issue in the Middle Easernt Hotel industry as well as (Leider et al., 2023) (2023) investigation on healthcare workforce turnover intention within the public health agencies in the United State of America. Hence, in order to fill the research gap, the relationship between SWE and TR was included as one of the hypotheses in this research to identify whether the relationship is present in Malaysian digital entrepreneurial companies during the recovery era of post-Covid-19 endemic. Hence hypotheses H1 was formulated, as shown below.

H1: Supportive Work Environment (SWE) is positively related to Talent Retention (TR).

Supportive Work Environment and Organisational Commitment

Research conducted by (Kurtessis et al., 2017) (2017), which looked at perceived organisation support, or SWE, strongly related to affective OC, found that individuals who obtained greater support from the organisation were more committed towards the Organisation by expressing a sense of loyalty, based on the theories of social exchange and self-enhancement processes. In the context of Covid-19, researchers showed that employees are more likely to be committed to the organisation when they believe that the Human Resource procedures during Covid-19 are clear and consistent, making it easy for employees to see the connection between management objectives, associated with HR practices and management expectations, towards the achievement of organisational goals during hard times (Wood et al., 2020). (Hassanein & Özgit, 2022) study also revealed that the changes implemented in the SWE and organisational settings promoted positive innovation, communication, teamwork and behaviors, which ultimately positively impacted the engagement from their talent employees in the Middle East tourism industry during the Covid-19 pandemic era. Furthermore, the findings from (Kimbu et al., 2023) also found that the commitment of employees towards the corporates in the tourism industry significantly depended on their social-psychological well-being, where they were willing to show commitment only if their employers actively considered implementing people-oriented crisis management as well as preparing flexible recovery plans with the aid from supervisors or managers, especially after the Covid-19 pandemic.

Thus, the following hypotheses were developed:

H2: There is a positive relationship between Supportive Work Environment (SWE) and Organisational Commitment (OC).

H3: There is a positive relationship between Supportive Work Environment (SWE) and Person-Organisation Fit (POF).

The influencing role of Career Development

Prior research has found that intangible support given to employees from non-profit organizations, including professional development or career advancement, actually mattered amongst employees and had no direct positive effects on OC (Wang, 2021). Research also showed that in enterprises which value employee contributions and eventually provide career opportunities, then employees think and act optimistically, leading to a greater commitment level towards the organisation (Akingbola, et al., 2019). A recent study regarding the effect of CD on the employees' commitment towards a construction company in India, (Sihombing & Ariyanto, 2020), showed that CD positively and significantly affected the commitment of employees within the organization, by providing opportunities for promotion and training. Such career opportunities prepared by the organisation helped to enhance employees' competencies and also help shape their commitment towards the organisation via intrinsic motivation.

(Arifudding et al., 2021) study also concluded that there was a positive vital influence from employees' CD on their work commitment, where opportunities such as training courses, higher level education opportunities, guidance on embracing occupations and more have been given to the employees so that they could ensure a desired and meaningful career growth which was fitted to their own desired career path. Similarly, researchers have also pointed out that jobs, values, personal ambition and CD are elements which are also associated to POF (Subramanian et al., 2022). As for the younger generation, career advancement has become one of the considerations in choosing a workplace in which to stay in, showing that congruence between their career ambitions and the workplace is important, especially if the company is able to offer a CD enabling them to fulfil their ambitions (Graczyk-Kucharska & Erickson, 2020). The above discussion led to the following hypotheses:

H4: Career Development (CD) is positively related to Talent Retention (TR).

H5: Career Development (CD) is positively related to Organisational Commitment (OC).

H6: Career Development (CD) is positively related to Person-Organisation Fit (POF).

