

Influences On Work Motivation Of Employees at BAOVIET Joint Stock Commercial Bank, Vietnam

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Abstract— The study surveyed 468 employees at BAOVIET Joint Stock Commercial Bank (hereinafter referred to as BAOVIET Bank), Vietnam, to analyze and evaluate the factors influencing employees' work motivation. The findings identified seven key factors affecting work motivation, ranked in descending order of impact: (1) Leadership style, (2) Working conditions, (3) Recognition, (4) Income and benefits, (5) Nature of work, (6) Training and advancement opportunities, and (7) Interaction with colleagues. These results not only provide empirical evidence regarding the drivers of work motivation within the financial sector in Vietnam but also contribute valuable data for future research in similar contexts. Based on the research findings, the author proposes immediate and long-term solutions to enhance quality efficiency and foster business development. By clearly outlining the details and characteristics of the finance industry in general and the banking sector in particular, companies and employees can gain a proper understanding of the true nature of their work and a deeper insight into the specific labor characteristics within the banking and finance sectors. The strategies include leveraging the company's strengths and addressing its weaknesses to attract, retain, and develop its human resources.

Keywords— Work Motivation, Welfare, Employee, Bank.

I. INTRODUCTION

Work motivation is a critical concern in human resource management across all organizations. Fostering motivation among employees plays an essential role in enhancing organizational performance. In today's fiercely competitive environment, any organization aiming to survive and thrive must establish a distinctive edge. The banking sector possesses unique characteristics; unlike businesses in other industries that differentiate themselves through product quality or competitive pricing, financial enterprises rely heavily on their human resources to secure a competitive advantage. This is because people are a valuable asset to any organization, and businesses consistently require individuals who are fully committed, passionate, and proactively innovative in pursuing shared goals.

II. LITERATURE REVIEW

Work motivation is a set of dynamic forces, originating internally and externally within an individual, that determine the form, direction, intensity, and duration of work-related behavior. Motivation is an internal state and force that encourages individuals to engage in activities. What is deemed significant as a motivator for one individual or group may not hold the same

importance for another. In other words, individual characteristics are the most critical factors influencing motivation (Latham and Pinder, 2005).

2.1. Work Motivation

Work motivation is the agent that triggers, directs, and sustains human behavior, enabling individuals to willingly work diligently and enthusiastically to achieve optimal results (Hasibuan, 2003). According to Herzberg (1959), work motivation is “the desire and voluntary willingness of employees to increase their efforts toward achieving organizational goals.” It encompasses internal factors that stimulate individuals to actively work under conditions that foster high productivity and efficiency. The manifestation of motivation is reflected in the readiness and effort to work toward both organizational objectives and personal goals of the employees. Mullins (2010) asserts that motivation involves creating incentives, encouragement, and a work environment that enables individuals to fully realize their potential. Crucially, motivation entails providing people with what they truly desire most to perform effectively.

2.2. Theoretical Background

Research by Kenneth S. Kovach (1987): This study investigated what motivates employees by surveying 1,000 employees and 100 supervisors in industrial factories across the United States. The research identified ten key factors that drive employee work motivation, including (1) Interesting work, (2) Recognition for work performed, (3) Autonomy in work, (4) Job stability, (5) High wages, (6) Career advancement and professional growth, (7) Good working conditions, (8) Supervisors’ loyalty to employees, (9) Tactful and subtle handling of discipline, and (10) Supervisors’ support in addressing personal issues.

Islam and Zaki (2008) researched the objective of this study was to identify factors that motivate employees working across various organizations in Malaysia. Utilizing a survey method, the study gathered responses from 503 employees employed in Malaysian organizations. The findings revealed six key factors that enhance employee motivation within these organizations: (1) High wages, (2) Good working conditions, (3) Promotion, (4) Job security, (5) Interesting work, and (6) Full appreciation of work done. These results offer practical guidance for managers seeking to boost employee work motivation. However, Islam and Zaki (2008) argue that motivating employees in the 21st century using theories formulated in the 1880s and early 1900s may prove infeasible. With the global context evolving rapidly, development and management programs should integrate factors that impact employees’ work lives. Furthermore, such initiatives risk failure if employee input is not sufficiently considered. Existing studies have laid down essential guidelines for designing employee motivation programs. Future research should be conducted in other countries along similar lines to enable comparisons with the Malaysian context.

