

EXECUTIVE SUMMARY

Companies in Macau have been experiencing a high employee turnover since the liberalization of the gaming industry in 2002. According to a recent report on Macau's human resources, employee turnover rate was at 29.7% in the first quarter of 2008. This situation is expected to continue with the opening of 15 new hotels and entertainment properties from 2008 to 2011. Companies in Macau will continue to face the challenge of retaining talents to support their businesses.

The purpose of this study is to determine the factors that foster employee commitment in some Macau companies that have been striving to retain their employees. Available literature shows a positive correlation between employee commitment and employee retention. The researcher culled from the review of related literature the indicators leading to employee commitment and employed these in coming up with a framework for this study. A quantitative approach was applied to test if four organizational practices - job design, empowerment, organizational justice, and communication - would impact on organizational commitment in two dimensions: affective commitment and continuous commitment. It was further tested if organizational commitment would impact on employees' intention to quit.

A survey was conducted between August and September 2007 to collect primary data for the research. There were 195 valid questionnaires used for analysis to produce the findings. The group of respondents worked in various sectors in Macau which included the government, the gaming and tourism industries, public utility, and transport and communication industries.

The four selected organizational practices were found to be positively correlated to affective commitment. Affective commitment, on the other hand, was proven to be negatively correlated with the employees' intention to quit. Among the four independent variables, empowerment had the strongest association with affective commitment, followed by organizational justice. These two factors, empowerment and organizational justice, were found to be the major predictors of affective commitment. Moreover, there was no relationship found between any one of the organizational practices and continuance commitment, and neither between continuance commitment and the intention to quit.

The study underscores the value of cultivating a committed workforce in order to retain talents for any business. Employees are found to be affectively committed to their organizations if they are provided with a working environment where they receive fair treatment, get empowered at work, carry out meaningful tasks and maintain a high level of communication within the organization.