Factors Affecting Work Motivation of Official Credit Staff in Ham Thuan Bac District, Binh Thuan Province

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ABSTRACT

This study inherits and develops the Kovach model (1987), also references researches related to employee motivation to find out factors affecting the work motivation of staff working at official credit institutions in Ham Thuan Bac district, Binh Thuan province. Research data are collected from 176 employees working at official credit institutions by convenient sampling. Applying exploratory factor analysis and multivariate linear regression, the study has demonstrated impacting factors to employee motivation. They include learning and promotion opportunities, income and benefit, care and recognition, working environment, leadership style, nature of work, workplace relationship, empowerment, and job stability. Especially, the factor of learning and promotion opportunities has the most influence on the working motivation of official credit employees in Ham Thuan Bac district, Binh Thuan province.

KEYWORDS: work motivation, credit organization, employee

1. PROBLEM STATEMENT

In the era of industry 4.0, most businesses consider human resource quality as their priority. The market is moving towards digital transformation and enterprises are concerned about investing in technology as well as service quality. However, if the quality of human resources does not meet certain demands, the investment in technology or service quality is not meaningful. How to properly exploit the available human resources to develop the business is an urgent issue for human resource managers. Work motivation is one of the most significant factors. Self-conscious workers with strong motivation have the strength to overcome obstacles and complete the assigned tasks. This helps improve work efficiency and contributes to the success of the organization. Therefore, work motivation and factors affecting the work motivation need to be focused on, thereby building an appropriate management model which brings higher efficiency to the enterprise.

Human resource quality reflects the stability, development, and safety of the whole banking system. Motivating employee plays an essential role in improving the bank's performance in the fierce competition context. Therefore, researching the factors affecting employee motivation in banks is necessary. It is because this will be the basis for managers to arouse and maintain the motivation for employees, above all retain top talents. Hence, the study of factors affecting the work motivation of employees at official credit institutions in Ham Thuan Bac district, Binh Thuan province was implemented.

2. THEORETICAL FRAMEWORK AND RESEARCH HYPOTHESES

According to Herzberg (1959), work motivation is a psychological process arising from the excitement, direction, and perseverance to achieve individual and organizational goals. Work motivation is the voluntary, desire, and effort to work which helps employees achieve personal goals, thereby acquiring

the organization's objectives (Bedeian 1993). Motivation is an internal impulse, based on the basic conscious and unconscious needs of an individual which forces them to work towards the goals (Carr, 2005). In a study in 2007, Quan and Diem stated that work motivation is the desire and willingness of employees to increase efforts to achievecollective goals. Pinder (2014) argued that work motivation is a combination of powerful energies originating both internally and externally that performs work-related behaviors, determines the direction, intensity, and duration of the work.

Based on the theoretical basis and research models related to the motivation of employees (Kovach, 1987; Herzberg, 1959; Vroom, 1964; McClelland (1987), the

study proposes a model of factors influencing the work motivation of employees at official credit institutions in Ham Thuan Bac district, Binh Thuan province. The model includes ten factors: income and benefit, nature of work, learning and promotion opportunity, leadership style, workplace relationship, working environment, job stability, care and recognition, empowerment, work-life balance. The authors use group discussions (qualitative research) with experts and staff working at official credit institutions in Ham Thuan Bac district to collect data. The discussion result creates research hypotheses and appropriate scales for the research model, so the model is established as follows:
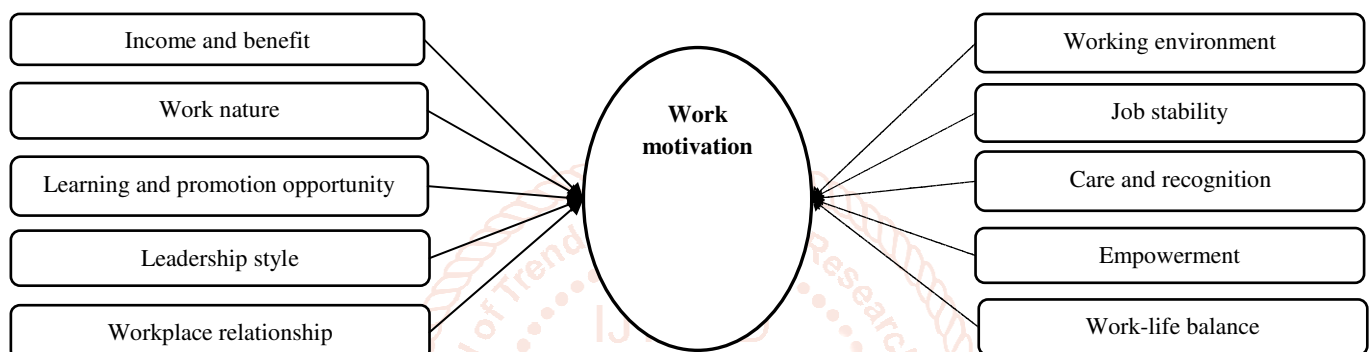

