Factors Affecting the Work Motivation of Employees at Construction Companies in Thai Nguyen Province, Vietnam.

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ABSTRACT

The objective of this study is to identify Factors affecting the work motivation of employees at construction companies in Thai Nguyen province, Vietnam. Data was collected from 165 survey samples is employees working at companies in Thai Nguyen and through EFA analysis. The results indicate that the factors influencing these employees' motivation included: Income and benefit (0,239), Recognition and Rewards from manager (0,228), Opportunities for Promotion and Career Development (0,198), Interesting, Suitable, and Challenging Work (0,171), Work Environment and Conditions (0,156) and Relationships with Manager and Colleagues (0,144), respectively. Based on these findings, the study provides recommendations for construction enterprises in Thai Nguyen to develop appropriate human resource management policies to optimize employee motivation. Thence, these results contribute to the sustainable development of businesses in today's highly competitive construction industry.

Keywords: Employees, motivation, Factors, Affect, Thai Nguyen province

INTRODUCTION

Human resources are a core factor determining the survival and development of every company. In the context of deep economic integration, businesses need to build a high-quality workforce to enhance their competitive capacity. Employee performance is influenced by many factors, among which work motivation plays a crucial role in encouraging employees to be enthusiastic, make efforts, and stay committed to their jobs.

For construction companies, employee motivation is even more significant, as it directly impacts construction efficiency and project outcomes. The factors affecting work motivation may include salary policies, benefits, job stability, work environment, and effective human resource management strategies. According to the studies of Thuy et al. (2024) and Mustapha et al. (2024), salary, bonuses, and benefits are key motivators that directly influence employee satisfaction and financial security. Additionally, ensuring job stability and implementing effective management methods also play a vital role in maintaining employee motivation.

As the construction industry continues to develop and face intense competition, employee motivation has become a key determinant of work performance and quality. Particularly in Thai Nguyen province—one of the regions experiencing rapid urbanization and high construction demand—studying the factors affecting employee motivation in construction companies is essential.

Recognizing the importance of this issue, this study aims to identify and assess the factors influencing employee motivation in construction companies in Thai Nguyen. The research findings will serve as a foundation for businesses to develop appropriate policies, improve human resource efficiency, and create a sustainable work environment, thereby contributing to the development of the local construction industry.

METHODOLOGY

Research Model

Many studies have been conducted to determine the factors influencing employee motivation across various fields. The results indicate that work motivation is affected by multiple factors, which can be categorized into the following key aspects:

Opportunities for Promotion and Career Development:

Numerous studies suggest that employees tend to work more actively when they have opportunities for career advancement and growth. Research by Velnampy (2009), Ha Nam Khanh Giao (2018), all emphasize the importance of this factor.

Hypothesis H1: Career advancement opportunities affect employee motivation.

Relationships with Manager and Colleagues:

Support from manager and good relationships with colleagues help employees feel more connected to the organization. Studies by Wong et al. (1999), Somsa-ard & Mahamud (2016), and Le Thi Bich Phung (2011) affirm the significance of this factor.

Hypothesis H2: Relationships with colleagues affect employee motivation.

Work Environment and Conditions:

This factor is also highlighted in many studies, particularly those by Hosseini (2014), Bui Thi Minh Thu (2014), and Phong et. al (2022). A good working environment encourages long-term employee commitment.

Hypothesis H3: Working conditions affect employee motivation.

Income and Benefits:

This factor appears in almost all studies and is often considered the most important. Research by Wong et al. (1999), Barzoki et al. (2012), and Cuong and Chinh (2024) all emphasize the role of salary, bonuses, and allowances in employee motivation.

Hypothesis H4: Income and benefits affect employee motivation.

Interesting, Suitable, and Challenging Work:

Employees tend to perform better when their work aligns with their interests and abilities. This factor is mentioned in studies by Simons & Enz (1995), Velnampy (2009), Cuong and Chinh (2024)

*Hypothesis H5: The nature of the job affects employee motivation.*

Recognition and Rewards from manager:

Employees are generally more motivated when their achievements are recognized. This is emphasized in studies by Đoan Tan Sang (2016), Phong et al. (2022).

Hypothesis H6: Support from leadership affects employee motivation.

From these studies, it is evident that employee motivation is influenced by various factors, with the most prominent being income, work environment, career advancement opportunities, colleague relationships, recognition, job attractiveness, and corporate culture. These findings help organizations and businesses develop effective HR policies to enhance employee motivation and performance.

