



## RESEARCH EFFECTIVENESS OF CORPORATE CULTURE TO WORK MOTIVATION AND EMPLOYEE'S LOYALTY AT LILAMA CORPORATION

**Bui Thi Minh Thu**

Hanoi University of Home Affairs in Central, Quang Nam, Viet Nam

**Le Nguyen Doan Khoi**

Research Affairs Department - Technology Business Incubation Center, Can Tho University, Can Tho, Vietnam

### ABSTRACT

The study followed by other research from many researchers, scientists inside and outside the country, therefore an investigation into the impact of corporate culture on work motivation and loyalty of the workers follow the Oriental culture is built as a completely new model in Vietnam and around the world. The objects of the study range from leadership to staff at LILAMA, stretching from the North to the South, with 14 member companies directly producing at LILAMA, with different regional cultures. Research has found the differences in the impact of each element of corporate culture on employee motivation and loyalty in LILAMA. From that point of view, we put forth solutions to enhance the corporate culture level, shape the corporate culture model accordingly, thereby enhancing internal strength and competitiveness of LILAMA.

**KEYWORDS :** Corporate culture, work motivation, loyalty

### 1. Introduction

The process of Integration and Economic Globalization makes the business environment change quickly. To be successful, businesses must adapt to the changes of the market and create the sustainable competitive advantage (Barney, 2001). Meanwhile, large-scale LILAMA stretches from North to South with thousands of workers, is a collection of different people about the professionalism, cultural level, the level of awareness, social relationships, geographic regions, cultural ideology... This difference created a diverse and complex work environment. Besides, due to the mechanical engineering industry, Lilama has the quick working environment, the high pace working, the long time working, the harsh working conditions in remote areas, the process has a high degree of interdependence among the working groups, so it is necessary to create more loyalty to workers in other sectors to have better working environment. Therefore, to have sustainable development corporation, LILAMA need to enhance the motivation and loyalty of its employees through improving corporate culture. Consequently, the study of the impact of Enterprise Culture on Work Motivation and Employee's Loyalty creates the intangible competitive advantage, which should be considered as a high priority issue.

### 2. Literature Review and Research Framework

#### 2.1 Definitions

According to Kroeber and Kluckhohn (1952, p. 12), there are more than 150 definitions of corporate culture. Although many definitions are different, there are two ways to come up to this:

- Access to the function of corporate culture is the CC impacts on community's behavior and CC coming from individual perceptions in the group. The first approach suggests that researchers and managers can identify the differences among corporate cultures of organizations that can change CCs, and measure CCs, strongly impact on the results of the organization.
- The second points that nothing exists in the organization except CC, and a good CC background will help the business against bad situations of the Organization, it is independent of the results of the organization.

According to the author: " Corporate culture is a soul part of a firm, creating distinctive characteristic for a firm and be able to make difference with others. It is a collection of the entire cultural values built during the existence and development of enterprises, dominating emotion, sticky thoughts and behavior of all members of the business "

#### 2.2 Impact of corporate culture on employees

*Corporate culture motivates people to work.*

Adkins and Caldwell (2004, p.969) found that job satisfaction was positively related to the extent to which employees were consistent

with both the overall culture and the subculture they worked on. If the employee does not fit with CC, it will create a negative influence as dissatisfaction increasing the stress at work, affecting the company's revenue. Research also demonstrates that CCs can affect the level of creativity and self-efficacy of employees. CC also affects the recruitment and retention of the workforce. Employees tend to be attracted to recruiters and work in businesses that they consider to be culturally appropriate. A weak CC will reduce the company's performance and create an unhealthy work environment that will affect the employee WM.

#### *Corporate culture creates employee loyalty*

Strong CC will help reduce conflicts in the organization; motivate, control and build employee's loyalty (Schein, 2010). Firstly, a strong CC ties the connections between members, helps them share common insights about a problem, chooses and directs their actions in the group together. When there is a risk of conflict with the organization, a shared norms and values are the keys to solidarity, helping them assess the situation correctly and behave properly. Second, the CC will control the behaviour of the members of the business by the standards, procedures, regulations, etc. In addition, the CC helps in the decision-making process for an effective decision. Only when it is in line with the culture to get the organization members approval. On the other hand, CC helps members to gain a clear view of the goals and direction of the mission. When an organization is successful in building a strong corporate culture, it creates employee loyalty to the company.

#### 2.3. Measuring the impact of corporate culture

##### *CC measurement of Trompenaars (1998)*

Trompenaars launched seven CC aspects in research: Popularism and particularism; individualism and communitarianism; Neutral and emotional; specific and common; Achievement and attribution; attitudes towards working time; attitudes towards the working environment. Trompenaars's study is biased towards reality, willing to adjust if the theory doesn't match the reality.

##### *CC measurement of Camaron OCAI and Quinn (2006)*

To determine the corporate culture model of each business, Quinn and Cameron has constructed diagnostic toolkit corporate culture OCAI (Organizational Culture Assessment Instrument). The OCAI is formed with the goal of specific evaluation 6 elements constitutes CC, from which the CC format based on the value of competition.

