The effect of psychological contract, employer branding and job satisfaction on turnover intention: Organizational commitment as moderating variable at start-up IT company

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Abstract: *IT-startup is an organization that starts a business in the technology field. The problem that is often faced is high-turnover. The reality of business processes takes a long time to develop into large companies. One of the potential factors in business success is human resources. The present study analyzes the direct and indirect effects of the psychological contract, employer branding, and job environment on turnover intention in IT start-up companies. Organizational commitment was employed as the moderating variable. The study was conducted in several IT start-up companies in Jakarta, focusing on four business fields: educational technology, IT consulting, software and hardware, and IT infrastructure. Respondents were 182 employees of IT start-up companies, recruited using a purposive sampling technique. Applying Partial Least Square, this study found that psychological contract, employer branding, and job environment, directly and indirectly, affect turnover intention. Organizational commitment was found to have the most significant direct effect on turnover intention. Meanwhile, employer branding exhibited the most significant indirect effect on turnover intention. IT start-ups need to strengthen their psychological contracts, employer branding, and job environment to reduce high turnover. IT start-ups must provide a conducive job environment to support employee work processes. This strengthens the psychological aspect of employees to stay afloat in the long term. A sense of loyalty, high commitment, and professionalism must be instilled in all employees as part of efforts to strengthen the psychological contract. The business success of an IT start-up becomes a good branding employer so that it is able to recruit potential human resources candidates. IT start-up companies need to strengthen their psychological contract, employer branding, and job environment in order to minimize turnover intention. Employees are a long-term investment for a company's business sustainability, and their ideas, creativities, and innovation are pivotal for the company.*

Keywords: *Psychological contract, employer branding, job environment, organizational commitment, turnover intention.*

JEL Classification: *J63, J62.*

Introduction

Business digitalization demands people to adapt to dynamic, modern life (Ritter & Pedersen, 2020). Business activities have moved beyond mere transaction, application, and social life, as technology utilization has increasingly become one of the company's needs. Information technology has turned into a business opportunity every business actors try to seize (Caputo et al., 2021). Technology is seen as an investment for all business sectors, which is anticipated by the emergence of startup companies in the field of information technology. Technology optimization is aimed at responding to market demands effectively.

The term startup refers to a new growing business established based mainly on digitalization and technology. It is established based on new market opportunities. Technology startup companies specializing in digital and information are exhibiting significant growth. In 2022, Indonesia hosts 2,346 start-up companies (www.katadata.com). These companies potentially promote significant economic growth and increase new employment and business opportunities. Technology startup companies are dominated by millennials who like new challenges and opportunities. One of the challenges faced by technology startup companies is human resource shortage. Startup companies are reported to have a high turnover rate (Naidoo, 2018; Oosthuizen et al., 2019), causing suboptimal working process as new employees are needed.

A successful working process requires a well-prepared human resource. Every organization faces an issue of employee turnover and human resources uncertainty, which leads to the organization's internal instability. This is because the organization should restart its human resource development costs (e.g., investment for training, recruitment, and development). A high turnover rate adversely affects the company's effectiveness, forcing it to spend more time looking for new employees suitable for its needs (Markovich, 2019). Issues with turnover intention are one of the concerns in many companies. The employee replacement process takes time and sometimes fails to find suitable candidates.

One of the causes of turnover intention is the lack of psychological contracts between employees and the company (Wang et al., 2017). An employee-company relationship should be built upon high professionalism and commitment. On one hand, a company is responsible for fulfilling the occupational and financial needs while appreciating its employees' contribution. On the other hand, employees are required to meet the working target and the key to the company's business success. Most technology startup companies are battling in a narrow market and highly competitive environment and adequate human resources are needed to respond to the market opportunities and eventually win the competition.

Branding has long been a discussion topic in the marketing field, and human resource appears to need proper branding to ensure that the designed program for achieving the company's target and goals are identifiable, visible to, and supported by its employees. Branding is believed to play pivotal role in displaying an organization as an attractive work environment for employee candidates while retaining high-performing employees. In this manner, organizations will likely be known as a workplace of highly talented people and have good images both in the market and the labor force.

The term employer branding refers to a company's image from the employee candidates' perspective, which may be affected by its reputation and professionalism (Singh, 2021). An organization with poor employer branding may cause doubt about staying with the company in the long term. Company reputation is one of the job seekers' considerations before joining the company. Employer branding is reported to effectively reduce turnover intention and help companies to find new suitable employees more easily (Kashyap & Verma, 2018). Employer branding may serve as one of the strategies to improve companies' high performers' loyalty. In this regard, a company needs to establish a proper management system that promotes employees' well-being and development in order to ensure employees' comfort, loyalty, and pride.

