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## **Factors affecting organizational commitment: research at the Joint-stock Commercial Bank for Investment and Development of Vietnam (BIDV)**

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### **Abstract**

The study examines the impact of six internal factors on the organizational commitment of the employees at the Bank for Investment and Development of Vietnam (BIDV). The reliability analysis and exploratory factor analysis are adopted to analyze the collected data from 292 surveyed samples. The results show that six elements including current job, working condition, leadership, colleagues, payments and salaries, promotion and development positively relate to employees' organizational commitment at BIDV. Based on this finding, the most important implication is the need of establishing a holistic working environment.

**Keywords:** Human resource management, Organizational commitment, Bank for Investment and Development of Vietnam (BIDV)

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### **1. Introduction**

Organizational commitment is considered one of the most challenging management issues in the banking industry as employee engagement plays a critical role in the growth in this field (Hays, 2014). An employee with high organizational engagement is likely to stably work efficiently and demonstrate a persistent effort to meet the organization's needs. Employees who show a high level of commitment are more likely to bring in higher levels of customer satisfaction and revenues, and lower levels of turnover and accidents than others (Harter *et al.*, 2002). The lack of organizational commitment among workers has posed a serious concern for the majority of companies (Lockwood, 2007; Vance, 2006; Dang and Nguyen, 2021).

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There are several studies focusing on factors that pose an impact on employee attitude in organizations (Lockwood, 2007; Hays, 2014; Anh and Vi, 2017). However, organizational commitment is not a popular topic in Vietnam. It could be seen that the Vietnamese scholars tend to investigate how to increase workers' satisfaction by creating comprehensive workplaces, in hope to remain their stay and loyalty toward the companies.

Employee's commitment is desired by human managers whose aim is to achieve efficient performance at work. Consequently, it is necessary to determine the determinants of employee commitment, especially in the context of Vietnam. In addition, examining this topic in a particular working environment is needed (Macey and Schneider, 2008; Saks, 2008). Adding to the literature, the study focuses on re researching joint-stock commercial banks, with the purpose of investigating the specific factors that directly impact on the employees' commitment.

Banks have been facing threats in human resource management issues such as serious brain drain and high turnover rates in big cities in Vietnam. Hanoi is such a prominent case. Because devoted employees play an essential role in the long-term development of banks, satisfying their needs is an issue for the bank human resource managers. Thus, we choose to study the factors affecting the commitment employee at the Bank for Investment and Development of Vietnam (BIDV) to examine the theoretical framework of previous researches, at the same time, propose recommendations to enhance employee engagement at BIDV, and in the Vietnamese banking industry in general.

The remaining of this study is organized as follows. Section 2 presents the literature review. Section 3 shows the research methodology. Section 4 discusses the results. Section 5 concludes the study.

## **2. Literature review, research hypothesis, and model**

### ***2.1 Organizational commitment***

Commitment is an engagement or participation that limits one's freedom of action. Studies about organisational commitment are originated in the need of establishing and maintaining a dedicated workforce. Since its emergence, the concept of organizational commitment has gathered huge attention in the field of human resource management. Researches in this discipline looked into the antecedens of employee commitment, such as attitudes towards jobs, occupations; teamwork; and employee association.

According to Wiener and Vardi (1980), the perception of moral obligation is measured by the extent to which an employee feels that he/she should be loyal to the organization and that one does not refuse to sacrifice himself/herself to support others. Mowday *et al.* (1984), who has done a huge range of initial research on the commitment of employee, defined organizational commitment the employees' strong beliefs and acceptance of the business's goals and values. It also reflects the workers' willingness to demonstrate the effort on behalf of the organization, and his/her a strong desire to maintain the membership in an organization. In

addition, O'Reilly (1989) states that employee commitment is an individual's psychological engagement with the business, including the willingness to participate in organizational tasks, loyalty, and trust in organizational values.

Organizational commitment remains one of the most fascinating and challenging concepts in the fields of management, organizational behavior, and human resource management. Buchanan (1974) defines commitment as the emotional separation or attachment between individual and organizational goals and values. Mowday *et al.* (1979) state that organizational commitment is one's particular contribution during participation in an organization. O'Reilly and Chatman (1986) state that organizational commitment is a psychological attachment to the organization, created by three independent factors, namely compliance, willingness, and internalization. Compliance is considered participation based on extrinsic motivations. Meanwhile, commitment plays a critical role in the mechanism of developing psychological intrinsic attachment (Bowlby, 1982). Internalization is participation based on an individual's acceptance of the organization's values. Lee and Mitchell (1991) define commitment as shared belief and acceptance of common values and the willingness to go beyond the assigned mission to enhance citizenship behaviors and the desire to maintain membership with the organization. Until now, most of the studies have a consistent conclusion that when employees are sure that they have opportunities for growth and learning at their current organizations, their level of commitment to the business increases.