##### *CC multi-dimensional measurement of Hofstede (2001)*

According to Hofstede, there is 4 cultural dimension: 1-gap power (Power Distance-PD); 2-individualism (individualism-IDV); 3-psychology Dodge (uncertainty avoidance index-ATAR); 4-masculine (MasculinityMAS). This research toward the theory and have a strong evaluation of the theory, it underestimates the

fact; if applied in the wrong way people do not yet understand the theory.

*Measuring the CC DOCS of Denison (2010)*

Denison (2010) identified four basic perspectives of corporate culture into four different hypothesis: adaptability, mission, consistency, the participation.

**Table 1: Comparison of measurement models of enterprise culture in the world**

No	Model Name	Strengths	Weaknesses
1	Trompenaars (1998)	Suitable in small company	Natural fact, unknown theory
2	Cameron OCAI and Quinn (1999)	Appropriate to compare the corporate culture of the company together, or the industry with other industries.	Only two-dimensional comparison CC has the opposite, the CC only set the level of 2,3 and level 1 not mentioned.
3	Hofstede (2001)	Suitable to compare CCs of two companies in one country to another.	Not suitable for evaluating a corporate culture. Mostly theoretical
4	DOCS của Denison (2010)	Appropriate evaluation CC in the corporation.	The impact on employees' attitudes and behaviours has not been seriously assessed

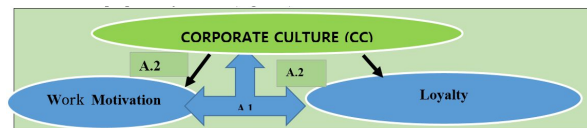
Source: Statistical Author 2016

**According to the author:** In order to measure the constituent factors of the CC, this study uses the Denison model (2010) as this model provides scales and criteria for evaluating the strength of corporate culture with 4 items (adaptability, mission, consistency, and involvement); each item has 3 expressions and 2 dimensions: internal focus and external focus, Flexible and Stable. According to Herzka and Turáková (2010), CCs are created by people, so businesses need to be considered as a social system, an important element of that system is an employee, followed by interaction of Employee behavior with values, principles, goals and business strategies of the corporate. Herzka and Turáková also suggest that Daniel Denison's CC rating model is the most ideal. This model has been adapted by 5000 enterprises and academics around the world during past 20 years.

**3. RESEARCH MODEL**

**3.1. The proposed research model**

All the mentioned models of corporate culture showed that assumption or values are the core determinant of how corporate culture influence working motivation and employee's loyalty. This determinant is hard to be recognized or observed, only explored through analyzing and evaluating awareness and behavior of the organizational member. From that analysis, solutions or suggestions for corporate culture are developed. The below figure is research model proposed by authors (Figure 1)



Source: Statistical Author 2016

Figure 1: Proposed research model on the impact of corporate culture

**Table 2: A summary of hypotheses to study the impact of corporate culture**

Assumptions	Content
A1	Work motivation and loyalty are intertwined
A2	CC influences loyalty and employee satisfaction

**3.2. Construction scale**

After adjusting the scale with the group of expert, the author agreed on the scale:

**a. Scale of corporate culture**

**Table 3: Summarizes variables in corporate culture**

No	Group	Variable name	Author source
1	Mission (16 questions)	Vision	Davenport, 1993; Saffold, 1988); Block, 1991; Senge, 1990
		Strategic direction and intent	
		Goals and Objectives	
2	Adaptation (14 questions)	Creating change	Nadler, 1998; Senge, 1990; Stalk, 1988
		Customer focus	
		Organizational learning	
3	Involvement (15 questions)	Empowerment	Becker, 1964; Lawler, 1996; Likert, 1961; Katzenberg, 1993;
		Team Orientation	
		Capability Development	
4	Integration (11 questions)	Core values Agreement Coordination and Integration	Mintzberg, 1987; 1994; Ohmae, 1982; Hamel & Prahalad, 1994)

Source: According to Herzka and Turáková (2010)

**a. Work motivation scale**

**Table 4: Scale of Work Motivational**

No	Variable name	Author	
DLLV1	I am motivated by work	Sjoberg and Lind (1994)	
DLLV2	I am motivated by job tasks and assignment		
DLLV3	I would like my family members and relatives; choose the similar job		
DLLV4	I want to spend more time for work		
DLLV5	I am willing to bring work home		
DLLV6	I am willing to work at lunch time		
DLLV7	I am eager to come back to work after holiday		
DLLV8	I am always in good mood at work		S.Kovach (1987).
DLLV9	I highly appreciate the reward system		

Source: Research by author-2016

**a. Loyalty scale**

**Table 5. Employee loyalty scale**

No	Variable name	Author
LTT1	Employees intend to work for company in a long term	Aon Consulting (Stum 2001)
LTT2	Employees will stay even though they receive better job offer	
LTT3	Employees consider company as second home	
LTT4	Employees are willing to protect company's reputation and assets	Tran Kim Dung

Source: Authors' Research- 2016

**Comment:** From the research, the model includes 12 elements of corporate culture scale, the authors discuss the construction team official questionnaire consistent with the actual situation of attracting the 56 variables related observations and 4 variables surveys to measure the loyalty of employees. All variables observed in components are used the Likert scale of 5 levels with corresponding levels: level 1 is totally disagree with the statement, the two disagree, 3 is the normal level, level 4 disagree and 5 completely agree with the statement. The result of this section is the official questionnaire to use.