The work environment is one of the factors affecting turnover intention (Xiao et al., 2021) and significantly affect employees' working activities. (Turek, 2021). A supportive work environment will likely motivate employees to exhibit better performance. Internal factors and a conducive work environment are key to successful target achievement. A comfortable, flexible work environment may provide employees with a feeling of safety. Giant technology companies

like Google and Microsoft are known to optimize work environments to trigger innovation from their employees. Innovation will likely stem from a supporting work environment, an environment that could minimize employees turnover due to its psychological comfort. In other words, work environment may promote a good quality work outcome. Technology start-up companies highly need creativity and innovation to ensure their business sustainability.

Organizational commitment is necessary to reduce turnover intention in order to support a business sustainability (Hung et al., 2018). In this regard, the organization is required to provide facilities, technologies, and equipment that supports its working process. On the other hand, employees are also required to be committed to support the company business. Companies in the technology sector highly rely on employees' contribution, and tight competition and uncertainty should be the basis for retaining employees in a long term. Turnover intention is a classic problem faced by most companies, especially start-up companies.

Previous studies show that psychological contract, employer branding, and job environment affect organizational commitment (Ahakwa et al., 2021; Alves et al., 2020; Herrera & De Las Heras-Rosas, 2021). This finding implies that a business organization should establish a psychological commitment with its employees. A strong work mentality may improve employees' commitment, minimizing their turnover intention. A start-up company needs to have good employer branding in the labor market, as it strengthens the company's bargaining power. It may also make employees stay longer, or even retire in such a company. An organization needs to create a harmonious, conducive, and comfortable working environment for its employees. Such a working environment may indirectly reduce employee's turnover intention commonly found in IT start-up companies.

Psychological contract, employer branding, and job environment may positively affect turnover intention (Sahu et al., 2018; Sandhya & Sulphey, 2021; Wan et al., 2018). Employees with strong psychological contract to the company will hardly move to other companies. The company management-employee harmonious relationship serves as the key to reducing turnover intention. Employer branding is the main consideration of an employee's long-term career planning. The company's

image and reputation are among the points taken into consideration when building its career. Comfort is one of the outcomes of the job environment. IT start-up companies have proven that a supporting work environment will yield business innovation.

In contrast, several studies show that employer branding, psychological contract, and work environment do not affect organizational commitment (Maia & Bastos, 2019). They also do not directly affect turnover intention. The company's failure to build a positive image also constitutes a classic problem, preventing the establishment of a psychological relationship between the company and its employees and hindering the business process. A poor working environment will likely cause an uncomfortable working atmosphere. These three variables, i.e., psychological contract, employer branding, and work environment do not exhibit indirect effect on turnover intention.

This study examines the effect of psychological contract, employer branding, and job environment on turnover intention through organizational commitment It focuses on examining IT start-up companies by assuming that they have a high turnover intention rate. This study result may strengthen the assumption that turnover intention could be reduced through psychological aspects, strengthening company branding, and improving work environment comforts. The turnover intention appears as an interesting issue to be analyzed from different business perspectives. This study is different from existing literature, as it scrutinizes the psychological aspects and employer branding as an effort to reduce turnover intention in IT start-up companies.

1. Theoretical background
1.1 Psychological contract on organizational commitment and indirect effect on turnover intention

The term psychological contract refers to an implicit agreement between a company and its employees, containing expectations and hopes in their professional relationship (Rogozińska-Pawełczyk, 2020). It is important since the company and its employees should have a mutual symbiosis. While the company expects employees' optimal contribution and productivity, employees expect their company to ensure their well-being, career, and compensation that is worth their contribution.

Psychological contract reflects an individual's belief in a working agreement between them and the company (Suazo et al., 2009). It contains rights and responsibilities both parties should exercise. This contract is unwritten, as it is established by psychological attachment between employees and their companies (Mathis et al., 2015). Indicators representing psychological contract include transactional, relational, balance, dynamic performance, and mistrust (Botha & Steyn, 2021). These indicators may reflect the psychologically established employee-company relationship.

