

Factors Affecting Changing Jobs of the Labors in Sales in Ho Chi Minh City

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Abstract

The results of this study are aimed at determining the factors affecting the change jobs of the workforce in sales in Ho Chi Minh City. The research results show that there are 06 groups of factors affecting job changing of the sales force in Ho Chi Minh City including Policies - Remuneration, Leadership, Working Environment, Leaders' Assessment, training and development opportunities, nature of work. Three specific objectives are achieved: Firstly, identify the factors affecting job changing of the sales force in Ho Chi Minh City; Secondly, analyze the job changing situation of the sales force in Ho Chi Minh City; Third, propose recommendations to create strong attachment of the workforce in sales in Ho Chi Minh City in the coming time.

Keywords: work motivation, loyalty, human resource management, satisfaction, attachment

INTRODUCTION

In the regional and world economic integration, enterprises have many development opportunities; on the contrary, they also face many challenges of competitions for good labor force. Specifically, within ASEAN, the movement of free labor in this economic community has also made the competition on human resources among countries and businesses which become more and more severe. The phenomenon of employee changing in sales is a great challenge for businesses. All business managers admit that they must always pay a high price for letting key employees leave. Highly qualified employees often move to high paying places with remuneration, better opportunities for promotion.

According to a survey by JobStreet.com Vietnam, in 2018, the market for recruiting personnel in sales is fiercely competitive. Nearly 95.6% of the more than 400 companies surveyed said they had demand for recruiting in the coming months, 83% of businesses admitted their demand for hiring increased sharply compared to 2016 and 2017, from 35% to 200%. This happening has made sales industry become the most demand for labor recruitment, but it has also been considered the most difficult field to get candidates. According to employers, the percentage of employees sales changing job is extremely high, making them fall into a passive condition.

According to statistics of young workers with the age of 20-26, who are under 5 years of experience, do not connect to organizations highly. According to Navigos survey results, Vietnamese Y generation, who were born between 1980 and 1996, accounted for 69% of people considering changing jobs, and 70% working with enterprises for less than 4 years. According to Track's research (Forbers, 2014), for each low-level employee, the cost of finding a replacement is between 30% and 50% of the employee's annual salary. This cost is about 150% for middle-level employees and up to 400% for senior staff. Why is there such a changing job situation? What is the real reason why young workers, especially workers in sales want to change their jobs? Those are the reasons that the team conducted this study.

LITERATURE AND HYPOTHESIS

Hackman and Oldham (1974) argue that "job characteristics" are the most important factor affecting work engagement. Deeply research on motivation for workers, scientists realize that there are many factors affecting the attachment to work. For example, Brehm & Gates (1997), Tullock (1965) & Downs (1957) affirmed that "salary" is only part of the work attachment to employees. Employees are also greatly influenced by the "variety and interesting work" (Romzek, 1990; Massey & Brown, 1998). According to Emmert & Taher (1992) & Daley (1986) "flexible working hours and promotion opportunities" are factors that motivate employees' work motivation. Research by Janet Cheng Lian Chew (2004) demonstrates that motivating employees depends on "leaders' behavior", "workplace relations", "culture and structure of business", "organization" , and "working environment".

The Glassdoor recruitment site tracks thousands of job changing between 2007 and 2017, indicating the correlation between employees' job changing rates with "promotion", "salary" and "business culture." Many recruitment experts at businesses also have the same view on this issue. Navigos (2017) points out that "Salary is a very important factor. It also shows that the company recognizes employees' contributions". However, the fact that companies motivating employees with money make several mistakes. For example, companies often use money or attractive offers to encourage talent; however motivation science proves money is not everything because in some cases they are right. In simple activities, and clear objectives and methods, rewarding have a significantly efficient increase. On the contrary, with tasks requiring creativity, problem-solving thinking, money will lead to a reduction in both performance and quality of work.

Brian Kropp - CEB HR manager – an Insight of best behavioral technology and analytics company in Washington conducted a study to discover why and when employees quit, saying: " We realize what really affects workers is how they feel about how they do compared to others in the same group or with the position they think they will achieve in the future. Since then, we have focused on the times making them have comparisons". Human resources experts believe that it is necessary to make their human resources happy and

joyful in order to promote self-motivation, desire to devote besides good treatment, good working environment to solve the problem of "loss of talent".