Organizational commitment involves a range of feelings, attitudes, values, and practices (Bowlby, 1982). It is also reflected in an employee's level of engagement and dedication to his/her business. Allen and Meyer (1990) distinguished three elements of corporate commitment as psychological attachment among employees (affective commitment); costs associated with leaving the business (continuance commitment) and the obligation to stay with the business (normative commitment).

Measuring organizational commitment is the assessment of the fit between the values and the beliefs of individuals and their organizations (Swales, 2002). Krishnan and Ismail (2012) described organization commitment as the willingness of employees to contribute to the organization's goals.

There are several factors associated with organizational commitment. One of those factors is the improvement of citizenship behavior such as to recommend innovation, support colleagues, and demonstrate extra effort (Brief and Motowidlo, 1986). Others factors can be named workforce stability (Steers, 1977), higher revenue (Mowday *et al.*, 1979), lower turnover (Tett and Meyer, 1993), and lower absenteeism (Cohen, 1993; Zahra, 1984). Essentially, the increase in employee commitment is related to the definition of the psychological contract, which is used to describe employees' beliefs in an exchange agreement between employers and employees. The psychological contract indicates that employees seek for balance among their contributions, rewards and development. As a result, employees' willingness in term of contribution to the organization are linked to rewards and development opportunities (Robinson and Rousseau, 1994).

On the other hand, Eisenberger *et al.* (1986) claim that the concept of commitment also consists of employees' perception of how the organization is committed to them. Shortly, commitment to the business is a stable indicator of an employee's intention to stay. A business can retain its employees in several ways such as by improving employees' physical and mental health, increasing job satisfaction, enhancing human resource development, fair and appropriate compensation, and other benefits (Eisenberger *et al.*, 1990; Huselid, 1995; Mowday *et al.*, 1984; Williams and Anderson, 1991).

## ***2.2. Antecedents of organizational commitment***

### ***2.2.1 Current job***

The characteristics of the "current job" indicate the degree of appropriateness of the work with the capability and desire of the employees.

The people-job fit is demonstrated through the aspects such as capability, expertise; understanding of the job; the employee motivation brought about by work characteristics (Luddy, 2005). According to the job characteristics model (Robbins and Judge, 2021), if the job contains certain characteristics such as skill variety, task identity, and task significance, it is possible to forecast that the employee will consider his/her job as important, valuable, and worthwhile; which in turn lead to high internal work motivation and high job satisfaction.

Several empirical research has proved the impact of work characteristics on job satisfaction (Luddy, 2005; Chau, 2009; Gao and Vu, 2011), which might in turn leads to organizational commitment (Griffin *et al.*, 1986). Therefore, the following hypothesis is suggested:

*H1: Current job has a positive impact on organizational commitment.*

### ***2.2.2 Working environment***

Working environment is often considered a key issue from two perspectives of job and context. The former includes job characteristics, methods of implementing and completing, job achievement, and task values. The latter includes physical and social work conditions (Sousa-Poza and Sousa-Poza, 2000; Gazioglu and Tanselb, 2006). The working environment possesses a significant impact on the productivity of each employee; Buhai *et al.* (2008) conclude that productivity can be increased by improving the work environment. Moreover, motivational factors related to working conditions can enhance the employees' commitment to the organization, ultimately, promoting happiness, job satisfaction, and organizational commitment.

Kyko (2005) points out that employee personalities are changed by working environment. Therefore, many scholars classify work environments into positive and negative environments (Akinyele and Fasogbon, 2010; Assaf and Alswalha, 2013). A positive working environment provides an enjoyable experience for employees and helps him/her realize aspects of their personalities. While toxic work environments bring painful experiences and de-realize employees' desires. Kyko (2005) believes that employee can change their jobs to be more responsible and committed to working in a favorable working environment because such context reinforces good traits in them.

On the other hand, some employees will stay at a company, which pays attention to their career priorities (life stage needs), health, location, family, and other personal needs (Gonyea and Googins, 1992; Kamerman and Kahn, 1987). For example, various organizations arrange and flexibly adapt work schedules and working methods to help employees balance work and private life issues (Perry-Smith and Blum, 2000).