Fig 1: Research model
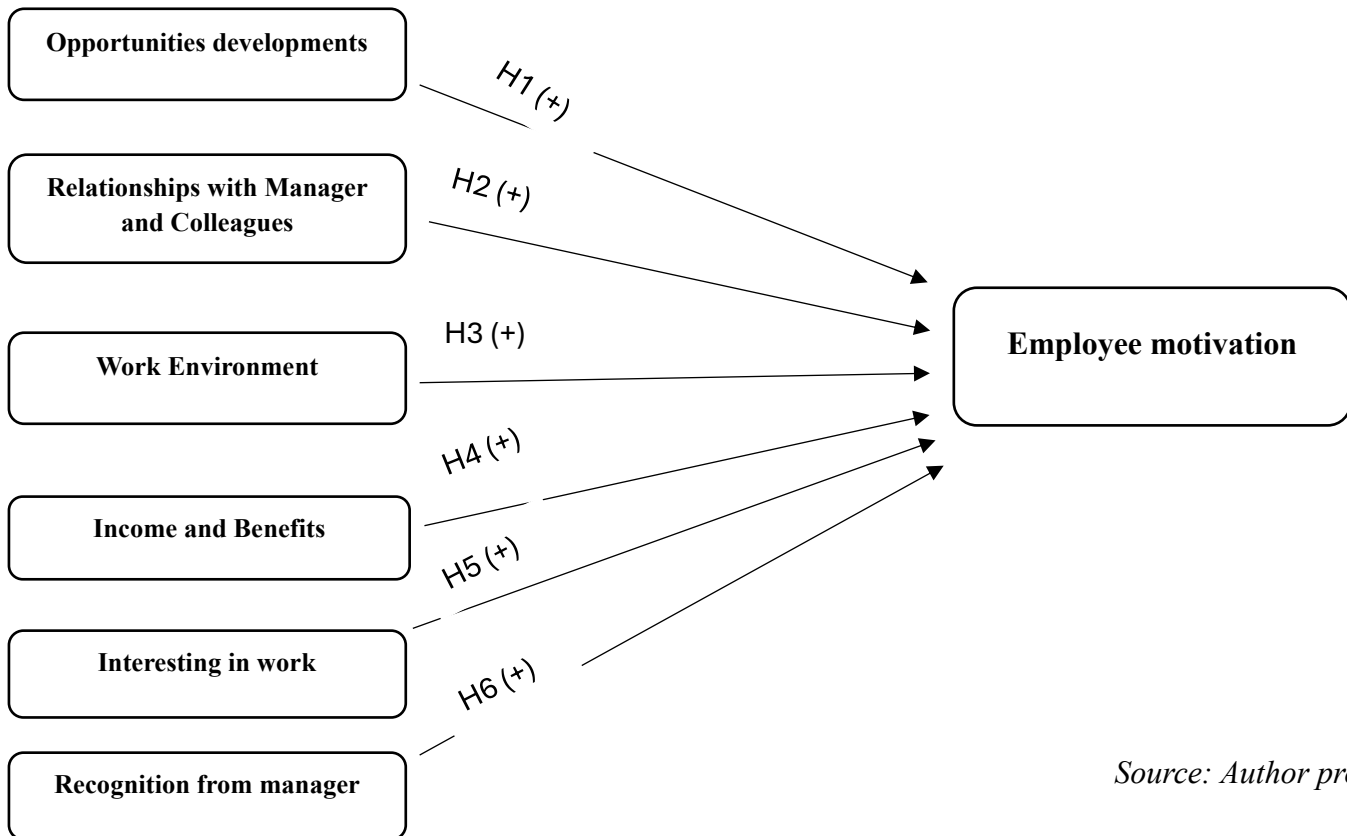
Source: Author proposed

Sample selection

The author first designed a questionnaire to collect data. Next, Cronbach's alpha was used to assess the reliability of the scale, leading to the elimination of variables that did not meet the required standards. After that, an Exploratory Factor Analysis (EFA) was conducted to verify the data's convergent validity.

The survey was structured using a 5-point Likert scale, ranging from "strongly disagree" to "strongly agree." Furthermore, to maintain consistency in the customer questionnaire, the scale was translated between English and Vietnamese and reviewed by language experts.

The study surveyed 22 construction enterprises in Thai Nguyen province, with a sample size of 172 employees working at these companies (Hair et al., 2010). We distributed online questionnaires to company employees and collected responses from October 2024 to February 2025 for evaluation. Survey participants answered questions on a five-point Likert scale for each statement.

After collecting the questionnaires, 165 valid responses met the required standards and were included in the quantitative analysis. The study utilized SPSS 26 for various analyses, including Cronbach's Alpha, Exploratory Factor Analysis (EFA), and Linear Regression Analysis, to develop the model and test the reliability of the measurement scale.

RESULT

The test results indicate that all total correlation coefficients are greater than 0.3. Additionally, the Cronbach's Alpha values for the scales exceed 0.6, confirming their reliability. Therefore, all observed variables will be included in the subsequent EFA analysis.

EFA result

The EFA analysis results for the independent variables show that the KMO index is 0.784 (> 0.5), indicating

that the observed variables are essential for factor formation and that the model is highly appropriate. All observed variables exhibit overall correlation, justifying the use of EFA analysis for the research data (Sig. = 0.000 < 0.05).

