FACTORS AFFECTING VNPT EMPLOYEES' LOYALTY IN DONG NAI PROVINCE

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The aim of the study carried out from January 2023 to June 2023 is to determine factors affecting the loyalty of VNPT employees in Dong Nai province. In the survey, 202 questionnaires were distributed, 192 of which were valid. Both qualitative and quantitative methods were applied. After evaluating the scale's reliability through Cronbach’s Alpha coefficient and exploratory factor analysis EFA, the research results show that there are 5 factors affecting loyalty. Five factors are ranked in order of priority according to the standardized regression coefficient, including (1) Leadership relationship, (2) Suitable work, (3) Working conditions, (4) Salary and benefits; (5) training and development. Based on the results of running multiple linear regression, the authors proposed managerial implications to improve the loyalty of VNPT employees in Dong Nai province in the coming time.

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1. Introduction

The business's success in the market has proven that the first and most crucial factor in helping the company succeed is people. People - the enterprise's human resources will determine its destiny; it can create all but also destroy all. Managers always want and constantly question how businesses can have talented, loyal, and dedicated people [1]. Today's companies doing business and competing in a volatile globalized environment require an appropriate development strategy and excellent human resources to effectively exploit opportunities and society and adequately deal with the challenges posed to ensure high efficiency and sustainable development. It can be seen that in recent years, technology has been the fastest-changing thing. Vietnam's telecommunications industry faces an open market and many challenges, including fierce competition among enterprises, especially VNPT with Viettel, Mobiphone, and FPT. In high-tech industries such as telecommunications, in addition to needing high-quality human resources, it is also necessary to know how to retain qualified employees to avoid losing brainpower. This is a business survival issue.

To understand the importance, as well as find out the factors affecting the loyalty of VNPT employees, the authors choose the topic "Factors affecting the loyalty of VNPT employees in Dong Nai" to help the unit improve human resource management to take positive actions to retain talents for the enterprise to avoid brain drain in the future.

2. Literature review and research model

2.1 Literature review

The concept of loyalty: In today's business environment, companies that want to succeed have to rely heavily on the efforts of their excellent employees. This is especially true in high technology, biotechnology, finance, and securities industries. Are the employees who work hard, give their best effort, and always care about the company's interests, are loyal employees? Defining and determining what employee loyalty is is not always easy. Over the years, there have been many definitions of loyalty by different individuals and organizations [2, 3].

Employee loyalty is the employee's commitment to the success of the organization and the belief that their best choice is to work for the organization. Not only do they make plans to survive with the organization, but they also do not actively seek out opportunities to change jobs and do not respond to other attractive offers [4]. Loyalty is understood as an employee feeling attached to the organization, and loyalty is sometimes used as a synonym for one or more forms of commitment. Loyalty means employees stick with someone or something even when it goes against self-interest. Employee loyalty is the willingness to work on behalf of the organization, for its goals and values to be aligned with the organization, and the desire to remain a member [2, 3].

According to this definition, employee loyalty is the "want" to stay with the organization and not intend to leave [4].

2.2 Research model

From the models and theories mentioned in the theoretical basis, the proposed research models are salary and benefits, training and development, working conditions, leadership relationship, and suitable work. Thereby, the author's team built this research model:

Salary and benefits: Salary and bonuses are both a costly expense and an asset class. Expensive costs are reflected in labor costs. However, salary, bonuses, and compensation are assets because they motivate employees to work hard. It potentially influences employee work behavior, encouraging employees to work more productively. Salaries and bonuses help employees improve work, increasing productivity and lowering the rate of people leaving [4]. Salary and other non-salary items are commensurate, reflecting what employees contribute to the company. The higher and fairer the salary and bonus paid to employees, the higher the employee's loyalty to the organization and vice versa. Research shows that salary and benefits positively affect employee loyalty. Employees are likelier to stay with their organizations if they feel that their competence, efforts, and contributions are recognized [2, 3]. Therefore, the authors put forward hypothesis H1 as follows:

Hypothesis H1: salary and benefits positively affect employee loyalty.

Training and development: Training helps employees update new skills and knowledge, allowing them to successfully apply technological and technical changes in the business. At the same time, it will enable employees to acquire the necessary skills for promotion opportunities and to replace essential managers and professionals [4]. Therefore, training is seen as a fundamental element in meeting the organization's strategic objectives. The quality of employees has become one of the competitive advantages of enterprises. Enterprises should focus on training policies and create opportunities for employees to develop themselves. The results show that training and development positively affect employee loyalty. The more the organization conducts training and creates promotion opportunities, the higher the employee's commitment to the organization and vice versa [2, 3]. Therefore, the authors put forward hypothesis H2 as follows:

Hypothesis H2: Training and development have a positive effect on employee loyalty.