Thus, in this research we agree with the definition that the working environment is the relationship between employees and employers. The external environment might be a critical element that influences an employee's decision of remaining at the organization or leaving. A positive working environment has a positive impact on employee commitment. According to previous studies, the following hypothesis is developed:

*H2: Working environment has a positive impact on organizational commitment.*

### *2.2.3 Colleagues*

Colleagues are people, who work in the same organization or, more closely, in the same department. Colleagues are considered a favorable factor when employees in the organization show willingness to help each other, cooperate effectively, and have harmonious and stress-free relationships, which create a friendly and trustworthy working environment (Chau, 2009; Giao and Vu, 2011; Pham, 2011). According to several theories of needs (Maslow, 1943; Alderfer, 1969), the quality of relationships with co-workers influence the degree of employee job satisfaction. A favorable working environment and climate might increase job satisfaction (Raziq and Maulabakhsh, 2015) and the organizational commitment of employees (Hanaysha, 2016). Thus, we propose the hypothesis indicating that colleagues can lead to a variance of organizational commitment in a reciprocal relationship as follows:

*H3: Relationship with colleagues has a positive impact on organizational commitment.*

### *2.2.4 Job compensation*

Job compensation is one of the most critical determinants of employee commitment, including salary and other payments. Employment might be regarded as a commercial transaction in the organization but with a special customer, who accompanies it for a long period (Chang *et al.*, 2013). Salary is one aspect of compensation. Consideration of salary, incentives, allowances, and pensions might affect organizational commitment (Getahun *et al.*, 2008). Previous studies show that job characteristics such as job benefits and pensions affect employee commitment (Getahun *et al.*, 2008).

Job compensation also involves a series of rewards that the company gives to employees when they complete a specific task. Rewards are defined as all monetary, non-monetary, and psychological payments that a business gives to its employees (Bartol and Locke, 2000). Some studies show that job reward is a strong determinant of job satisfaction and reward is also significantly related to professionalism and job satisfaction (Gerald and Dorothee, 2004; Clifford, 1985). Moreover, designing a reward system, the manager should take into account organizational goals, values, and strategies. An organization needs to reward its employees to



address four key factors: compensation, benefits, recognition, and evaluation (Sarvadi, 2005). Regarding rewards, business owners often consider the first perspective the most priority (Rynes *et al.*, 2002). Recognition is one of the needs that affect employees' commitment to staying in the organization in the long run. Employees can be motivated to improve performance by non-monetary rewards such as recognition, appreciation, or approval of the positive achievements or contributions of an individual or group (Caligiuri, 2014; Baker and Nelson, 2005). According to Gostick and Elton (2007), recognition refers to personal praise or evaluation, acknowledging achievements, including minor but important attention for employees.

Overall, job compensation is one of the critical factors influencing organizational commitment, guaranteeing employees are engaged and loyal to the organization. Thus, the following hypothesis is proposed:

*H4: Payments and salaries have a positive impact on organizational commitment.*

#### *2.2.5 Promotion and development*

Promotion can be seen as a great interest of employees in the context of an organization, which plays an important role in establishing an individual's attitude in their relationships. Furthermore, promotion might be understood as a long-term career development program, acting as a promise to employees (Chang *et al.*, 2013).

The ultimate definitions of career advancement and development cover training programs and opportunities for advancement (Bhavna and Swati, 2012), training and career development (Muhammad, 2014), coaching (Gregory and Levy, 2010), and learning and development (Cushion *et al.*, 2003).

According to Dobrow *et al.* (2012), career development, a key aspect of human development, is the process of forming an individual's work identity. A good promotion program makes employees aware of their values and significance to the organizational tasks, establishes a link between personal responsibility and organizational responsibility. Career growth begins with one's earliest understanding of how to make a living, then, the individual scrutinizes the professional, and finally, decides what career to pursue, prepares for it, does it, gets it, and stays with it.

It is reasonable that one might have a sense of achievement and guarantee when being consulted by his/her managers about their potential career paths within the organization (Leibowitz *et al.*, 1986; Chang *et al.*, 2013). Agreeing with that point of view, Paul and Anantharaman (2004) found that there is an important and positive relationship between training, employee commitment, and job satisfaction. Empirical analysis of the study shows that training activities are significantly correlated with employee commitment, and play an important role in improving corporate commitment. On-the-job training is a way, through which employee skills are developed.