Organisational Commitment and Talent Retention

It is believed that there is positive linkage between OC and TR in (Naz et al., 2020) research, where they believed that the feeling of belonging and indebted of fast-food chain restaurants' employees in Lahore, Pakistan's towards their organisations', helped to motivate the talented employees to stay. Besides that, research investigating the factors impacting turnover intention of employees from eight major high-tech companies in China, also indicated a significant relationship between OC and TR, which the researchers also believed that their findings carried significant meaning during the Covid-19 pandemic, especially when society had been affected chronically and many of them were being terminated by their employers consequently (Tang et al., 2021)(Heinonen & Strandvik, 2020). Furthermore, the commitment of IT professionals towards the organisations in the Pakistani IT industry was found significantly and negatively associated to turnover intention, implying as OC increases, turnover intention decreases, thus TR increases (Farooq et al., 2022), similar to the research conducted by (Al-Balushi, et al., 2022) but only for both affirmative and continuance commitment, not normative commitment. In the latest Covid-19 context, (Kumar et al., 2022) research found that the uncertainty due to Covid-19 happened to be impacting organisational commitment where the psyche of the employees enhanced the awareness and involvement in their works, which ultimately led to their intention to stay.

H7: Organisational Commitment (OC) is positively related to Talent Retention (TR).

The relationship between POF and TR

Person-organisation fit (POF) has indeed gained attention over the decades where its' importance has significantly been recognised in many managements literature in impacting the relationships between employers and employees. These researchers have suggested that POF has a direct relationship towards employees' turnover intentions or intention to stay. For instance, one of the studies conducted has shown that job satisfaction has a significantly inverse association with turnover intention among software professionals in the IT sector. In other words the IT professionals who were satisfied and content with their job in the companies were less possibly to resign (Sharma & Stol, 2019). Besides that, the research conducted by (Maloba & Pillay-Naidoo, 2010) suggested a significant relationship between POF and TR of highly performing employees and skillful talents within the South African social development sector. This implied that the higher the congruence level between the talented employee's personal values, capabilities and requirements with the organisation they work in, the more likely this will be associated with decreasing levels in leaving intention. Not only that, research investigating the connection between POF among Saudi Arabian employees resulted in an impactful positive relationship between POF and human capital, suggesting that POF could help in retaining loyal employees as the employers are maintaining and protecting their fit perceptions within the organisations by producing a favorable and conducive psychological climate (Faisal, 2022). Similarly, research conducted in a manufacturing company by (Arum, 2022) also showed that the POF has a negative impact on turnover intention, which results in a positive impact towards retention intention. Thus, this led to the formulation of hypothesis H8 to investigate the direct relationship between POF and TR within Malaysian digital start-ups, post pandemic.

H8: Person-Organisation Fit (POF) is positively related to Talent Retention (TR).

Organisational Commitment and Person-Organisation-Fit mediating effect

Various research studies have been conducted on whether OC serves as a mediator in numbers of difference work-related factors or not. For instance, research has revealed that OC is indeed a significant mediator between SWE and TR, where the researchers implied that positive feedback from supervisors, and a friendly and caring attitude from peers, a knowledge sharing culture and other favorable working climates have definitely instilled the feeling of belonging and indebtedness in employees, which motivates them to stay within the organisation and continue fostering the SWE (Naz et al., 2020). OC has found mediating the relationship between work life balance during Covid-19 and employee's intention to stay (Kumar et al., 2022), implying that the employee is committed towards the organisation when flexibility to choose the work mode is provided, as it leads to a certain extent of harmony between life and work by ensuring the safety and security of the talents, while keeping the business operating, ultimately, enhancing the intention to stay. Not only that, (Ativetin, 2021) suggested that the SWE which promotes work engagement, works well through a mediating variable like OC to strengthen the employees' intention to stay within the hotel industry during the Covid-19 pandemic. This is because the (Ativetin, 2021) believed that work environments, designed to reflect convenience and comfort during the pandemic, allow employees in hotels to feel their position is meaningful and so helps boost their confidence, positively increasing the work satisfaction and OC, and, subsequently, hotel employers ultimately retain their employees (Dai et al., 2020)(Meira et al., 2021)(Ativetin, 2021). Hence, hypothesis H9 can be devised in this research to understand how OC mediates the relationship between SWE and TR within Malaysian digital start-ups, post-Covid-19 pandemic.

