

The influence of labor remuneration on employee loyalty to the firm

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Abstract: This study uses social exchange theory and psychological contract theory for the purpose of evaluating and measuring the influence of labor remuneration on employee loyalty to the firm. Through a survey of commercial and tourism firms in Hanoi, we employ quantitative research methods with the support of SPSS software. We utilize techniques including the analysis of the reliability of scales using the Cronbach alpha coefficient, EFA analysis, correlation analysis, and linear regression. The research results indicate that the influence of five selected factors is statistically significant, while one factor has no influence on the dependent variable. The level of influence, in decreasing order, is salary, job content, financial benefits, training and development opportunities, and working environment. Consequently, the study proposes several recommendations on financial and non-financial remuneration to enhance employee loyalty to the firm. The research results also contribute to supporting firm leaders in making decisions regarding employee retention and improving the quality of human resources.

Keywords: *Business administration, Employee loyalty, Human resources, Labor economics, Salary, Financial benefits, Work environment.*

1. Introduction

Employee compensation, including financial and non-financial rewards, are factors that can make employees stay longer in the organization and create a sense of satisfaction when doing any job. Loyal employees will do everything possible to do their best work. Loyal employees do not just work hard for their salary, but they are also committed to the success of the firm. They always aim for the common goals of the firm and constantly strive to improve themselves and enhance their role in the firm.

Hasibuan [1] argues that loyalty is one of the factors used to evaluate employees, which includes loyalty to the employee's job, position and organization.

In the current context, with the constant and unceasing changes in science, technology, and engineering and fierce competition, enterprises can only survive and develop on the basis of effectively promoting the human factor. Therefore, enterprises constantly encourage employees to use all their talents and intelligence to serve the enterprise by enhancing the employee's commitment to the enterprise, thereby improving work performance. According to Northcraft and Neale [2] commitment is an expression of the individual's loyalty to the organization and belief in the values of the organization. Employee loyalty is an effective response for the entire organization [3].

The e-commerce industry is a fast-changing and highly competitive field. It requires firms to stay up-to-date with trends and technologies in order to maintain their competitiveness in the market.

The trend of the commercial business industry has been changing significantly in recent times. In particular, the strong development of the Internet and information technology has made online shopping an important part of daily life. In order to meet this demand, commercial enterprises are increasing at a remarkable rate. At the same time, it requires firms to build e-commerce platforms and

provide fast delivery services. In addition, firms have identified employee loyalty as one of the variables that decisively affects the sustainable development of the firm. The phenomenon of employees leaving their current company and looking for work in another company with the reason that the new firm offers higher salaries, better benefits and better working facilities has occurred in the past and will continue to occur in the future. However, if the salary remains unchanged, but the company provides full facilities to help employees work with higher productivity and performance, the employee's loyalty to the company will be greater, thus motivating employees to commit to achieving goals and development and overcoming difficulties with the company. Therefore, studying the impact of labor remuneration on employee loyalty to the firm is meaningful in both theory and practice.

2. Literature Review and Theoretical Basis

2.1. Model Approach from Social Exchange Theory

Blau [4] social exchange theory provides insight into how people build and maintain social relationships through the exchange of benefits and values. Blau [4] emphasizes that people have expectations about the outcomes of their relationships. In an organization, employees may expect that good work will be rewarded with recognition through pay, bonuses, benefits, learning opportunities, or positive feedback from superiors.

Blau [4] social exchange theory not only helps us understand how employment relationships are formed and maintained but also provides specific ways to improve the work environment and increase employee satisfaction and performance. Applying this theory can help both employees and organizations grow together and achieve their goals.

2.2. Model Approach from Psychological Contract Theory

Rousseau [5] psychological contract theory is primarily concerned with the relationship between organizations and employees, and it is an interactive nature between the expectations and obligations of both parties.