It is universally recognized that training creates benefits for both employees and businesses (Aguinis and Kraiger, 2009). For employees, the benefits of training can be reflected in their

work, career, and personal development goals (Bulut and Culha, 2010). Nordhaug (1989) identifies three types of benefits for employees when participating in training activities including current job, career, and personal benefits. Current job-related benefits show that employees participating in training programs have the advantage of enhancing their current roles. Training serves as a tool for developing new skills. Although the definition has changed in terms of wording or scope over time, we find that training and career development positively affect the decision to stay at the organization of both newly recruited employees and current key people. Therefore, the following hypothesis is suggested:

*H5: Advancement and growth have a positive impact on corporate commitment.*

### 2.2.6 Leadership

Previous research has devoted a lot of attention to the relationship between leadership behavior and employee commitment to the organization. Firstly, leadership is defined through different studies about the leader at the workplace (Bhavna and Swati, 2012); servant leadership (Duren, 2011), supervisor (Quader and Jin, 2011), perception of leadership and identity (Bhavna and Swati, 2012), leadership behavior (Nguyen and Mohamed, 2009), supervisory support (Muhammad, 2014), and sharing leadership (Chrispeels, 2004). Also, it is mentioned that leading is an individual's behavior. This behavior exerts influence when one directs and cooperates within a group to accomplish a common goal. Leadership directly affects employee retention.

Regarding leadership, employee engagement partly reflects the relationship between core employees and managers. Especially in banks, the leader acts as the main communicator for employees about the goals and expectations of the business. The leader's support is so essential that it can be said that the employee leaves the boss, not the job (Meyer *et al.*, 2004). If the leaders focus on employee progress, beyond a formal review process; this will help improve employee retention and engagement with banks (Freyermuth, 2007). Thus, the following hypothesis is advanced:

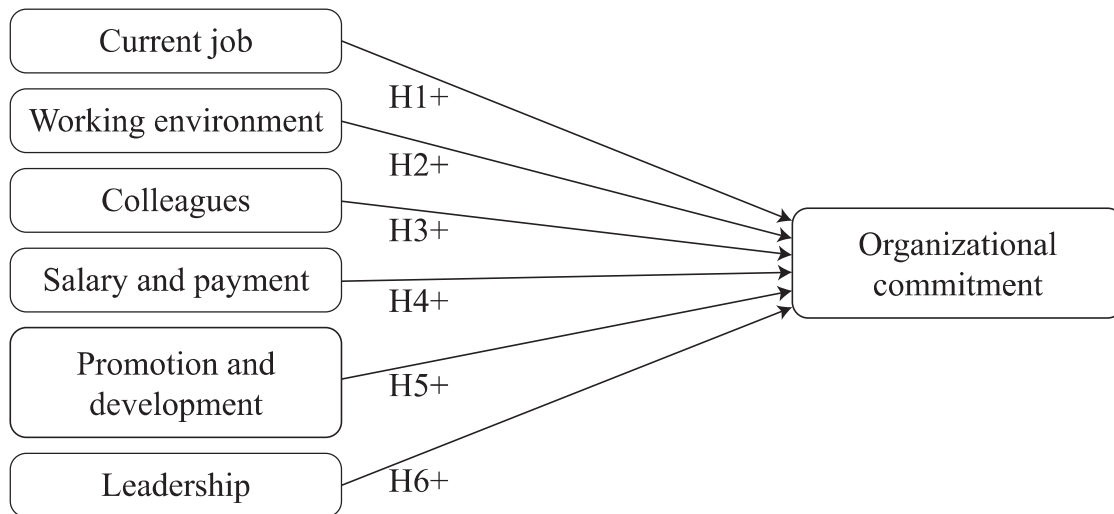
*H6: Leader behavior has a positive impact on organizational commitment.*

### 2.3 Proposed research model

Our model is developed based on the literature of Chang *et al.* (2013), Kyko (2005), Caligiuri *et al.* (2014), and Dobrow *et al.* (2012). There are several factors affecting employee commitment; however, within the researching scope among banks, we establish the research model based on six factors affecting organizational commitment, including: current job, working environment, colleagues, salary and payment, promotion and development, leadership, and one control variable. The model will be as follow:

$$OC_t = \beta_0 + \beta_1 CJ_t + \beta_2 WC_t + \beta_3 C_t + \beta_4 PS_t + \beta_5 PD_t + \beta_6 L_t + \varepsilon_i$$

where  $OC_t$  is organizational commitment;  $CJ_t$  is current job;  $WC_t$  is working environment;  $C_t$  is colleagues;  $PS_t$  is salary and payment;  $PD_t$  is promotion and development;  $L_t$  is leadership;  $\varepsilon_i$  is an error.



**Figure 1.** Model of factors affecting organizational commitment

**Source:** Authors' suggestion

### 3. Research methodology

#### 3.1. Procedure

In this study, we conducted a survey of 310 employees at BIDV through the method of random sampling, 18 responses were rejected due to lack of data, and 292 other responses were valid. The process of establishing a survey included three main stages: (i) questionnaire design, including variable measurement, questionnaire translation, and question drafting; (ii) pilot test, which is carried out on a sample of 10 interviewees to find errors; and (iii) survey handing out. The collected data were tested by SPSS for reliability, exploratory factor analysis (EFA), proposed hypothesis testing, and results.