Recent research concluded that employees who work under a work environment where the work climate is favourable and support is available from their leaders, colleagues and companies, are most likely to portray the exchange of socio-emotional resources from organisation with employee's trust (Naz et al., 2020). Studies have also suggested that training in high-tech industries, centred on skill building, socializing and role familiarization, or organisation practices with emphasis on organisational culture, help to enhance the fit between each individuals' values with the enterprises' values, therefore, significantly affecting employee retention intention in the organisation, especially in the middle of Covid-19 or even post pandemic (Athar, 2021)(Tang et al., 2021). This is because the researchers believe that such SWE within the enterprise could help promote job embeddedness among the employees, helping them fit towards the enterprises (Shah et al., 2020). Thus, hypothesis H11 was formulated as below, in order to understand the mediating role of POF in the relationship between SWE and TR within digital entrepreneurs in Malaysia in the era of the Covid-19 endemic.

Therefore, the following hypotheses were formulated:

H9: Organisational Commitment (OC) mediates the relationship between Supportive Work Environment (SWE) and Talent Retention (TR).

H10: Organisational Commitment (OC) mediates the relationship between Career Development (CD) and Talent Retention (TR).

H11: Person-Organisation Fit (POF) mediates the relationship between Supportive Work Environment (SWE) and Talent Retention (TR).

H12: Person-Organisation Fit (POF) mediates the relationship between Career Development (CD) and Talent Retention (TR).

2. RESEARCH METHOD

The structured questionnaire consisted of a Section A for demographics profile whereas Section B consisted of a total of 41 standardized 7-points Likert scaled response questions from five different constructs. All five constructs were adopted from different sources including SWE comprises of three items work climate (Kennedy & Daim, 2010), seven items Supervisory Relationship and eight items Peer Group Interaction (Ghosh & Sahney, 2011), 4-item scaled CD (Kennedy & Daim, 2010), 9-item scaled OC from the 15-items Organisational Commitment Questionnaire (OCQ), four items POF questions and lastly 6-item scaled TR adopted from (Govaerts et al., 2011). Respondents were required to answer all of the questions in both Sections A and B of the online survey. Section B of the questionnaire survey was developed using the assignment of a seven-point Likert scales to each variable ranging from “1=Strongly Disagree to 7=Strongly Agree” to help provide more convincing reliability and validity measures since this Likert-scale is commonly used for measuring human attitude in the form of agreement or disagreement levels (Foddy, 1994)(Joshi et al., 2015)(Sekaran & Bougie, 2016).

Some researchers suggested the range of sample size should range from 100 to 200 required for SEM analysis (Hair et al., 1992). Based on Cohen’s study, a minimum sample size of 191 samples for PLS-SEM analysis is recommended in order to meet 80% statistical power with 1% significance level and minimum R^2 level of 0.1, given that the maximum number of arrows pointing to a construct is four in this research study. In this research, we used snowballing sampling as we sought help from respondents who were working in digital start-ups to reach out to his or her other colleagues within the company. Based on this, we obtained a total sample of 207 respondents within the two-month period.

3. RESULTS AND DISCUSSIONS

The frequency and percentage distribution of the demographic profiles for the respondents in this study were generated using the SPSS software tool and summarized in **Table 1** below. Firstly, the demographic profile of the respondents was made up of 125 male respondents (60.40%) and 82 female respondents (39.60%) where the majority of the respondents were from the age group ranged between 20 to 29 years old (61.40%), followed by the age group between 30 to 39 years old (33.33%) and lastly, 5.30% of the respondents were between 40 to 49 years old. In fact, there were no respondents who fell below 20 years old or above 50 years old in this research study.

