

Factors Influencing Sales Employees' Turnover Intention in Small and Medium- Sized Enterprises (SMEs) of Animal Feed Production Industry in Viet Nam



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ABSTRACT: The reality shows that SMEs producing animal feed always face the phenomenon of staff job-hopping, especially sales staff. This phenomenon influences quite a lot of the business activities of enterprises, such as losing connection with customers, reducing revenue, etc. This study was conducted to find out the reasons why salespeople do not want to establish long-term relationships with businesses. The research method is carried out through an online questionnaire survey and multivariate data analysis. The results of data analysis from 180 sales staff at SMEs producing animal feed in Vietnam on employees' turnover intention are influenced by five factors: (1) Salary, bonus, and benefits; (2) The influence of work on personal life; (3) Leadership behavior; (4) the nature of work; and (5) Working conditions and environment. In addition, age and gender are also factors affecting the turnover intention of employees. On that basis, the author of the article proposes recommendations to help SMEs producing animal feed in Vietnam have appropriate orientations and policies to retain employees and help businesses have stable human resources.

KEYWORDS: Turnover Intention; Sales agent; SMEs producing animal feed in Vietnam.

1. INTRODUCTION

The project on developing Vietnam's animal feed industry (2021-2030) of the Ministry of Agriculture and Rural Development has set a specific goal by 2030 that the output of industrial animal feed will reach about 30-32 million tons per year, and according to Mordor Intelligence's forecast, Vietnam's animal feed market is expected to reach a CAGR of 4.6% during the forecast period (2021-2026). The strong growth in the animal feed market in the coming years is both an opportunity and a challenge for small and medium enterprises (SMEs) producing animal feed in Vietnam. According to statistics from the Vietnam Animal Feed Association, the number of small and medium-sized enterprises (SMEs) in the feed production industry accounts for 82.2% of the total number of enterprises in the country in the industry. However, SMEs in the industry are under great competitive pressure from large foreign enterprises and corporations. In fact, the industry's SMEs operate independently and are fragmented, with limited economic potential and weak management and administration capacity, especially since the turnover rate of sales staff is increasing day by day. The change in human resources creates difficulties for businesses. Therefore, it is very necessary for business leaders to find out the reasons why salespeople have to change jobs so that there are solutions to ensure the stability of production and business activities in enterprises..

This study focuses on finding out some factors influencing the turnover intention of sales staff in SMEs producing animal feed in Vietnam. Employees' turnover intentions will decrease if they are satisfied with their jobs and have a decent salary (Riketta, 2002). Relationships with colleagues and the working environment have a positive influence on employee job satisfaction, which can enhance job satisfaction (Erdogan & Enders, 2007; Sell & Clear, 2011). In addition, the fairness factor in the organization, the nature of the job, and the influence of work on personal life also play an important role in determining the turnover intention of employees in the field of accounting and audit (Bach Ngoc Hoang Anh et al., 2020). This result is also consistent with the previous study by Hobfoll (1989). In addition, social responsibility and leadership behavior have also been shown to have a positive effect on job participation and thereby have an impact on employees' turnover intentions (Nguyen Thi Bich Tram and Vu Trung Kien, 2020). Control variables such as gender, age, education level, and working time also show an influence in forming an employee's turnover intention (Huynh Thi Thu Suong, 2019). Based on a number of national and international studies and expert opinions on the specific realities of the Vietnamese animal feed industry, this study focuses on understanding the influence of five important factors: (1) Salary, bonus, and welfare regime; (2) The influence of work on personal life; (3) Leadership behavior; (4) the nature

Factors Influencing Sales Employees' Turnover Intention in Small and Medium- Sized Enterprises (Smes) of Animal Feed Production Industry in Viet Nam

of work; and (5) Working conditions and environment.

2. THEORETICAL BASIS OF FACTORS INFLUENCING EMPLOYEES' TURNOVER INTENTION

2.1. Employees' turnover intention

Intention

According to Ajzen and Fishbein (1980), intention is the behavioral expression of what an individual is interested in in a specific, clear way. It is also an important step in the human decision-making process. When the intention has been established, the decision-making rate to implement that intention will be very high because, in the process of forming the intention, people have considered many factors to come up with the final intention, which will be a stepping stone for individual decision-making.