Thus, based on the theory, the research results of experts, it can be said that the factors affecting the job changing of workers in sales in Vietnam (variable Y) focus on the following factors: Policy - remuneration; Work environment; Leadership; leaders' Assessment; Nature of work; Training and development opportunities (variable X).

The relationship between the "remuneration policy" and job changing of labours

Salary is an important factor in assessing performance and motivating employees doing their jobs (Mc Callum, 1998). Salary is considered labor prices (Tran Kim Dung, 2011), Salary is the amount of money that employers pay to employees for the labor value that they spend on the agreement through labor contracts (Pham Hong Liem, 2011). The more businesses pay, the more good candidates they are able to attract.

The remuneration also includes fee, income, salary, basic net or minimum amount of money and average benefits and other allowances paid directly or indirectly in cash or in kind, which employers pay to employees (Adam Khoo, 2012). The remuneration, besides "Welfare", is the interest of businesses including social insurance, health insurance, pensions, holiday bonuses, subsidies or business concerns for not only employees but also employees' families such as birthday gifts, weddings, happy life, etc. (Tran Kim Dung, 2003, Bowen, 1993)

Hypothesis H1: "Remuneration policy" affects job changing of labors.

The relationship between "Leaders" and job changing of labors

Leaders are the bridge between employees and the rest of the business (Robins et al, 2002). Leaders are the factors influencing employees' working spirit. When employees feel comfortable and satisfied with their superiors, they themselves will have positive thinking about the business. Satisfaction on the leaders helps employees become more attached to organizations (Associate Prof. Dr. Tran Kim Dung, 2005).

Hypothesis H2: "Leadership" affects job changing of labors

The relationship between the "working environment" and job changing of labors

The working environment is also a set of intangible and tangible elements that can positively or negatively affect employees' productivity or emotions such as working conditions, equipment, facilities, and temperatures, light, sound, noise and other environmental factors (Loberto, 1980). When the working environment is suitable for each individual, they will have the opportunity to develop their potential and easily achieve their work goals. They will feel more satisfied in their work and want to attach with the organization (Hoang, 2015).

Hypothesis H3: "Working environment" affects job changing of labors.

The relationship between the "leaders' assessment" and job changing of labors

Leaders' assessment or recognition always plays an extremely important role in human resource management which helps employees accept their role, making them more connected to the organization (Turkyilmaz, 2016). Leaders' accurate evaluation will positively involve employees' loyalty (Kumar & Skekhar, 2012; Ozkan and Pastuszak, 2011). Ruth Mayhew (2016) argues that the purpose of staff assessment is to measure job performance and it is also an actual tool to determine the skills of employees related to their current job and position. A good and truthful assessment will benefit employees and businesses.

Hypothesis H4: Leaders' assessment affects job changing of labors

The relationship between "Training and development" and job changing of labors

Training and development opportunities in the business are very important which helps employees not only get motivated to work but also feel more satisfied with their organization (Turkyilmaz et al, 2011). Training and promotion opportunities also positively impact employees' loyalty (Ajami, 1998). The more opportunities for training and promotion workers realize, the lower their intention to quit is lower. Training and promotion is an important step in the process of implementing the goals of business organizations (Cengiz Basair

Toraman & Cagatay, 2010). Training and promotion opportunities for employees help them complete their skills, knowledge and professional to meet the organization's strategic goals. The quality of employees has become a competitive advantage for all businesses. Focusing on training policies and giving employees the opportunity to develop their capabilities is key to business success (Asalami, 2001; Loberto, 1980).

Hypothesis H5: Training and development affects job changing of labors

The relationship between the working nature and job changing of labors

Robinson et al (2009) argue that the interesting and significant perception of work is crucial for workers. When workers do interesting and meaning work, they feel their values. When employees feel they have value, they will tend to devote themselves to the company, feel satisfied and have a higher motivation to work and strong attachment to the businesses for a long time (Nguyen The Khai, Do Thi Thanh Truc , 2015; David Brooks, New York Times, 2016).

Hypothesis H6: The working nature affects job changing of labors.