In terms of education level, most of the respondents who were currently working in a digital start-up company had completed a bachelor degree (77.3%), followed by 22 respondents who had completed a diploma or foundation programme (10.60%). Meanwhile, few respondents had completed postgraduate programmes including either masters programmes (9.7%) and/or a doctorate programme (1%), while the remaining 3 respondents (1.4%) had a professional certification instead. The majority of the digital start-ups where the respondents currently worked, came from both the state of Wilayah Persekutuan Kuala Lumpur (44.9%) and the state of Selangor (44.4%), whilst 20 of the respondents were based in Penang (9.7%) and only 2 respondents were from the state of Sabah (1%). There were no respondents from the remaining states including Perlis, Kedah, Kelantan, Terengganu, Pahang, Perak, Melaka, Negeri Sembilan, Johor and Sarawak.

From the perspective of monthly income level, the majority of the respondents earned a monthly salary ranging from RM 3501.00 to RM 5000.00 (34.30%) to above RM 6501.00 (32.40%), followed by 16.90% of the respondents who were are earning in the range of RM 2001.00 to

RM 3500.00 whilst 14.00% of them were earning between RM 5001.00 to RM6501.00. Not only that, in terms of job position, the majority of the respondents were normal employees or staff (67.10%), followed by middle management level which was made up of 6.80% supervisors or team leads, 2.90% of project managers or product managers and 15.50% departmental managers or division heads. Besides that, 11 respondents were actually at Chief Officer level (5.30%) including Chief Executive Officer (CEO), Chief Technology Officer (CTO) and more, meanwhile, 2 respondents were directors (1.00%) of the digital start-ups.

Moreover, in terms of working experience, the majority of the respondents had worked in the current company for 1 to 2 years (34.80%), followed by 27.10% of the respondents who had worked for the current digital start-up for less than a year, and 16.90% of them had worked for 2 to 3 years. Other than that, 17 respondents had worked for 3 to 4 years (8.20%) in their current digital entrepreneurial enterprises while 12 respondents had worked for 4 to 5 years (5.8%), lastly, 7.2% respondents had worked more than 5 years in the same current digital start-ups, respectively. As for industry experience, the majority of the respondents had industrial experience of between 3 to 5 years (24.6%) and 5 to 10 years (23.70%), followed by 13.50% respondents who had 1 to 2 years of industrial experience, 12.60% respondents having 2 to 3 years, while 10.10% of respondents had less than a year of working experience within the industry. The remaining respondents had industrial experience of 10 to 15 years (9.7%) and, in some cases, more than 15 years (5.8%).

Table 1. Descriptive Analysis of Respondent Profile

Demographic Variables	Frequency n= 207	Percentage
Are you currently working in a digital start-up?		
Yes	207	100%
No	0	0%
Gender		
Male	125	60.4%
Female	82	39.6%
Age		
Below 20 years old	0	0%
20-29 years old	127	61.4%
30-39 years old	69	33.3%
40-49 years old	11	5.30%
50 years old and above	0	0%
Education Level		
Diploma/ Foundation	22	10.60%
Bachelor Degree	160	77.30%
Master	20	9.70%
Doctorate	2	1.00%
Others (Professional Certification)	3	1.40%
Company Location		
Perlis	0	0%
Kedah	0	0%
Pulau Pinang	20	9.70%
Kelantan	0	0%
Terengganu	0	0%
Pahang	0	0%
Perak	0	0%
Wilayah Persekutuan Kuala Lumpur	92	44.90%
Selangor	93	44.40%
Melaka	0	0%
Negeri Sembilan	0	0%
Johor	0	0%
Sabah	2	1%
Sarawak	0	0%

Job Position		
Employee	139	67.10%
Supervisor/ Team Lead	14	6.80%
Project Manager/ Product Manager	6	2.90%
Department Manager/ Division Head	32	15.50%
Director	2	1.00%
Chief Officer	11	5.30%
Founder	3	1.40%
Income Level		
RM 0 - RM 2000	5	2.4%
RM 2001 - RM 3500	35	16.9%
RM 3501 - RM 5000	71	34.3%
RM 5001 - RM 6500	29	14.0%
RM 6501 and above	67	32.4%
Current company is the first company the respondent work with.		
Yes	60	29.00%
No	147	71.00%
Years of working experience in current company		
Less than a year	56	27.10%
1 year – 2 years	72	34.80%
2 years – 3 years	35	16.90%
3 years – 4 years	17	8.20%
4 years – 5 years	12	5.80%
5 years and above	15	7.20%
Years of working experience in current industry		
Less than a year	21	10.10%
1 year – 2 years	28	13.50%
2 years – 3 years	26	12.60%
3 years – 5 years	51	24.60%
5 years – 10 years	49	23.70%
10 years – 15 years	20	9.70%
15 years and above	12	5.80%

