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The Drive to Bond of Employees in Commercial Banks: Applying Public Policy and Provisions of the Bank

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Abstract

In Vietnam today, there are many documents of the state for employees, such as the labor code, occupational safety and hygiene law, social insurance law, employment law, trade union law, etc. Labor Code No. 45/2019/QH14 of the National Assembly (2019) regulates labor standards, the rights, obligations, and responsibilities of employees, employers, representative organizations of employees at grassroots, representative organizations of employers in labor relations, and other related relations directly related to labor relations; state management of labor. The Labor Code takes effect on January 1, 2021. In addition to complying with state documents for employees, commercial banks also have regulations for employees, policies, and plans to improve the quality of human resources. This study was

conducted with the aim of identifying, analyzing, and measuring the drive to bond of employees in commercial banks in Hanoi by using qualitative and quantitative research methods. Quantitative research methods were carried out with SPSS software, including descriptive statistics, Cronbach's alpha, and EFA analysis. On the basis of a review of previous studies and after interviewing experts, the study has identified and analyzed five scales (component attributes) of employees' drive to bond. Based on this result, the study proposes some recommendations to improve the drive to bond of employees, thereby improving the quality of human resources and improving business performance in commercial banks in Hanoi.

Keywords: The Drive to Bond (B), Commercial Banks, Employees, Human Resources, Public Policy, Economics

JEL Classification Code: M10, M51, M41, J18, J88

1. Introduction

In Vietnam today, there are many documents of the state for employees, such as the labor code, occupational safety and hygiene law, social insurance law, employment law, trade union law, etc. Labor Code No. 45/2019/QH14 of the National Assembly (2019) ^[11] regulates labor standards, the rights, obligations, and responsibilities of employees, employers, representative organizations of employees at grassroots, representative organizations of employers in labor relations, and other related relations directly related to labor relations; state management of labor. The Labor Code takes effect on January 1, 2021. In addition to complying with state documents for employees, commercial banks also have regulations for employees, policies, and plans to improve the quality of human resources.

According to Kovach (1987) ^[6], if a company knows why its employees come to work on time, stay with the company throughout their lives and work, and work effectively, then that company seems to be able to ensure that all their employees will behave in a positive way. Such a company will have an advantage in the marketplace, while its competitors are suffering from rather high costs in employee retraining and production stagnation.

Work motivation among officials and employees is a topic worthy of attention because work motivation plays an important role in improving productivity and working efficiency for individuals and organizations (Ali *et al.*, 2012) ^[1].

According to statistics from research data, in the period 2007–2021, Vietnam's economy achieved an average growth rate of 5.8% per year. Vietnam's commercial banking system is the backbone of the economy due to the underdeveloped stock market (Le, 2019) ^[9], contributing to 60%–80% of the economy's capital needs. The demand for capital for production and business increased, leading to the rapid growth of the credit scale of the system.

In order to continue to maintain and promote the achievements achieved in the context of the current volatile economy, especially in the context of digital transformation and international integration, commercial banks need to have enthusiastic

staff dedicated to the work. Only then can banks meet the increasing demands of customers and bring operational efficiency to banks. Therefore, bank managers need to update useful information about employees' work motivation in order to have practical solutions to create positive working motivation for employees.

2. Literature Review

Pinder's study (2014)^[13] defines work motivation as a set of two groups of factors originating from both inside and outside of an individual's life that lead to behavior related to the determination of form, strength, and motivation. Degree and duration of action. Intrinsic motivation is the desire to work to prove one's ability; inner motivation promotes the desire to seek and try new things. Whereas extrinsic motivation is employees' desire to work due to tangible or intangible rewards they receive (Leonard *et al.*, 1999)^[8].

Work motivation is understood as a combination of measures and behaviors of the organization and of managers to create the desire and voluntariness of employees to strive to achieve organizational goals (Luong, 2011)^[10]. Motivating employees to work is of great significance to the performance of any organization.

According to Herzberg's (1959)^[4] two-factor theory, motivating factors, if handled well, will make employees satisfied and will obviously motivate employees to work more actively and harder. But conversely, if it is not handled well, it will cause dissatisfaction, but not necessarily dissatisfaction.

The importance of needs and motivations has been recognized through Vroom's (1964)^[14] theory of expectations, where motivation is the product of the expected value that people place on goals and opportunities, they see will accomplish those goals. Vroom's theory (1964)^[14] is considered to be completely consistent with the management system's objectives.

The drive to bond is one of the four working motivations of employees expressed in the four-drive theory of human nature by Lawrence and Nohria (2002)^[7]. The drive to bond is the driving force that establishes relationships and social commitment, which is the basis for people-to-people cooperation and results in organizational success and social development (Lawrence & Nohria, 2002)^[7].