Rousseau [5] emphasizes that work is not only an economic transaction but also a social and psychological one. The psychological contract represents the invisible expectations and commitments between the employee and the organization. What the employee expects from the organization, such as fair wages, growth opportunities, and a positive work environment. What the organization promises to the employee, such as job security, advancement opportunities, and benefits. Psychological contracts influence employee attachment and commitment to the organization and can lead to higher job satisfaction and motivation if met. Conversely, if expectations are not met, it can lead to dissatisfaction and increased turnover.

The theory of mental contracts plays a key role in building positive and sustainable labor relations. When firms proactively understand and meet the expectations of employees, they will feel more satisfied, motivated to perform better, and committed to the organization in the long term. This not only helps firms attract and retain talent but also improves performance and improves work culture, which can help create a positive and productive work environment.

2.3. Hypothesis

Many studies have shown that compensation has a great influence on employee loyalty in the enterprise. Milkovich and Newman [6] asserted that a comprehensive compensation system, including salary, bonus and benefits, plays an important role in promoting performance and increasing employee commitment. Adams [7] also emphasized that fairness in pay directly affects employee commitment to the organization. Allen and Meyer [8] pointed out that compensation has a strong impact on continuance commitment when employees are attached to the enterprise because of economic benefits that are difficult to give up. Heneman and Judge [9] demonstrated that satisfaction with pay is closely related to loyalty, and Trevor, et al. [10] found that high pay reduces turnover. Herzberg [11] argued that although pay is not a factor that creates long-term satisfaction, its absence can lead to

dissatisfaction and employee turnover. Gerhart, et al. [12] also emphasized that a comprehensive and flexible compensation system, combining both financial and non-financial factors, will help increase employee loyalty in a sustainable way.

Tran [13] analyzed the relationship between salary and employee commitment. The results showed that a fair and reasonable salary policy has a positive impact on employee satisfaction, thereby increasing employee loyalty, especially in private enterprises. The author emphasized that a clear and transparent salary system helps employees feel recognized and motivates them to stay long-term. Le and Nguyen [14] concluded that labor remuneration, including salary, bonus and benefits, is one of the most important factors affecting employee loyalty. The study showed that small and medium-sized enterprises may face many difficulties in competing to attract talent, so building an attractive remuneration policy will help maintain and increase employee commitment.

Sharma [15] showed that employee loyalty is essential in management theory and practice. Studies approaching in different directions give different points of view. A review of previous studies indicates two research directions on employee loyalty; researchers focus on that: (i) employee engagement with the organization and (ii) employee engagement connects workers with work.

Nguyen [16] shows that the level of satisfaction with remuneration, especially bonuses and benefits, has a close relationship with employee commitment and loyalty. The author emphasizes that not only base salary but also factors such as insurance, performance bonuses, and other benefits play an important role in retaining employees and reducing turnover.

According to Vasumathi, et al. [17] employee loyalty and job satisfaction are the most crucial elements for every organization's survival and growth toward success. Additionally, the researchers found that the current salary, job stability, and appreciation are the most significant aspects in determining an employee's loyalty.

The objective, anonymous assessment of employees, the creation of the emotion lexicon, and the creation of the feature lexicon are the first steps in Xie, et al. [18] sentiment analysis-based evaluation and analysis of employee loyalty and corporate culture satisfaction. The examination of the employees' data, the extraction of the associated scores, and the development of particular process steps come next. The four drivers of loyalty are psychological elements that influence whether or not employees are loyal, and they combine with the objective environment to influence employees' loyalty behavior. Since employees are the ones who make the profit, their commitment must be translated into genuine conduct for the business to have any real relevance. However, it is also one-sided to determine the loyalty level of employees only on the basis of performance and other behaviors because actual factors such as traffic and competition can also lead to repeated consumption at low levels of emotional loyalty, so we should combine emotional and behavioral loyalty when building models to evaluate employee loyalty. Only in this way can loyalty be evaluated comprehensively and accurately.