Working conditions: Working conditions related to safety needs. Once the company creates a dynamic working environment, with maximum support for the work, employees will consider this factor more when deciding to continue working or leave the company. Physical working conditions are safe and supportive of the job. At that time, it will give rise to the intention to seek a more dynamic and exciting working environment. Improving working conditions is also the excellent implementation of labor safety policies and investment in specialized machinery and equipment to increase productivity and enhance the surrounding environment for employees. The results show that working conditions positively affect employee loyalty [2, 3]. Therefore, the authors hypothesize H3 as follows:

Hypothesis H3: Working conditions positively affect employee loyalty.

Leadership relationships: Leadership in this study is defined as the process by which the leader influences, influences, encourages, motivates, and directs the followers' activities to achieve the common goals of the followers.
Organization, and at the same time, based on many theories showing that leadership positively influences employee loyalty. The relationship with the leader manifests when employees join an organization; the relationship between superiors and subordinates is a directing relationship; and between colleagues, there must be a relationship with each other in the implementation of work. Research shows that leadership relationship positively affects employee loyalty [2, 3]. Therefore, the authors hypothesize H4 as follows:

Hypothesis H4: Leadership relationship positively affects employee loyalty.

The right job: The suitable position plays a role in recognizing the employee's contribution to the organization. An organization that identifies employees' contributions appropriately and timely helps them be more motivated to contribute. The right job shows the characteristics and characteristics that the job brings to the employee. In addition, the right job represents interesting work, stable work, and self-control at work. Research results show that the right job positively affects employee loyalty [2, 3]. Therefore, the authors hypothesize H5 as follows:

Hypothesis H5: The suitable job has a positive effect on employee loyalty.

With the above analysis, the proposed research model is as follows.

![Diagram](Source: compiled by a group of authors)

**Figure 1. Research model of factors affecting employee loyalty**

Figure 1 showed that five factors are ranked in order of priority according to the standardized regression coefficient, including (1) Leadership relationship, (2) Suitable work, (3) working conditions, (4) salary and benefits; (5) training and development.

3. Research methods

3.1 Qualitative research

The qualitative research phase aims to correct the scales of previous studies and build the interview table suitable to the specific conditions of VNPT Dong Nai. The authors constructed a preliminary interview table 1 from the initial objective and theoretical basis. The authors then used this primary interview table for qualitative research by direct interview technique and discussion group; the authors conducted with two groups of 10 commentators and employees (including 05 leaders who have been working for a long time at VNPT in Dong Nai province, and 05 employees who have been working for a long time to bring out the evaluation criteria based on the study of factors affecting the loyalty of VNPT employees in Dong Nai province, the authors calibrate the model and builds a questionnaire if any.

3.2 Quantitative research

Then, combining with the proposed research model, the authors can build a preliminary interview table or quantification. The authors use this questionnaire to test 30 VNPN staff members in Dong Nai province to ensure the interviewees can understand and answer the questions. The result of this step is to develop a formal Interview Table for traditional quantitative research [5].

Formal quantitative research will be conducted based on a survey of employees working at VNPT in Dong Nai province. This is the final step of the study. The concepts in the research model are evaluated and tested based on the investigated data with a sample size of 220 employees [5]. In formal research through the quantitative method, the author applies quantitative methods to collect data, such as face-to-face interviews and sending survey questionnaires according to a pre-prepared form. Research process: Factors affecting the loyalty of VNPT employees in Dong Nai province.

This study was carried out from March 2023 to April 2023 with the participation of discussion and pilot survey of the staff mentioned above.

Formal research: conducted by quantitative research method through direct interviews with staff at VNPT in Dong Nai province. This step evaluates the scales, re-tests the model, research hypotheses, and measures the impact of the factors on loyalty [5].

With the above sample size requirements, the authors distributed 220 questionnaires corresponding to 220 employees working at VNPT in Dong Nai province and face-to-face interviews at VNPT in Dong Nai province. The results received 192 responses from face-to-face interviews. After selection, 192 questionnaires were tested and passed, reaching the rate of 87.27 percent and officially processed in SPSS 20.0 software [5].

After entering the data, the authors processed them with SPSS 20.0 software through the following steps: Descriptive statistics of the observed sample. Test the reliability of the measured variable using Cronbach's Alpha coefficient, EFA exploratory factor analysis. (2) Analysis of multiple linear regression to give the model: Check the model's fit. (3) Finally, the authors propose governance implications.

