Li-Ju Chen, Instructor, Depart. of Business Administration, Far East University
Sean Hung, Associate Professor, Depart. of Industrial Engineering and Management, I Shou University

Abstract

This paper aims to identify the key variables that affect the high employee turnover rate of contract workers. After conducting a literature review, a case study in a Taiwan electronic company was chosen. A factor analysis was then conducted to along with structural equation modeling to determine which variables significantly influence the employee turnover of contract workers. This paper deals with the critical factors of employee dissatisfaction and thus aims to reduce the employee turnover rate. There are four main factors (working condition, leadership, training and development, and payment) that affect turnover intention. Payment is the most important factor. Some differences were found between junior and senior groups. In the junior workers group, leadership is the important factor, while in the senior group payroll is the most important. This paper provides practical guidelines as to how electronics companies can cope with employee shortages caused by a high contract employee turnover rate.

Keywords: contract workers, job satisfaction, turnover intention