Nga and Tam [19] focus on employee engagement with work. Besides, as we know, the organization is managed and built by people. Therefore, without people, organizations do not exist [20]. Research results show that 6 factors affect job satisfaction and their influence on employee loyalty in FDI enterprises. Six factors include leadership style, working environment, income, training and development opportunities, evaluation of work results, and organizational culture.

Based on the above analysis, we propose the following research hypotheses:

- H₁: Salary has a positive influence on employee loyalty.*
- H₂: Financial incentives have a positive influence on employee loyalty.*
- H₃: Financial benefits have a positive influence on employee loyalty.*
- H₄: Work environment has a positive influence on employee loyalty.*
- H₅: Training and development opportunities have a positive influence on employee loyalty.*
- H₆: Job content has a positive influence on employee loyalty.*

3. Methodology

The study was conducted by quantitative research methods to test the hypotheses influencing employee loyalty.

The survey subjects in the study are commercial and service enterprises in Hanoi. According to Hair, et al. [21] the sample size for EFA analysis is at least 5 times the number of observed variables. In multivariate regression according to Tabachnick and Fidell [22] the minimum sample size must be achieved according to the formula $n \geq 50 + 8p$ (p is the number of independent variables). The proposed research model includes 6 independent variables and 1 dependent variable. The scale of factors includes 29 observed variables, according to the above formula, the minimum number of samples needed to be surveyed is 145. The authors conducted direct and online survey collection and investigation at commercial and service enterprises in Hanoi. Using a non-probability survey method, convenience in the period from June 1, 2024 to October 15, 2024. The total number of ballots collected was 334, the number of valid ballots was 329 (accounting for 98.5%). Therefore, the sample of this study is 329 observation ballots.

The questionnaire was inherited from the research overview and the opinions of interviewed experts. Then, a pilot test was conducted with 20 respondents to check the wording, completeness, sequence and possible errors in the scale. The questionnaire used a 5-point Likert scale, from “Strongly disagree” to “Strongly agree” for the observed variables of the dependent variable, from “No influence at all” to “Very strong influence” for the observed variables of the independent variable in the model.

Scales of variables in the research model: Salary includes 4 scales (TL1, TL2, TL3, TL5), Financial incentives include 4 scales (KK1, KK2, KK3, KK4), Financial benefits include 4 scales (PL, PL2, PL3, PL4), Working environment includes 4 scales (MT1, MT2, MT3, MT4), Training and development opportunities include 4 scales (DT1, DT2, DT3, DT4), Job content includes 5 scales (CV1, CV2, CV3, CV4, CV5); Employee loyalty includes 4 scales (EL1, EL3, EL3, EL4).

The collected data were encoded and processed using Excel and SPSS 22 software. The analysis method was carried out through Cronbach's Alpha reliability assessment, factor analysis, and linear regression analysis. According to Hair, et al. [21] Cronbach's Alpha coefficient reaching from 0.7 to 0.9 is good reliability. To use factor analysis technique, according to Kaiser and Maravall [23] a KMO test method can be used and Bartlett's test is used to consider the appropriateness of factor analysis. When using this test, the KMO test value must be from 0.5 to 1.0 to be appropriate. Testing the conditions for linear regression with a linear model of the form:

$$EL = \beta_1 TL + \beta_2 KK + \beta_3 PL + \beta_4 MT + \beta_5 DT + \beta_6 CV + \varepsilon$$

In which Employee Loyalty (EL) is the dependent variable; independent variables include Salary (TL), Financial Incentives (KK), Financial Benefits (PL), Working Environment (MT), Training and Development Opportunities (DT), and Job Content (CV); $\beta_{1,2,3,4,5,6}$ are regression coefficients; and ε is the residual.

We propose the following research model (see Figure 1).