**3.3 The observed number of design research**

According to Hair et al (1998), then to select a sample size appropriate for factor analysis discovered EFA minimum sample size  $N > 5 * x$  (x: is the total number of observed variables). According Tabachnick and Fideel (1996) to conduct a regression analysis of the best way, the minimum sample size to be achieved by the formula  $N > 50 + 8xm$  (where m is the independent variable). In accordance with his research, the author uses the observation number for 56 variables of observation and 12 components of CC, 9 variables of WM, 4 variables of loyalty are:  $N > \max(5x56, 50 + 14x8) = (280, 162) = 280$  observations. Because of a large number of employees by LILAMA, the author

doubled the observation data to ensure more accurate data for the study, so 560 observations were observed. Predicting the process of questionnaire to collect data, then there are no valid questionnaires can to backup because the author will get the number of observations is 700 observations. The choice of observation method is proposed as the method of selecting quota for target groups divided by area variable. Participants in this study included LILAMA's employees at LILAMA's direct member companies in Vietnam.

**3.4 Data Analysis Methods**

The analytical technique of the study is based on the Structural Equation Modeling (SEM) model and the support of SPSS 22 and Analysis Of Moment Structures (AMOS) software. With this analytical technique, multicollinearity in the model will be ignored and the reliability of market data will be considered through measurement errors. Scale reliability assessment through Cronbach Alpha, Exploratory Factor Analysis (EFA), Confirmation Factor Analysis (CFA), to test measurement models. Satisfactory, whether the scale satisfies the requirements of a good scale or not. If a model receives IFI, TLI, CFI > 0.9 values (Bentler & Bonett, 1980); CMIN / df < 2 or maybe < 3, some cases greater than 3 are acceptable (Carmines & McIver, 1981); RMSEA < 0.05 (Steiger, 1990) is considered to be consistent with market data, with some < 0.06 being acceptable. In addition, CFA analyzes perform other assessments such as scale reliability, monadism, unidirectional, convergent, and discriminant values of the scale.

SEM structure analysis technique: SEM model has been used extensively in research areas such as psychology (Anderson & Gerbing, 1988), sociology (Lavee, 1988), the study of child development (Anderson, 1987, Biddle and Marlin, 1987) and in management (Tharenou, Latimer, and Conroy, 1994). So in this study, we will use AMOS software to test SEM with model matching parameters such as CFA test and correlation coefficient > 0.5.

**4. Research results**

**4.1. Sample observation**

**Table 6: Results of the study sample**

Criteria	Number (person)	Proportion (%)
Sex	Male	576
	Female	94
Age	< 35	351
	35-50	211
	> 50	108
Level (University)	Undergraduate	485
	University	171
	Postgraduate	14
Duration of work (years)	< 5 years	239
	5 - 10 years	310
	> 10 years	121
Income (million)	< 3 millions	68
	3-10 millions	440
	> 10 millions	162

Source: Survey data 2016

**Comment:** The rate is much higher male than female which is also typical of the industry, in the appropriate age to reality for the mechanical engineering industry often employees are aged from 21 to under 40 years of age for engineering industry Engineering profession is not hard to higher age. Most attracting employees with education from vocational secondary and college accounting for 72.38%, accounting for 25.52% college and remaining 2.09% have post-graduate qualifications, this rate matching the reality of the industry, as mechanical workers are usually skilled workers and college graduates, while team managers are college and graduate. The number of people with less than 3 years of occupation accounted for 35.67, from 5-10 years accounted for 46.27 in the number of observations, which indicates that the association with the organization is not high. Statistical results show that the income of employees is in the range of 3-10 million accounts for a high proportion, consistent with the current situation with the rising inflation, this salary level is the reasonable salary for people to maintain life.

**4.2 Verification of the scale of corporate culture**

**4.2.1 Verification of Variable Groups of Corporate Culture Scale**

To assess the reliability of the CC scale, the study conducted Cronbach Alpha analysis for each group. In each group, correlated variables with a total variable < 0.3 are considered rubbish variables and eliminated. The scale is accepted when the Cronbach Alpha coefficient is ≥ 0.6. Vision scaling, strategic direction, innovation, customer orientation, learning organization, authorization, team collaboration, capacity development, core values, consensus, the  $\alpha$  mount > 0.6, coefficient of correlation of the sum of each scale > 0.3, should be used next analysis. The target job scale has  $\alpha$  < 0.6, the coefficient of correlation for the total variable of observation variable MT6 = 0.080 < 0.3 should be rejected and re-tested. The second result, the job objective scale has  $\alpha$  > 0.6 correlation coefficients totaling > 0.3, so the remaining 5 variables use the next analysis. The authorization scale has  $\alpha$  > 0.6, the coefficient of correlation of the sum of the observation variables UQ1 = 0.007 < 0.3 should be rejected and the test performed again. The result after rerunning the total correlation coefficient is > 0.3, so the remaining 4 variables are used for the next analysis.

