



## FACTORS AFFECTING WORK MOTIVATION OF EMPLOYEES IN SMALL AND MEDIUM STEEL ENTERPRISES IN LONG AN PROVINCE

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### **Abstract**

*Human resources are a very important and valuable asset of organizations. However, how to retain employees, motivate them to work, and contribute to the company's business performance is an issue that needs special attention. Based on a survey of 220 employees in Small and medium steel enterprises in Long An province, the research project has discovered the influencing factors and their degree of impact on the employee's work motivation, contributing to improving the efficiency of the Company's business activities in the coming time.*

**Key words:** Company, motivation, working, employees, Small and medium steel enterprises in Long An province.

### **1. Introduction**

The existence and development of an agency or enterprise depend greatly on the effective exploitation and use of resources: capital, facilities, scientific and technical progress, employees, and other resources. These factors are closely related and interact with each other. However, factors such as machinery and equipment, material wealth, and technology can all be bought, learned, and copied, but humans cannot. Therefore, it can be affirmed that human resources play an essential role in the existence and development of enterprises.

Currently, our country is entering in a new development period after integrating into the global economy, with unprecedented opportunities and challenges, requiring correspondent human resources. Small and medium steel enterprises in Long An province is known as one of the leading companies in the field of manufacturing and selling high-quality galvanized and color-coated steel sheets, sheet steel, and multi-purpose steel pipe products. With the orientation to become a leading steel company in Vietnam and Southeast Asia in the field of manufacturing - supplying galvanized steel products and steel pipes of all kinds. The company constantly invests in the most modern technology and always leads in technology of the Vietnam market. Small and medium steel enterprises in Long An province is committed to providing the best products to meet the requirements of construction works, contributing to



the development of the country, creating new product lines continuously, meeting all needs of consumers, domestic and foreign markets. In order to achieve the effectiveness of strategic goals and set plans, enterprises need to create many connections for development, in which the human factor with unlimited knowledge potential plays a key role, is the leading indispensable source of capital for businesses to compete. With the pressure on the targets that enterprises continuously set in the context of global economic integration, many employees are increasingly depressed and stagnant at work, resulting in low work efficiency. Unfortunately, it makes businesses getting trouble in managing and retaining good employees for a long time. In order to maximize the productivity of new employees to fulfill the set business targets, company leaders need to have policies to encourage and improve the work motivation of employees. Therefore, the current urgent issue of the company is to find out the factors that affect the work motivation of employees working at the company, to know which employees need, what can make them always enthusiastic at work...the factors that have the effect of improving the work motivation of employees as well as the factors that make them feel bored with the work they are doing, lose motivation. In order to reduce the number of employees leaving as well as improve the satisfaction of employees in the organization, the topic: "Factors affecting work motivation of employees in Small and medium steel enterprises in Long An province" was researched, with the purpose to contribute to improving the work motivation of employees, as well as increasing the efficiency of the company's business activities.

## **2. Research Method**

In the article on "Factors affecting the work motivation of employees at Small and medium steel enterprises in Long An province", the author approaches qualitative and quantitative research methods. Accordingly, qualitative research was carried out through in-depth interviews with 06 samples to build a survey questionnaire. Quantitative research through survey data of 220 employees working at Small and medium steel enterprises in Long An province. Collected data are processed by SPSS software with descriptive statistics method, reliability of the scale is tested through Cronbachs Alpha coefficient, EFA exploratory factor analysis, multiple regression analysis and other operations. T - Test, Anova and argumentation of research results.

## **3. Literature Review and Research Hypothesis**

The author conducts theoretical research, referring to previous domestic and foreign studies related to the topic to build a model of the factors affecting the work motivation of employees at the Small and medium steel enterprises in Long An province. Theories related to research such as: Maslow's theory of needs (1954), Herzberg's two-factor theory (1959), Adams' equity theory (1963). Besides, the study applies research models such as Kovach's research model of ten motivational factors (1987); the Research model of employee motivation in public and private educational institutions by Mariam Kuchava (2016); Research model of factors affecting working motivation for sales staff at MISA company (Cao Thi Thanh Thuong, 2015); Research models factors affecting work motivation of

employees at Hoa Sen Group Joint Stock Company by Nguyen Hung Vuong (2019). Based on theoretical models and studies related to employee work motivation mentioned above, the author proposes a research model with the dependent variable "Work motivation" along with 8 hypotheses. independent variables H1, H2, H3, H4, H5, H6, H7, H8.