Research by Conrad David and Colleagues (2015): This study examined the factors motivating employees by comparing perceptions between staff physicians and physician leaders in Minnesota, USA. The research method involved surveying 114 staff physicians and 24 physician leaders regarding 12 motivational factors: (1) Feeling “in on things,” (2) Appreciation of work done, (3) Empowerment and autonomy, (4) Interesting work, (5) Good wages, (6) Relationship with management, (7) Good working conditions, (8) Promotion/growth, (9) Fair treatment, (10) Job security, (11) Work-life balance, and (12) Clear goals and roles. The study’s results revealed a surprising degree of similarity in responses between staff physicians and physician leaders. However, staff physicians ranked “interesting work” and “job security” more significant than their leadership counterparts. This suggests that leaders should place greater emphasis on ensuring job security and personnel stability as primary management goals. As Kovach (1987) suggested, as employees’ income rises, financial incentives become less motivating, while interesting work gains greater importance as employees age.

2.3. Research Model and Hypotheses

Based on a synthesis of domestic and international studies, the research team proposes a model comprising seven factors influencing the work motivation of employees at BAOVIET Bank, as follows: (1) Income and benefits, (2) Leadership, (3) Recognition, (4) Nature of work, (5) Interaction with colleagues, (6) Training and advancement, and (7) Working conditions.

The study was conducted using a combination of qualitative and quantitative research methods, detailed as follows: Qualitative research was employed to identify the factors of the research model (independent and dependent variables) and to refine the measurement scales for these factors (survey questions). This was achieved through group discussions among the research subjects, guided by the researcher using a discussion outline. The discussion group consisted of 9 participants: 1 lecturer specializing in management, 3 managerial staff, and 5 employees. Quantitative research was carried out by surveying 234 employees working at BAOVIET Bank from June 2023 to December 2023, using a questionnaire distributed via Google Forms. The collected data were processed using the SPSS 25 software.

III. AN EXAMINATION OF THE DOMINO CASE STUDY

3.1. Cronbach's Alpha Reliability Testing

The Cronbach's Alpha reliability test results for the 7 independent variables and the dependent variable are presented in Table 1. During the analysis, the variables DN4 (from the Nature of Work scale), TT5 (from the Interaction with Colleagues scale), CN2 (from the Recognition scale), and LD6, LD5, LD7 (from the Leadership scale) exhibited Corrected Item-Total Correlation values below 0.3. Consequently, these 6 variables did not meet the required threshold for correlation with the overall scale and were removed from the model. Following their elimination, the Cronbach's Alpha test was re-run to ensure the reliability of the remaining variables in the study.

TABLE 1. Cronbach's Alpha Coefficient Analysis

Variables	Items	Total number of observed variables	Cronbach's Alpha	Number of observed variables	Omitted variable
Working conditions	DK	5	0.885	0	-
Income and benefits	TN	5	0.899	0	-
Nature of work	CV	6	0.856	0	-
Interaction with colleagues	DN	4	0.849	1	DN4
Training and advancement	TT	5	0.845	1	TT5
Recognition	CN	4	0.811	1	CN2
Leadership	LD	7	0.892	3	LD6, LD5, LD7
Total		36		6	30

3.2. Exploratory Factor Analysis - EFA

The authors conducted an Exploratory Factor Analysis (EFA) with 30 observed variables for the independent variable and 6 observed variables for the dependent variable (Table 2). Table 2 shows that the KMO test result is 0.843 (satisfying the condition $0.5 < \text{KMO} < 1$), indicating that the factor analysis method is appropriate. Additionally, the significance level of Bartlett's test is $0.000 < 0.05$, demonstrating that these observed variables are correlated within the population and that this dataset is suitable for conducting EFA.

TABLE 2. EFA Analysis

	KMO	Bartlett's Test of Sphericity		
		Approximate Chi-Square	Degrees of Freedom	Alpha
Independent Variables	0.843	4715.72	433	0.000
Dependent Variable	0.637	2354.07	17	0.000

The test results show that the KMO coefficient for the dependent variable is 0.637 (satisfying the condition $0.5 < \text{KMO} < 1$), indicating that the factor analysis method is appropriate. Additionally, the significance level of Bartlett's test is $0.000 < 0.05$, showing that these observed variables are correlated within the population, which confirms that this dataset is suitable for conducting Exploratory Factor Analysis (EFA). The analysis results indicate that the observed variables for the dependent variable in the research data are extracted into one factor (with an Eigenvalue > 1) and explain 71.51% of the variance in the dataset.