**Table 7. Results of CC scale verification using the Cronbach's Alpha coefficient**

No	Scale	Variables	Cronbach's Alpha
1	Vision	TN1, TN2, TN3	0.779
2	Strategic direction and intent	CL1, CL2, CL3, CL4, CL5, CL6, CL7	0.783
3	Goals and Objectives	MT1, MT2, MT3, MT4, MT5	0.628
4	Creating change	DM1, DM2, DM3, DM4	0.716
5	Customer focus	DH1, DH2, DH3, DH4, DH5, DH6	0.821
6	Organizational learning	TC1, TC2, TC3, TC4	0.776
7	Empowerment	UQ2, UQ3, UQ4, UQ5	0.724
8	Team orientation	PH1, PH2, PH3, PH4, PH5, PH6, PH7	0.847
9	Capability development	PT1, PT2, PT3	0.756
10	Core values	GT1, GT2, GT3	0.727
11	Agreement	DT1, DT2, DT3, DT4	0.785
12	Coordination and Integration	GK1, GK2, GK3, GK4	0.762

Source: Data Processing Results 2017

**4.2.2 Exploratory factor analysis (EFA) for the CC scale**

An Exploratory Factor Analysis (EFA) is used to shorten and summarize research variables into concepts. The results of the first EFA analysis showed the basics of the CC scale, 12-factor groups explaining 60.762% of the variation, with KMO = 0.884. However, the CL1, CL6, CL7, MT3, DM1, DM2, DM3, TC3, UQ2, UQ3, UQ4, UQ5, PT3, GT1, turn these variables out of the scale and re-run the EFA multiple times. Results of the last factor of exploration with the CC scale with the KMO test result were 0.858 greater than 0.5, 11 factorial groups interpreted 60.762% of the variation, and p - value (Sig. Barlett's test is less than 0.05, which guarantees the conditions for conducting exploratory factor analysis.

Next, to determine the number of factors generated, the study used two criteria: the Kaiser standard and the Variance Explained Criteria not less than 50%. Results of the EFA analysis revealed the eleven elements of the CC scale with a total deviation of 60.762% > 50%. These 11 factors explain 60.762% variability of the observed variables. All factor load factor factors for each element are greater than 0.5. Thus the CC scale has 11 factors and 39 EFA-eligible observation variables and has been rearranged, so the factorial name for the scale is as follows:

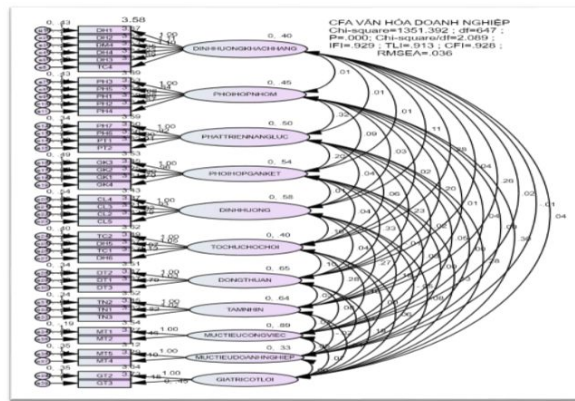
**Table 8: Table of Factors of Corporate Culture Scale after Inspection**

Factor	Name factors	Observations
--------	--------------	--------------

H1	Customer focus (DINHUUONGKHAACHHANG)	DH1,DH2,DH3,DH4,D M4,TC4
H2	Team orientation (PHOIHOPNHOM)	PH1,PH2,PH3,PH4,PH5
H3	Capability development (PHATTRIENANGLUC)	PT1,PT2,PH6,PH7
H4	Coordination and Integration (PHOIHOPGANKET)	GK1,GK2,GK3,GK4
H5	Strategic direction and intent (DINHUUONG)	CL2, CL3, CL4, CL5
H6	Organizational learning (TOCHUCHOCHOI)	TC1, TC2, DH5, DH6
H7	Agreement (DONGTHUAN)	DT1, DT2, DT3
H8	Vision (TAMNHIN)	TN1, TN2, TN3
H9	Goals and Objectives of Work (MUCTIEUCONGVIEC)	MT1, MT2
H10	Goals and Objectives of Corporate (MUCTIEUDOANHNGHIEP)	MT4, MT5
H11	Core values (GIATRICOTLOI)	GT2, GT3

**4.2.3 Assertive Factor Analysis (CFA) for the CC scale**

With the CC scale, the CFA method was performed with 39 observation variables (extracted from the results of the EFA analysis). The results of CFA analysis are as follows:



Source: Data Processing Results 2017

Figure 2: CFA test with enterprise culture scale

- Conformity assessment: CFA analysis results (Figure 5.1). The model has Chi-square / df (or CMIN / df) = 2.089 (<3); IFI = 0.929; TLI = 0.913; CFI = 0.928; RMSEA = 0.036 should match the market data.
- Convergence value: The weights (normalization) of the scale are higher than > 0.5, the weights (non-normalized) are statistically significant (P < 0.05). Be worth converging. Reliability of the scale is reached.
- Unidirectionality: This model has data that is consistent with market data and there is no correlation between measurement errors so it is unidirectional. Thus in the thesis, the CFA of the enterprise culture scale has reached the parameters, continue to conduct SEM analysis.

