

## DETERMINANTS OF TALENT RETENTION IN COMMERCIAL BANKS IN THE SOUTHEAST VIETNAM

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### ABSTRACT :

*To deal with the high turnover rate of talents in commercial banks in the Southeast Vietnam, this paper aims at identifying the key factors affecting their retention. With a self-completed questionnaire designed on five point Likert scale and directly delivered to 608 people working as team leaders, senior-officers, supervisors and managers holding at least bachelor degree working in different sections at 94 commercial bank branches/ transaction offices in Ho Chi Minh City and other five provinces in the region, descriptive and inferential statistics (Exploratory Factor Analysis, Cronbach's Alpha, and Multiple regression analysis) were employed to explore such relationship. The key factors identified include salary, promotion, physical working conditions, benefits, relationship with colleagues, organizational recognition, relationship with superiors, gender, age, working experience, ownership of banks and the size of banks. Based on the findings, some managerial implications are suggested to assist managers and policy makers in designing and implementing their best strategies to sustainably motivate, satisfy and retain their talents by incorporating these factors into their employment relations strategies and policies in order to increase level of talents' retention, accordingly decrease the turnover rate of the talents among commercial banks in the Southeast Vietnam.*

**Keywords:** Southeast Vietnam, Commercial Banks, Determinants, Talent Retention, Turnover Rate

### 1. INTRODUCTION:

The US Bilateral Trade Agreement (USBTA) in 2001 and Vietnam's accession to WTO in 2007 have provided many opportunities and challenges for Vietnam's comprehensive reforms in its banking system because the Vietnamese authorities committed to liberalizing the banking system before 2010 according to the most favored nation rule once accessing the WTO. With such commitments, foreign banks are granted with the right and opportunity to expand their activities in the Vietnamese banking sector in term of having better accessibility to a greater share of the capital of Vietnamese banks (Bellocq & Silve, 2008). The implementation of Basel I prudential indicators and the huge pressure of fierce competition from the foreign banks on the marketplace have urged the thorough reforms of not only state-owned banks but also the commercial banks. Thus, over the last few years, the mergence and acquisition of several commercial banks to enhance their competition power has been well observed in the banking system of Vietnam. On the other hand, almost every bank has triggered its business by setting up several branches and transaction office throughout the country; as a consequence, there is a huge demand of professional staffs in this industry, leading to a serious race of recruiting and retaining qualified employees and talents among banks. Hence, several banks have paid special efforts to reform their human resources (HR) management systems to improve their effectiveness with higher labor productivity, raise incomes and issue proper policies to retain their staffs who are considered as the key factor in competition in the banking market for the success of long-term businesses. Motivated from our previously published study (Mai & Ha, 2016), in this paper, we

expand the study scope in terms of survey objects over a broader region to test for the validity of our previous findings.

According to Alotrip (2014), Southeast Vietnam is the region having the most developed economy in Vietnam with high population and leading top in exports, foreign direct investment (FDI), GDP, and other socio-economic sectors. FDI is majorly focused in such provinces as Dong Nai, Binh Duong, Ho Chi Minh City, and Vung Tau. In 2006, Vung Tau appealed over US\$1.1 billion of FDI, highest in this region. Southeast Vietnam is the key economic quadrangle in Vietnam economy, including cities and provinces: Ho Chi Minh City, Binh Duong, Dong Nai, Ba Ria-Vung Tau, Binh Phuoc, and Tay Ninh. Although they account for a modest square in total area of the country, their contribution to Vietnam economy is great. According to statistics in 2004, the economic region comprised 37.40% of Vietnam GDP, contributing 55.76% to State budget, 47.12% of the total value of industrial production. Due to its great potential of economic development, numerous banks have paid special interest in having their headquarters, branches and/or transaction offices opened in the region, resulting in a huge demand of qualified staffs and a more and more intense competition among the banks for talents.

To survive in such a competitive environment, leaders of the banks well appreciate the critical role of talent workforce and striving to attract more qualified employees and retain their current talents by increasing salary and allowance, conducting intensive training courses, offering more opportunities for career promotion and incentive abroad trips for high performance. Despite such efforts, the turnover rate is still quite high in the banking industry. To effectively deal with such phenomenon, it is vital to carefully discover its root cause and its determinants. Thus, this paper aims at investigating the determinants of the retention of talents in commercial banks in the Southeast Vietnam to provide critical policy solutions for the banks to make their talents satisfied and retained.