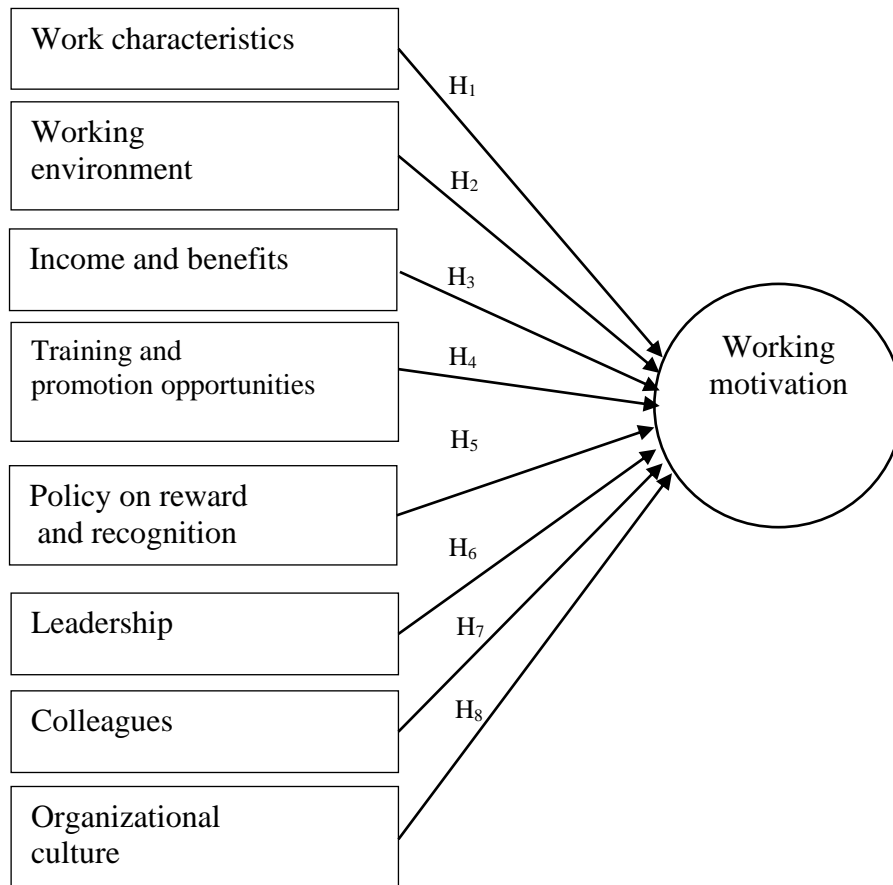


Figure 1: Proposal research model

In which:

H1: "Work characteristics" have the same positive (+) effect on the "work motivation" of employees;

H2: "Working environment" has the same positive (+) effect on the "work motivation" of employees;

H3: "Income and benefits" have the same positive (+) effect on the "work motivation" of employees;

H4: “Training and promotion opportunities” have the same positive (+) effect on the “work motivation” of employees;

H5: “Policy on reward and recognition” has the same positive (+) impact on the “work motivation” of employees;

H6: “Leadership” has a positive (+) effect on the “work motivation” of employees;

H7: “Colleagues” have a positive (+) effect on the “work motivation” of employees;

H8: “Organizational culture” has a positive (+) positive impact on employee “work motivation”.

### Research result

From the results of processing survey data of 220 employees on SPSS software, the regression coefficients of the variables are shown in Table 1.

The normalized regression equation is as follows:

Working motivation = 0.450\* Income and Benefits + 0.381\* Working environment + 0.309\* Work characteristics + 0.295\* Colleagues + 0.246\* Reward and recognition policy + 0.171\* Training and promotion opportunities + 0.151\* Leadership + 0.126\* Organizational culture +

Table 1. Regression coefficients of variables in the model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	B			
1	(Constant)	0.029	0.185		0.157	0.876
	Work characteristics	0.121	0.014	0.309	8,891	0.000
	Work environment	0.154	0.014	0.381	10,868	0.000
	Income and benefits	0.231	0.018	0.450	12,993	0.000
	Training and promotion opportunities	0.099	0.020	0.171	4.867	0.000
	Reward and recognition policy	0.147	0.021	0.246	7,125	0.000
	Leadership	0.115	0.026	0.151	4.366	0.000
	Colleagues	0.130	0.015	0.295	8,495	0.000
	Organizational culture	0.142	0.045	0.126	3.146	0.002



a. Dependent variable: Working motivation					
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In the process of quantitative research on 220 survey responses from employees of Small and medium steel enterprises in Long An province, the collected data is processed by SPSS software with descriptive statistical methods, testing the reliability of the scale measured through Cronbachs Alpha coefficient, EFA exploratory factor analysis, regression analysis T-Test and Anova tests.