**4.3 Verification of Work Motivation Scale**

**4.3.1 Verification of reliability with variable groups of motivation scales**

The dynamic analysis scale for the first analysis has  $\alpha = 0.856 > 0.6$ , but the total variable correlation coefficient of the observation variable  $WM1 < 0.280$  should be rejected and the test performed again. Cronbach's Alpha coefficients for all dynamic range scales employed after extraction from the EFA analysis are accepted because the Cronbach Alpha coefficient is  $\geq 0.6$ . In each variable group, the total correlation coefficient of the observed variables is greater than 0.3. This confirms the scale of the factors extracted from the observational variables is consistent and reliable. So all the observable variables can be used in subsequent analysis steps.

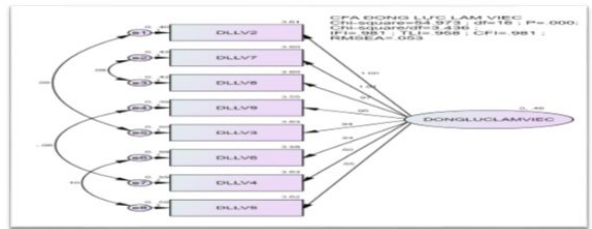
**4.3.2 Exploratory Factor Analysis (EFA) for the measure of self-efficacy**

The discovery factor analysis (EFA) for the dynamic range for

working with the KMO test result is  $0.846 > 0.5$  and p - value (Sig. = 0.000) of the Barlett test is less than 0.05, Sue to conduct an analysis of the EFA discovery factor. Results of the EFA analysis revealed the eight basic factors of the scale with a total deviation of  $52.507 > 50\%$ . These eight factors explain 52.507% variability of the observed variables.

**4.3.3 Confirmed factor analysis for measuring the scale of work motivation**

With the employee motivation scale, the CFA method was implemented with 8 variables. The results of the first CFA analysis on the dynamic work scale showed that  $CMIN / DF = 6.059 > 3$  was not appropriate. For model modification, research is based on Modification Indices (MI). After calibration, the following metrics were met: Chi-square/df (or CMIN / df) = 3,436, although greater than 3, but the remaining ratios were very high. Accepted: IFI = 0.981; TLI = 0.958; CFI = 0.981; RMSEA = 0.053 < 0.08 should match the market data. The weights (normalization) of the scale are higher than > 0.5, the weights (non-normalized) are statistically significant (P < 0.05) so the observed variables reach convergence values.



Source: Data Processing Results 2017

Figure 3: CFA dynamic measure of work

**4.4 Test the employee loyalty scale**

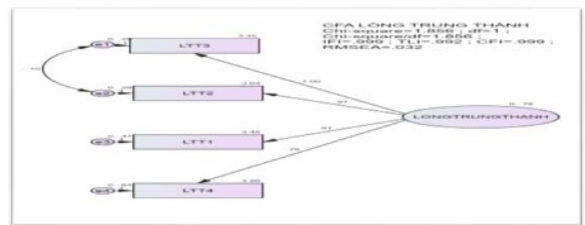
**4.4.1 Reliability testing with loyalty scale**

Cronbach's Alpha coefficients of all loyalty scales derived from the EFA analysis were reliable (> 0.6). In each variable group, the total correlation coefficient of the observed variables is greater than 0.3. This confirms the scale of the factors extracted from the observational variables is consistent and reliable. So all the observable variables can be used in subsequent analysis steps.

**4.4.2 Factor Analysis Explaining the scale of loyalty**

The discovery factor analysis (EFA) for the loyalty scale with the KMO test result is 0.806 greater than 0.5 and the p-value (Sig. = 0.000) of the Barlett test is less than 0.05. Sue to conduct an analysis of the EFA discovery factor. The results of the EFA analysis revealed the four basic factors of the scale with a total deviation of 67.881% > 50%. These four factors explain 67.881% variability of the observed variables. All factor load factors for each factor were greater than 0.5, so the employee loyalty scale was appropriate for the research.

**4.4.3 Factor Analysis Confirming the Loyalty Scale**



Source: data processing results in 2017

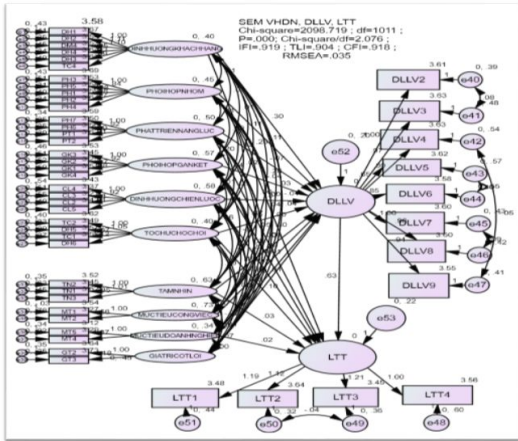
Figure 4: test CFA scale loyalty

Conformity assessment: The CFA analysis of loyalty scale has Chi-square / df (or CMIN / df) = 2,207 < 3; IFI = 0.999; TLI = 0.996; CFI = 0.999; RMSEA = 0.037 < 0.05, so the model fits the data.