## **2. LITERATURE REVIEW:**

### **2.1 TALENT AND TALENT RETENTION:**

Nowadays, it has been well recognized that human resources in an organization, especially high quality employees or talented persons (hereinafter called “*talents*”), are considered as intellectual capital playing critical roles in its sustainable development. Therefore, possessing more and more talents is their permanent desire to increase their competitive advantage. Baum & Kokkronikal (2005) claimed that the employees’ contribution and commitment are the foundation for the success of any organization; thus, it is always mandatory for organizations to provide stimulating environment for the emergence of talents who possess professional skills and competencies, leading to organizational capability (Boudreau & Ramstad, 2005). Thus, Lockwood (2006) pointed that talent has become the key to success in today highly competitive business environment. Meanwhile, Stockley (2015) defined talent retention as the mindful, thoughtful approach embark on how to fascinate, improve, attract and retain people with the skills and abilities to meet current and future contingencies of the organizations. Talent retention is concerned with staffing, identification of skills and abilities, retention, supervision and management, development of employees to increase performance. Thus, talent retention as a wider concept focuses on how best an organization can entice, preserve, attract, improve, manage, retain and maintain necessary talents (D’Annunzio-Green, 2008).

Boudreau & Ramstad (2005) conduct an official survey on the executives in United States of America (USA) and found the significant relationship between talent retention and business strategy in achieving organizational success; thus, they claimed that organizations need to integrate talent retention with organizational/ business strategy so as to achieve operational excellence. Similarly, Rose & Kumar (2006), Lawler (2005), Farley (2005), and Pablos (2004) posit that once human resources are treated as valuable assets with proper encouraging policies to make them satisfied and motivated for higher performance, their organization can easily succeed in its operations with distinctive advantage over their competitors. In addition, organizations can efficiently manage, develop and retain talented employees by using standards/

benchmarks that suits future organizational contingencies and strategic capabilities (Huang, 2001). Hence, from a proactive approach, it is always the best to have the right personnel available at the right time to perform the right functions and achieve the right objectives (Rothwell, 2002). If it works that way, organizations can have right people with the necessary abilities and skills to activate and actualize business strategies. As such, Ballestores (2010) argues that talent retention focuses on identifying skills, recognizing abilities, managing people and retaining them for effective actualization of the business strategy used by the organization. However, instead of being talent developers by fostering their own talents, most organizations have become poachers of talents. It is because talent retention covers broader aspects, among which identifying, encouraging and developing employees are only its minor components. As a matter of fact, talent retention is an act where an organization sets certain factors to attract, retain and develop employees and direct their abilities in performing activities that are useful to the organization. Similarly, Schweyer (2004) considers talent retention as a strategy to attract, identify, recruit, develop, motivate, promote and retain those who have a strong potential to move forward within an organization. Meanwhile, Creelman (2004) claims talent retention as the process of inviting, attracting, engaging and retaining talented personnel.

However, talent retention is actually all about the various means of an organization treating its employees in hope to retain and develop them to serve the organization better and better. Practically, not all employees in an organization are considered as talents. Only a small portion of its staffs are actually qualified and can significantly contribute to its achievements. Thus, most organizations would do their best to retain the talented employees. In the severe war for talents among organizations, Powell & Lubitsh (2007) strongly suggest that they ought to have a good capacity and new approaches in talent management to keep finding, nurturing and developing extraordinary people. In order to effectively recruit and retain scarce labor, Ashton & Morton (2005) emphasize that organizations need to appreciate and perpetually treasure their valued employees. Thus, talent retention refers to ensuring that these people are identified or recruited, developed, and motivated, in such a way that their outstanding contribution can be fully achieved. Today, talent management has become especially important because it will ensure that organization can successfully attract and maintain necessary talents. Hughes & Rog (2008) propose that talent management should be done in a field that employees are working within.

From the current literature, several studies have been deeply conducted on talent acquisition, talent attraction, and talent paradigm, succession management, fostering talent opportunity, talent engagement, talent development and management; thus, it can be said that these topics are no longer new in the field of strategic human resource management programs and philosophies. However, though special attention and several resources have been used, major reasons for the leave of talents from one organization to another one are still unexplored (Huang, 2001; Schweyer, 2004; Powell & Lubitsh, 2007; Sharma et al., 2011; Ringo et al., 2008; Bhamagar, 2008; Glen, 2007; Tajadin & Moali, 2006).

