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Motivation at work: An empirical study of Vietnamese small and medium enterprises

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Abstract
This study aimed to quantitatively and qualitatively evaluate the motivation of the employees of Vietnamese Small and Medium Enterprises (SMEs). Also, the study presented here assess the effect of work motivation on job performance. A questionnaire survey of 500 employees was applied in 2020 regarding issues of relationship among factors of three levels in organization (organizational- level factor, group- level factor and individual -level factor), work motivation and job performance. The result shows that organizational and individual-level factor have a positive relationship with work motivation. Meanwhile, there is no evidence to support the effect of group-level factor on work motivation. Besides, the result shows a difference in motivation regarding chronological age and education.

Keywords: motivation, Vietnamese small and medium enterprises, work

Introduction

There has been concern for many decades about the significance of employees' motivation in organizations. Evidences from various empirical studies point to the fact that motivating employee will help organizations make the best possible use of capital (Ali *et al*., 2016) [1] since motivated employees with high levels of job involvement will work with more commitment, and eventually increase efficiency (Azar & Shafighi, 2013) [2]. Therefore, motivated employees play an important role in the development process of every business organization, especially small and medium sized enterprises (SMEs) which tend to achieve competitive advantage based on the existence of human capital. As a result, it is imperative for SME owners to develop continously effective motivation programmes. The paper is a study into motivation theories based on the SMEs human resource situation in Vietnam. In what follows, the study is conducted to to find out whether employees of the case companies are motivated or not, to determine their motivational factors and investigating on how to boost up their potentialities. The remainder of this paper consists of 4 parts: Literature review, Methodology, Findings, Discussion and Conclusion.

Literature review and hypotheses

Work motivation

There is mounting evidence that motivation has played a vital role in human resource management in recent decades. The large proportion of motivation theories, according to Petri (1996) [11], was focused on diverse approaches to the nature or roots of motivation. The word “motivation” originates from a Latin word “movere”. “Movere” means to move. Therefore, it creates a reflection of something going up, keeping employees working and helping them achieve goals (Korth, 2007). The definition of “motivation” can be broad, and there are many ways to define the term itself, depending different perspectives. In terms of organization, motivation has been defined as “the sum of the processes that influence the arousal, direction, and maintenance of behaviors relevant to work settings”. Employee motivation at work is considered an essential drive as it generates effort and action towards work-related activities. Once an employee is motivated, he tends to shows enthusiasm and eagerness towards the work and a strong determination to implement and accomplish the work tasks (Moran *et al*., 2012) [9]. In short, human motivations represent the driving force that makes people do something. This driving force can originate within the individual or it could originate from outside the individual. Motivations of workers that direct their work- related behavior are critically essential for the success of an organization.

There are three approaches in early views of motivation including: The traditional approach, The Human relations approach and The Human Resources approach. Meanwhile the most recent theories about motivation represent a fourth perspective called contemporary approaches. The Traditional approach is associated with Frederick Taylor and Scientific management. According to this approach, managers determined the most effective way to perform repetitive tasks then motivated workers with a system of wage incentives. The underlying assumption was that managers understood the work better than workers, who were essentially lazy and could be motivated only by money. The human relations approach: The boredom and repetitiveness of many task actually reduced motivation, while social contact help create and sustain motivation. As a result, managers could motivate employees by acknowledging their social needs and by making them feel useful and important. This approach urged managers to give employees some freedom to make job related decisions as well as information about managers' intension and organizational goals. The Human resource approach: McGregor (1966) identified two different sets of assumption that managers have about their subordinates. (1) The traditional view, known as Theory X believe that work is distasteful to employees who must be motivated by force, money or praise. Meanwhile, Theory Y (2) is more optimistic. It assumes that work is as natural as play or rest, people want to work and under the right circumstances, derives a great deal of satisfaction

from work. The contemporary approaches are dominated by three types of theories including Content perspectives on motivation, Process perspectives on motivation, Reinforcement perspective on motivation.

Motivational Factors

Many theories are taken to be the basis of implementation of this study. The theories related to variables of the research cover as follow:

Individual charateristics

Each person has unique traits and backgrounds that is why a HR strategy may motivate one employee and leave another one indifferent. As a result, the invidual characteristics should be taken into account. Individual characteristics is something owned by someone in which inside it consist of demographical characteristic variable, ability, and personality. The demographical characteristics cover: age, gender, marital status, years of experience, education qualification, managerial position, etc. The personality characteristics cover: personality, attitude and someone's need taken along into the work atmosphere (Vaiman, 2011) [14].