The drive to bond is identifying the need to seek and enter into relationships with others. Extensive research has shown that people tend to associate with other individuals who share the same worldview and group. People with a desire to build relationships can develop teams in the workplace. In general, if cohesion is healthy, the result is that employees will support each other. According to Nohria *et al.* (2008)^[12], the drive to bond shows great motivation when employees feel proud to belong to the organization, and they will lose trust if the organization lacks the necessary cohesion. The drive to bond is oriented towards others,

whereas learning motivation is more personal and largely oriented towards work activities.

Lawrence & Nohria (2002)^[7] affirm that the drive to bond is accomplished when a culture promotes teamwork, cooperation, openness, and friendship. Managers are encouraged to care about their employees, and employees are encouraged to care about each other to get along.

3. Methodology

3.1 Measurement Tool Development

The study uses structured questions to survey individual opinions. The questions are based on previous studies. The study used interviews with five experts to adjust the wording of the questionnaire before the official survey (see Table 1). The survey was conducted from April to June 2023. The 5-point Likert scale was selected to evaluate the observed variables, with 1 being completely disagree and 5 being completely agree.

3.2 Sampling

The subjects of the investigation were identified as employees at commercial banks in Hanoi. To obtain this sample size, 300 questionnaires were distributed in person and online via Google Docs. As a result, 205 valid votes were obtained.

3.3 Data Analysis Methods

The study used SPSS software with multivariate analysis to analyze the data. First, the scales were evaluated through descriptive statistics, followed by the Cronbach's alpha coefficient, the total variable correlation, and finally the exploratory factor analysis (EFA).

Table 1: Observed variables of the drive to bond of employees in commercial banks in Hanoi

Code	Scale
	The drive to bond (B)
B1	The bank where I work promotes employee cooperation.
B2	Teamwork is valued at the bank where I work.
B3	The bank where I work promotes knowledge and skill exchange to the fullest.
B4	The bank where I work encourages goodwill among its personnel.
B5	I work closely with my coworkers at the bank and consider myself an essential member of the team.

4. Results

4.1 Descriptive Statistics

Table 2 indicates that the respondents agree with the dependent variables of the drive to bond of employees in commercial banks in Hanoi, where five attributes were quite high. All five attributes were rated at an average of 3.83 or higher.

Table 2: Descriptive analysis of attributes

Code	N	Mini	Max	Mean	Std. Deviation	Skewness		Kurtosis	
						Statistic	Std. Error	Statistic	Std. Error
B1	205	1	5	3.83	0.849	-0.685	0.170	0.544	0.338
B2	205	1	5	3.93	0.779	-0.813	0.170	1.092	0.338
B3	205	1	5	3.94	0.841	-0.879	0.170	1.026	0.338
B4	205	1	5	3.93	0.840	-0.713	0.170	0.439	0.338
B5	205	1	5	3.99	0.789	-0.761	0.170	1.210	0.338
Valid N (listwise)	205			3.92					

Table 3: Results of Cronbach’s alpha testing of attributes and item-total statistics

Cronbach's Alpha	N of Items			
.898	5			
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
B1	15.78	7.606	0.773	0.870
B2	15.68	7.945	0.772	0.871
B3	15.67	7.723	0.753	0.875
B4	15.68	7.749	0.747	0.876
B5	15.62	8.178	0.697	0.887

4.2 Cronbach’s Alpha

The drive to bond of employees in commercial banks in Hanoi has been measured by Cronbach's alpha. The results of testing Cronbach’s alpha for attributes are presented in Table 3 above. The results also show that attributes of the dependent variables have Cronbach's alpha coefficients that are greater than 0.6, and the correlation coefficients of all attributes are greater than 0.3. So, all the attributes of the dependent variables are statistically significant (Hoang & Chu, 2008; Hair *et al.*, 2009; Hair *et al.*, 2014) ^[5, 2, 3].

4.3 Exploratory Factor Analysis (EFA)

Next, tables 4, 5, and 6 show that exploratory factor analysis (EFA) was conducted through component analysis and variance.

The results of factor analysis in Table 4 show that KMO is

0.885, which is greater than 0.5 but less than 1. Bartlett’s testimony shows sig. = 0.000 < 0.05, which means variables in the whole are interrelated (Hoang & Chu, 2008; Hair *et al.*, 2009; Hair *et al.*, 2014) ^[5, 2, 3].