## ***2.2. TALENT RETENTION AND JOB SATISFACTION:***

In the contemporary human resource management, job satisfaction and employee retention are evolving as the prominent challenges in getting employee allegiance, loyalty, corporate re-engineering efforts and constant competitive pressure for key talents who can provide sustainable competitive advantage through their aptitude, skill, ability and proficiency that an individual possesses and integrates in performing a duty (Ballestores, 2010). Talent is commonly used to explain individuals' abilities, capacities and achievements as well as their special performance in completing their tasks. As such, in the fierce competition among banks in term of quality workforces, every organization recognizes the great importance of retaining talents, competent and proficient staffs. Jourbert (2007) believed that talent is a person' aptitude to recurrently motivate and stimulate excitements in others, whereas Glen (2007) argued that talent is the product of ability (competence, education, training and experience) coupled with employees' retention (engagement, development, challenge and wellness) and satisfaction.

The concept of job satisfaction has been established in diverse ways by scholars using different connotations. For example, by adapting the theory of human needs by Herzberg (1996), Luthans (1998) discovered some key features of a job, including physical working conditions, administrative policies, salary and benefits, on-job security, organizational recognition, responsibility, opportunities for promotion, relationship with superiors and colleagues, etc. Or, job satisfaction is also regarded as the psychological responses that stimulate employees to perform better and better in their work under the working conditions for their prolonged existence, organizational outcome and commitment (Spector & Fox, 2003). On the other hand, Rose & Kumar (2006) claimed that the delightful or optimistic emotional state resulting from the assessment of one's ability or job experiences is considered as job satisfaction. Similarly, Zareh et al. (2014) simply regarded it as "how an individual is gratified or comfortable with his or her job and whether he or she likes the job or not". Thus, in the field of human behavior in workplace, job satisfaction is found as one of the most important factors affecting the employees' commitment for a long-term stay and talent retention.

### 3. DETERMINANTS OF TALENT RETENTION:

Due to the significant role of talent retention in the survival and sustainable development of an organization in the contemporary global integration context, numerous scholars worldwide have paid special efforts in getting to know not only deep literature of talent retention but also its possible relationships with other related factors. From the current literature in the field, several affecting factors have been identified; among them, the followings are considered as the determinants of talent retention in an organization.

- (i) **Salary (Sal):** The importance of salary in employee motivation has been thoroughly addressed by Rynes et al. (2004) and further validated by Hennessey & Amabile (2005). Bartlett (2001), Cheng & Ho (2001), and Simon & Marisa (2003) conclude that attracting, rewarding and retaining high quality employees is critical for the survival and productivity of an organization. The survival of every organization depends on how best they can motivate and retain their workers' efforts through payment of commensurate salary. Such close relationship between salary and employee efforts should be noted in practice. No organization can hope to progress without greater motivation and commitment from the existing and potential employees. Tella et al. (2007) claim that salary is one of the key determinants of job satisfaction. Rynes et al. (2004) find that salary is one of the greatest motivating factors. Bartlett (2001) and Cornelius (2001) discover that organizations with a motivating salary may create a center of attention and retain qualified personnel; thereby reducing recruiting costs. Especially, well-paid employees are usually reluctant to change their jobs (Nelson & Quick, 2005).
- (ii) **Benefits (Ben):** Benefits are actually the rewards offered by an organization towards its employees for their positions in the organization. They include medical insurance, healthcare policy, accident insurance, etc., sometimes called fringe benefits. Unlike salaries and incentives, benefits usually do not relate to employee performance (Byars & Rue, 2000). Employee's benefit packages increase worker commitment to the organization and reduce the tendency to think about other job opportunities (Mitchell et al., 2001). Rusbult & Farrell (1983) proposed a commitment model based partly on job benefits, and they found that adequate benefits is one of the key factors contributing to higher job satisfaction and employee retention. They also found that portable benefits, such as contribution pensions, significantly increase both retention intention and job satisfaction.
- (iii) **Promotion (Pro):** Caruth & Humphreys (2008), Russell-Bennett et al. (2007), Cook & Crossman (2004) clearly point that employees get motivated to work when they get incessant promotions and job security in their work place. Some other researchers also argued that factors such as promotion, training and career development, appreciation and improved work place environment give employees greater opportunities and this will either directly or indirectly influence their satisfaction on the job. When high performances are recorded for employees, it must be supported with a basis for recognition and promotions. Erbaşı & Arat (2012) claim that non-financial incentives are given much importance than financial incentives. Their studies point that such factors improve employees in the areas of