Resignation

Resigning is the act of an employee leaving their current working environment. This is the final step in the individual's decision to leave the organization (Tett & Meyer, 1993). According to Mobley (1982), resigning is the termination of an individual's membership as a member of an organization who has previously received a salary from that organization. In previous studies, it was often distinguished between two types of leave: voluntary leave and involuntary leave. Voluntary leave implies that employees have gone through the process of perception, comparison, and evaluation before making a final decision. Involuntary leave is when the organization requests the termination of an employee's current employment. In this article, the author focuses on researching the voluntary turnover intentions of employees in the organization.

Turnover Intention (YD)

Depending on the research angles on the turnover intention employees, there will be certain different concepts. According to Mobley (1982), turnover intention is an individual's subjective calculation of whether he or she will leave or stay in a particular organization in the near future. This concept is also consistent with other studies such as Tett and Meyer (1993), turnover intention is the conscious and intentional willingness to leave the organization; According to Gul et al (2012) that the turnover intention is the employee's thoughts related to leaving the organization voluntarily. Meanwhile, Takase (2010) considers that turnover intention is a process of employees leaving their current job or ready to leave the current organization.

Although it is only an intention formed in the mind, an increase in the turnover intention of an employee will cause more harm to the organization (Mobley, 1982). Because intentions have not yet manifested into action, organizations will face many difficulties in recognizing and dealing with this problem.

2.2. Factors influencing employees' turnover intention

This study focuses on the influence of the following five factors:

First, the salary, bonus, and benefits (LT)

Wages are the fixed remuneration paid by the enterprise to the employee based on the agreement when the employee begins to sign a contract to work according to the nature and level of work completion (Lindberg, 2009). According to social exchange theory, commitment in the enterprise is formed when employees perceive positive signals from the business, such as fairness in the reward system, fairness in the working relationship (Colquitt et al., 2013). Stacy Adam's equity theory also emphasizes the fairness of income distribution on employee engagement at the organization. According to Mueller and Price (1990), salary is part of the reward system used by companies to incentivize employees to work for their organization, and wages will be based on regulations and rules. Welfare plays an important role in ensuring life, contributing to improving the material and spiritual life of employees (Dickson, 1973). However, the degree of influence of salary and bonus policies on employees' turnover intention will depend on age, gender, education and many other factors (Parker et al. Wright, 2001). When employees feel that the salary is not adequate, they will assume that they are not valued by the leadership and will form a turnover intention (Gori et al., 2020). Several studies have been done and found a relationship between salary and turnover intention (Perrin, 2003). Therefore, in this study, the author tested the following hypothesis:

H1: The suitability of salary, bonus and welfare regimes has a negative impact on the turnover intention of sales staff at SMEs in the Vietnamese animal feed industry.

Second, the influence of work on personal life (AH)

The imbalance between work and personal life includes pressures and stresses caused by work for employees. Besides, it also affects the time spent on activities belonging to employees' personal and family life (Calisir et al., 2011). When employees have too much stress at work, they will increase their turnover intention (Calisir et al., 2011). Employees have to work overtime, work even when resting at home, which reduces the time for individuals and families. That makes employees feel bored with their current job and

Factors Influencing Sales Employees' Turnover Intention in Small and Medium- Sized Enterprises (Smes) of Animal Feed Production Industry in Viet Nam

tend to look for another job to balance their life. According to Hobfoll (1989), employees often tend to find new jobs to balance and preserve their resources instead of trying to create resources when their current work affects their personal life. Research by Hsieh et al. (2009) confirms a positive relationship between the influence of work on personal life and the turnover intention of employees. On the basis of those analysis, in this study the author put forward the following research hypothesis:

H2: The influence of work on personal life (AH), has a positive impact on the turnover intention of sales staff at SMEs in the animal feed industry in Vietnam.