Pearson's product moment correlation coefficient (r) was adopted in this research study to measure the direction and the magnitude of the linear relationship between two constructs. **Table 2** shows the correlations between the constructs of Supportive Work Environment (SWE), Career Development (CD), Organisational Commitment (OC), Person-Organisation Fit (POF) and Talent Retention (TR). The guideline to categorise the correlation between construct in this research study (which is suggested by multiple researchers as discussed in Section 3.5.2.3,) is \pm (0 to 0.19), representing a very weak correlation, \pm (0.20 to 0.39) indicating a weak correlation, \pm (0.40 to 0.59) showing moderate correlation, \pm (0.60 to 0.79) indicating strong correlation and \pm (0.80 to 1.00) representing a strong correlation.

According to the results presented in **Table 2**, the lowest r value was 0.348, indicating a weak linear positive relationship between SWE and CD constructs; while the highest r value was **0.845**, implying a very strong linear positive relationship between OC and TR constructs. SWE had a weak positive correlation with CD ($r = 0.348$) only, whilst having a moderate positive correlation with POF ($r = 0.508$) and a strong positive linear relationship with OC ($r = 0.657$) and TR ($r = 0.670$). Next, CD had a moderate positive correlation with POF ($r = 0.580$) and a strong positive linear relationship with OC ($r = 0.649$) as well as TR ($r = 0.604$). Not only that, OC had a strong linear positive relationship with POF ($r = 0.771$) whilst having a very strong positive correlation with TR ($r = 0.845$) based on the results. Lastly, POF also showed a strong positive correlation with TR ($r = 0.718$).

The correlations indicate that a higher level of SWE (M= 6.388, SD= 0.535), CD (M= 6.185, SD= 0.925), OC (M= 6.287, SD= 0.742), and POF (M= 5.987, SD=0.944) corresponds to a higher level of TR (M= 6.358, SD= 0.782). SWE had the highest mean score of **6.388** whereas POF had the lowest mean score of **5.987**. Meanwhile, the standard deviations of all the constructs within this research study **ranged from 0.535 to 0.944**, which are below the 2.5 threshold.

Table 2: Correlation Analysis

Constructs	Mean	SD	SWE	CD	OC	POF	TR
SWE	6.388	0.535	1				
CD	6.185	0.925	0.348**	1			
OC	6.287	0.742	0.657**	0.649**	1		
POF	5.987	0.944	0.508**	0.580**	0.771**	1	
TR	6.358	0.782	0.670**	0.604**	0.845**	0.718**	1

Note 1: **Correlation is significant at the 0.01 level (1-tailed).

Note 2: SWE (Supportive Work Environment), CD (Career Development), OC (Organisational Commitment), POF (Person-Organisation Fit) and TR (Talent Retention).

Measurement Model Analyses

PLS-SEM evaluation started with the analysis of measurement model before the assessment of the structural model was conducted (Barclay, Higgins, Thompson, 1995)(Brown& Moore, 2012). The measurement model is often assessed to determine the relationship between the measurement indicators and the constructs modeled (Rummel, 1967)(Wan Afthanorhan, 2013). The reflective constructs within the measurement model in this research, including the constructs of Supportive Work Environment (SWE), Career Development (CD), Organisational Commitment (OC), Person-Organisation Fit (POF) and Talent Retention (TR), were as shown in **Figure 1** below are were evaluated using the SmartPLS 4.0 software tool to ensure all measurement scale adopted for these constructs respectively in this study were reliable and valid.