promotion and appreciation and improving work place opportunities which have significant effects on job satisfaction statistically. However, when they are promoted, they become highly motivated and continue to make outstanding results in the organization (Salau et al., 2014; Bolman et al., 2008; Stueart et al., 2007; Dran, 2005). To buttress this fact, Bolman (2008) observes that when management disregards the significant role of promotional system, the realization and achievement of the corporate objectives become elusive. To achieve competitive advantage in term of human resources and talent retention, employees should be given fair opportunities for their promotion, training and privilege to participate in decision makings in their organization.

- (iv) **Physical working conditions (Con):** Skalli et al. (2007), Gazioglu & Tansel (2006), Sousa-Poza & Sousa-Poza (2000), and Clark (1997) strongly believe that the working hours and physical work environment have significant impacts on employee satisfaction. Macfie (2002) opines that it takes a lot of management efforts to create a work environment where everyone is highly motivated for their best performance in their works because a worker taking care of his/her own physical and mental health often have higher productivity and innovation. In other words, the balance between daily life and work should be well recognized and implemented in practice. Moreover, physical surroundings, interpersonal relationship and informal work groups have certain effects on the outputs of related employees; communication, group norms and values are directly related while worker participation, type of supervision, morale and satisfaction were all important. Practically, in the egalitarian trend, organizations usually prefer reducing physical spaces dedicated to specific employees so that they can lessen or eliminate physical space allocations based on hierarchical positions and make more space available for team or workgroups (Robbins, 2003). Furthermore, Robbins (2003) pointed that the arrangement of one's workplace is fundamentally important because it significantly influences social interaction among the employees in an organization and the organizational structure directly affects the employee's behavior, attitude to work and the productivity (Zareh et al., 2014).
- (v) **Relationship with superiors (Sup):** Lawal (2005) addresses the importance of employees' effective labor management relations towards strategic determination to facilitate industrial harmony, affection, recognition, friendliness, freedom that is crucial for efficient performance capable of enhancing organizational effectiveness. Besides, Balogun & Obasan (2007), Nelson & Quick (2005), Rothwell & Kazanas (2004) find that mutual relationship and understanding between employers and employees are all of great help to motivate employees to work better, retain and grow in the organization. Russell-Bennett et al. (2007) observe that a poor relationship with a line manager is always a negative factor for the retention of employees. Also, lack of training, development and career opportunities are also major causes for employees' intention to leave an organization for another. Greenberg & Baron (2003) also find that the relationship with superiors is an important factor affecting the satisfaction and retention level of an employee.
- (vi) **Colleague relationship (Col):** This relationship is defined as the behavior of an individual that results in unforced influence when that person is directing and coordinating the activities of a group toward the accomplishment of a common goal (Bryman, 1992). Colleague's supportiveness refers to the friendliness and the extent to which colleagues pay attention to comments and concerns (Campion et al., 1993). Interactions with colleagues may serve an affective psychological function by providing emotional support against the stresses of the organization's socialization initiatives and uncertainties of the work setting (Jablin, 2001). Employees stay when they have strong relationships with their work colleagues (Clarke, 2001). Organizations today encourage team building, project assignments involving work with colleagues, and opportunities for social interaction both inside and outside the job (Marchington et al., 1997). Fundamentally, employees who work as a team are more likely to feel an increased commitment to the work unit's efforts and the organization as a whole (Cohen & Bailey, 1997; Meyer & Allen, 1997). Consequently, employees tend to remain in organizations due to the strong teamwork relationship they have established at the workplace (Clarke, 2001; Marchington et al., 1997).

(vii) **Recognition (Rec)**: Muchinsky (2006) investigates the role of organizational recognition in enhancing employees' performance, productivity and commitment. Flextime is also an important factor to create avenues for their enrichment and self-development. When high performances are recorded for employees, it must be supported with a basis for recognition and promotions (Salau et al., 2014).