Third, leadership behavior (HV)

The leadership behavior mentioned in this study is the leadership style, interest and attitude of the leader towards subordinates in the organization. Many studies have shown a negative relationship between leadership behavior and employees' turnover intention, such as Hay (2001), Ali (2005). Accordingly, leaders who have a polite attitude, communicate well with employees, care and support when employees are in trouble, and protect employees' interests will tend to stick around longer. with the organization (Gentry et al., 2006). When employees' negative feelings towards the leader increase and persist, it leads to the turnover intention the job (Duan et al., 2010). According to Reed & Bullis (2009), negative leadership will reduce employee's work motivation and have a positive impact on employee's turnover intention. Therefore, in this study, the author tested the following hypothesis:

H3: Conformity in leadership behavior has a negative impact on the turnover intention sales staff at SMEs in the Vietnamese animal feed industry.

Fourth, The nature of work (TC)

According to Tran (2005), the nature of the job is related to the challenges that the job brings and the opportunity to use personal capacity when performing the job. Studies often test in different fields and have found the impact of job characteristics on employees' turnover intention with certain differences between different occupations. Van et al (2008) conducted a study of nurses working in Canada, the results showed an impact relationship between the nature of work - work conflict and their family life - turnover intention. job. This result is also consistent with many other studies such as Mansour and Tremblay (2016), Zhao and Ghiselli (2016). Therefore, in this study, the author tested the following hypothesis:

H4: Job suitability has a negative effect on the turnover intention of sales staff at SMEs in the Vietnamese animal feed industry.

Fifth, working conditions and environment (MT)

Working conditions and environment are places where employees work every day, thus affecting their working efficiency. Employees will choose to stay with the organization if they care about the working environment (Cheng & Chew, 2004). In this study, the working conditions and environment are the necessary infrastructure, machinery and equipment for the working process, occupational safety, etc. Good working conditions and environment will have a positive impact. Attitude, productivity, and performance of employees. Thereby increasing engagement, reducing turnover intention (Sell & Cleal, 2011). Poor working conditions are one of the important reasons for employees to leave the organization (Milmann, 2002). Therefore, in this study, the author tested the following hypothesis:

H5: The suitability of working environment conditions has a negative impact on the turnover intention of sales staff in SMEs in the animal feed industry in Vietnam.

In addition to the above 5 factors, the study examines the influence of personal characteristics of sales staff such as gender, age and working time.

H6: personal characteristics has an impact on sales staff's turnover intention

This study will test the influence of factors on the turnover intention of sales staff at SMEs in the animal feed industry in Vietnam.

Figure 1 presents the research model and the relationships to be tested.

Factors Influencing Sales Employees' Turnover Intention in Small and Medium- Sized Enterprises (Smes) of Animal Feed Production Industry in Viet Nam