**4.5. Test the SEM impact of corporate culture on the motivation to work to the loyalty of the workers**

The first SEM test we have the suitability of the model:  $CMIN / DF = 2.025$ ; IFI = 0.918; TLI = 0.903; CFI = 0.917 and RMSEA = 0.034, but the data sheet on the relationship between corporate culture and motivation and loyalty has the opposite effect to be considered: The

relationship between work motivation and a consensus group of corporate culture as well as the relationship between loyalty and consensus is negative, so we eliminate the Impact factor of consensus element in the scale of corporate culture on work motivation and loyalty. The goals of work and core values in the corporate culture scale with loyalty have negative sign but for work motivation has positive sign, so this factor influences on the loyalty through work motivation, lead to remove the impact of business goals and core values of corporate culture on loyalty and re-run the model, the results are as follows:



Source: data processing results in 2017

Figure 5: 2nd SEM analysis on relationship CC to WM, loyalty

Figure 5 demonstrates the impact relationship among the corporate culture on work motivation and loyalty has had positive effects on work motivation and loyalty of employees. Research continues to conduct testing to estimate the model by Bootstrap.

**4.6 Test model estimation with Bootstrap**

To test the impact model of corporate culture on motivation and employee loyalty, the research uses the Bootstrap method with a repeated number of observations is B = 1000. Hypothesis H0: Bias = 0, H1: Bias ≠ 0. From the results in the table below, the absolute values of CR are even smaller than the test value of 1.96, so it can be said that the deviation is Very small, not statistically significant at 95% confidence, or, in other words, the estimate of B = 1000 times from the initial observation is averaged and this value tends to be close to the estimate of the sum, the result shows that the deviation of the bias and its standard deviation are small and stable. Therefore, it can be concluded that the estimates in the SEM model of corporate culture influencing the work motivation and workforce loyalty above are reliable.

**4.7 Conclusions about the research hypothesis**

The estimated result by ML and the tested estimate model by Bootstrap above show that the assumption is accepted as the study model.

**5. Discuss the results and solutions**

**5.1 Discussion**

The correlations between the three SEM modeling tools highlighted three important relationships: work motivation and loyalty; the impact of corporate culture on work motivation; and employee's loyalty. The analysis confirmed the positive relationship between employee's work motivation and employee's loyalty as well as demonstrated the relationship between the influence of corporate culture on work motivation and loyalty of employee. In general, there is a significant degree of similarity between the findings of the current and past surveys about the relationship between motivation and corporate culture or between loyalty and corporate culture. The way answer survey questionnaires of laborers in LILAMA takes after employees's way in many different industries including outside the country. This has played a strong supporting role and confirmed the reliability and validity of the findings of this study. The relationship between employee's work motivation, employee's loyalty, and corporate culture was investigated on three levels:

Firstly, the correlations in the SEM model of this relationship have been identified and found to be sufficiently integrated into representing the basic theoretical structures. It has a Confirmation of suitability of the model: CMIN / DF = 2.025; IFI = 0.918; TLI = 0.903; CFI = 0.917

and RMSEA = 0.034, the study obtained a final estimation model. Based on the results of statistical significance in the table below, all 3 tested relationships were statistically significant (P-value < 0.05).

Secondly, the results of the analysis of the SEM linear model of corporate culture affecting to the work motivation and loyalty found the factors of corporate culture directly influencing on the work motivation and the loyalty of the workers.

Thirdly, the analysis of this 3 relationship by bootraps also confirms and reveals certain aspects of employee's work motivation, employee's loyalty, and corporate culture that contribute strongly to this relationship.

+ There is the same dimensional relationship between the customer-orientation group; between factors of group coordination group; Factors in Capacity Development Group; Elements of the coordination group; Strategic-oriented team members; Elements of the learning organization; Elements of the vision group; Enterprise Target Group; Of the scale of corporate culture and motivation to work, loyalty.

+ There is the same dimensional relationship between the factors of the Goals and Objectives of Work; between the core value groups of the CC scale and work motivation.

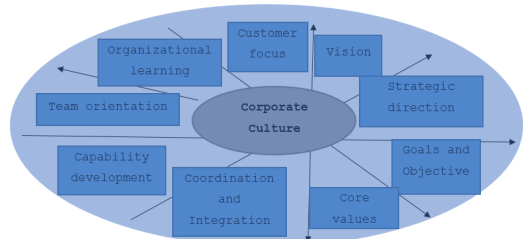
So the components of corporate culture consist of: "strategic orientation"; "Customer-oriented"; "Coordinating cohesion"; "Business objectives"; "The vision"; "Learning organization"; "Capacity development"; "Coordination group"; they all affect in the same way on "work motivation and loyalty of employees but have difference about coefficients effects and the order of impact of each factor. 2 elements of corporate culture are: "core values" and "work's objectives" have the same impact on work motivation, through which, employee's loyalty indirectly affected the same dimensions as work motivation has strong impact on the loyalty of workers with Impact Factor - 0.647. In other words, when the corporate culture has the level of responsiveness works well, the loyalty of workers will also better. The level impact of the factor - "strategic direction" on the results of employee's loyalty is the largest (0.400). The level impact of factors - "the learning organization" on the outcome of employees's loyalty is the largest (0.088).