Besides the seven key affecting factors, this study also examines the moderating effects of organization characteristics and demographics on the talent retention. Particularly, moderating factors investigated in this study include:

@ **Age (Age)**: The older employees have limited opportunity for changing the jobs and are more costly hired than younger ones. However, they are likely to be more involved in the organization and develop a better fit between personal needs and their organization than the younger employees.

@ **Gender (Gen)**: Several studies have shown that talent retention is highly related to gender differences as female has more barriers to overcome than male, and they are sometimes treated unfairly about personal matters.

@ **Educational qualification (Qua)**: The perception of the above factors varies greatly among different academic levels, which is therefore affecting their retention intentions.

@ **Work experience (Exp)**: Work experience is also one of the key factors affecting the retention of high quality human resources because an experienced staff usually receives several job opportunities from other organizations with higher work positions and/or higher salary.

@ **Organization ownership (Own)**: In the context of Vietnam, state-owned organizations usually have generally broader operational scope, larger structure, and modern banking technology, etc., compared to private ones. Hence, employees in state organizations receive more favors than those in private ones, such as long-term recruitment, benefits, medical insurance, low workload, low work strain (Ban, 1996; Luoc, 2006) so they have higher level of job satisfaction. This phenomenon becomes more distinct in transformed economic countries like Vietnam.

@ **Organization size (Size)**: Similar to the organization ownership characteristics, the big-scale organizations attract and retain more employees than those of small ones.

From these identified factors, our proposed research model is presented in Figure 1 whose mathematical expression is written as  $Retention = f(Sal, Ben, Pro, Rec, Con, Sup, Col, Age, Gen, Qua, Exp, Own, Size)$

#### 4. RESEARCH METHODS:

##### 4.1. CONCEPTUAL FRAMEWORK AND RESEARCH HYPOTHESES:

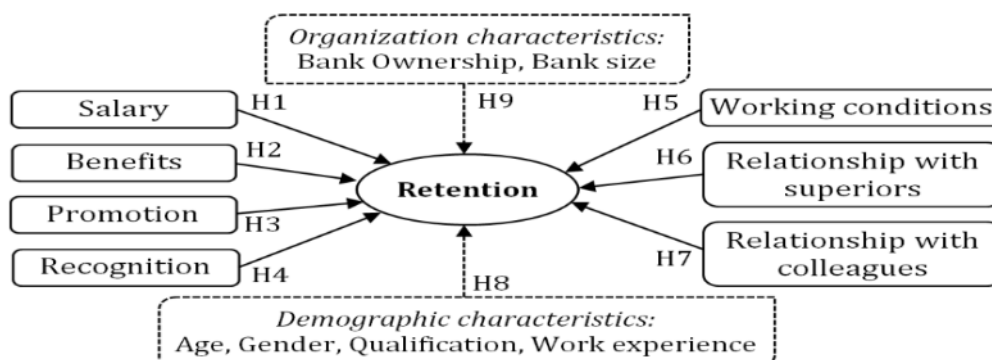


Figure 1. Proposed conceptual framework

This paper considers the following hypotheses:

- H1: There is a positive impact of salary on the retention of talents.
- H2: There is a positive impact of benefits on the retention of talents.
- H3: There is a positive impact of opportunities of promotion on the retention of talents.
- H4: There is a positive impact of organizational recognition on the retention of talents.
- H5: There is a positive impact of physical working conditions on the retention of talents.
- H6: There is a positive impact of relationship with superiors on the retention of talents.
- H7: There is a positive impact of relationship with colleagues on the retention of talents.
- H8: Demographic characteristics have significant impact on the retention of talents.
- H9: Organization characteristics have significant impact on the retention of talents.

#### 4.2. DATA COLLECTION AND ANALYSIS:

We conducted an official survey with a self-completed questionnaire designed on five point Likert scale. Beside one item to measure the retention as the dependent variable, the questionnaire consists of 32 items, among which 5 items are for salary (Sal1-Sal5), 4 for benefits (Ben1-Ben4), 4 for promotion (Pro1-Pro4), 5 for organization recognition (Rec1-Rec5), 5 for physical working conditions (Con1-Con5), 4 for relationship with superiors (Sup1-Sup4), and 5 for relationship with colleagues (Col1-Col5). There were 1,000 questionnaires directly delivered to selected people who were working as team leaders, senior-officers, supervisors and managers holding at least bachelor degree working in different sections at 94 commercial bank branches/ transaction offices in the Southeast Vietnam, including Ho Chi Minh City, Dong Nai, Binh Duong, Ba Ria-Vung Tau, Binh Phuoc, and Tay Ninh. There were 711 completed questionnaires collected, equally to the response rate of 71.10%; among them, there were only 608 valid observations used in our data analysis. After the data are screened, we employ descriptive and inferential statistics (Exploratory Factor Analysis- EFA, Cronbach's Alpha, Multiple regression analysis) with the support of a computational software package called SPSS version 20.0.