4. Research results

The survey results obtained 192 questionnaires out of 220 respondents, and the data was put into processing. 192 questionnaires corresponded to employees at VNPT in Dong Nai province due to 26 information errors; the rate was 87.27 percent. With the above results, the authors used all data from 192 questionnaires. The following shows the following demographics: Regarding gender status: the rates being 89.1% and 10.9%, respectively. Thus, there is a big difference in the ratio between men and women.
Regarding age: the results showed that there were no people under the age of 25, followed by the number of employees from 25 to 35 years old, 41 people, accounting for 21.4%. From 36 to under 45 years old, with a rate of 59.4%. This is also the age group with the most people participating in the interview. Finally, employees over 45 have 37 people, accounting for 19.3%. Regarding marital status: the results show that the number of married people interviewed is 116, accounting for 60.4%; the rest is the number of unmarried people with 76 people, accounting for 39.6%. Thus, the marriage rate is much different. Regarding professional education: it shows that the number of people with university degrees is very high, 105 people, accounting for 54.7%; followed by college/intermediate 54 people, accounting for 28.1%; Postgraduate 3 people, accounting for 1.6% and other professional qualifications also 30 people, accounting for 15.6%.

Table 1. Summary of Cronbach’s Alpha results of factors

<table>
<thead>
<tr>
<th>No.</th>
<th>Variables</th>
<th>Initial variable remaining number</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Salary and benefits (LP)</td>
<td>5</td>
<td>0.964</td>
</tr>
<tr>
<td>2</td>
<td>Training and Development (DTPT)</td>
<td>5</td>
<td>0.902</td>
</tr>
<tr>
<td>3</td>
<td>Working Conditions (DKLV)</td>
<td>5</td>
<td>0.891</td>
</tr>
<tr>
<td>4</td>
<td>Leadership relationship (QHLD)</td>
<td>5</td>
<td>0.916</td>
</tr>
<tr>
<td>5</td>
<td>Suitable job (CVPH)</td>
<td>5</td>
<td>0.894</td>
</tr>
<tr>
<td>6</td>
<td>Employee loyalty (LTT)</td>
<td>5</td>
<td>0.788</td>
</tr>
</tbody>
</table>

(Sources: Authors processed from SPSS 20.0)

Table 1 shows that the above result accepted the above result for the loyalty factor with Cronbach's Alpha coefficient of 0.788 and all observed variables greater than 0.6. The authors did not remove any variable in the loyalty factor because the scale coefficient is above the allowable level. Thus, after testing the reliability of the scale of 5 factors measuring loyalty, the results have a scaling coefficient above the permissible level [3].

In general, Cronbach's Alpha coefficients of the scales after rerun are relatively significant and satisfactory, with no variables in the scale. Next, these variables will be included in exploratory factor analysis (EFA).

The results show that the KMO coefficient is 0.785 and the significance level (Sig) is 0.000, indicating that the factor analysis is consistent with survey data of 220 employees and 192 samples treated with 20 independent observed variables and 03 independent variables. Observable variable for the dependency. The results show that the data can be included in the analysis of multiple linear regression models. The total variance extracted is 82.159 % of the observed variable variation, which is explained by 05 factors.

The 20 observed variables included in the factor analysis revealed that the results were 05 factors drawn and denoted as follows: Factor 1: Salary and benefits (LP-X1). Factor 2: Leadership relationship (QHLD-X2). Factor 3: Training and Development (DTPT-X3). Factor 4: The right job (CVPH-X4). Factor 5: Working conditions (DKLV-X5). The results of the 1st reliability assessment of the scale were satisfactory, so there was no change in variables and no variables for the first time.

Table 2. Analysis of multiple linear regression results

<table>
<thead>
<tr>
<th>Factors</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Sig.</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>(C)</td>
<td>0.795</td>
<td>0.182</td>
<td>0.000</td>
<td>1.085</td>
</tr>
<tr>
<td>LP-X1</td>
<td>0.114</td>
<td>0.032</td>
<td>0.182</td>
<td>0.000</td>
</tr>
<tr>
<td>QHLD-X2</td>
<td>0.258</td>
<td>0.031</td>
<td>0.425</td>
<td>0.000</td>
</tr>
<tr>
<td>DTPT-X3</td>
<td>0.076</td>
<td>0.025</td>
<td>0.169</td>
<td>0.002</td>
</tr>
<tr>
<td>CVPH-X4</td>
<td>0.215</td>
<td>0.027</td>
<td>0.417</td>
<td>0.000</td>
</tr>
<tr>
<td>DKLV-X5</td>
<td>0.122</td>
<td>0.023</td>
<td>0.280</td>
<td>0.000</td>
</tr>
</tbody>
</table>

(Sources: Processed from SPSS 20.0 by authors)

Table 2 shows all regression coefficients with significance levels less than 0.05. This has statistical significance, and the data explains the impact on the loyalty of VNPT employees in Dong Nai province with an importance of 5%. Besides, the positive regression coefficients mean that the effects of the independent variable are in the same direction as loyalty. Specifically, as follows: Factor 3: Training and Development (DTPT) has the lowest standardized regression coefficient of 0.169. That is, training and development increased by 1 unit, and the loyalty of VNPT employees in Dong Nai province increased by 0.169 units.