A previous study reports that psychological contract affects organizational commitment (Herrera & Las Heras-Rosas, 2021; Ng & Feldman, 2008; Thomas et al., 2010). Start-up companies in IT sectors are established based on professionalism, innovation, and creativity their market needs. In this regard, employees and companies establish a psychological bond based on organizational commitment in order to achieve the business target. Within this relationship, the company pays attention to its employees' working process and performance in order to ensure that employees are professional, disciplined, and highly committed to optimal business target achievement set by the company. Psychological contract is assumed to positively affect organizational commitment.

It may indirectly reduce employees' turnover intention (Wang et al., 2017; Zhao et al., 2022). Previous studies report the indirect effect of these variables on turnover intention (Khan et al., 2022; Malik et al., 2018; Xiong et al., 2017). The company-employee mutualism may positively affect the business quality because employees will likely focus on supporting the company's business growth. Organizational commitment is built based on professionalism through human resource quality improvement. However, a different condition appears to emerge among IT start-up companies. The high turnover intention rate in this sector still acts as a classic issue in every business period. Therefore, it is assumed that psychological contract may positively affect organizational commitment, which may indirectly positively affect turnover intention.

H1: Psychological contract positively affects organizational commitment.

H2: Psychological contract indirectly positively affect turnover intention.

1.2 Employer branding on organizational commitment and indirect effect on turnover intention

Employer branding refers to a company's identity, which is unique and different from other companies (Biswas & Suar, 2016; Theurer et al., 2018). An IT start-up company needs to have a differentiating power and identity for its employee candidates. Employer branding represents a company's image and reputation before the labor market. It may attract employee candidates who suit the company's needs. A highly efficient recruitment process may reduce employees' turnover intention significantly. Employer branding optimization is reported to reduce turnover intention by 28% (Mosley, 2015). Companies with positive employer branding are reported to significantly reduce turnover intention (Davern, 2021; Yadav et al., 2020). This variable may be represented by interest, social, economic, development, and application values (Berthon et al., 2005; Edwards, 2009). These values are capable of measure employees' perceived employer branding.

Previous studies find that employer branding affects organizational commitment (Alves et al., 2020; Botella-Carrubi et al., 2021; Hanin et al., 2013). Being committed to the organization, employees will likely exhibit optimal contribution to the company's business target. Employees with a positive perception of employer branding may positively affect organizational commitment and are more motivated to promote the company's success. Business orientation to customers could be attained through perceived employer branding. Hence, it is important for a company to build a positive image in both business and labor markets. Employer branding is also reported to have a positive, indirect effect on turnover intention (Kashyap & Verma, 2018; Sahu et al., 2018). Employees' positive perception of the company image may provide a sense of security to stay with the company in the long term. Thus, they will likely exhibit optimal contribution and productivity to the company. This study expects that employer branding positively affects organizational commitment, and indirectly positively affects turnover intention.

H3: Employer branding positively affects organizational commitment.

H4: Employer branding indirectly positively affects turnover intention.

1.3 Job environment on organizational commitment and indirect effect on turnover intention

The work environment is a condition directly perceived by employees and affects the working process (Dessler, 2020). This component may affect employees' emotional response to the working process, which directly affects the effectiveness and job achievement (Johnson et al., 2021). The work environment represents a professional relationship between subordinates, superiors, and coworkers. Work environment refers to a place where employees work, which may directly affect their psychological, mental, and perception of working pressure (Robbins & Judge, 2017). IT start-up companies realize that the work environment may directly affect their employee's innovation and creativity. Hence, creating a work environment that suits the company's business characteristics is necessary by designing a flexible layout and providing supporting facilities for employees. The indicators of the work environment are work relationships, work atmosphere, rules, lighting, ventilation, and security (Colquitt et al., 2018; Sedarmayanti, 2016). The work environment is believed to significantly affect IT startup companies' business quality, and innovative business ideas would stem only from a comfortable, conducive work environment.

Previous studies show that work environment positively affects organizational commitment (Seren Intepeler et al., 2019). In an IT start-up company context, the work environment may constitute a company's short-term investment that determines the business success (Lee, 2016; Maaravi et al., 2021). The initial stage of a business is to determine the organization's long-term sustainability. This will help employees to build their organizational commitment, which may indirectly reduce their turnover intention. Previous studies show that the work environment significantly and indirectly affects turnover intention (Al Sabei et al., 2020; Surbakti et al., 2021; Wan et al., 2018)). A business organization committed to providing a clean, comfortable, and supportive work environment will indirectly affect employees' commitment to stay in the company and give a high contribution to the business achievement. Work environment serves as the supporting factor of employees' working process. It represents a company's commitment to supporting employees' success. An ideal work environment should be able to establish a good, professional working environment, eventually resulting in work effectiveness. Thus, it is assumed that the work environment positively affects organizational commitment and indirectly affects turnover intention.