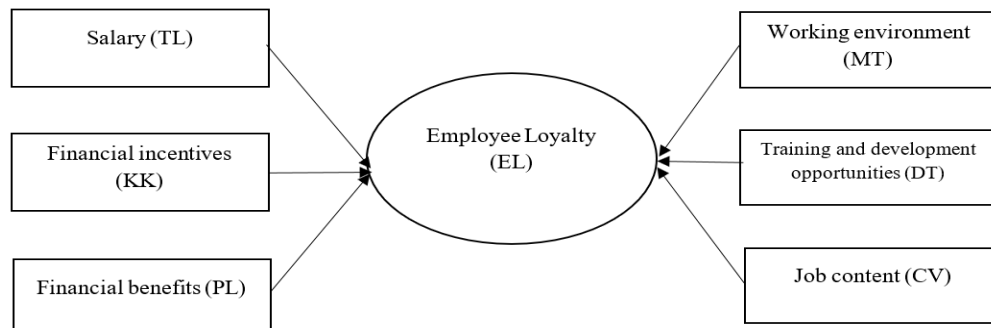


Figure 1.
Research model.

4. Results

4.1. Cronbach's Alpha

Table 1 show that,

The Cronbach's Alpha coefficient of the salary factor is 0.893, indicating that this factor has high reliability. The indicators (scales) have a moderate effect on the overall reliability, but the decrease in alpha is not too much when removing each indicator.

The Cronbach's Alpha coefficient of the Financial Incentive factor is 0.921, a very high level, indicating very good reliability. The indicators have a significant influence on the overall reliability, but all contribute to keeping the reliability high.

The Cronbach's Alpha coefficient of the financial benefits factor is 0.930, indicating that this scale has a very high reliability. All indicators have a positive effect on the overall reliability.

The Cronbach's Alpha coefficient of the Work Environment factor is 0.908, indicating very high reliability. The indicators have a significant influence on the overall reliability, but the influence is not too large when removing each indicator.

The Cronbach's Alpha coefficient of the Training and Development Opportunity factor is 0.919, indicating that this scale has very high reliability. All indicators contribute positively to the overall reliability.

The Cronbach's Alpha coefficient of the Job Content factor is 0.883, indicating good reliability. However, there are some indicators (such as CV2 and CV5) that have a more significant influence on the overall reliability than other indicators.

The Cronbach's Alpha coefficient for the Employee Loyalty factor is 0.913, indicating that this scale has very high reliability. The indicators all contribute to the overall reliability, although there is a slight variation in the influence of each indicator.

Thus, the designed scales are capable of accurately and reliably measuring the research aspects [24, 25].

Table 1.
Results of Cronbach's alpha testing of attributes and item-total statistics.

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Salary (TL): $\alpha = 0.893$				
TL1	11.4854	5.352	0.743	0.869
TL2	11.4351	5.398	0.751	0.866
TL3	11.2259	5.293	0.771	0.859
TL4	11.4184	5.270	0.787	0.853
Financial incentives (KK): $\alpha = 0.921$				
KK1	11.7657	5.012	0.792	0.906
KK2	11.6946	5.062	0.842	0.890
KK3	11.6820	4.873	0.836	0.891
KK4	11.9038	4.844	0.806	0.902
Financial benefits (PL): $\alpha = 0.930$				
PL1	11.5439	4.989	0.840	0.907
PL2	11.5314	4.872	0.859	0.901
PL3	11.3975	5.140	0.830	0.910
PL4	11.5314	5.233	0.813	0.915
Working environment (MT): $\alpha = 0.908$				
MT1	11.9958	4.181	0.802	0.878
MT2	11.9833	4.294	0.802	0.878
MT3	11.9707	4.281	0.776	0.887
MT4	11.9372	4.126	0.791	0.882
Training and development opportunities (DT): $\alpha = 0.919$				
DT1	11.8368	4.574	0.790	0.902
DT2	11.7406	4.479	0.838	0.886
DT3	11.6527	4.547	0.791	0.902
DT4	11.7155	4.524	0.833	0.888
Job content (CV): $\alpha = 0.883$				
CV1	15.5314	7.191	0.773	0.845
CV2	15.6109	7.928	0.622	0.879
CV3	15.5900	7.520	0.674	0.868
CV4	15.5690	7.229	0.739	0.853
CV5	15.4895	7.150	0.788	0.842
Employee loyalty (EL): $\alpha = 0.913$				
EL1	11.4184	4.875	0.786	0.892
EL2	11.6862	4.401	0.795	0.891
EL3	11.4644	4.662	0.820	0.880
EL4	11.5356	4.662	0.810	0.883