Related- Work Factors

Hackman *et al*. (1975) [3] provides a tool for diagnosing the motivational aspects of existing jobs and translates this into specific steps for change. The research indicated that an employee needs to experience three critical psychological states in order to get internally motivated. These psychological states include experiencing responsibility, meaningfulness and having knowledge of the results. Consequently, a diagnostic tool using five factors (autonomy, skill variety, task identity, task significance and feedback) was developed to analyze a job.

Organizational Factors

The organizational factors are a primary determinant of employee job satisfaction (Herzberg, 1965) [5]. Thooner *et al*. (2011) [13] also argues that variables linked to job content and organizational context are better to explain differences in job motivation. These factors involve organizational culture, organizational conditions, job security, pay and fringe benefit, supervision and management, supportive relationship and communication, career development (professional training and learning opportunities, promotion opportunities), etc.

Based on motivation model suggeted by Lewis (1972) [8] about three- level factors (organizational level, group level and individual level) in an organization. The study proposed the following hypothesis:

H1: Organizational -level factor has positive impact on employees' motivation

H2: Group-level factor has positive impact on employees' motivation

H3: Individual -level factor has positive impact on employees' motivation

H4: Work motivation has positive impact on employees' job performance

Method

Population and Samples

Population in the research consists of middle level managers in small and medium sized enterprises (SMEs) in Hanoi, Vietnam at the total of 550 (five hundred fifty) persons. There are 500 (five hundred) respondents for this research. A return rate of about 90, 91% was achieved. Participants (n=500) were randomly selected from SME section. The cohort was representative of SMEs' employees with respect to age, education, years of experience, managerial position, industry, types of ownership structures. Sample characteristics are presented.

Table 1

		Total (Persons)	**Percentage *(%)***
Gender	Males	257	51,4
	Females	243	48,6
Age	18 – 22 years	27	5,4
	23 – 30 years	98	19,6
	31 – 40 years	288	57,6
	41– 50 years	80	16,0
	50 or more years	7	1,4
Education	Bachelor	354	70,8
	Master	134	26,8
	Doctoral	4	0,8
	Others	8	1,6
Seniority	< 3 years	93	18,6
	3 – 5 years	130	26,0
	5 – 10 years	164	32,8
	>10 years	113	22,6
Types of ownership structures	100% State Owned- enterprises	26	5,2
	State Owned- enterprises	8	1,6
	Private	450	90,0
	Others	16	3,2
Industry	Agriculture, Forestry, Fishing	3	0,6
	Industry and Construction	147	29,4
	Trade and Service	276	55,2
	Others	74	14,8
Total		500	

Sources of Data and Date Collecting Method

Sources of data in the research are primary as well as the secondary data, whereas data collecting is carried us through interview and questionnaire.

Variable Measurement

The research variables are measured by using the Likert Scale with 5 (five) options, namely: Absolutely Disagree (1), Disagree (2), Neutral (3), Agree (4), and Completely Agree (5).

Data analysis and Result

This study adopted measurement of Cronbach's Alpha to determine the reliability and inter-item consistency of questionnaire instrument (Huang *et al*., 2006). Besides, the value for item-total correlations more than 0.3 can be indicate as good correlation (Nunnally, 1994) [10]. Therefore, Cronbach's Alpha coefficients<0.65 and items with a corrected item- total correlation of ≤0.30 were deleted as recommended. The elimination criteria resulted in elimination of 3 measurement indicators. Furthermore, the value of KMO >0.5; factor loading >0.5; Total Variance Explained>50%; Eigenvalue ≥ 1 revealed that the data are suitable for an exploratory factor analysis. In order to determine whether there were any potential factors in this study, the Exploratory Factor Analysis (EFA) and SPSS 20 software were utilized to analyze the data.

The study considered 0.4 as the cut-off value to retain the items. Another exclusion criterion was to delete those items that loaded on multiple factors with loading of 0.4 or greater. Kaiser- Meyer Olkin measure of sampling adequacy (KMO) was 0,851(> 0,500) which was acceptable and Bartlett's test of sphericity was significant (p<0,001) meaning that the correlations between variables are significantly different from zero. These two statistical value provide minimal standards that should be met before conducting a factor analysis. The final EFA contained 22 items grouped into 5 factors that accounted for 53,827% of the item variance (see Table 1).