H5: Work environment positively affects organizational commitment.

H6: Work environment positively indirectly affects turnover intention.

1.4 Organizational commitment on turnover intention as intervening variable

The organizational commitment represents employees' perception of identity and engagement with the organization's achievement (Knippenberg & Sleebos, 2006; Yahaya & Ebrahim, 2016). This commitment implies employees' tendency to be part of the organization's business quality improvement. An IT start-up company is the initial stage of a business foundation. A newly established organization needs to have strongly committed, dedicated, and loyal human resources to support its business development process. Since this development process is relatively time-consuming and risky, there is a high risk of turnover intention. Organizational commitment refers to a psychological bond between employees and the company, reflected by trust, organizational value acceptance, and intention to stay with the organization (Bodjrenou et al., 2019). Organizational commitment is commonly represented in three categories, affective, normative, and continuance commitments (Meyer et al., 2002). These three indicators account for the organizational commitment value of an organization. Turnover intention is represented by thoughts of quitting, intention to quit, and intention to search for another job (Mobley et al., 1978; Skelton et al., 2020). At the initial stage of a business, an IT start-up company needs employees who are willing to accept its value, loyal, and give an optimal contribution to the company's business.

Previous studies show that organizational commitment positively affects turnover intention (Gatling et al., 2016; Haque et al., 2019; Kang et al., 2015). Employees' attitude may lead to high organizational commitment. Organizational commitment is often studied as the moderating variable of turnover intention (Hefny, 2021; Waheed Akhtar et al., 2017). It is capable of explaining the direct and indirect effects

in the research model. The direct effect test shows that psychological contract, employer branding, and work environment exhibit a direct effect. Organizational commitment serves as the mediating variable of the indirect effect on turnover intention. Thus, it is assumed that organizational commitment positively affects turnover intention and serves as the mediating variable in the proposed model.

H7: Organizational commitment positively affects turnover intention.

2. Research methodology

This exploratory quantitative study focused on analyzing the direct and indirect effects of the research model. Psychological contract, employer branding, and job environment were studied as independent variables. Meanwhile, organizational commitment, acting as the moderating variable on turnover intention, was examined as the dependent variable. Psychological contract was measured using transactional, relational, balance, dynamic performance, and mistrust (Botha & Steyn, 2021). Meanwhile, employer branding was measured using interest, social, economic, development, and application values (Berthon et al., 2005; Edwards, 2009). The work environment was

measured using work relationships, work atmosphere, rules, lighting, ventilation, and security (Colquitt et al., 2018). Organizational commitment was measured using affective, normative, and continuance commitments (Meyer et al., 2002). The turnover intention was measured using thoughts of quitting, intention to quit, and intention to search for another job (Mobley et al., 1978; Skelton et al., 2020). The proposed model presents the direct and indirect effects of psychological contract, employer branding, and work environment were measured for their indirect effect on turnover intention through organizational commitment. Fig. 1 presents the proposed research mode.

The proposed research model shows that psychological contract, employer branding, and job environment are assumed to positively affect organizational commitment. They are also assumed to have indirect effect on turnover intention (*H2*, *H4*, and *H6*). Organizational commitment serves as the mediating variable of the indirect effect of the three variables on turnover intention. The data were collected using Google Form. The study objects were IT start-up companies, comprising educational technology, IT consultant, software and hardware companies, and IT infrastructure.