4.2. EFA Analysis

After checking the reliability of the factors through Cronbach alpha coefficient analysis, the independent variables, including salary, financial incentives, financial benefits, working environment, training and development opportunities, and job content, were measured by 25 observed variables (scales). Factor analysis was used to assess the convergence of observed variables according to components.

KMO and Bartlett's tests in factor analysis showed (sig = 0.000); the KMO coefficient was 0.835 (>0.5). This result indicated that the observed variables in the population were correlated with each other and factor analysis (EFA) was appropriate (see Table 2) [24, 25].

Table 2.
KMO and Bartlett's Test.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.835
Bartlett's Test of Sphericity	Approx. Chi-Square	171.438
	Df	916
	Sig.	0.000

The EFA analysis results show that at the Eigenvalue level = 1 with the principal component extraction method, Varimax rotation allows to extract 6 factors from 25 observed variables, and the extracted variance is 65.627%. Thus, the extracted variance meets the requirements (>50%) (see Table 3).

Table 3.
Factor analysis results—Scale of independent variables

Description	Observed Variable	Factor Loading	Number of Variables
Salary	TL1	0.635	4
	TL2	0.648	
	TL3	0.615	
	TL4	0.619	
Financial incentives	KK1	0.642	4
	KK2	0.620	
	KK3	0.611	
	KK4	0.638	
Financial benefits	PL1	0.712	4
	PL2	0.747	
	PL3	0.715	
	PL4	0.735	
Working environment	MT1	0.727	4
	MT2	0.749	
	MT3	0.720	
	MT4	0.733	
Training and development opportunities	DT1	0.720	4
	DT2	0.719	
	DT3	0.821	
	DT4	0.823	
Job content	CV1	0.849	5
	CV2	0.816	
	CV3	0.828	
	CV4	0.816	
	CV5	0.825	
Eigenvalues			4.286
Percentage of Variance Explained (%)			65.627

From the results of the factor analysis of the independent scales, it can be seen that the model with 6 factors is suitable for the next steps.

4.3. Correlation Analysis

The correlation matrix in Table 4 presents the Pearson correlation coefficients (r) between the independent variables and the dependent variable. The coefficient is considered significant if the p -value is less than or equal to 0.05. It can be seen that all VIFs are <10, so there is no multicollinearity phenomenon—the phenomenon between independent variables that are closely correlated with each

other, thereby increasing the standard deviation of the regression coefficients and reducing the t-statistic value of the significance test [24, 25]. In addition, the analysis results also show that there is a correlation between the independent variables—observations of labor remuneration—and the dependent variable of employee loyalty. First, salary has a strong correlation with employee loyalty ($r=0.716$; $p<0.01$); next is job content ($r=0.635$; $p<0.01$); next is financial benefits ($r=0.610$; $p<0.01$) and working environment ($r=0.602$; $p<0.01$). Training and development opportunities have a negative correlation. In particular, financial incentives have no correlation with employee loyalty. However, the p-value is 0.003, indicating that there may be another factor that has not been investigated or the data is insufficient to draw a clear conclusion.

Overall, factors such as salary, training and development opportunities, financial benefits, training, and work environment all have a significant impact on employee loyalty. While financial incentives do not show a clear correlation, further analysis may be needed to understand this better.

Table 4.
The Correlation Between Employee Compensation and Employee Loyalty.