According to Hair et al. (2010), EFA approach is used to group highly correlated variables into a factor which is assumed to represent a certain dimension within the data set. Therefore, EFA will identify representative variables from a much larger set of variables for use in subsequent multivariate analysis and create an entirely new set of variables which are much less than the original set. In this study, with the 608 valid observations, the overall criteria making the EFA appropriate are summarized in Table 1.

Table 1. Summary of criteria used in this study

No.	Parameters	Values
1	Kaiser-Meyer-Olkin (KMO)	$\geq 0.50$
2	Bartlett's Test of Sphericity significance	$< 0.05$
3	Eigenvalue	$> 1.00$
4	Total variance explained	$\geq 50\%$
5	Factor loading	$\geq 0.45$

The factors extracted will be further analyzed for their reliability of internal consistency by using Cronbach's Alpha index which is most appropriately used when the items measure different substantive areas within a single construct (Cronbach, 1951; Green et al., 1977; Revelle, 1979; Schmitt, 1996). Gorge & Mallery (2003) claims that for social sciences, the index should be no less than 0.6 and the corrected item-total correlation of each item be at least 0.3 so that the items are capable to measure the construct.

In order to use regression analysis in this study, it is mandatory to convert the factors extracted into appropriate variables. This can be done through the computation of factor scores which are computed based on the factor loadings of all variables on the factor, and therefore, it can represent the measure of the group of variables in the factor. In SPSS, the factor scores are easily achieved by selecting the factor score option and they will be saved as variables for further analysis.

Moreover, multiple regression analysis is a statistical tool for getting to know the causal effect of one variable upon another. To do this, researchers assemble data on the underlying variables of interest and employs regression to estimate the quantitative effect of the causal variables (independent variables) upon the variable that they influence (dependent variable). Researchers typically assess the "statistical significance" of the estimated relationships to test the degree of confidence that they are close to the true ones (Hair et al. 2010). Significance level is usually chosen at 0.05.

## **5. EMPIRICAL RESULTS:**

### ***5.1. STRUCTURE OF SURVEY OBJECT:***

Before going further into deep data analysis, it is necessary to firstly discuss the structure of the survey objects as the basic information about this survey. Table 2 briefly describes the structure of demographics and the organization characteristics of the participants, where shows that among the 608 observations, the male accounts for more than 59.38%, and majority of them (about 74%) are less than 40 years old, 77.14% holding bachelor degree, having more than 5 years of working experience in banking sector, and about 70% working for private banks with the size of 50-200 employees.

### ***5.2. EXPLORATORY FACTOR ANALYSIS AND RELIABILITY ANALYSIS:***

The 32 statements for the seven key factors are analyzed with EFA to actually identify the determinants of the retention of the talents in commercial banks in the Southeast Vietnam. The outputs from SPSS under EFA are shown in Table 3. Besides, the eigenvalue for the first seven components are all greater than 2.089 and these factors account for 66.941% of the total variance. This suggests that the scale items are unidimensional. Moreover, the factor loadings of the seven extracted factors shown in Table 4 are all larger than 0.45. As a consequence, with the KMO value of 0.738 and the significance of Bartlett's Test of Sphericity of 0.000 demonstrated in Table 3, and based on the criteria in Table 1, it can be said that using EFA in this study is appropriate.

The seven factors are now tested for their reliability, also known as internal consistency. With the results briefly shown in Table 4, the alpha coefficients of the seven factors are all larger than 0.7, indicating that the items in the factors have high internal consistency. And, all of the corrected item-total correlations are greater than 0.3; therefore, it is said that these seven factors are good enough and reliable for further analysis.