Fig. 1: **Research model**
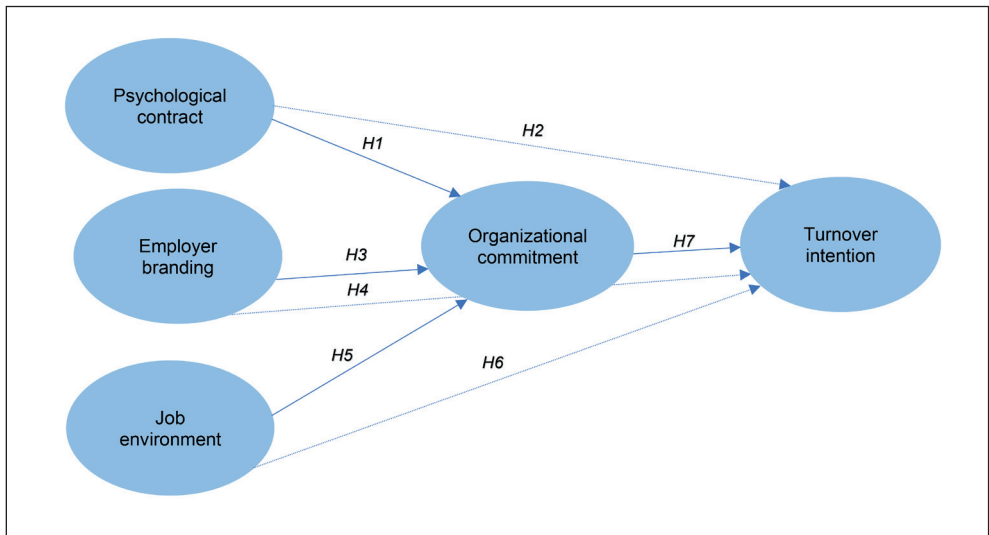
Source: own

The questionnaire employed a 4-point Likert scale, from 1 (strongly disagree) to 4 (strongly agree). One hundred eighty-two respondents were recruited using the purposive sampling technique. They were employees of IT start-up companies in four previously mentioned sectors with two years of working experience and minimum position of staff or technician.

This study applied Partial Least Square (PLS) to analyze the direct and indirect effects in this study. This method is capable of providing more specific and detailed results of the study indicators. The first stage of the analysis is examining indicators with an outer loading value of at least 0.7 (Hair et al., 2019). It was followed by the reliability test. The data were deemed reliable if the Cronbach Alpha, Rho A, and composite reliability values were above 0.7 (Verma et al., 2021). In the second stage, the discriminant validity test was performed with a minimum Average Variance Extracted (AVE) value of 0.5 (Sarstedt & Cheah, 2019). The data that passed the second stage proceeded to the hypothesis test. The hypothesis test began by identifying the coefficient of determination of the R-square value that is close to the absolute value (100%).

The R-square value represents the magnitude of the simultaneous effect of independent and moderating variables on the dependent variable. In the next step, the proposed hypotheses were performed. A hypothesis was accepted if the p-value < 5% and T-statistic < T-table.

3. Research results
3.1 Respondent profile
This study involved 182 respondents, whose profiles are displayed in Tab. 1.

Tab. 1 displays five respondents' profiles: gender, age, job tenure, position, and business field. Most participants were male (73%). Regarding age, most participants were 21–30 years of age (43%), below 20 years of age (43%), and above 30 years of age (20%). Most participants have worked for 6–10 years (48%), 0–5 years (36%), and more than 10 years (16%). They were mostly in middle management positions (45%), low-level management (36%), and top management (19%). Regarding the business field, most start-up companies in this study were in the software and hardware business (32%), IT consultant (30%), educational technology (41%), and IT infrastructure (15%).

Tab. 1: Respondents' profile

Information	Description	Total	Percentage (%)
Gender	Male	133	73
	Female	49	27
Age	< 20 years	67	37
	21–30 years	79	43
	>30 years old	36	20
Job tenure	0–5 years	66	36
	6–10 years	88	48
	>10 years old	28	16
Position	Top management	35	19
	Middle management	81	45
	Low management	66	36
Business field	Educational technology	41	23
	IT consultant	55	30
	Software and hardware	59	32
	IT infrastructure	27	15

Source: own

Most respondents were millennials. Middle-level management in this study equals to: supervisor to manager assistant. Low-level management in this study equals to: staff, technicians, data analysts, and senior staff. Meanwhile, top management equals to branch head and manager.

3.2 Partial least squares

The first stage of the analysis is examining indicators with an outer loading value of at least 0.7. Tab. 2 presents the outer loading values.

Tab. 2 showed that all indicators used in the questionnaire could be used as the research data since their outer loading values were above 0.7. In other words, indicators used in this study were capable of representing variables in the research model. In the second stage, the validity, reliability, and discriminant validity tests were performed. The result is presented in Tab. 3.