		EL
TL	Pearson Correlation	0.716**
	Sig. (2-tailed)	0.000
	N	195
CV	Pearson Correlation	0.635**
	Sig. (2-tailed)	0.000
	N	195
PL	Pearson Correlation	0.610**
	Sig. (2-tailed)	0.000
	N	195
DT	Pearson Correlation	-0.606**
	Sig. (2-tailed)	0.001
	N	195
MT	Pearson Correlation	0.602**
	Sig. (2-tailed)	0.001
	N	195
KK	Pearson Correlation	0
	Sig. (2-tailed)	0.003
	N	195
EL	Pearson Correlation	1
	Sig. (2-tailed)	0.000
	N	195

4.4. Linear Regression

The multiple linear regression analysis method with all variables entered at the same time (enter) showed that the regression model was suitable for testing the theoretical model ($\text{sig} = 0.000$) and explained 71.7% of the difference in the dependent variable—employee loyalty ($\text{adjusted } R^2 = 0.717$) (see Table 5, table 6 and Table 7).

Table 5.
Model Summary.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.847 ^a	0.717	0.709	0.36702	1.781

Note: a. Predictors: (Constant), TL, KK, PL, MT, DT, CV

b. Dependent Variable: EL

Table 6.
ANOVA.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	79.091	6	13.182	97.856	0.000 ^b
	Residual	31.252	232	0.135		
	Total	110.343	238			

Note: a. Dependent Variable: EL

b. Predictors: (Constant), TL, KK, PL, MT, DT, CV.

This regression model is statistically significant (Sig < 0.05) (see table 6), indicating that factors such as salary, financial incentives, financial benefits, working environment, training and development opportunities, and job content all have significant effects on employee loyalty. The high F coefficient and low p value (tolerance) indicate that the model has a good ability to explain the variation in employee loyalty.

Table 7.
Regression model.

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
	(Constant)	0.377	0.151		2.492	0.013		
	TL	0.333	0.058	0.370	5.741	0.000	0.294	3.404
	KK	-0.054	0.066	-0.058	-0.811	0.418	0.240	4.159
	PL	0.264	0.062	0.287	4.246	0.000	0.266	3.752
	MT	0.198	0.070	0.196	2.809	0.005	0.251	3.982
	DT	-0.194	0.068	-0.199	-2.839	0.005	0.248	4.038
	CV	0.336	0.070	0.331	4.770	0.000	0.254	3.932

The results shown in Table 5, Table 6 and Table 7 also show:

Testing for multicollinearity: The variance inflation factor (VIF) index according to Hair, et al. [24] suggests that a VIF threshold of 10 or more will result in strong multicollinearity. According to the table above, the VIF coefficients of the independent variables are all less than 10, so the data does not violate the multicollinearity assumption. Thus, the linear regression model built according to the above equation does not violate the necessary assumptions in linear regression [24, 25].

The Durbin – Watson coefficient is used to test the correlation of the residuals, showing that the model does not violate the multiple regression method because the Durbin – Watson value achieved is 1.781 (between 1 and 3). In other words, the model does not have the phenomenon of correlation of the residuals [24, 25].

ANOVA test results with significance level (Sig.) < 0.000 show that the constructed multiple linear regression model is suitable for the data set and can be used.

The coefficient R^2 (R Square) = 0.717; this means that 71.7% of the variation in loyalty will be explained by the factors that are the independent variables selected to be included in the model; the remaining 28.3% is due to variables outside the model and random errors [24, 25].

The results of the research model show that the independent variables TL, PL, MT, DT, and CV are all statistically significant (due to Sig. < 0.05). The variables TL, PL, MT, and CV have a positive influence on employee loyalty. In particular, the variable DT has a negative influence on employee loyalty. The variable KK has Sig. = 0.418 > 0.05, which is not statistically significant and is not accepted [24, 25].

The standardized regression model is as follows:

$$EL = 0.37*TL + 0.287*PL + 0.196*MT - 0.199*DT + 0.331*CV + \varepsilon$$

Next, Table 8 presents the results of testing the research hypotheses

Table 8.
Results of testing the research hypotheses.