Figure 1: Proposed research model

Table 1: Interpretation of observed variables in the research model

Factor	Observed variables	Sign	Reference resources
Income and benefit	Salary and welfare policies are decentralized.	IB1	Khan et al. (2017), Dung (2020)
	The current salary is commensurate with employees' ability.	IB2	
	Rewards are commensurate with their contributions and dedication.	IB3	
	Insurance and working allowance are reasonable.	IB4	
	Good policies of sick leave, maternity leave, annual leave, etc.	IB5	
Work nature	Work is arranged appropriately with the employees' capacity and strengths.	WN1	Akhtar et al. (2014)
	Employees understand the work they are responsible for.	WN2	
	Employees have the right to make decisions about their work issues.	WN3	
	The job requires employees to make good use of their abilities.	WN4	
	The job requires employees to learn and improve skills to ensure effective work.	WN5	
Learning and promotion opportunity	Employees participate in training programs to enhance their professional skills.	LP1	Dung (2020)
	Employees participate in other training programs.	LP2	
	Top employees have promotion opportunities.	LP3	
	Employees have opportunities for career development.	LP4	
	The bank provides good conditions to improve professional qualifications for employees (exchange programs, knowledge improvement activities, etc)	LP5	

Leadership style	Managers always respect and trust their employees.	LS1	Akhtar et al. (2014)
	Managers always treat employees fairly without discrimination.	LS2	
	Employees easily communicate with their managers.	LS3	
	Managers always acknowledge the employees' contributions.	LS4	
	Managers have high ability, strategic vision, and executive skills.	LS5	
Workplace relationship	Colleagues always share knowledge and experience at work.	WR1	Barzokiet al.(2012)
	Colleagues are friendly and open.	WR2	
	Coordination and cooperation between employees take place in a positive and effective direction.	WR3	
	Colleagues always support each other.	WR4	
	The staff is willing to cooperate working as a team.	WR5	
Working environment	Office and outside working time is arranged reasonably and scientifically.	WE1	Khan et al. (2017), Dung (2020)
	Full working facilities and equipment.	WE2	
	The workplace is safe and secure.	WE3	
	Employees are supported to travel to work (vehicle, travel expenses)	WE4	
	The performance evaluation criteria are clear and public.	WE5	
Job stability	The staff finds their current job is stable.	JS1	Dung (2020)
	The staff is not worried about unemployment.	JS2	
	The bank guarantees the number of working hours for employees according to the current regulations.	JS3	
	Employees have clear labor contracts with the bank.	JS4	
	The bank issues the job guarantee policy for employees.	JS5	
Care and recognition	Managers recognize staff's achievements at work.	CR	Akhtar et al. (2014)
	Managers timely reward employees with high performance.	CR2	
	Managers fairly evaluate employees' performance.	CR3	
	Managers use performance appraisals as a mechanism to control employees' performance.	CR4	
	Managers always encourage employees at work.	CR5	
Empowerment	The bank allows employees to make decisions related to their work.	EM1	Akhtar et al. (2014), Khan et al. (2017),
	Managers encourage employees to make decisions related to the bank's operation.	EM2	
	Employees can give ideas to develop the bank.	EM3	
	The bank listens to employees before making decisions.	EM4	
	The bank collects feedback from employees regularly.	EM5	
Work-life balance	The working schedules can be arranged flexibly.	WL1	Barzokiet al.(2012)
	Employees have time for their families.	WL2	
	Employees have time for personal-care activities.	WL3	
	Employees are not worried about family-related issues when they come to work.	WL4	
Work motivation	Employees feel excited doing their current job.	WM1	Akhtar et al. (2014), Khan et al. (2017), Dung (2020)
	Employees usually work in the best mood.	WM2	
	Employees feel motivated with their job duties.	WM3	
	Employees want to spend more time at work.	WM4	
	The work in charge means a lot to employees.	WM5	

Source: Authors' proposal, 2021

3. RESEARCH METHODOLOGY

3.1. Analytical method

The study uses convenient sampling to survey 176 employees working at official credit organizations in Ham Thuan Bac district, Binh Thuan province. According to Hair et al. (1998), to meet the requirement of the EFA, the observations/measurement variable proportion needs to be 5/1 which means one measurement variable requires five observations in minimum. Tabachnick and Fidell (2007) showed the suitable sample size for regression analysis should be $N \geq 50 + 5 \cdot m$ (m is the number of independent variables). To conclude, the sample size of the study meets the requirements for the research hypothesis test.

3.2. Data collection method

The analytical methods used to test the research hypotheses include testing the reliability of the scales by Cronbach's alpha coefficient, êxploratory factor analysis, and multivariate linear regression. The analysis is carried out in the following three-step sequence. Step 1: Use Cronbach's alpha coefficient to test the correlation between observed variables. Step 2: Use exploratory factor analysis (EFA) to test the convergent and discriminant validity of variables. Step 3: Use multivariate linear regression to test the research hypotheses.

4. RESEARCH RESULTS AND DISCUSSION

4.1. Test the reliability of scales

The scale reliability is evaluated by Cronbach's alpha coefficient. Cronbach's alpha coefficient helps eliminate "trash" variables. Those with item-total correlation values less than 0.3 are excluded (Nunnally, 1978; Peterson, 1994; Slater, 1995) and the scale is selected if its Cronbach's alpha coefficient is greater than 0.6 (Nunnally & Bernstein, 1994). The analysis results in table 2 show that all scales have high reliability ($\alpha \geq$ 0.7). Also, all observed variables item-total correlation higher than 0.5. Therefore, all scales can be used in the exploratory factor analysis (EFA).