After implementing the rotation matrix, five components of the drive to bond of employees in commercial banks in Hanoi with a factor load factor greater than 0.5 and eigenvalues greater than 1 were identified, and the variance explained was 71.135% (see tables 5 and 6). These statistics demonstrate that research data analysis for factor discovery is appropriate. Through the quality assurance of the scale and the test of the EFA model, we have identified five components of the drive to bond of employees in commercial banks in Hanoi (Hoang & Chu, 2008; Hair *et al.*, 2009; Hair *et al.*, 2014) ^[5, 2, 3].

Table 4: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.885
Bartlett's Test of Sphericity	Approx. Chi-Square	577.739
	Df	10
	Sig.	.000

Table 5: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.557	71.135	71.135	3.557	71.135	71.135
2	0.461	9.225	80.360			
3	0.362	7.235	87.595			
4	0.329	6.587	94.182			
5	0.291	5.818	100.000			

Extraction Method: Principal Component Analysis

Table 6: Component Matrix

B	Component 1
B1	0.861
B2	0.861
B3	0.847
B4	0.842
B5	0.805

5. Discussion and Implications

Employee engagement is one of the decisive factors for the success of the organization. Engagement here is understood as the engagement of employees with work, between employee and employee, and between employees and the organization. Through cohesion, employee productivity will be improved because employees support each other at work. In the survey, I work closely with my coworkers at the bank and consider myself an essential member of the team. The bank where I work promotes knowledge and skill exchange to the fullest. The bank where I work encourages goodwill among its personnel. Teamwork is valued at the bank where I work. These were the topics most appreciated by survey respondents, with an average rating of 3.99, 3.94, 3.93, and 3.93, respectively. These are also the contents specified in the job requirements at the job positions when employees start work. Therefore, the employees are highly motivated to work on this content.

The remaining content that reflects engagement was rated lower by survey participants. Because these factors do not create a close and friendly working environment, in the commercial banks participating in the survey, those with high remuneration for employees, the cohesion between employees is not good. Some employees work individually, without friendly connections with other employees. In particular, employees in the merged banks with employees in the merged banks have very low cohesion. The main cause of this problem is competition in job positions, salary competition, and bonus competition.

In a bank, salary adjustments are limited. Employees who want to get a raise must achieve very high performance at work. However, the bank has regulations on the maximum salary increase compared to the current salary. Therefore, bank employees often have the mentality to switch to another bank to enjoy a higher salary than the old bank. These are the reasons for the average assessment of employee engagement motivation at commercial banks being only 3.92.

The analysis results also show that the Skewness and Kurtosis coefficients are in the range of -1 to 1, except that the observed variables B2 and B5 are not significantly higher, so the survey data ensures a relatively standard distribution. Therefore, the evaluation levels of the employees participating in the survey are relatively uniform and concentrated, with little dispersion, so the analysis results have high statistical significance.

To achieve success in the process of conquering talent, an important fundamental factor is understanding people's hearts. The bank's board of directors should regularly schedule appointments to meet with employees. Instead of spending the whole session discussing achievements and work results, the board of directors should listen, focus, and respect the needs of employees. That not only helps motivate employees but also increases their ability to work effectively in groups and creates a sociable and trusting relationship between employees and management.

Commercial bank leaders should motivate employees through weekly or monthly praise, commendation, and encouragement. In addition, bank leaders should develop a friendly program for employees as well as give them monthly rewards to encourage them. At that time, employees will see that the leadership of the commercial bank appreciates and recognizes the efforts they have put in.

Being trusted by superiors is always the biggest motivation for any employee in commercial banks. When leaders give trust, it is to send a message that the employee's work performance is really good and the superiors do not need to worry about anything when assigning responsibilities to them.

One of the ways to help employees feel recognized in the bank is to encourage everyone to see each other's strengths. In group meetings, working in groups, the leadership should ask people to express their opinions about the colleagues they feel are excellent or have made the most progress.

In addition, managers should encourage bank employees to present their opinions, suggestions, and feedback on the bank's work and policies. The way each employee works will help the bank go up better, so give them the opportunity to express their opinions and voices in the working process. Bank managers should always create opportunities for development and promotion for employees. Because employees will switch jobs when they see no opportunities for advancement or opportunities to learn and develop themselves. When there is a deadlock at work, employees will feel depressed, from which they will jump jobs. Therefore, managers should create conditions for employees to continue learning new skills or fostering professional skills. When employees' talents are promoted, it will benefit both the bank and that employee.

Increasing equity helps the bank effectively deal with external shocks, ensuring safety in business operations, especially in the context that depositors at commercial banks in Vietnam are very sensitive to negative information about the bank's day-to-day business.

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