No	Hypotheses	Test results	Trends of influence
1	H1	Accept	+
2	H2	Reject	
3	H3	Accept	+
4	H4	Accept	+
5	H5	A part accept	-
6	H6	Accept	+

5. Discussion

5.1. Influence of Salary Factor

The regression coefficient of salary (TL) is 0.37, indicating that each unit increase in salary will lead to a 0.37 unit increase in employee loyalty (EL). This is a factor that has a positive and significant influence on employee loyalty. According to Herzberg [11] two-factor theory, salary is a motivator and can have a positive influence on job satisfaction and performance. The results of this study are consistent with Herzberg [11] theory, which shows that salary has a positive influence on loyalty. Judge and Klinger [26] study also found that salary can improve employee commitment, which is similar to the results of this study.

Thus, salary is one of the important factors in improving employee loyalty and commitment to the organization. A reasonable and fair salary policy can increase employee loyalty, thereby reducing turnover and improving work performance.

5.2. Influence of Financial Welfare Factors

The regression coefficient of financial benefits (PL) is 0.287, indicating that each unit increase in financial benefits will lead to a 0.287 unit increase in employee loyalty. This research result is also similar to the study of Saks [27]. Financial benefits are often considered an important factor in maintaining employee loyalty and commitment, similar to other research results. Financial benefits, including allowances, insurance, and other forms of benefits, also have a significant positive influence on employee loyalty. These benefits not only help employees feel more financially secure but also create an appreciation from employees for the organization, contributing to increased employee engagement and loyalty.

5.3. Influence of Working Environment Factors

The regression coefficient of the work environment factor (MT) is 0.196. Although this coefficient shows a positive influence of the work environment on employee loyalty, the influence is lower than that of the salary factor and the financial welfare factor. Thus, it can be affirmed that the work environment is not the main factor in this case. The study of Deci and Ryan [28] also suggested that a positive work environment can enhance employee motivation and employee loyalty. A good working environment, including a comfortable workspace, good relationships with colleagues, and support from superiors, is an important factor in maintaining employee loyalty. However, the influence of the working environment on employee loyalty may not be as strong as the financial well-being factor, especially since financial well-being is considered a more important factor in many firms.

5.4. The Influence of Training and Development Opportunities

The regression coefficient of the training and development opportunity (DT) factor is -0.199. This is a factor that has a negative influence on employee loyalty. This shows that training and development opportunities are not highly valued or do not meet the real needs of employees. There may be other factors related to training and development opportunities, such as the quality of training, the feasibility of development opportunities, the lack of connection between training and employee career development, or the way training programs are organized does not meet the needs of employees.

Therefore, firms should review and improve their training programs to ensure that they truly meet the needs and expectations of employees and should review the factors related to training and development programs in the organization. The results of this study are not consistent with some previous research results [26, 29] that training and development opportunities can be an important factor in employee satisfaction and loyalty.

5.5. The Influence of Job Content Factors

The regression coefficient of the job content (CV) factor is 0.331, indicating that this factor has a significant positive effect on employee loyalty. Job content includes variety, challenge, and opportunities for employees to develop personal and professional skills. This research result is consistent with Herzberg [11] and the research results of Tran [30]. When the job is designed to be suitable and attractive, it can promote employee loyalty and commitment to the organization. This shows that creating career development opportunities and interesting work is very important in enhancing employee loyalty.

5.6. The Influence of Financial Incentives

The results of this study show that financial incentives do not affect employee loyalty in commercial and service enterprises in Hanoi. Although they can create short-term motivation and encourage high performance, financial incentives do not always affect long-term commitment to the organization. This can be explained by the fact that financial incentives can create immediate motivation but do not guarantee long-term commitment. When financial incentives are no longer available, employee motivation and loyalty may decline. If financial incentives are not administered fairly or are not coordinated with other factors such as benefits, career development opportunities, it can lead to unhealthy competition among employees or fail to create sustainable commitment. In some organizations, financial incentives may not be appreciated if they are not linked to recognition and acknowledgement of individual efforts and achievements. If employees feel that they are not being properly recognized, financial incentives may not be effective.