#### 3.2. Establishing scales and questionnaires

In this study, we measured the dependent variable (organizational commitment) and six independent variables including current job, working environment, colleagues, salaries and payments, promotion and development, and leadership by items on the Likert 5 item scales, ranging from 1 - strongly disagree, 2 - disagree, 3 - neutral, 4 - agree, and 5 - strongly agree.

#### 3.3 Sample size

According to Hair *et al.* (2009), the EFA model requires a minimum sample size of 50 with a ratio of observations-to-a-analyte of 5:1 or 10:1. In this paper, the research model of the group includes 7 factors with 35 observed variables. Accordingly, the sample needed for this study has to be from 175 or 300. With 292 observations, it is an appropriate sample size for this study.

The survey respondents are random employees at the researched organizations from all departments and hierarchical levels to represent the whole population of the organization.



### 3.4. Processing data methods

Based on the data collected and preliminarily processed, we conducted the Cronbach's Alpha reliability test to eliminate variables with low confidence coefficients. The EFA is implemented to evaluate and eliminate inappropriate items or duplicate items. Next, confirmatory factor analysis (CFA) is carried out. Finally, the linear regression model method was used to analyze the data.

## 4. Discussion

### 4.1 Descriptive statistics

According to Table 1, 65.1% of the respondents are female, the remaining 34.9% are male. The work experience of the respondents is categorized into several groups: from 3-5 years (33.6%), 6-10 years (28.4%), over 10 years (24.7%), and below 3 years (13.1%). The majority of the respondents possess a college/university education (72.6%) and rest of 27.3% obtains other forms of qualification. The average salary/month ranging from 11 to 20 million VND accounts for 46.2%, followed by 5-10 million VND (32.9%), 21-40 million VND (13.5%), and below 5 million VND (7.2%). The working position is consisted of 50.0% (employee), 30.5% (supervisor), 17.5% (manager), and 2.1% (others). This sample is relevant to the research topic.

**Table 1.** Sample characteristics

| Characteristics         |                         | Number (people) | Ratio (%) |
|-------------------------|-------------------------|-----------------|-----------|
| Sex                     | Male                    | 102             | 34.9      |
|                         | Female                  | 190             | 65.1      |
| Experience              | Less than 3 years       | 39              | 13.1      |
|                         | 3-5 years               | 98              | 33.6      |
|                         | 5-10 years              | 83              | 28.4      |
|                         | Over 10 years           | 72              | 24.7      |
| Working position        | Manager                 | 51              | 17.5      |
|                         | Supervisor              | 89              | 30.5      |
|                         | Employee                | 146             | 50.0      |
|                         | Other                   | 6               | 2.1       |
| Education               | College                 | 85              | 29.1      |
|                         | University              | 127             | 43.5      |
|                         | Master                  | 64              | 21.9      |
|                         | Postgraduate            | 16              | 5.5       |
| Less than 5 million VND | Less than 5 million VND | 21              | 7.2       |
| 5-10 million VND        | 5-10 million VND        | 95              | 32.9      |
| 11-20 million VND       | 11-20 million VND       | 135             | 46.2      |
| 21-40 million VND       | 21-40 million VND       | 40              | 13.5      |

**Source:** Authors' research sample

#### 4.2 Evaluation of the scale reliability

As the results of the reliability test on the measurement of 35 items measuring 7 variables in the proposed model, Cronbach's Alpha coefficients are from 0.805 to 0.897; correlations between items ranging from 0.417 to 0.810, which are greater than 0.3; thus, all variables satisfy the conditions to perform the next steps of analysis (Hair *et al.*, 2009).