Table 2: Factor loadings of each construct

Items	Component				
	1	2	3	4	5
ORG2	0,843				
ORG5	0,696				
ORG 4	0,690				
ORG 6	0,689				
ORG 3	0,634				
ORG 1	0,612				
ORG 7	0,596				
INV2		0,905			
INV 5		0,777			
INV 4		0,674			
INV 3		0,673			
INV 1		0,661			
MOV3			0,658		
MOV2			0,652		
MOV4			0,621		
MOV1			0,602		
MOV6			0,528		
GRO2				0,966	
GRO1				0,936	
JP2					0,652
JP3					0,514
JP1					0,428
Eigenvalues	7,309	2,275	1,651	1,598	1,143
% of variance:	31,335	8,815	6,136	4,340	3,202
Cummulative (%)	31,335	40,150	46,286	50,626	53,827

A further step in developing the questionaire was to conduct a CFA using the same sample. Using CFA after EFA with the same data set constitutes a logical progression in exploratory modeling. The CFA result were used to demonstrate whether the model had acceptable levels of fit, convergent validity, discriminant validity and unidimensionality. The model fit was evaluated according to conventional cutoff values. Usually, chi -square/degree of freedom (x^2/df), goodnes of fit index (GFI), Adjusted goodness of fit index (AGFI), Tucker Lewis index (TLI), Incremental fit index (IFI), Comparative fit index (CFI) and Root mean square error of approximation (RMSEA) above parameter value are used to test the model.

Table 3: Summary for goodness-of-fit indices

Model- Fit index	Recommended acceptable level	Reference
CMIN/df	≤ 3 indicate an adequate fit ≤5 is accept value	Gatignon, (2003)
GFI	Range between 0 to 1 GFI>0.8 acceptable, GFI>0.9 good fit	Baumgartner & Hombur, (1996)
AGFI	Range between 0 to 1 AGFI>0.8 acceptable, AGFI>0.9 good fit	Baumgartner & Hombur, (1996)
TLI	Range between 0 to 1 TLI ≥ 0,9 is accept value	Hu & Bentler, (1999)

IFI	Range between 0 to 1 IFI ≥ 0,9 is accept value	Bentler, (1990)
CFI	Range between 0 to 1 CFI ≥ 0,9 is accept value	Hu & Bentler, (1999)
RMSEA	The bounded of RMSEA is below by 0	Hu & Bentler, (1999)
	RMSEA< 0.05 represent execellent fit	Browne & Cudeck, (1993)
	RMSEA≤ 0,08 as a cut off criterion	McDonald & Ho, (2002)

In oder to know the relationship among organizational- level factor, group- level factor, individual- level factor, work motivation and job performance, the researcher test the hypothesis. The model fit test result is shown in the table 3 and the hypothesis testing execution is presented in Figure. 1.

Table 4: Fit test of model

CMIN/df	GFI	AGFI	TLI	IFI	CFI	RMSEA
2.518	0.962	0.920	0.960	0.983	0.982	0.083

Based on the result presented in Table 3, all indicators' value meet the acceptable value and some meet perfect value, which prove good fit of model.

Table 5: Result of hypothesis testing

Hypothesized Path			STD	Un.STD	S.E.	C.R. (t-value)	p
MOV	<---	ORG	0,435	0,505	0,055	7,915	<0,001
	<---	GRO	-0,060	-0,064	0,042	-1,432	0,152
	<---	IND	0,420	0,412	0,066	6,413	<0,001
JP	<---	MOV	0,088	0,238	0,025	3,580	<0,001

Note: Standardized Estimate (STD); Unstandardized Estimate (Un.STD); Standardized Error (S.E); Critical Ratio (C.R.T-value); Sinificance Difference (P value)

In Table 4, group -level factor is shown not to be positively related to work motivation (Un.STD= -0.064 and p >0.05). Therefore, hypothesis 2 was not supported meaning group-level factor did not have significant effect on employees' work motivation. Meanwhile, organizational -level factor and individual-level factor (H1 and H3 respectively) had significant effect on employees' motivation. Furthermore, H4 also was supported meaning work motivation had significant effect on job performance. Finally, the Independent samples test and an in -depth analysis of ANOVA were used to examine differences in work motivation among different criteria. The result of this phase of study is summarized in table 5.