Additionally, Bartlett's test yields a result of 1164,594 with a significance level of Sig. = 0.000 (< 0.05), confirming that the variables are interrelated and meet the requirements for EFA analysis.

The EFA results indicate that, using the Principal Component Analysis extraction method and Promax rotation, one factor was extracted with six observed variables. The cumulative extracted variance is 57.478% (>50%), and the Eigenvalue is 1.148 (>1). Additionally, all factor loadings of the observed variables are greater than 0.45, confirming that the measurement scale meets the required standards.

Correlation Analysis

Correlation analysis shows that the independent variables and dependent variables have a statistically significant relationship, with Sig. < 5%. The independent variables have a positive correlation with the dependent variable, as shown by the positive Pearson coefficient. Therefore, it can be affirmed that the independent variables are capable of explaining the variation of the dependent variable.

Regression analysis

According to Table 1, the F statistic = 25.966 with sig value = 0.000 proves that the regression model fits the data set. Durbin - Watson is 2.028 < 3, there is no correlation between variables in the model. The VIF coefficient of all variables has a value < 10, proving that there is no multicollinearity. The adjusted R2 coefficient = 0.496. So the linear regression model being calculated will fit the data at 49.6%.

Table 1. Regression result

Independent variable	Beta	Std. Error	Sig.	Multicollinearity statistics	
				Tolerance	**VIF**
Const.	-,440		,228		
OD	,198	,206	,002	,772	1,295
RM	,144	,143	,033	,719	1,390
WE	,156	,149	,026	,724	1,381
IB	,239	,226	,000	,830	1,205
IW	,171	,183	,007	,711	1,406
REM	,228	,210	,002	,720	1,389
Adjusted R Square: 0,496					
F- Statistics (ANOVA): 25,966					
Significance: 0,000					
Durbin – Watson: 2,028					

Source: Data from SPSS 26

From the above result, we can conclude that the regression analysis results are reliable. The final standardized regression model is established with 6 independent factors as follows:

Employee motivation = 0,198*OD+ 0,144*RM + 0,156*WE + 0,239*IB+ 0,171*IW + 0,228*REM + ε

The results show that there are 6 independent factors affecting the job satisfaction of employees in construction enterprises in Thai Nguyen province. In which, the factors have the same level of influence on the dependent variable in decreasing order as follows: Income and benefit (0,239; IB), Recognition and Rewards from manager (0,228; REM), Opportunities for Promotion and Career Development (0,198; OD), Interesting, Suitable, and Challenging Work (0,171; IW), Work Environment and Conditions (0,156; WE) and Relationships with Manager and Colleagues (0,144RM).

CONCLUSION

This study has shed light on six key factors that drive employee motivation in construction enterprises in Thai Nguyen. The findings reveal that these factors play a vital role in shaping employees' enthusiasm, engagement, and overall performance.

First, career advancement and development opportunities serve as a powerful motivator, giving employees a clear vision for their future and fostering long-term commitment to the company. When individuals see growth potential, they are more likely to invest their best efforts in their work.

Second, relationships with managers and colleagues significantly impact the workplace atmosphere. A supportive and collaborative environment not only boosts morale but also enhances teamwork and productivity.

Third, work environment and conditions play a crucial role in employee satisfaction. A safe, well-equipped, and comfortable workplace encourages employees to remain dedicated and perform at their highest level.

Fourth, income and benefits remain one of the strongest motivators. Competitive salaries, bonuses, and comprehensive benefits provide financial security and reinforce employees' sense of value within the organization, driving them to excel.

Fifth, job attractiveness, suitability, and challenges fuel intrinsic motivation. When employees find their work engaging, aligned with their skills, and intellectually stimulating, they become more passionate and committed to delivering high-quality results.

Sixth, the national economic situation and government policies are macro-level factors that significantly influence employee motivation in the construction industry. In times of economic downturn or tightened public investment policies, workers may face job insecurity, reduced income, and psychological instability. To sustain motivation, companies should implement solutions such as adjusting wages according to economic fluctuations, enhancing training to adapt to policy changes, and establishing mechanisms for both financial and mental support for employees. Additionally, proactively updating and complying with legal regulations contributes to a stable and sustainable working environment. This serves as a crucial foundation for maintaining employee engagement and productivity amid a volatile context.

Lastly, recognition and rewards from management are essential in maintaining motivation. Employees thrive when their efforts are acknowledged and rewarded, reinforcing their sense of accomplishment and encouraging continued excellence.

These insights provide a strategic roadmap for construction enterprises in Thai Nguyen to refine their human resource policies, creating a work environment where employees feel valued, motivated, and inspired. By prioritizing these six factors, businesses can unlock higher performance levels, strengthen workforce retention, and drive sustainable growth in an increasingly competitive industry.

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