6. Recommendations

6.1. Recommendations on Financial Remuneration

6.1.1. Firms Should Be Fair and Transparent in Their Salary Policies

Firms should ensure that their compensation policies are transparent and fair to all employees. This includes not only base salaries but also allowances, bonuses and other benefits. Employees want to see clearly how their salaries are calculated based on their abilities, experience and performance. This helps them feel that their contributions are fair and properly recognized, thereby increasing their commitment to the firm.

6.1.2. Firms Should Strengthen Performance Bonus Programs

Although the financial incentive factor is not significant for this data set and this study, it does not mean that there is no correlation with employee loyalty in commercial and service enterprises in Hanoi (shown in Table 4, with Sig. (2-tailed) = 0.003). Therefore, enterprises should also incorporate reward programs based on individual and team performance. This not only motivates employees to work better but also shows recognition from the enterprise for individual efforts. Financial incentives can include cash, stocks, or other rewards such as vacations or enterprise products.

6.1.3. For a Clear Salary Increase and Promotion Policy

Firms should develop clear and transparent promotion paths and salary increase policies based on ability, work results and length of service. Employees need to know that they have the opportunity to increase their salary when they reach certain milestones in their career. This will encourage them to stay longer and contribute more positively to the success of the firm.

6.1.4. Attractive Allowances and Benefits

In addition to the basic salary, allowances such as lunch allowance, travel allowance, health insurance, social insurance and other benefits (health care, vacation days, retirement benefit programs) also play an important role. These benefits not only help improve the lives of employees but also create a sense of security and attachment to the firm.

6.1.5. Flexible Salary Policy

To accommodate individual needs and desires, firms can adopt flexible compensation policies, allowing employees to choose the form of salary or benefits that they feel most comfortable with. For example, some employees may prioritize receiving a high salary, while others may want more vacation days or other non-financial benefits.

6.1.6. Enhance Dialogue and Polling

Firms should regularly poll employees on compensation and benefits through surveys or meetings. Through this, the company can better understand the desires and expectations of employees, thereby adjusting appropriate policies to retain and increase their loyalty.

6.2. Recommendations on Non-Financial Remuneration

6.2.1. Job Content is Varied, Challenging and Provides Increased Opportunities for Employees to Develop Personal and Professional Skills.

Conduct a job analysis and analyze employee needs and wants. Implement job rotation and flexible job assignments, allowing employees to perform different roles in sales, customer service, and warehouse, helping employees find their strengths and passions and develop a variety of skills. Encourage employees to participate in the decision-making process about products or service methods, creating a sense of commitment and responsibility for the job. Encourage employees to propose new ideas to improve customer service processes, thereby helping them feel more valued in their work. Provide challenging projects for employees, helping them develop problem-solving skills.

6.2.2. About the Working Environment

Enterprises should create a friendly working environment, build a positive working environment where employees feel comfortable sharing their opinions and thoughts, build a culture of sharing, encourage information exchange between departments, and create a collaborative working environment. At the same time, support employees to balance work and life; encourage employees to maintain a balance between work and personal life to improve health and working spirit.

6.2.3. Training and Development Opportunities

Firms should create learning opportunities for employees, encourage employees to participate in training courses, seminars and professional development programs to improve their skills; organize training courses on communication skills, time management and customer care skills, helping employees improve the skills needed in the job; create a career path for employees, set a clear career path and guide employees to their career goals; provide a clear plan for career advancement opportunities within the firm; and provide and guide employees to achieve higher positions.

Besides, in order to remain competitive, Osho and Kayode [31] advise businesses to create integrated and transparent employee loyalty programs. Employers should understand the value and advantages of employee loyalty programs as well as how they impact worker happiness and overall business performance.

Transparency:

The authors confirm that the manuscript is an honest, accurate, and transparent account of the study; that no vital features of the study have been omitted; and that any discrepancies from the study as planned have been explained. This study followed all ethical practices during writing.

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