This result is consistent with the results of analyzing the current corporate culture of the thesis when the current level of response to corporate cultures at three cultural levels is raised, employees's work motivation and loyalty also increase. However, apart from the elements of corporate culture that are mentioned in the model, work motivation and employee's loyalty are influenced by many other factors. This result is also perfectly suited for practice. With a complex, ever-changing business environment, employees's work motivation and loyalty are influenced by many internal factors, or factors outside the business such as environment, family, illness, force majeure... And corporate culture is just one of many influential and influential factors.

With the above results, the conclusion of the thesis can be drawn as "When the corporate culture has the possible level of responsiveness works, the employee's loyalty will increase." This conclusion is similar to other authors. According to the literature review of the thesis, there are some domestic and foreign researchers doing an investigation into a corporate culture that influence motivation or corporate culture create loyalty.

**5.2 Solutions to improve the impact of your VHDN to the motivation and loyalty of employees**

The factors model of enterprise culture impact on motivation and loyalty of employees according to research by the author as follows:



Source: study author 2017

Figure 6: Corporate culture model of LILAMA impacting on employee's satisfaction and loyalty

### 5.2.1 Build strategic and customer orientation.

In order to improve the strategic direction, LILAMA needs to: Improve the corporate governance structure including the separation of functions of the Board of Directors and Board of Directors to ensure independence, accountability in the best practice and in accordance with the law. Finalizing the internal control system to carry out risk Monitoring, Evaluating and finalizing of control procedures and governance systems. Completing the member company monitoring system, including tools and guidelines for regular and effective supervision, monitoring and evaluation of the representative of capital in subsidiaries and associates.

In order to build the key customer orientation, LILAMA needs to: Maintain and develop market share in the EPC contractor, construction contractor, improve equipment manufacturing capacity to 85% in volume and 70% % Of the value of cement plants, 60% of the volume and 40% of the value of the power plant contributed to reducing equipment imports from abroad, saving foreign currency for the country. Strengthen capacity in design, consultancy, supervision and project management, purchase of original technology, development of existing consulting firms in the direction of deep specialization and gradually increase the proportion of domestic implementation to each Capacity Building for EPC Contractors. Speeding up the import and export activities, expanding partners, markets, manufacturing equipment for power plants, cement and industry; Increasing the proportion of manufacturing export revenue to 60% of total equipment manufacturing revenue to participate in the global production chain and execute the works abroad.

### 5.2.2 Enhance teamwork and capacity development

It is necessary to develop and orient the employees in LILAMA with the common goal and develop an effective communication between team members, among workers. Focussing on the work of fostering, training, and appointment of a collective leadership vision, exemplary and good management. There should be a plan to effectively assign the work of the members of the group. Conflict management measures must be taken and group conflicts resolved. Creating trust among team members, between workers. Team members should respect each other. Team members should be promoted individually. Creating a solid rapport between team members and employees throughout the company. Frequently checking and continually improving the processes, practices, and interaction of team members.

For the leadership team, management staff

Training and fostering the contingent of managers and managers; Implementing the strategy of rejuvenating the staff, building a strong and competent management cadres team, devoted to building up the parent company and capable, knowledgeable and dynamic subsidiaries. Sensitive to the market economy, resolute in executive management, determined to implement and fulfill the responsibilities assigned.

For professional staff

Statistics firmly grasp the professional staff of the parent company and its subsidiaries. Classify to arrange the right capacity, strength. Strictly implement regulations on the recruitment of professional staff. When there is a need to recruit, it is necessary to conduct the tests, check professional qualifications, professional requirements and other requirements for the vacancy.

For a team of skilled workers, skilled workers

Statistics technical workers and skilled workers to balance the production tasks of the unit. Develop rational treatment for these subjects and strictly manage them. Consider skilled workers and skilled workers are invaluable assets of the unit. Develop regulations on management, treatment policies for skilled workers and skilled workers. Proper use and exploitation of the full potential of skilled workers, skilled workers.

### 5.2.3 Build a learning organization with job objectives

Leaders and managers at LILAMA must be able to build shared vision/views, know how to help others see the whole system, know how to work with people, know how to design Horizontal organizational structure, how to initiate the changes, how to promote the capacity of each member towards the future. People communicate and understand it through organizations but learning is part of their duty. The concept of learning is part of the work that needs to be widely disseminated throughout the organization. In the future, the

Corporation strives to ensure the leadership team is sufficient in quantity, quality and ensure continuity in the whole Corporation. The Corporation will support the member units to build senior management team and middle management; Management of internal personnel in the whole Corporation; To review and supplement human resources for the Board of Directors, the Control Board, the Board of General Directors ...; Train additional and develop qualified human resources, ready for a new organizational structure in the future.

Building a strong organizational learning culture in the following three areas: The whole is more important than the part, the boundaries among the parts must be minimized; Organizational culture is equal to all members; Cultural values must be improved and adapted. Managerial staff should be Built up the in the model of advanced countries. Training and retraining high-skilled workers can make the equipment meet international standards, operate well industrial automation as well as advanced equipment of the world.

### 5.2.4 General solution

Reorganizing the organizational structure of production teams and teams; Training and retraining to improve management skills for team leaders, team leaders; Rearranging the production line, eliminating unnecessary and unnecessary stages and processes. Investing in the procurement of advanced and modern construction equipment and tools to increase efficiency and labor productivity.