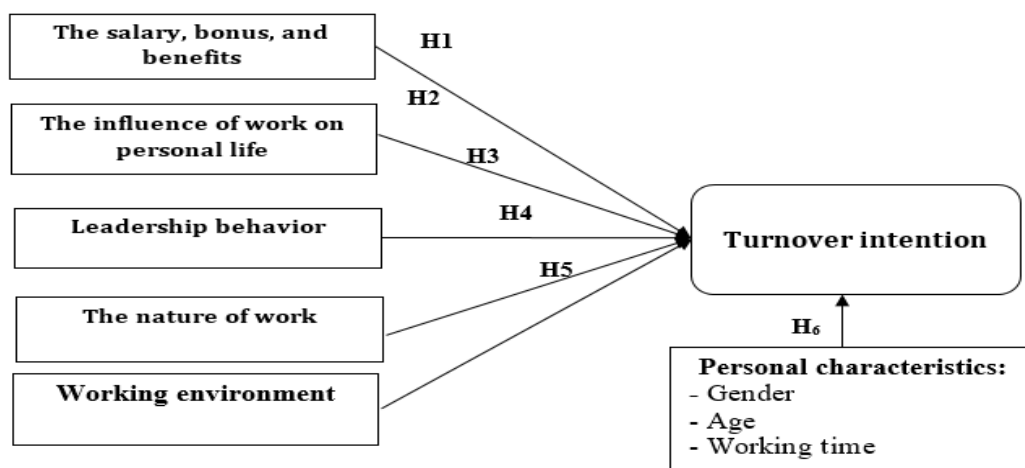


Figure 1: Model of factors influencing employee's turnover intention

3. RESEARCH METHODS

The research was carried out in two steps: qualitative research and quantitative research. First, starting from the theoretical basis, the studies related to the turnover intention, the factors affecting the employee's turnover intention and the actual situation in the SMEs producing animal feed in Vietnam. to form a scale for qualitative research. Next, the author of the article conducted direct interviews with experts, officers and employees of the enterprise to ensure the accuracy of the stated contents of the scale. The calibration scale from the preliminary study was used as the official research scale. In the formal study, observed variables were measured using a 5-point Likert scale with (1) completely disagree to (5) completely agree.

The sample size is taken according to Hair et al. (1998), if the EFA analysis, the ratio between observations/measured variables is 5:1, ie 1 measurement variable needs at least 5 observations. The ML (Maximum Likelihood) estimation method requires a minimum sample of 100 to 150. To collect data for analysis of factors affecting the turnover intention of business employees, the author has conducted a survey. Monitoring at SMEs in the animal feed industry in the Red River Delta, Vietnam. The data were collected using random sampling method. The survey is sent in the form of a question through Google docs, via email, or by email to business employees with the condition that they have worked for at least 6 months at these SMEs. A total of 200 questionnaires were distributed. However, only 180 qualified votes were used for the analysis. Research data after sampling was cleaned and analyzed using SPSS 22.0 software. The study uses multivariate regression method to analyze the impact of factors on the turnover intention business employees. In addition to the five factors measured by the Likert scale, the study uses a dummy variable for the gender variable with the convention: 1 – male employees and 0 – female employees. The study also used logarithms for age (LnT_{uoi}) and working time (LnTGCT).

4. RESEARCH RESULTS

4.1 Descriptive statistics on survey subjects

According to the survey results, male employees accounted for the largest proportion of the survey participants with the age group mainly from 25 to 35 years old and the working seniority mainly from 1 year to 3 years. This characteristic is consistent with the reality of employees currently working in feed production SMEs.

Table 1. Information on characteristics of survey subjects

Personal characteristics		Quantity (people)	Percentage (%)
Gender	Male	148	82.2
	Female	32	17.8
Age	< 25	48	26.6
	25-35	114	63.4
	> 35	18	10
Working time	6 months- 1 year	25	13.9
	1-3 years	121	67.2
	>3 years	34	18.9

Source: Survey data of the research team

Factors Influencing Sales Employees' Turnover Intention in Small and Medium- Sized Enterprises (Smes) of Animal Feed Production Industry in Viet Nam

4.2. Evaluate the reliability of the scale

The results of data analysis show that the observed variables used in this study are reliable because the Cronbach alpha coefficient and the correlation coefficient between the component variable and the total variable are larger than 0.6 and 0.3, respectively. . Therefore, the observed variables are to ensure the reliability in this study.

Table 2. Cronbach's Alpha Coefficient

TT	Factors	Cronbach's Alpha
1	Salary, bonus and benefits	0.878
2	Influence of work on personal life	0.897
3	Leadership behavior	0.905
4	Nature of work	0.916
5	Working conditions and environment	0.898
6	Turnover intention	0.860

Source: Survey data of the research team

4.3. Exploratory factor analysis (EFA)

According to the analysis results, 12 observed variables converged into 5 factors. The KMO test value is equal to 0.815 and the test significance level is less than 0.05, reflecting that the observed variables of the factors have a linear relationship with each other. The coefficient of total variance extracted by 75,331 reflects the factors that explain 75.331% in this study. Factor loading coefficients of all observed variables are greater than 0.5, so convergence and reliability are ensured. The factors created from the collected data are consistent with the theoretical research model.