The Principal Component Analysis (PCA) method was used as the extraction method, combined with Varimax rotation, showing that the research data was extracted into 7 factors (with Eigenvalues > 1) and explained 70.15% of the variance in the dataset. The results after conducting Exploratory Factor Analysis (EFA) indicate that all observed variables have factor loadings > 0.5 . Additionally, the initial 30 observed variables converged into groups of similar characteristics, forming 7 scales to explain the factors.

3.3. Correlation Analysis

The results indicate a relatively strong correlation between the independent variables and the dependent variable, as $\text{Sig.} < 0.05$, with correlation coefficients ranging from 0.349 to 0.478, demonstrating a strong relationship between the independent variables and the dependent variable. Table 3 shows that the adjusted R^2 value is 0.552. This reflects that the seven independent variables included in the research model explain 55.2% of the variation in the dependent variable. In other words, 55.2% of the differences in employee motivation at BAOVIET Bank can be explained by the differences in the seven factors within the research model. The results of the ANOVA analysis (Table 4) indicate that the F-statistic (Fisher's value) is 41.16 at a significance level of 5%. This demonstrates that the research model is appropriate and represents the population of the study effectively.

TABLE 3. EFA Analysis

Model	R	R^2	Adjusted R^2	SE	Durbin-VVatson
1	0.745	0.554	0.552	0.44861	1.805

TABLE 4. Anova Analysis

Model	Sum of Squares	Degrees of Freedom	Mean Square	F	Alpha
Regression	56.567	7	0.801	41.16	0.000

It is observed that the independent variables have a linear relationship with the dependent variable – employee motivation at BAOVIET Bank, and the independent variables have significance levels < 0.05 . Therefore, these variables have a statistically significant impact on the dependent variable. From the results of the regression analysis, the standardized regression equation is as follows:

$$DL = 0.263*LD + 0.148*CV + 0.27*DK + 0.108*DN + 0.141*TT + 0.152*CIV + 0.157*TN$$

IV. DISCUSSION AND IMPLEMENTATIONS

4.1. Discussion

The research results indicate that seven factors have a positive influence on employee motivation at BAOVIET Bank, ranked in descending order of impact as follows: (1) Leadership: This factor has the strongest influence on employee motivation. Effective leadership that inspires, supports, and guides employees can significantly enhance motivation and productivity. Employees are more motivated when they feel their leaders are competent, fair, and supportive. (2) Working conditions: Favorable working conditions, including a comfortable physical environment, appropriate tools and resources, and a positive organizational culture, contribute to higher employee motivation. When employees are provided with a safe and conducive work environment, they are more likely to feel satisfied and motivated to perform well. (3) Recognition: Recognizing and appreciating employees' efforts and achievements boosts their morale and motivation. When employees feel their hard work is acknowledged and valued, they become more engaged and committed to their tasks. This includes verbal praise, awards, or other forms of recognition. (4) Income and benefits: Competitive salaries, bonuses, and comprehensive benefits packages play a crucial role in motivating employees. Adequate compensation meets employees' financial needs and enhances their sense of worth and job satisfaction, motivating them to contribute effectively. (5) Nature of the job: The intrinsic characteristics of the job, such as its complexity, creativity, and meaningfulness, influence employee motivation. Jobs that are challenging, engaging, and aligned with employees' skills and interests tend to enhance their motivation and job satisfaction. (6) Training and promotion: Opportunities for professional development and career advancement motivate employees to enhance their skills and pursue long-term career goals. When employees see clear pathways for growth and promotion within the organization, they are more likely to be motivated and loyal to the company. (7) Interaction with colleagues: Positive interactions and good relationships create a supportive and collaborative work environment. When employees have strong social connections and feel a sense of belonging within their team, their motivation and overall job satisfaction are significantly enhanced.