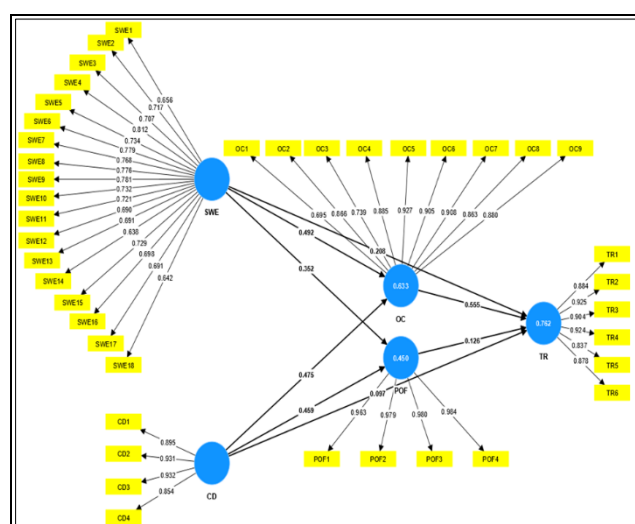


Figure 1. PLS-SEM Model

Assessment of Path Coefficient

Based on the assessment of path coefficient, assuming that the significance level was set at 5%, there were 6 out of 8 paths with significant positive relationships where the t value was greater than the critical threshold of 1.65 in a one-tailed test while the p value was lower than the threshold value of 0.05. Among these 6 paths, the significant effect of exogenous variable OC towards TR construct was the strongest ($\beta = 0.555$, $t = 4.975$, $p = 0.000$), followed by similar path coefficient values from both the exogenous variables of SWE ($\beta = 0.475$, $t = 12.535$, $p = 0.000$) and CD ($\beta = 0.475$, $t = 10.948$, $p = 0.000$) towards OC construct, then the exogenous latent variables of SWE ($\beta = 0.352$, $t = 6.607$, $p = 0.000$) and CD ($\beta = 0.459$, $t = 7.207$, $p = 0.000$) to the construct of POF. Lastly the least significant effect among the 6 acceptable paths, which is the exogenous latent variable of SWE to the construct of TR ($\beta = 0.208$, $t = 3.805$, $p = 0.000$).

The remaining 2 paths showed no significant effect as the p -values exceeded the suggested threshold of 0.05 while the t -values were lower than the suggested critical value of 1.65 on a one-tailed test, which were the paths where the exogenous latent variable of CD towards TR construct ($\beta = 0.097$, $t = 1.647$, $p = 0.100$) and POF towards TR construct ($\beta = 0.126$, $t = 1.373$, $p = 0.170$). In summary, all hypotheses H1, H2, H3, H5, H6 and H7 had a direct positive relationships except for hypotheses H4 and H8 which had an insignificant path effect, thus, was rejected.

Assessment of Mediation Analysis

From the bootstrapping procedure from SmartPLS 4.0 software tool, both the exogenous latent constructs SWE ($\beta = 0.273$, $t = 4.950$, $p = 0.000$) and CD ($\beta = 0.264$, $t = 4.442$, $p = 0.000$) had a significant positive indirect effect towards the endogenous latent construct of TR through the mediator variable OC as the p -values were below the 0.05 threshold and t -values were above the 1.96 threshold. In fact, since the direct paths for SWE towards TR and CD towards TR had significant path coefficients of 0.208 and insignificant path coefficients of 0.097 respectively. The mediation relationships between SWE-OC-TR was considered a **complementary partial mediation relationship** while CD-OC-TR was considered as a **full mediation relationship** in Table 3.5.8. On the other hand, both the exogenous latent constructs SWE ($\beta = 0.044$, $t = 1.339$, $p = 0.090$) and CD ($\beta = 0.058$, $t = 1.361$, $p = 0.087$) had no significant indirect effect towards the endogenous latent construct of TR through the mediator of POF as the p -values exceeded 0.05 while t -values were below 1.96 at the 95% Confidence Interval with bias corrected.