Table 3. Rotated Component Matrix^a

	Component				
	1	2	3	4	5
MT3	.862				
MT1	.833				
MT2	.819				
MT5	.806				
MT4	.798				
AH2		.872			
AH1		.855			
AH3		.823			
AH4		.822			
AH5		.806			
HV4			.881		
HV3			.833		
HV1			.787		
HV2			.779		
LT3				.869	
LT1				.828	
LT2				.815	
LT4				.769	
TC1					.843
TC2					.820
TC3					.777
TC4					.775

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

Source: Survey data of the research team

Factors Influencing Sales Employees' Turnover Intention in Small and Medium- Sized Enterprises (Smes) of Animal Feed Production Industry in Viet Nam

4.4. Research model test results

According to the analysis results, employee's turnover intention is affected by 7 factors: LT, AH, HV, TC, MT, gender and age of sales staff. The adjusted explanatory coefficient of 0.497 reflects the factors that explain 49.7% of employees' turnover intention. The level of test significance for the regression coefficients of the factors is all small 0.05, the coefficient of variance magnification is less than 3, so these coefficients are statistically significant and the regression model does not have multicollinearity. The factors LT, HV, TC and MT all have the sign of the regression coefficient with negative sign (-) reflecting that these factors have a negative impact on the turnover intention. Factor AH has the sign of the regression coefficient with a positive sign (+), reflecting that this factor has a positive effect on the turnover intention.

Among the above 5 factors, LT is the factor that has the greatest impact on employee's turnover intention because it has the highest standardized regression coefficient (0.320). The level of impact of the remaining factors are HV, AH, TC and MT, respectively. Thus, the research hypotheses H1, H2, H3, H4 and H5 are accepted.

The research results also show that the gender and age of employees have an impact on the turnover intention because the significance level of the regression coefficients of these two variables is less than 0.05. The regression coefficient of the age variable has a negative sign (-) indicating that the older the employees, the lower the turnover intention. Meanwhile, the sign of the regression coefficient of the sex variable has a positive sign (+) indicating that men intend to quit their jobs more than women. In this study, employee's working time does not affect employee's turnover intention because the significance level of the regression coefficient is greater than 0.05.

Table 4. Results of analyzing the influence of factors on employee's turnover intention

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients		Sig.	Collinearity Statistics	
	B	Std. Error	Beta	t		Tolerance	VIF
(Constant)	7.885	.661		11.926	.000		
LT	-.196	.043	-.258	-4.539	.000	.867	1.154
AH	.117	.050	.134	2.358	.019	.875	1.143
HV	-.133	.041	-.186	-3.229	.001	.848	1.179
TC	-.083	.039	-.120	-2.132	.034	.882	1.134
MT	-.086	.043	-.109	-2.021	.045	.959	1.042
LnTuoi	-.780	.175	-.318	-4.457	.000	.553	1.808
LnTNLV	-.025	.061	-.030	-.403	.687	.513	1.949
Gioi tinh	.281	.085	.188	3.304	.001	.872	1.147
Dependent variable: YD Adjusted explanatory factor: 0.497 F test value: 23.106; F-test significance level: 0.000							

Source: Survey data of the research team

5. CONCLUSION

This study analyzes the influence of a number of factors on the turnover intention of sales staff in the SME feed production. The results of the study confirmed that the proposed hypotheses were accepted. Specifically salary, bonus and welfare factors; leadership behavior; nature of work; working environment has a negative influence on the employees' turnover, while the influence of work on personal life has a positive influence. The research results show that the salary, revenue bonus, and travel allowances of sales staff in SMEs of animal feed industry have a strong influence on their turnover intention. If the salary, bonus and allowance regime is more diversified and flexible, meeting the needs of sales staff, they will tend to stick with the business. Salespeople's turnover intention can be reduced if they perceive their leaders as role models who can demonstrate to others how to get the best results, who cares about helping employees when needed. In fact, the customers of Vietnam's livestock feed manufacturing SMEs are mainly wholesalers and retailers, livestock farms, and small livestock households distributed in suburban areas. Salespeople who want to develop markets, consult and support customers often have to travel long distances, mainly by motorbike and have a lot of overtime working time. Therefore, sales staff will feel tired and stressed at work if they are not guaranteed safety and deserved support. We hope that the results of this study will be some suggestions for SMEs to strengthen the attachment and reduce the intention of leaving sales staff in the near future.

Factors Influencing Sales Employees' Turnover Intention in Small and Medium- Sized Enterprises (Smes) of Animal Feed Production Industry in Viet Nam

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