4.2. Policy Implications

Firstly, enhancing the Wage Instrument. Wages play a pivotal role in the economy, functioning as a lever to stimulate the material interests of workers, thereby encouraging greater diligence and enhancing their labor productivity. BAOVIET Bank should establish regulations for the allocation and utilization of an incentive wage fund, aligned with the strategic directives of its Headquarters. This mechanism is intended to serve as a lever to bolster employee motivation, tailored to the specific operational context and characteristics of the unit. Specifically, within the scope of the allocated wage budget, BAOVIET Bank designates between 5% and 7% of the total wage fund to constitute an incentive wage pool, which is utilized to incentivize and motivate employees.

Secondly, diversify the reward policies. BAOVIET Bank needs to establish reward criteria tailored to each type of employee. The decision to grant rewards should be made promptly - within no more than one month after an employee achieves commendable performance. In cases where immediate rewards cannot be given, direct supervisors can express their appreciation through verbal praise, acknowledging the employee's outstanding accomplishments. Equally important is that the reward decisions are communicated clearly and fairly to avoid creating any sense of injustice among employees. If the reward decisions are delayed relative to the time of the employee's good performance, they may feel that BAOVIET Bank does not properly recognize their contributions. This could lead to a decline in trust, increased frustration, and a loss of motivation, ultimately affecting their work performance if they feel their efforts are not adequately acknowledged.

Thirdly, enhancing Welfare Benefits. The dual framework of financial and non-financial incentives should be maintained. Regarding financial incentives, BAOVIET Bank will continue to uphold benefits such as bonuses for holidays, Tet, birthdays, and similar occasions. For non-financial incentives, the bank will sustain provisions for employees including paid leave, family vacation opportunities, training programs, health check-ups, and Tet gifts. Additionally, the introduction of supportive policies aimed at assisting employees during unexpected difficulties will enable them to overcome such challenges swiftly and resume their

work effectively. These policies not only aid employees in navigating personal hardships but also foster a sense of care and support from the organization. Beyond addressing material needs, BAOVIET Bank should implement initiatives such as regular visits and encouragement for employees. Although these actions may appear modest, they contribute significantly to employees' peace of mind, trust, and appreciation, motivating them to exert greater effort and commitment in their roles.

Fourthly, Maintaining a Professional Working Environment. The establishment of core values and organizational culture is of paramount importance. Leadership must demonstrate respect for employees' contributions and acknowledge the benefits they bring to the company. BAOVIET Bank should also create opportunities for employees to propose innovative ideas for the company's development, offering rewards for suggestions with tangible practical value. Management is encouraged to exhibit respect for individual differences among employees, gaining a deeper understanding of their expectations and the reasons behind their commitment to BAOVIET Bank. Demonstrating care for employees involves providing support and guidance to help them excel in their roles while granting them autonomy. Such measures foster a sense of connection and trust in both the leadership and the organization, motivating employees to exert maximum effort to meet expectations. Additionally, BAOVIET Bank should prioritize attention to employees' families by organizing events that involve them and enhance their understanding of the company. This approach contributes to cultivating a friendly, cohesive work environment, fostering unity in pursuing the company's shared objectives.

Fifthly, Enhancing the quality of skill training for Bank employees. The development of integrated training programs is essential to ensure that employees continuously monitor the tasks they perform while acquiring the necessary skills to execute those duties effectively. The training framework should closely align with and reflect the real-world daily activities of employees, enabling them to accumulate critical experience in task management. Training courses should be designed to emphasize strengthening peer relationships, fostering an understanding of organizational objectives, clarifying individual goals, and cultivating a healthy work atmosphere. This approach ensures that employees receive substantial attention and support from the organization. Consequently, such efforts are expected to enhance employees' engagement, dedication, and loyalty, contributing to the sustainable development goals of the bank.

V. CONCLUSION

BAOVIET Bank has shown concern for motivating employees, creating a conducive working environment and conditions for workers, and fostering a comfortable mindset that contributes to improving work productivity and efficiency. The bank's salary policy is clearly defined, ensuring a stable standard of living for employees. Regularly organizing training and professional development courses has helped the branch attract high-quality human resources, enhancing employees' professional expertise so they can increase productivity and bring effectiveness to the branch. The branch consistently and fully implements social welfare policies for employees, creating a sense of security for workers when they join the organization. Additionally, fostering a friendly and open working environment helps employees collaborate smoothly to complete their tasks. Introducing timely and transparent reward policies has made employees feel valued, encouraging their work spirit and helping them become more enthusiastic, dedicated, and responsible in their jobs.

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