Table 2. Descriptive statistics of the participants

Characteristics		No. of Observations	Percentage (%)
Gender	Male	361	59.38
	Female	247	40.62
Age	<30	158	25.99
	30 – 40	292	48.03
	40 – 50	98	16.12
	>=50	60	9.87
Educational qualification	Bachelor	469	77.14
	Master	132	21.71
	Higher (D.B.A., Ph.D.)	7	1.15
Work experience in banking sector	<5 years	43	7.07
	5 – 10 years	303	49.84
	>=10 years	262	43.09
Bank ownership	State-own	185	30.43
	Private (Joint-stock)	423	69.57
Bank size	<50	87	14.31
	50 – 100	213	35.03
	100 – 200	238	39.14
	>=200	70	11.52

Table 3. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.764
Bartlett's Test of Sphericity	Approx. Chi-Square	14092.567
	df	496
	Sig.	0.000

Moreover, the standardized coefficients of the investigated factors in Table 5 show that the importance of each factor is ranked in descending order as Salary (Sal), Promotion (Pro), Working conditions (Con), Benefits (Ben), Relationship with colleagues (Col), Organizational recognition (Rec), and Relationship with superiors (Sup). Among the moderating factors, it is found that the bank size (Size) has the most influence on the retention intention while experience (Exp) and age of the staffs (Age), bank ownership (Own) and gender (Gen) come in demographics, the negative coefficients of Gen and Exp indicate that male tends to have less retention than female and the more experienced the staffs, the less retention they have. Therefore, banks should have better policies to treat their experienced staffs better to win the war of talent.

Table 4. Rotated component matrix and reliability analysis

Rotated component matrix <sup>a</sup>								Reliability Analysis		
	Component							Cr. Alpha <sup>b</sup>	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
	1	2	3	4	5	6	7			
Sal1	0.922							0.848	0.783	0.732
Sal5	0.919								0.784	0.732
Sal2	0.901								0.754	0.737
Sal4	0.886								0.742	0.739
Sal3	0.876								0.728	0.742
Col5		0.922						0.795	0.778	0.727
Col1		0.914							0.769	0.729
Col3		0.912							0.765	0.729
Col4		0.893							0.739	0.734
Col2		0.865							0.698	0.741
Pro3			0.918					0.802	0.750	0.688
Pro1			0.915						0.751	0.688
Pro4			0.880						0.691	0.709
Pro2			0.874						0.688	0.709
Sup1				0.913				0.811	0.750	0.665
Sup3				0.904					0.732	0.672
Sup4				0.883					0.695	0.685
Sup2				0.826					0.614	0.713
Ben4					0.917			0.769	0.756	0.649
Ben1					0.890				0.700	0.670
Ben2					0.871				0.680	0.677
Ben3					0.818				0.603	0.704
Con5						0.805		0.751	0.614	0.617
Con1						0.781			0.578	0.628
Con4						0.719			0.483	0.660
Con2						0.698			0.485	0.659
Con3						0.645			0.423	0.678
Rec1							0.786	0.619	0.584	0.479
Rec2							0.640		0.442	0.542
Rec3							0.632		0.406	0.558
Rec5							0.630		0.416	0.554
Rec4							0.619		0.387	0.565

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

b. Cronbach's Alpha

Especially, the positive coefficients of the first seven factors (Col, Con, Sal, Rec, Pro, Ben, Sup) obviously support the hypotheses H1 → H7 while the so small values obtained significance of the demographic characteristics (Gen, Age, Exp) and the organization ones (Own, Size) clearly support H8 and H9,

accordingly. Table 7 demonstrates brief results of the hypothesis tests. Obviously, these findings further validate those in Mai & Ha (2016).

Table 5. Regression Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	0.047	0.002		22.967	0.000		
Sal	0.251	0.004	0.572	69.396	0.000	0.966	1.036
Col	0.103	0.004	0.234	28.521	0.000	0.976	1.025
Pro	0.203	0.004	0.461	55.838	0.000	0.962	1.040
Sup	0.067	0.004	0.153	18.661	0.000	0.968	1.033
Ben	0.132	0.004	0.299	36.894	0.000	0.995	1.005
Con	0.183	0.004	0.417	50.984	0.000	0.979	1.022
Rec	0.076	0.004	0.172	21.059	0.000	0.984	1.017
Gen	-0.042	0.007	-0.048	-5.667	0.000	0.926	1.080
Age	0.038	0.003	0.095	11.397	0.000	0.950	1.052
Qua	-0.012	0.004	-0.022	-2.635	0.009	0.935	1.070
Exp	-0.061	0.005	-0.110	-13.092	0.000	0.929	1.077
Own	0.079	0.007	0.090	10.841	0.000	0.956	1.046
Size	0.089	0.003	0.225	27.029	0.000	0.941	1.062