The analysis results show that the significance level of the model (Sig. = 0.00) is less than 0.05, so the model is set up to have statistical significance; the adjusted R² coefficient is 0.545, that is, 54.5% of the variation in loyalty is explained by the five factors in the model. The Durbin – Watson value 1.619 shows that the model does not violate the autocorrelation phenomenon. In addition, the VIF coefficients of the variables in the model are less than 2, so the model does not have multicollinearity.

5. Conclusions and management recommendations

5.1 Conclusions

Employee loyalty is an essential factor contributing to the stability and development of the business. During the research process, the article has conducted multiple linear regression analysis methods; the test results show that the components affecting loyalty ensure the reliability and validity of the scale. It can be used in VNPT in Dong Nai province. The research results show that five factors affect the loyalty of VNPT employees in Dong Nai province, with a significance level of 5%. Thus, based on reality and research results, it is necessary to have specific recommendations to improve employee loyalty to attract good employees as well as retain critical employees for VNPT in Dong Nai province. The authors propose
prioritizing the implementation of administrative implications in the order of priority below.

5.2 Managerial recommendations

Firstly, regarding leadership relationships (0.425), employees must be treated fairly and comfortably when communicating with their superiors. Besides, leaders need to inspire; intellectual encouragement; care about the individual. When the leader can motivate employees to work, providing subordinates with a clear sense of the goal will give employees the energy to work and have positive thoughts, thereby being loyal to them more company. From there, they will admire the leader and stick with the company more. In addition, leaders need to increase awareness of leaders’ role in understanding employees’ needs and aspirations, thereby narrowing the gap between leaders and employees and creating consensus among employees from superiors to subordinates, improving employee satisfaction with leaders and engaging with the organization.

Secondly, regarding suitable jobs (0.417), VNPT Dong Nai needs to assign its employees to do jobs relevant to their capabilities and strengths to help them understand and give them the importance of their work. For employees to do jobs matching their abilities and strengths, the company must first select the right people from the employee recruitment stage. Job postings need to fully and clearly describe the job position that requires people and the necessary skills for that position. Leaders need to spend a certain amount of time introducing the general activities of VNPT Dong Nai, the actions of each department, and most importantly, the work that employees must do, the relationship of this work with the company with the work of other departments.

Thirdly, regarding working conditions (0.280), VNPT in Dong Nai province needs to provide employees with an ideal working environment and appropriate facilities, such as an excellent and clean working environment with suitable light and temperatures... VNPT in Dong Nai province needs to provide relatively complete tools and work support tools such as computers, desk phones, and stationery, depending on job positions, employees are also equipped with laptops so that employees can invest more talent in the business. Building a positive working environment, with fairness and transparency in all organization activities, is necessary to divide responsibilities and establish a straightforward working process for each specific title. In addition to providing employees with an ideal working environment and good support equipment, businesses should also regularly open training courses to improve employees' professionalism.

Fourthly, salary and benefits (0.182) should be paid commensurate with the nature of work and the employee's strength. In addition, wages must always be associated with employees’ economic development and living standards. Therefore, every year, enterprises should review and re-evaluate the basic salary system, bonus, allowance regime, and commission rate to suit the company's conditions, and the economic situation of the market can guarantee the employee's life. VNPT in Dong Nai province should develop appropriate salary and bonus policies for different types of employees, paying particular attention to young employees with low income, helping them to adapt quickly to the new environment. The company's working environment creates conditions to help them develop their full potential to contribute to the organization. Salary and benefits: Besides ensuring a high salary, it is necessary to ensure that the salary is paid fairly and commensurate with the contribution level.

Fifthly, regarding training and development (0.169), VNPT Dong Nai needs to do the following: VNPT Dong Nai needs to pay special attention to employee training. In addition, leaders must create conditions, support and encourage employees, and have conditions to learn and improve their professional qualifications and expertise continuously. They must even set mandatory employee learning, innovation, and capacity-building requirements. Employees must be facilitated to understand and improve their working knowledge and skills. In addition, leaders must attach importance to learning and value educated people. Therefore, in the enterprise, if a group, team, or team successfully completes the task or has creativity in production, there must be timely and worthy rewards. These typical individuals and groups will be an example for all organization members.

6. References