**Table 2.** Cronbach's Alpha

| Variable/Source  | Code | Items  | Corrected item - Total correlation | Alpha if item deleted | Cronbach' Alpha |
|--|------|--|------------------------------------|-----------------------|-----------------|
| Organizational commitment (OC)<br>Chang <i>et al.</i> (2013) | OC1  | Effort to improve and contribute                 | 0.732                              | 0.878                 | 0.897           |
|  | OC2  | Proud to work                                    | 0.742                              | 0.876                 |                 |
|  | OC3  | Loyal when working                               | 0.655                              | 0.893                 |                 |
|  | OC4  | Willing to work overtime                         | 0.796                              | 0.863                 |                 |
|  | OC5  | Commit despite other attractive offer            | 0.810                              | 0.860                 |                 |
| Current job (CJ)<br>Chang <i>et al.</i> (2013)               | CJ1  | Current job is interesting                       | 0.797                              | 0.855                 | 0.893           |
|  | CJ2  | Current job using the best skills                | 0.682                              | 0.881                 |                 |
|  | CJ3  | Current job is not under pressure                | 0.740                              | 0.869                 |                 |
|  | CJ4  | Current job gives many development opportunities | 0.667                              | 0.886                 |                 |
|  | CJ5  | Current job helps balance family and life        | 0.808                              | 0.852                 |                 |
| Working condition (WC)<br>Kyko (2005)                        | WC1  | The atmosphere is clean and good                 | 0.729                              | 0.837                 | 0.870           |
|  | WC2  | Adequate equipment and facilities for employees  | 0.717                              | 0.838                 |                 |
|  | WC3  | Friendly working environment                     | 0.629                              | 0.860                 |                 |
|  | WC4  | Safe working environment                         | 0.594                              | 0.868                 |                 |
|  | WC5  | Flexible working hours                           | 0.827                              | 0.809                 |                 |

**Table 2.** Cronbach's Alpha (*continued*)

| Variable/Source  | Code | Items   | Corrected item - Total correlation | Alpha if item deleted | Cronbach' Alpha |
|--|------|---|------------------------------------|-----------------------|-----------------|
| Payment and salary (PS)<br>Chang <i>et al.</i> (2013)        | PS1  | Consistent with work results                          | 0.621                              | 0.759                 | 0.805           |
|  | PS2  | Equity between individuals                            | 0.607                              | 0.762                 |                 |
|  | PS3  | Pay in full and on time                               | 0.695                              | 0.735                 |                 |
|  | PS4  | Satisfied with current salary                         | 0.638                              | 0.752                 |                 |
|  | PS5  | Bonus based on performance                            | 0.417                              | 0.824                 |                 |
| Promotion and development (PD)<br>Chang <i>et al.</i> (2013) | PD1  | Training more skills                                  | 0.569                              | 0.845                 | 0.852           |
|  | PD2  | Fair and transparent promotion policy                 | 0.714                              | 0.813                 |                 |
|  | PD3  | Several opportunities for high skill worker           | 0.735                              | 0.804                 |                 |
|  | PD4  | Training facilitates effective performance            | 0.559                              | 0.848                 |                 |
|  | PD5  | Fair allocation process                               | 0.773                              | 0.793                 |                 |
| Colleagues (C)<br>Caligiuri <i>et al.</i> (2014)             | C1   | Friendly  | 0.710                              | 0.875                 | 0.892           |
|  | C2   | Willing to support                                    | 0.739                              | 0.868                 |                 |
|  | C3   | Team spirit   | 0.713                              | 0.874                 |                 |
|  | C4   | Performance is improved while working with colleagues | 0.730                              | 0.870                 |                 |
|  | C5   | Share achievements with colleagues                    | 0.792                              | 0.857                 |                 |
| Leadership (L)<br>Dobrow <i>et al.</i> (2012)                | L1   | Willing to support followers                          | 0.706                              | 0.873                 | 0.891           |
|  | L2   | Appreciate staff capacity and talent                  | 0.771                              | 0.859                 |                 |
|  | L3   | Treat employees equally                               | 0.757                              | 0.863                 |                 |
|  | L4   | Possess professional knowledge and good leadership    | 0.655                              | 0.886                 |                 |
|  | L5   | Treat employees like family                           | 0.793                              | 0.853                 |                 |

**Source:** Authors' calculation

After eliminating PS5, which factor loading is smaller than 0.3, KMO coefficient is 0.834 greater than 0.5, which is satisfied; Chi-square values of Bartlett's test reaches the value of 4965.841 with a significant level equal to 0.000 smaller than 0.05 that is statistically satisfied. In addition, the lowest eigenvalue is 1.766 higher than the standard value of 1. The result of the total variance extracted is 68.804% greater than 50%, which means that 6-factor extraction can explain 68.804% of the variation of data.