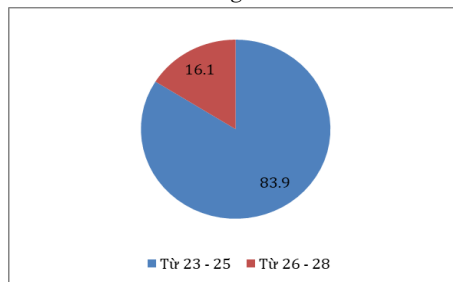
RESEARCH METHODOLOGY

Qualitative research methods are used to conduct group discussions, consult with experts to select the variables and groups of observed variables. Based on a group of factors affecting job changing of labors of sales force in Ho Chi Minh City, a survey questionnaire to get opinions from 212 sales staff in HCM city is conducted. Research model includes 06 scales, 32 observed variables, and using Likert scale of 5 levels. Survey results are imported and run by SPSS version 20.0. In this study, sampling and random method were used. According to Hair et al., (2006), the formula for calculating sample size is $n = \sum_{j=1}^m kP_j$. In which m is the scale and P_j is the number of observed variables of the scale. The proportion of the sample compared to 1 analysis variable (k) is 5/1 or 10/1. Thus, the number of samples is larger than "total observed variables" of scale times "5" and less than "total observed variables" of the scale times "10". However, according to Lee Nguyen (2011), depending on the object of study and

research goals, increasing sample size will increase the reliability of data. After verifying the reliability with Cronbach's Alpha coefficient, EFA is conducted to minimize and summarize the data of the scale (Dinh Phi Ho, 2010). This method is based on the extraction factor (Eigenvalue), whereby only factors with a factor extraction ratio (Eigenvalue) greater than 1 will be retained, and less than 1 will have no effect of summarizing the information better than an original variable because after standardizing, each original variable has a variance of 1. The method of extracting the main components (Principal components) and the method of turning the original elements (Varimax Procedure) is used to minimize the number of variables with a large coefficient at the same factor, increasing the ability to explain factors. The above results are used to analyze multiple linear regressions to test the assumptions of the model, thereby considering the impact of these factors on job changing in sales in HCM city.

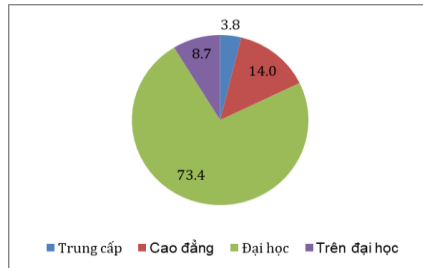
RESEARCH RESULTS

Chart 1: Age structure



The survey study has a limitation of 2 age groups of young workers: 23-25 and 26-28. The survey results asking about the intention showed that the age of 23-25 is the highest rate of job changing, accounting for 83.9%. Meanwhile, workers aged 26-28 accounted for 16.1%. Based on the nature of the age, the age of 23 - 25 is more likely to change jobs and the survey rate is more dominant.

Chart 2: Education level



This statistical results of the intention to change work show that high qualified workers hold a high proportion, University accounted for 73.4%, college accounted for 14.0%, higher education accounted for 8.7%, middle level is the lowest rate accounted for 3.8%. It is also understandable because the highly qualified workers have higher physical and mental demands.

The results of this study are similar to VietnamWorks' survey results carried out on 12,652 employees in Vietnam in January 2015. 7160 labours decided to leave or transfer jobs, ie 57% of the total. The surveyed labours said that they did not see the opportunity for promotion and self-development in their current jobs. However, promotion opportunities for employees over 10 years of experience are only 48%. Meanwhile, for employees under 5 years of experience, this rate is up to 61%. While only 33% of labours working under 2 years of experience choose the reason because of "dissatisfaction about their bosses", they switch jobs, up to 47% of labours with more than 10 years of experience also choose this reason.

Table 1: Scale reliability test results (Cronbach's Alpha)

Variables	Code	Factors	Cronbach's Alpha
Independent variables	CS	Policy - remuneration	0,897
	LD	Leadership	0,827
	MT	Work environment	0,799
	ĐG	Leaders' Assessment	0,893
	CH	Training and development opportunities	0,878
	BC	Nature of work	0,874
Dependent variable	DL	Satisfaction	0,759

The results of Table 1 show that the scale is quite high accuracy with Cronbach's Alpha coefficient > 0.7 and the variables correlation coefficients of the measuring variables are standardized (> 0.3). Thus, a general assessment after Cronbach's Alpha's coefficient is all satisfied and EFA is continued using.