As shown in Tab. 3, employer branding, work environment, organizational commitment, psychological contract, and turnover intention met the validity and reliability requirement, as indicated by Cronbach-Alpha, Rho A, and composite reliability values of higher than 0.7. The AVE values of all variables were higher than 0.5, indicating that they met the discriminant validity requirement. Cronbach-Alpha, Rho A, Composite Reliability, and Average Variance Extracted values indicated that the data met the validity, reliability, and discriminant validity requirements. The next step was to test the hypotheses and coefficient of determination through R-square. Prior to the hypothesis test, the R-square value of all

Tab. 2:	Outer loading – Part 1

Indicator	Code	Outer loading
Psychological contract	PC1	0.723
	PC2	0.784
	PC3	0.762
	PC4	0.826
	PC5	0.801
	PC6	0.787
	PC7	0.726
Employer branding	EP1	0.793
	EP2	0.740
	EP3	0.816
	EP4	0.858
	EP5	0.776
	EP6	0.742
	EP7	0.780
	EP8	0.707
	EP9	0.834
	EP10	0.785
	EP11	0.756
	EP12	0.747
	EP13	0.766
	EP14	0.756
	EP15	0.734

Tab. 2: **Outer loading – Part 2**

Indicator	Code	Outer loading
Job environment	JE1	0.697
	JE2	0.818
	JE3	0.802
	JE4	0.831
	JE5	0.766
	JE6	0.722
Organizational commitment	OC1	0.877
	OC2	0.850
	OC3	0.731
	OC4	0.798
Turnover intention	TI1	0.819
	TI2	0.782
	TI3	0.808

Source: own

Tab. 3: **Validity, reliability, and discriminant validity**

Variable	Cronbach's alpha	Rho A	Composite reliability	Average variance extracted (AVE)
Employer branding	0.958	0.960	0.962	0.571
Job environment	0.866	0.874	0.899	0.599
Organizational commitment	0.831	0.844	0.888	0.666
Psychological contract	0.880	0.885	0.907	0.582
Turnover intention	0.884	0.813	0.781	0.641

Source: own

Tab. 4: *R*-square

Variable	*R*-square
Organizational commitment	0.601
Turnover intention	0.374

Source: own

variables was examined to see the effect size, as shown in Tab. 4.

Tab. 4 shows that psychological contract, employer branding, and work environment simultaneously affect organizational commitment by 60.1%, while the other 39.9% was affected by other variables outside the proposed model. Organizational commitment was found to moderately affect turnover by 37.4%. Organizational commitment, as the moderating variable, was

Tab. 5: Direct effect

Variables	Original samples	T-statistics	P-values	Hypothesis
Psychological contract –> Organizational commitment	0.250	2.159	0.031	Accepted
Employer branding –> Organizational commitment	0.356	2.925	0.004	Accepted
Job environment –> Organizational commitment	0.226	2.631	0.009	Accepted
Organizational commitment –> Turnover intention	0.612	12.177	0.002	Accepted

Source: own

found to positively and moderately link the effect of psychological contract, employer branding, and work environment on the turnover intention. In other words, this study found an indirect effect through the moderation of organizational commitment. The next step was to test the hypothesis through *T*-test value. The result is presented in Tab. 5.

Tab. 5 demonstrates that psychological contract, employer branding, and work environment have a partial, positive effect on organizational commitment, as indicated by *p*-value lower than 0.05 and *T*-statistic higher than *T*-table. These three variables were found to positively affect organizational commitment. Thus, *H1*, *H3*, and *H5* were accepted, meaning that psychological contract, employer branding, and work environment positively affect organizational commitment. As the moderating variable, organizational commitment positively affects turnover intention. The proposed *H7* was accepted, meaning that psychological contract, Employer branding, and work environment directly affect the organizational commitment. Organizational commitment, as the moderating variable, was found to directly affect turnover intention. The next step was to

test the hypothesis of indirect effect. The test result is presented in Tab. 6.

Tab. 6 shows that psychological contract, employer branding, and work environment indirectly affected turnover intention. Each variable exhibited a *p*-value of lower than 5% and *T*-statistic > *T*-table. Thus, *H2, H4,* and *H6* were accepted, meaning that psychological contract, employer branding, and work environment indirectly affect turnover intention through the moderation of organizational commitment. Organizational commitment moderates the indirect effect of psychological contract, employer branding, and work environment on turnover intention.

3.3 Discussion
This study found that psychological contract, employer branding, and work environment directly affected organizational commitment. Psychological contract was found to increase the organizational commitment by 25%. This finding supports previous study finding the positive effect of psychological contract on organizational commitment (Amoah et al., 2021; Jabeen et al., 2015). In reality, a new business needs quite a long time to develop a psychological bond

Tab. 6: Indirect effect

Variables	Original samples	T-statistics	P-values	Hypothesis
Psychological contract –> Organizational commitment –> Turnover intention	0.153	2.122	0.034	Accepted
Employer branding –> Organizational commitment –> Turnover intention	0.218	2.736	0.006	Accepted
Job environment –> Organizational commitment –> Turnover intention	0.138	2.540	0.011	Accepted

Source: own

EM

with employees. In this regard, companies are obliged to grow commitment and psychological bonds with their employees. It is necessary to develop psychological bonds among millennials as they are the future hope in this business sector. Information technology always requires new ideas and innovation to meet market demands. Both employees and companies should develop a psychological contract, as they depend on each other to achieve the business target.