Improving the contracting mechanism in production: Publicizing directly the mechanism of contracting to each labor so that labors can know how much salary they will receive after finishing the work. The satisfactory settlement of the material benefits to workers in product placement is the most important motivation to promote and increase labor productivity. Generate general policy on risk management, it creates the full awareness and responsibility of LILAMA leaders and risk specialists.

Develop, promulgate, update and supplement the regulations governing internal management, ensure the management and operation as well as advice on the duty of publicity and transparency. There are clear assignment and assignment in leadership and departments in risk prevention and control and risk statistics. Renewing and seriously implementing internal inspection and control as well as inspection and control of subsidiaries and affiliated companies in accordance with the regulations of the Government.

Perfecting the recruitment mechanism, the salary system, treatment and welfare of labors. Training, fostering, developing human resources. Formulating the planning on the fostering of the contingent of managers and leaders.

LILAMA needs to build a cultural life of workers because the formation and promotion of corporate culture must be based on people managed by the enterprise. In order to promote the role of corporate culture, all cadres, workers, and employees in enterprises must have proper awareness, comprehend clear content and keep high determination to build and promote enterprise culture. Moreover, business leaders must be the pioneers in building and promoting corporate culture, as they are the nucleus, the center of corporate relationships. Their actions have a great impact on the whole business. Enterprises need to organize a specialized unit on the problem of building and improving corporate culture.

### REFERENCES:

- Adkins, B., & Caldwell, D. (2004) the Company or cultural group: where appropriate in most problems?, *Journal of Organizational Behavior*, 25, pp. 969-978
- Anderson, J. C., & Gerbing, D. W. (1988). *Structural Equation Modeling in Practice: A Review and Recommended Two-Step Approach*. *Psychological Bulletin*
- Barney, J. B. 2001. Is the resource-based view a useful perspective for strategic management research? *Yes*. *Academy of Management Review*, 26: 41-54
- Bentler, P. M., & Bonett, D. G. (1980). Significance tests and goodness-of-fit in the analysis of covariance structures. *Psychological Bulletin*, 88, 588-600.
- Biddle, Bruce J and Marlin, Marjorie M. *Causality*, (1987) *Confirmation, Credulity, and Structural. Equation Modeling. CHILD DEVELOPMENT*, 58, 4-17.
- Carmines, E. G., & McIver, J. P. (1981). *Analyzing Models with Unobserved Variables: Analysis of Covariance Structures*. In G. W. Bohrnstedt, & E. F. Borgatta
- Cameron, K. and R. E. Quinn. (2006). *Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework*. Beijing: China Renmin University Press.
- Dennison (2010) *Organizational Culture & Employee Engagement: What's the Relationship?* [www.denisonculture.com](http://www.denisonculture.com) Volume 4, Issue 3, 415-419
- Hofstede, G. (2001) *Culture's Consequences – Second Edition: Comparing Values, Behaviors, Institutions and Organizations Across Nations*. London: Sage.
- Hair, J.F. Jr., Anderson, R.E., Tatham, R.L., & Black, W.C. (1998). *Multivariate Data Analysis*, (5th Edition). Upper Saddle River, NJ, Prentice Hall.

11. Herzka, P., Turáková, A., "The Applying Denison Model for the Analysis of Corporate", Retrieved from [http://leidykla.vgtu.lt/conferences/BME\\_2010/06/004.htm](http://leidykla.vgtu.lt/conferences/BME_2010/06/004.htm), 2010
12. Lavee, Y. (1988). Linear structural relationships (LISREL) in family research. *Journal of Marriage and the Family*, 50, 937-948.
13. Kovach, K.A. (1995), "Employee motivation: addressing a crucial factor in your organization's performance", *Employment Relations Today* 22 (2), page 93-107.
14. Kroeber, A. L., & Kluckhohn, Cl., *Culture, a critical review of concepts and definitions*. New York. Vintage books, 1952.
15. E. H. Schein (2010) *Organizational Culture and Leadership*. Jossey-Bass
16. Sjoberg, L., & Lind, F. (1994). Arbetsmotivation i en krisekonomi: En studie av prognosfaktorer (Work motivation in financial crisis: A study of prognostic factors. Stockholm School of Economics, Department of Economic Psychology.
17. Stump, E (2001). *Augustine on free will*. The Cambridge Companion to Augustine
18. Steiger, J. H. (1990). Structural model evaluation and modification: An interval estimation approach. *Multivariate Behavioral Research*, 25, 173-180.
19. Trompenaars, F., & Hampden-Turner, C. (1998). *Riding the waves of culture: Understanding cultural diversity in global business*. New York: McGraw-Hill.
20. Tabachnick, B. G., & Fidell, L. S. (1996). *Using multivariate statistics* (3rd ed.), New York.
21. Tharenou, P., Latimer, S., & Conroy, D. (1994). How Do You Make It To The Top? An Examination of Influences on Women's and Men's Managerial Advancement. *Academy of Management Journal*, 37(4), 899-931. .  
<http://dx.doi.org/10.2307/256604>
22. Trần Kim Dung và Nguyễn Ngọc Lan Vy (2011), "Thang đo động viên nhân viên", *Tạp chí Phát triển Kinh tế* số: 244 năm: 2/2011.