**Table 3.** Exploratory factor analysis (after eliminating PS5)

| <b>KMO và Bartlett's test</b>          |                    |          |          |          |          |          |
|--|--------------------|----------|----------|----------|----------|----------|
| KMO measure of sampling adequacy 0.839 |                    |          |          |          |          |          |
| Bartlett's test of sphericity          | Approx. Chi-square |          |          |          | 4965.841 |          |
|  | df                 |          |          |          | 406      |          |
|  | Sig                |          |          |          | 0.000    |          |
| <b>Rotated factor matrix</b>           |                    |          |          |          |          |          |
| <b>Item</b>                            | <b>1</b>           | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> | <b>6</b> |
| CJ1                                    | 0.856              |          |          |          |          |          |
| CJ5                                    | 0.862              |          |          |          |          |          |
| CJ3                                    | 0.775              |          |          |          |          |          |
| CJ2                                    | 0.751              |          |          |          |          |          |
| CJ4                                    | 0.742              |          |          |          |          |          |
| L5                                     |                    | 0.864    |          |          |          |          |
| L2                                     |                    | 0.847    |          |          |          |          |
| L3                                     |                    | 0.814    |          |          |          |          |
| L1                                     |                    | 0.792    |          |          |          |          |
| L4                                     |                    | 0.754    |          |          |          |          |
| C5                                     |                    |          | 0.859    |          |          |          |
| C2                                     |                    |          | 0.821    |          |          |          |
| C1                                     |                    |          | 0.796    |          |          |          |
| C3                                     |                    |          | 0.779    |          |          |          |
| C4                                     |                    |          | 0.755    |          |          |          |
| WC5                                    |                    |          |          | 0.888    |          |          |
| WC1                                    |                    |          |          | 0.816    |          |          |
| WC2                                    |                    |          |          | 0.810    |          |          |
| WC3                                    |                    |          |          | 0.738    |          |          |
| WC4                                    |                    |          |          | 0.713    |          |          |
| PD5                                    |                    |          |          |          | 0.851    |          |
| PD3                                    |                    |          |          |          | 0.820    |          |
| PD2                                    |                    |          |          |          | 0.803    |          |
| PD1                                    |                    |          |          |          | 0.705    |          |
| PD4                                    |                    |          |          |          | 0.692    |          |
| PS3                                    |                    |          |          |          |          | 0.791    |
| PS4                                    |                    |          |          |          |          | 0.773    |
| PS2                                    |                    |          |          |          |          | 0.770    |
| PS1                                    |                    |          |          |          |          | 0.765    |

**Source:** Authors' calculation

According to the above analysis, all of the six independent variables reach convergent validity, which is presented in Table 3 of the rotated factor matrix after eliminating PS5. After EFA, six factors affecting the organizational commitment of employees at BIDV bank are obtained.

### 4.3 Regression analysis and testing of research hypotheses

#### 4.3.1 Regression analysis

Regression analysis is an important step to determine how the independent factors influence dependent variables. The regression model is used to describe this relationship using enter method. This model is established to measure the effects of six independent variables on organizational commitment.

The regression results show that all of the six variables possess a significant value smaller than 0.05, which means six factors have a statistically significant at a 95% confidence level. Moreover, the adjusted R<sup>2</sup> value reaches 0.617, indicating that 61.7% of the variation of the dependent variable organizational commitment is explained by six independent variables in the research model. A significant value of the F test in ANOVA results gets 0.000 small than 0.05, indicating that the considered research model is not only meaningful for the obtained sample data set but also applicable to the general population. In addition, VIF statistics show that all values are in the range from 1<VIF<3; so there is no multicollinearity phenomenon.

**Table 4.** Linear regression - organizational commitment

| Model |            | Unstandardized coefficients |            | Standardized coefficients | t      | Sig.  | Collinearity statistics |       |
|-------|------------|-----------------------------|------------|---------------------------|--------|-------|-------------------------|-------|
|       |            | B                           | Std. Error | Beta                      |        |       | Tolerance               | VIF   |
| 1     | (Constant) | -0.694                      | 0.194      |                           | -3.583 | 0.000 |                         |       |
|       | CJ         | 0.249                       | 0.044      | 0.235                     | 5.608  | 0.000 | 0.753                   | 1.328 |
|       | WC         | 0.144                       | 0.044      | 0.130                     | 3.304  | 0.001 | 0.848                   | 1.180 |
|       | L          | 0.197                       | 0.029      | 0.273                     | 6.907  | 0.000 | 0.841                   | 1.189 |
|       | C          | 0.158                       | 0.032      | 0.203                     | 4.913  | 0.000 | 0.768                   | 1.302 |
|       | PS         | 0.237                       | 0.043      | 0.225                     | 5.516  | 0.000 | 0.794                   | 1.260 |
|       | PD         | 0.215                       | 0.037      | 0.229                     | 5.797  | 0.000 | 0.845                   | 1.183 |