4. CONCLUSION & RECOMMENDATIONS

It is evident that the factor known as a supportive work environment (SWE) significantly influences talent retention or turnover intentions within digital start-ups in Malaysia. This impact holds true whether we consider the direct effect of SWE or its combined effects, along with the mediating variable of organizational commitment (OC). These findings offer a nuanced perspective on SWE, encompassing aspects like the workplace climate, relationships with supervisors, and interactions with peers. Furthermore, by incorporating the Social Exchange Theory (SET), this study provides both practical and statistical evidence supporting the Aon Hewitt Employee Engagement model, specifically in the context of employees working in Malaysian digital start-ups. For instance, the direct path coefficient for the relationship between SWE and TR, the relationship between SWE and OC, and the relationship between OC and TR are all positive and significant, with values of +0.208, +0.475, and +0.555, respectively. Additionally, the mediation analysis reveals a significant positive mediating effect of OC on the relationship between SWE and TR, with an indirect path coefficient of +0.273. Notably,

OC emerges as the strongest predictor in this research. These findings suggest that fostering a supportive work environment can be an effective talent retention strategy, especially when employees feel a strong commitment due to the presence of such a work environment.

Furthermore, the engagement driver of career development (CD) and the concept of person-organisation fit (POF) were both found to be insignificant factors in relation to talent retention (TR). Additionally, POF did not serve as a mediator for any of the proposed relationships in the research's conceptual framework. These results may not align with the expectations set by the Aon Hewitt Employee Engagement model and SET (Social Exchange Theory). However, this study revealed that the demographic characteristics of the respondents could play a significant role in the relationship between CD and TR, the relationship between POF and TR, or even in the mediating role of POF. Factors such as employees' occupational background and length of tenure within the organization could potentially impact these relationships. Therefore, it becomes evident that exploring the Aon Hewitt Employee Engagement model and SET in conjunction with demographic profiles is worthwhile, as these elements could be crucial in determining how effective the engagement driver of career development is in retaining talent, particularly within the context of digital start-ups.

Since OC was the strongest predictor identified in this research, HR practitioners, managers and supervisors should implement a more humanistic management style and focus on more humanistic care for employees (Wu & Liu, 2022). Therefore, a series of actions should be taken by the management of these digital start-ups in order to reinvent a suitable SWE for the employees during post Covid-19. The management team could also understand responses, feedback and suggestions from the employees in coping with the hybrid work mode implementation and policy change as one of the humanistic moves from the digital start-ups management. With these implementations, which could help enhance the SWE in the companies, it is believed that talent will be more committed to the organisations as they find it convenient, comfortable, job-secured and safe when their well-being is taken care of, thus ensuring talent retention.

Finally, apart from the formal career progression which has been implemented in some organisations, managers or supervisors could also explore more informal roles within the organisation which would help enhance the soft-skills of employees, preparing them for career advancement especially, for those employees who have leadership aspirations, no matter whether they are or not HR managers, project managers or team leaders progressing along a career path.

The sample used in this study may not accurately represent the intended population, as the majority of respondents are concentrated in Kuala Lumpur and Selangor, accounting for a total of 89.30%. This indicates an uneven distribution of respondents in terms of geographical location within Malaysia. However, it's worth noting that digital talents are primarily concentrated in developed cities such as Kuala Lumpur, Selangor, Penang, and Johor. Therefore, it is advisable to narrow the focus of the study to major cities in the country to better target the relevant population.

Furthermore, it is suggested that future researchers consider incorporating social media usage (SMU) as a moderating factor within the research framework. Some studies in the literature have indicated that SMU can enable employees to establish connections outside of their organisations, potentially leading to higher turnover rates when they are less engaged with their peers and more open to seeking opportunities elsewhere. This aspect can significantly impact

talent turnover, as highlighted in previous research (Parveen et al., 2015)(Bizzi, 2018)(Zhang, et al., 2019). These recommendations have the potential to extend the existing literature on factors influencing talent retention within digital start-ups for future researchers to explore.

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