The results show that the factors affecting the work motivation of employees at Small and medium steel enterprises in Long An province include 8 factors and their influence levels are arranged in descending order of importance: Income and benefits, Working environment, Work characteristics, Colleagues, Reward and recognition policy, Training and promotion opportunities, Leadership, Organizational culture. The results of multiple regression analysis show that at the 5% level of significance, all 08 independent variables have significant explanations for 68.111% of the variation of the dependent variable, which is: Work motivation. In which the highest influencing factor is the variable Income and Benefits and the lowest is the variable Organizational Culture. The study systematized the basic theoretical basis of employee work motivation, factors and levels of impact on employee work motivation at Small and medium steel enterprises in Long An province, as well as pointed out limited aspects, problems to be solved and solutions to improve employee work motivation and business performance of the Company. In addition, the results of the analysis of the influence of qualitative variables (Gender, Age, Education level, Working time and average income) affect employees' work motivation. The results did not find an impact of the variables Gender, Age, Education level, Working time and average income on employee's work motivation. Although Small and medium steel enterprises in Long An province performed quite well. However, through the research, some recommendations and managerial implications are proposed to further improve employee motivation through influencing factors.

#### **4. Research Conclusions and Suggestions**

##### **4.1. Income and benefits factor**

Each job position should have a detailed job description for each position, helping each employee see his or her position, role and contribution as well as other members of the organization. This partly helps employees feel that they are paid fairly. In addition, the Board of Directors should pay attention to avoiding giving income incentives to people with close (public) relationships because this will affect other employees' perception of fairness.

The Board of Directors of the Company needs to develop a clear and comprehensive bonus and punishment policy from the beginning with specific reward levels for each achievement and receive suggestions to improve the above policy. When considering rewards and punishments, the Board of Directors shall base on the issued regulations for implementation.

Management must find a way to make its employees aware that they are paid and rewarded fairly.

#### **4.2. Working environment factor**

Working time is clearly defined, simplifies the management system, clearly divides functions for each department of the Company, reduces the overlap in management.

Fully equipped working tools; fun and comfortable working atmosphere; The Board of Directors of the Company trusts and respects employees.

- Simplify administrative procedures, approval process to help work faster, reduce costs, time and effort of employees.

- Provide full tools, tools, machinery and equipment for employees' work.

#### **4.3. Work characteristics factor**

The Board of Directors of the Company needs to assign employees jobs that are suitable to their capabilities and strengths, must help them understand the work they are doing, let them see the importance of the work they are doing.

At the same time, it should be noted that when assigning work to employees, the leadership should assign both obligations and powers corresponding to the work so that employees have the flexibility to perform, help make full use of employees' capabilities, to employees can get the job done in the best way.

The leadership should motivate and encourage employees to be creative, bold and proactive at work, because the creativity and experience of employees will help to complete the work faster and better.

#### **4.4. Colleague factor**

The leadership needs to create more fairness in the division of work by assessing the capacity of each employee, to ensure that the assignment of work is suitable for each person's capacity. Besides, it is necessary to build a behavior culture in the Company, create a civilized, happy and sociable working environment.

#### **4.5. Reward and recognition policy factor**

The leadership board should have a detailed job description, responsibilities, authority of each position and clear disclosure. In addition, the Board of Directors of the Company needs to develop a scale to evaluate job completion results to have a basis for classifying employees' work. On that basis, there is an accurate and fair reward and punishment system.

#### **4.6. Training and promotion opportunities factor**

The Board of Directors of the Company needs to create conditions for employees to improve their knowledge and working skills and create promotion opportunities for qualified



employees. The Board of Directors of the Company needs to prove to all employees that those who are capable and put in the effort at work will be promoted. When there is a vacant management position or a new position appears, the Company's Board of Directors should prioritize carefully and publicly evaluate those who have made efforts to contribute to the organization.

#### **4.7. Leadership factor**

The Company's management needs to care more about employees, as well as protect them from others when necessary, along with recognizing their contributions and treating them fairly. Management needs to find out the strengths, weaknesses, preferences of the employees. In addition, the leadership needs to recognize the efforts of employees, when they achieve the set goals, and praise and reward are necessary when their subordinates perform well. At the same time, the management needs to create fairness in the treatment of employees.

Leaders should regularly learn and improve professional knowledge and qualifications. When necessary, show subordinates their ability. Because junior employees will feel satisfied with their leadership when they see the leadership talent and expertise of the leadership.

#### **4.8. Organizational culture factor**

Building an organizational culture by connecting emotionally between the Board of Directors and employees, understanding and caring for employees will make them satisfied, create more motivation to encourage them to do better work. In addition, the Board of Directors of the Company should also organize many collective activities such as sports, culture, arts, .... periodically, often into the tradition of the organization.

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