Dependent variables: OC

**Source:** Authors' calculation

The significant value of the regression coefficients of the independent variables are all less than 0.05. All independent variables significantly explain variation in organizational commitment at BIDV. None of the variables is excluded from the model. The coefficients B and Beta show that all six independent variables have a positive relationship with the dependent variable because the corresponding values are greater than 0. Considering the impact on the dependent variable in descending order, we discover that CJ has the strongest



impact with the coefficient Beta equal to 0.249; the next strongest independent variables are PS with Beta equal to 0.237 and PD with Beta equal to 0.215; L, C, and WC variables seem to possess a weaker effect on OC with  $\beta = 0.197, 0.148, \text{ and } 0.144$ , respectively. The role of each independent variable in the model is similar to each other in terms of the regression coefficient. The Beta coefficient demonstrates the degree dependent variable changes if the independent variable changes by one unit. For example, when the independent variable of “current job” (CJ) changes by one unit, the dependent variable “organizational commitment” (OC) also changes by 0.283 units, which is the Beta coefficient of variable CJ.

#### 4.2.2 Research hypothesis confirmation

According to the tests and regression results, the proposed research hypotheses are synthesized and confirmed in Table 5.

**Table 5.** Summary of regression results

| No. | Variable                       | Sig   | B     | Result   |
|-----|--------------------------------|-------|-------|----------|
| 1   | Current job (CJ)               | 0.000 | 0.249 | Accepted |
| 2   | Working condition (WC)         | 0.001 | 0.144 | Accepted |
| 3   | Leadership (L)                 | 0.000 | 0.197 | Accepted |
| 4   | Colleagues (C)                 | 0.000 | 0.158 | Accepted |
| 5   | Payments and salaries (PS)     | 0.000 | 0.237 | Accepted |
| 6   | Promotion and Development (PD) | 0.000 | 0.215 | Accepted |

**Source:** Authors’ calculation

## 5. Conclusion and implication

According to the presented quantitative analysis, the proposed research model and the six hypotheses are approved. All of the six elements, namely current job, working condition, leader and colleagues, payments and salaries, promotion and development, and leadership, positively relate to employee organizational commitment. In other words, these six factors served as antecedents to employee commitment.

Firstly, the paper demonstrates that the characteristics of the current job possesses the strongest impact on organizational commitment. The conclusion parallels those of several previous researches (Luddy, 2005; Chau, 2009; Giao and Vu, 2011). Secondly, working condition is proven to affect the decision of employees to leave or to stay at their organizations. Relevant workspace can increase the intention of being loyal, while a toxic climate can mitigate the commitment of employees to the organization, which is consistent with the previous studies of Kyko (2005), Buhai *et al.* (2008). However, according to our results, this element has the least impact on organizational commitment. Thirdly, while leadership reflects the relationship between leaders and their staffs and influences employee engagement in the organization, it is also important in contributing to employee retention. Our research results regarding these organizational elements are relevant to the research of Meyer *et al.* (2004) and Freyermuth (2007). Fourthly, our study emphasizes the important role of colleagues in

forming organizational commitment. Positive colleagues are willing to support each other, effectively collaborate and contribute to a friendly and stress-free working environment, eventually, facilitate organizational commitment. Fifthly, organizational compensation, including payments and salaries, has the second strongest effect on employee commitment, which is consistent with former research (Chang *et al.*, 2013; Getahun *et al.*, 2008; Gerald and Dorothee, 2004; Clifford, 1985). Payments and salaries could be used to recognize employees' performance, these elements may influence the loyalty and engagement of employees to the organization. Finally, our study admits the remarkable importance of career paths related to employees' promotion and development to the variance of organizational commitment. An obvious and potential career path might help retaining employees, while vague ones might decrease their commitment (Leibowitz *et al.*, 1986; Chang *et al.*, 2013).

Our research results reflect a general implication that BIDV and other Vietnamese banks need be more attentive on founding a holistic comprehensive working environment. For example, a traditional approach to the issue relating to employees' commitment relies on the assumption that salary is the only motivation. However, researches show that staffs by equipped with the necessary facilities and can work in a convenient workspace, employees are more likely to devote to the job. Receiving support from supervisors and colleagues, be trained and developed critical skills based on their potential career paths are desired by the workers. Also, being recognized with appropriate payments and salaries based on their performance and contribution to the organization is what the employees considered motivating.

This study is able to provide some empirical evidence, adding to overall literature of organizational commitment in Vietnam. However, there are still numerous gaps in the literature. Within the boundary of this topic, we are only able to clarify the extent of impact of some research factors on employee commitment. Further research might conduct in-depth analysis of the data for more interesting findings, for example, to explain the variance between different groups of employees.

Also, employee commitment in other context should be investigated in future research. These context could be about other organizations, other industries or another organizational culture. Researching about moderators and mediators influencing the relationship between the six studied determinants and employee commitment could also be a choice.

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