In this study, employer branding was found to improve organizational commitment by 35.6%. This finding supports a previous study reporting the positive effect of employer branding on organizational commitment (Michel et al., 2015). This result implies that employees have a positive perception of IT start-up companies although they are still low. It is understandable since developing a reputation and image needs a long time. Employer branding may effectively improve mutual commitment to achieve the company's business target. Employer branding may be strengthened by improving the effectiveness of business process, professionalism, customer satisfaction, and product and service quality (Bendaravičiene, 2017; Nishihara et al., 2020). From a human resource perspective, employer branding may reduce turnover rate. Companies need to have a commitment to strengthen employer branding in customers, employee, and labor market's perspectives. Strong employer branding may help the company to reduce turnover intention and increase employee retention in the long-term, making more efficient and effective business process.

Work environment was found to affect organizational commitment by 22.6%. This finding supports the previous finding on the positive, direct effect of organizational commitment (Diana et al., 2020; Hakim, 2020; Kim et al., 2019). Employees need to have a comfortable, safe work environment. Such an environment will likely result in a high commitment to the company's business quality. Information and technology start-up companies require high contribution and productivity from all employees. The company should see the work environment as a short-term investment to achieve high-quality business (Rydell & Andersson, 2019). Ideas and innovation may stem from employees' comfort in a supporting work environment. The company should be highly committed to providing facilities, technology, regulation, and a comfortable work atmosphere.

This study found that organizational commitment may affect turnover intention by 61.2%. Previous studies show that organizational commitment positively affects turnover intention (El Akremi et al., 2014; Mathieu et al., 2015). The finding of this study also supports that organizational commitment could moderate turnover intention (Jang & Kandampully, 2018). This study found that psychological contract, employer branding, and work environment positively affected organizational commitment. These variables may develop high organizational commitment among employees. IT start-up companies need to have employees with high commitment, consistency, dedication, and loyalty to the company's business achievement. It implies that organizational commitment strongly affects turnover intention. However, IT start-up companies should have an alternative plan to address turnover intention. They need to be prepared to address the 39.8% turnover intention rate by designing a formulation and human resource development in order to retain its high-performing employees.

The indirect effect analysis showed that psychological contract, employer branding, and work environment indirectly affected turnover intention through the moderation of organizational commitment. Psychological contract was found to indirectly affect turnover intention by 15.3%, supporting previous studies finding that psychological contract indirectly affects turnover intention (Xiong et al., 2017). This indicates that employees of IT start-up companies still have low psychological bonds to the company business. They still indicate a high intention to move to other companies. This result should be taken into consideration to improve psychological attachment between the company and the employee. Both parties should be able to develop mutualism to achieve an effective business process.

Employer branding indirectly affects turnover intention by 21.8%. This study shows that employer branding affects turnover intention (Sahu et al., 2018; Yadav et al., 2020). Organizational commitment, as the moderating variable, shows that employees of IT start-up companies still view a company's branding. This indicates that employer branding may reduce turnover intention. Branding is a huge investment made by the company to make it known to the customers, employees, and labor market. From human resource aspects, employer branding

is important to reducing turnover rate. The information and technology industry has a high turnover rate, as employees may easily move to more stable companies with a higher reputation (Oliveira et al., 2019). Therefore, IT startup companies should have proper short- and long-term to improve their employer branding.

In this study, the work environment was found to indirectly affect turnover intention by 13.8%. This finding supports previous study finding on the indirect effect of work environment on turnover intention (Wan et al., 2018; Wang et al., 2020). IT start-up companies in this study have not been able to provide a supporting work environment. This condition hinders the development of business quality. In the IT sector, companies are demanded to provide services and ideas to meet market and consumers' needs. Business differentiation needs innovation, new ideas, and creativity of employees. Organizational commitment, as the moderating variable, is capable of explaining the direct and indirect effects on turnover intention. Although psychological contract, employer branding, and work environment exhibit a low indirect effect on turnover intention, this implies employees' high intention to stay with the organization. Every employee needs to have a strong organizational commitment to ensure business sustainability. Issues on turnover intention may be properly addressed through the development of psychological contract, professional bond, and a supportive work environment.