Table 2: Reliability test of scales

Factor	Number of observed variables	Min item-total correlation	Cronbach's alpha
Income and benefit	5	0.617	0.857
Work nature	5	0.688	0.884
Learning and promotion opportunity	5	0.551	0.808
Leadership style	5	0.611	0.850
Workplace relationship	5	0.528	0.853
Working environment	5	0.609	0.856
Job stability	5	0.641	0.860
Care and recognition	5	0.590	0.869
Empowerment	5	0.587	0.898
Work-life balance	4	0.742	0.774
Work motivation	5	0.679	0.887

Source: Survey data, 2021

4.2. Exploratory factor analysis (EFA)

For independent variables, the EFA is implemented twice that achieving these results: (1) Reliability of observed variables (Factor loading > 0.5). (2) Test the suitability of the model (0.5 < KMO = 0.752 < 1.0). (3) Bartlett's test on correlation of observed variables (Sig. = 0.00 < 0.05). (4) Cumulative variance test achieves 66.63% > 50% (Anderson and Gerbing, 1988). The variable LP3 (with factor loading < 0.5) is excluded from the model because it does not meet the significance requirement (Hair et al., 1998). The results have formed ten factors with Eigenvalue = 1.5 and there is no variable disturbance between factors, so the names of the factors remain the same. Similarly, the results of EFA for the dependent variable give satisfactory results: The significance level of the model (Sig) is less than 0.05, KMO value = 0.874 in the range from 0 to 1, factor loading of variables are all greater than 0.5. The total variance explained reaches 68.8% > 50%. This confirms that the study data are consistent (Anderson and Gerbing, 1988). As a result, the analysis forms one factor, which is work motivation. All factors are shown in the table below.

Table 3: Factors formed from the EFA result

Sign	Observed variables	Factor
IB	5 variables	Income and benefit
WN	5 variables	Work nature
LP	4 variables	Learning and promotion opportunities
LS	5 variables	Leadership style
WR	5 variables	Workplace relationship
WE	5 variables	Working environment
JS	5 variables	Job stability
CR	5 variables	Care and recognition
EM	5 variables	Empowerment
WL	4 variables	Work-life balance
WM	5 variables	Work motivation

Source: Survey data, 2021

4.3. Multivariate linear regression

According to the result in table 4, the significance level (Sig.F = 0.00) is much smaller than the $\alpha = 5\%$ level, so the regression model is set up appropriately. The adjusted R^2 value is 66.1%, which proves that the independent variables explain the variation of work motivation at a high level. The Durbin-Watson test has a value of 2.039 meaning that the model does not have autocorrelation (Trong and Ngoc, 2008). Besides, the variance inflation factor (VIF) of the variables are all less than 10, so the multicollinearity is not significant (Nam, 2008).

Table 4: Multivariate linear regression result

Factor	Standardized coefficient	Significance level(Sig.)	Variance inflation factor VIF	Hypothesis
Income and benefit	0.267	0.000	1.589	H1: accepted
Work nature	0.119	0.004	1.251	H2: accepted
Learning and promotion opportunities	0.292	0.000	1.390	H3: accepted
Leadership style	0.130	0.003	1.351	H4: accepted
Workplace relationship	0.110	0.016	1.510	H5: accepted
Working environment	0.136	0.001	1.268	H6: accepted
Job stability	0.090	0.042	1.437	H7: accepted
Care and recognition	0.164	0.000	1.111	H8: accepted
Empowerment	0.095	0.017	1.135	H9: accepted
Work-life balance	0.079	0.051	1.179	H10: rejected
(Sig.F)= 0.000; Adjusted R^2= 0.661; Durbin-Watson = 2.039				

Source: Survey data, 2021

Based on the result table, there are nine accepted research hypotheses. This means the work motivation of employees at credit organizations is influenced by the following factors: income and benefit, nature of work, learning and promotion opportunity, leadership style, workplace relationship, working environment, job stability, care and recognition, and empowerment. All nine factors have positive impacts on the work motivation of credit staff. In particular, the learning and promotion opportunity factor has the most impact on their work motivation. The actual survey shows that employees at credit institutions are concerned about training programs to improve their professional qualifications and develop their careers. Therefore, managers of credit institutions shouldfocus on the learning and promotion opportunities to better motivate employees.

5. CONCLUSION

In general, the study has achieved the set goal which is to identify the factors affecting the work motivation of employees at credit institutions in Ham Thuan Bac District. The study has found out nine positive affecting factors to employee motivation at credit institutions, including income and benefit, nature of work, opportunities for learning and promotion, leadership style, workplace relationship, working environment, job stability, care and recognition, and empowerment. In which, the factor of learning and promotion opportunities has the strongest influence on credit employees. The research results are a helpful scientific basis to help managers at credit institutions develop action programs to improve employees' motivation in the future.

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