a. Dependent Variable: Retention

Table 6. ANOVA Analysis<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	112.813	13	8.678	1128.977	0
	Residual	4.566	594	0.008		
	Total	117.378	607			

a. Dependent Variable: Retention

b. Predictors: (Constant), Sup, Ben, Pro, Rec, Sal, Con, Col, Gen, Age, Qua, Exp, Own, Size

## 6. CONCLUSION AND MANAGERIAL IMPLICATIONS:

This paper explored the determinants of talent retention in commercial banks in the Southeast Vietnam. The identified factors, including salary, promotion, physical working conditions, benefits, relationship with colleagues, organizational recognition, relationship with superiors, gender, age, working experience, ownership of banks and the size of banks tend to assist managers and policy makers in designing and implementing their best strategy to motivate, satisfy and retain their talents among the existing employees. As such, decision makers should re-strategies, review and incorporate these factors into their employment relations strategies and policies in order to increase employees' level of retention for a long period of time; thus, accordingly decrease the turnover rate of the talents among commercial banks in the Southeast Vietnam.

Table 7. Results of Hypothesis Tests

<i>Hypothesis</i>		<i>Conclusion</i>
<b>H1</b>	There is a positive impact of salary on the retention of talents.	Supported
<b>H2</b>	There is a positive impact of benefits on the retention of talents.	Supported
<b>H3</b>	There is a positive impact of opportunities of promotion on the retention of talents.	Supported
<b>H4</b>	There is a positive impact of organizational recognition on the retention of talents.	Supported
<b>H5</b>	There is a positive impact of physical working conditions on the retention of talents.	Supported
<b>H6</b>	There is a positive impact of relationship with superiors on the retention of talents.	Supported
<b>H7</b>	There is a positive impact of relationship with colleagues on the retention of talents.	Supported
<b>H8</b>	Demographic characteristics have significant impact on the retention of talents.	Supported
<b>H9</b>	Organization characteristics have significant impact on the retention of talents.	Supported

Among them, salary has the most significant impact, which is also one of the key factors found in other industries. In commercial banks investigated, most of their staffs are not satisfied with their salaries because they think they are not corresponding to their work and efforts, and such salaries fail to cover their family living expenses. Thus, they always intend to find another higher-paid job at other banks or additional part time jobs to improve their monthly income. Therefore, in order to retain their talents, banks should increase their salary system by improving the current salary policies and providing more personal benefits based on the reality consumer price index (CPI) and standard living expenses. The revised salary must be high enough to balance the personal life of their staffs. Moreover, salary policies should consider the performance of their staffs to have a fair and satisfactory payment by using specified evaluation criteria for their fulfillment and contributions. Besides, rewards, bonus and incentives should also be considered to increase their incomes which may lead to the higher retention possibility.

In similar token, promotion has positive impacts on their retention intention. Therefore, it should be seriously considered to stimulate their performance and make them satisfied and committed to their jobs. To do so, commercial banks should also build clear criteria for performance assessment and promotion; such as completing assigned tasks before deadline, effectively and efficiently. This performance impacts positively to job satisfaction of bankers. Moreover, the physical working conditions also significant impact on the turnover rate. Thus, banks should provide better equipment and more comfortable facilities.

In addition, though banks have good conditions for transportation, workplace and equipment, the lack of care about personal life, medical insurance, retirement program or other community operations can negatively impact on their staffs' retention. Such benefits will link and tie them to their working organization. Benefit policies have to be implemented to all levels frequently such as monthly, quarterly or yearly. They include policies of medical insurance, health insurance, working accident insurance, retirement program, and summer holiday programs for the talents and their family. It is a motivation for bankers against difficulties which could help gaining their level of retention.

Though these recommendations lead to the increase in the operation cost, they are still much less than

annual revenues and bank profits. Besides, implementing these can effectively improve the job satisfaction of their talents, reinforcing them to retain and grow with the banks.

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