Table 6: ANOVA test result

		Sum of Squares	df	Mean Square	F	Group	Mean	Sig. Levene	Sig. Anova
Gender	Between groups	.076	1	.076	0.333	Male	3,7502	0,078	0,564
	Within groups	114.122	498			Female	3,7255		
	Total	114.198	499	.299					
Age	Between groups	7.714	4	1.929	8.965	18 – 22	3,8074	0,61	0,000
	Within groups	106.484	495			23 – 30	3,8714		
	Total	114.198	499	.215		31 – 40	3,7625		
						41 – 50	3,4750		
						>50	3,3000		
Education	Between groups	1.947	3	.649	2.868	Bachelor	3,7565	0,040	0,000
	Within groups	112.251	496			Master	3,6537		
	Total	114.198	499	.226		PhD	3,7000		
						Others	4,3500		
Type of ownership structures	Between groups	0.455	3	.152	.662	100% state owned- enterprises	3,7385	0,012	0,576
	Within groups	111.743	496			State owned - enterprise	3,7000		
	Total	114.198	499	.229		Private	3,7444		
						Others	3,5750		

According to ANOVA's analysis, there is a difference in employees' work motivation between chronological age and education and. In terms of chronological age, managers aged between 18-22, 23-30 and 31-40 years old have the highest motivation level. It is widely accepted that this is life stage of enthusiasm, self- actualization, dedication and personal development. The studies conducted by Veroff *et al*. (1980) [15], Kanfer & Ackerman (2004) [7], Ilke Inceoglu *et al*. (2012) support the results of this study in how age- related changes may affect work motivation. Veroff *et al*. (1980) [15] show that middle -aged men (30-40 years old) score higher of the construct “hope of power" than younger and older men, and that women. Ilke Inceoglu *et al*. (2012) indicates that career progression and development opportunities of employees after age 50 less motivating than younger employees. It results from less support outside at work to pursue career enhancing and developmental activities. Regarding motivation with education, group of employes being not bachelor, master and doctoral reveals a very high motivation level with mean value of 4.35.

Conclusion and discussion

Conclusion

Before execution of hypothesis testing evaluation of the model should come first, and the model estimated result shows that

CMIN/df= 2.518 less than 3, which indicates an adequate fit. RMSEA= 0.083 which is cut off criterion acceptable value. GFI= 0.962; AGFI= 0.920 which is higher than acceptable value 0.8. The three indicator TLI=0.960; IFI=0.983; CFI=0.982 were higher than 0.9 which means it is a good fit. All the indicators presented that the model was a good fit for hypothesis testing. According to the hypothesis result shown in table 6, all the hypotheses in this research have been accepted, apart from H2. Organizational- level factor significant affects work motivation (p<0,001). Individual-level factor significant affects work motivation (p<0,001). Work motivation significant affects job performance (p<0,001). The result shows there is positive relationship among organizational-level factor, individual-level factor and work motivation in SMEs. Also, there was a positive relationship between work motivation and job performance in SMEs.

Table 7: Hypothesis test results

Hypothesis		Standardized Coefficient	P	Results
H1	Organizational -level factor has positive impact on employees' motivation	0,505	<0,001	Supported
H2	Group -level factor has positive impact on employees' motivation	-0,064	0,152	Not Supported
H3	Individual -level factor has positive impact on employees' motivation	0,412	<0,001	Supported
H4	Work motivation has positive impact on employees' job performance	0,238	<0,001	Supported

Discussion

In this study, we examine factors influencing employees' work motivation in Vietnamese SMEs. The result indicate that organizational-level factor and individual-level factor have a positive impact on employees' work motivation. The finding is consistent with (Takahashi, 2006; Chen & Eldridge, 2010; Hamidi *et al*., 2012; Aarabi *et al*., 2013;) [12, 4,]

The group- level factor was expected to have a positive impact on employees' work motivation. However, the path from group-level factor to work motivation of employees was not significant (β= -0.064; p>0.05). Therefore, no evidence was found to support the hypothesis 2. The main reason is due to the fact that lack of professionalism in workplace in SMEs. There are almost no standard for teamwork and collaboration, especially in microenterprises. Another possible explanation for this is that, resource limitations including HR and staff cuts due to the Covid-19 pandemic result in plurality in SMEs. In other words, an employee has perform different or multiple roles which make group- level factor has no significant impact on his work motivation. Remarkably, a majority of respondents believed that their team -level of connectedness had declined since Covid 19. The lack of technology skill detains them in adjusting to the "new normal" when working from home over prolonged periods.

From the findings, there are differences motivation regarding chronological age and education. Especially, the motivation show a decreasing tendency of motivation level with education (the group of being not bachelor, master and doctoral reveals the highest level). The main reason is due to the fact that the employee tends to compare himself to other peers with higher euducation level. This may motivate the employee to put more effort into his work to be recognized.

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