3.4   Business implication

This study found that psychological contract, employer branding, and work environment indirectly affected turnover intention through the moderating role of organizational commitment. IT start-up companies need to grow their employees' organizational commitment. IT start-up companies provide services and products to corporate or individual consumers. A quality business process may be obtained through professional work. Every employee needs to be committed to comprehensively improve the company business quality. IT service, consultation, and infrastructure sectors require new ideas and creativity from the employees. Optimal business growth will be achieved when an idea or creativity is accepted by customers and the market. To deliver such ideas, a safe, comfortable, and flexible work environment is needed. In this manner, employees will likely view their company

as their second home. This condition could also be realized through psychological contract between the company and employees.

A company's business success may reflect the psychological contract between the company and its employees. A good-quality business will likely be able to strengthen its employee branding to customers and labor market. IT start-up companies still need fresh human resources from the millennial generation. An effective business could be achieved through a supportive work environment. Organizational commitment was found to play an important role in turnover intention. This study found that psychological contract, employer branding, and work environment directly and moderately affected organizational commitment. This indicates that they could reduce employees' turnover intention. This finding is helpful for start-up companies to retain their employees.

Conclusions

This study concludes that psychological contract, employer branding, and job environment directly and indirectly affect turnover intention. Organizational commitment was found to significantly moderate the effect of these variables on turnover intention. The model shows that the three variables exhibit a low indirect effect on turnover intention. In this regard, companies need to strengthen their psychological contract, employer branding, and job environment. It is necessary for IT start-up companies to formulate a human resource development and plan in order to strengthen their branding to their own employees or to the labor market. They need to design a sound career plan, competitive remuneration system, and aptitude management program in order to establish a psychological contract with their employees. It is also necessary to improve the work environment quality by providing a flexible, supportive, and bureaucratic-free environment. The present study could be extended by applying the perspective of green human behavior and employee retention. It is also important to examine the factors affecting employee retention in IT industry. Future studies are recommended to apply Confirmatory Factor Analysis or case study. These approaches require high access to data in order to obtain a comprehensive study finding. The research model in this study could be extended to different business sectors like education, property, pulp, paper, or the oil and gas industry.

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Appendix

Tab. A1:   **Questionnaire – Part 1**

Variable	Indicator	Item	References
Psychological contract	Transactional contract	Employees perform their job according to the contract	(Botha & Steyn, 2021)
	Relational contract (stability)	Employees intend to work in a long-term in the company	
	Balanced contract (external employability)	Employees attempted to build their network to enhance their potential career	
	Balanced contract (uncertainty)	Employees perceive job insecurity in the workplace	
	Balanced contract (internal advance)	Employees seek for opportunities for training and development in the company	
	Dynamic performance	Employees are capable of accepting work challenges according to the business dynamics and company expectation	
	Mistrust	Employees do not trust the company	
Employer branding	Interest value	The company delivers an innovative products/services	(Berthon et al., 2005; Edwards, 2009)
		The company delivers a high-quality products/services	
	Social value	I have a good relationship with coworkers	
		I have a good relationship with my superiors	
	Economic value	The company provides an interesting compensation package for me	
		The company provides promotion opportunities	
		The company provides inter-department experience (task rotation)	
	Development value	I am confident being a part of this company	
		I am happy for working in this company	
		I gain a career-improving experiences	
		I feel being appreciated by the management	
	Application value	I am given opportunities to share my knowledge with coworkers	
		This company is customer-oriented	
		I feel being accepted in this company	
Work environment	Work relationship	All employees have a harmonious relationship among coworkers	(Colquitt et al., 2018).
	Work atmosphere	The work environment is comfortable and conducive, supported by its cleanliness	
	Work regulation	The company set working rules to support productivity	
	Lighting	The room lighting adequately supports employees working activities	
	Air circulation	The room temperature highly supports the activities and is air-conditioned	
	Security	Employees feels safe to work in a room equipped with CCTV	

Tab. A1: **Questionnaire – Part 2**

Variable	Indicator	Item	References
Organizational commitment	Affective commitment	Employees are proud to be the part of the company	(Meyer et al., 2002)
		Employees are happy to spend their career in the company	
	Normative commitment	Employees perceive loyalty to the company as important point of the working process	
	Continuance commitment	Employees find it difficult to leave the company	
Turnover intention	Thoughts of quitting	I begin to think to leave this company	(Mobley et al., 1978; Skelton et al., 2020)
	Intention to quit	I think about more interesting job than this current job	
	Intention to search for another job	I want to find better job	

Source: own