Table 2: KMO và Bartlett's Test test results

Analytical coefficient		t
KMO		.851
Bartlett's Test of Sphericity	Approx. Chi-Square	671.651
	df	6
	Sig.	.000

The results of factor analysis show that KMO coefficient = 0.851 ($0.5 < \text{KMO} < 1$), thereby showing that factor analysis is appropriate. Thus, the coefficient of analysis is acceptable. Sig coefficient of Bartlett's test with sig value = 0.000 (< 0.05), the observed variables are correlated with each other in the overall.

Table 3: Total variance extracted

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.784	72.102	72.102	2.561	72.102	72.102
2	.594	21.853	76.459			
3	.229	9.966	94.425			
4	.123	5.575	100.000			

Total variance extracted (Cumulative%) = 72.102% $> 50\%$. This demonstrates that 72,102% of data variation is explained by 6 factors. The Rotated Component Matrix results show that loading factors are > 0.5 to ensure significance, so no variables are excluded. The overall Cronbach's Alpha coefficients of independent variables are all valued > 0.5 , so the scale is standard and statistically significant.

Table 4: Result of multivariate regression analysis

<i>Model</i>	<i>Unstandardized coefficient</i>		<i>Standardized Coefficient</i>	<i>t</i>	<i>Sig.</i>	<i>Collinearity Statistics</i>	
	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>			<i>Tolerance</i>	<i>VIF</i>
(Constant)	-,801	,300		-1,001	,000		
X1	,423	,090	.302	2,100	,000	,819	1,002
X2	,251	,051	.252	3,021	,000	,710	1,100
X3	,233	,067	.249	7,000	,000	,961	1,153
X4	,191	,009	.212	1,765	,000	,291	1,112
X5	,155	,067	.189	3,965	,000	,552	1,103
X6	,167	,082	.155	5,431	,000	,326	1,111

All tolerance coefficients are > 0.0001 , so the variables meet the acceptance criteria. The magnification coefficients of VIF variance are < 10 so there is no multicollinearity phenomenon. Sig coefficient of 6 independent variables are < 0.05 so all 6 independent variables are accepted. The results of regression analysis showed that the factors of influencing variables affect the job changing of sales force in Ho Chi Minh City and the impact level is as follows: "Training and development opportunities" (Beta: 0.302), "Remuneration" (Beta: 0.252), "working nature" (Beta: 0.249), "leaders" (Beta: 0.212), "leaders' evaluation" (Beta: 0.189), "working environment" (Beta: 0.155) Thus, it is concluded that there is a close relationship between the influencing variables and the job changing of the sales force in Ho Chi Minh City. This research results are the basis for proposing recommendations to create the attachment of the sales team in Ho Chi Minh City in the coming time.

CONCLUSIONS AND SOLUTIONS

The research results have identified the factors that affect job changing of sales force in Ho Chi Minh City: Training and promotion opportunities, remuneration, nature of work, leadership, evaluation, and working environment. This research results are the reasons for proposing solutions to the attachment of the workforce of sales in Ho Chi Minh City. Based on the above research results, the recommendations are as follows.

Firstly, it is necessary to maintain investment in training to improve labours' knowledge, qualifications and skills. In addition, it is

essential to create many promotions so that they have the motivation to develop their abilities and competences.

Secondly, it is important to have remuneration for sales staff because this force plays a decisive role in the existence and development of enterprises. If a business cannot apply a welfare policy to all sales immediately, at least it is also necessary to consider adding benefits to a good staff because qualified personnel often require higher than minimum regulation.

Thirdly, it is necessary to build corporate culture to raise awareness for all employees about collective spirit, sympathy, sharing and solidarity. A collective of employees in which everyone is happy, sharing, actively coordinating, helping and supporting each other will help the common work be completed quickly and effectively. If leaders listen and consider their employees' aspirations, motivate and treat them fairly, they will strongly attach to the businesses.

Fourthly, in order to ensure a long-term staff, besides the appropriate salary policy, it is essential to have rewarding forms to encourage ideas and initiatives to improve competitiveness for businesses.

Fifthly, it is necessary to improve facilities and equipments to support employees. However, the working environment must be a place that contains friendliness, sociability, solidarity, cooperation, sharing, fun, warmth, and full of love, it is not merely soulless technology equipments.

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