Factors Influencing Middle Level Managers' Motivation: An Empirical Study of Small and Medium Enterprises in Vietnam

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Abstract:
In the era when organizations seek to attract and retain highly qualified employees, managers should carefully scrutinize and evaluate the reward preferences of their personnel, especially for middle level positions. The aim of the study is to investigate factors influencing motivation of middle level managers (MMs) in small and medium size enterprises (SMEs) in Vietnam. The study presented here is based on a questionnaire survey of 450 middle level managers regarding issues of relationship between organizational factors and motivation. The results show that several factors of three levels in organization have positive effects on MMs' motivation. Ranking of motivation factors indicated that "Participation", "Recognition" is ranked first and second respectively. These are followed by "Income and fringe benefits", "group relationship" respectively. Based on findings, some implications are suggested for SMEs owners and designers of motivation system. Besides, the study gives suggestion for further studies in the area of investigating the relationship between organizations' factors and MMs' motivation.

Keywords: Motivation, middle level managers (MMS), small and medium enterprises (SMEs)

1. Introduction
In today's competitive business environment, organizations seek to keep pace with the continuous development and operate to maintain their current business through the ability to adapt and respond more effectively to change. Furthermore, organizations especially small and medium sized enterprises (SMEs) tend to achieve competitive advantage based on the existence of qualified human capital that contribute the creation of organizational sustainability in the business sector because it allows organizations to be able to seize new opportunities and achieve permanence and future continuity (Ramsden, 2010). Traditional way of research on organizational behavior cast the CEO as the most influential change agent in the business environment (Chung & Lo, 2007; Beugre et al., 2006; Caldwell, 2003; Grant & Gbin, 1996). Meanwhile, research on middle managers is limited, despite their function in linking top management and employees. Due to globalization and changes in corporate culture, along with downsizing, the role of middle management has transformed. Researchers tend to agree upon the fact that middle managers have experienced a significant change during the last two decades. In some cases, interviews with employees have revealed that their CEOs meant nothing to them, because it is the middle managers who are the heroes in their eyes (Brubakk & Wilkinson, 1996). The middle managers proximity to the employees and opportunity to identify conflicts and problems, as well as decoding corporate messages for employees play a key role in managing change and contributing to the organization's desired goals. Middle managers are at the heart of organizational processes (Floyd & Lane, 2000; Raes, Heijltjes, Glunk & Roe, 2011; Wooldridge, Schmid & Floyd, 2008). However, when middle managers feel demotivation and disengaged at work, there is some evidence to suggest that they become reluctant managers (Chen & Wu, 2007). It is the fact that "they are not proactive", "don't find their voice" (Sims, 2003) and therefore are " frustrated, disillusioned individuals caught in the middle of a hierarchy" (Dopson & Stewart 1990). "They get lost in the recurring reorganisations and pressure to overwork and 'presenteeism'.” (Thomas & Lindsted, 2002). “They are squeezed by demanding superiors & employees.” (Sims, 2003). The study presented here is intended to assist top management and CEOs in SMEs to understand the importance of middle managers' motivation and its influential factors, which have a direct effect on overall performance of the company. In what follows, the study is conducted to investigate organizational factors influencing middle managers' motivation of SMEs in Hanoi. The remainder of this paper consists of 4 parts: Literature review, Methodology, Findings and Discussion, and Conclusion.

2. Literature Review and Hypotheses

2.1. Work Motivation
The word “motivation" originates from a Latin word “movere". “Movere" means to move. Thus, it creates a reflection of something going up, keeping us working and helping us to achieve our goals (Korth, 2007). The definition of
“motivation” can be broad, and there are many ways to define the term itself, depending on different perspectives. In terms of organization, motivation has been defined as “the sum of the processes that influence the arousal, direction, and maintenance of behaviors relevant to work settings”. Employee motivation at work is considered an essential drive as it generates effort and action towards work-related activities. Once an employee is motivated, he will show enthusiasm and eagerness towards the work and a strong determination to implement and accomplish the work tasks (Moran, 2013). In short, human motivations represent the driving force that makes people do something. This driving force can originate within the individual or it could originate from outside the individual. Motivations of workers that direct their work-related behavior are critically important for the success of an organization. Meanwhile, motivation of managers is even more important because in addition to helping them achieve their personal goals and contributing to their productivity, the motivation of managers can also influence their decisions and other behavior that can in turn influence subordinates and their motivation. Many researchers have examined managerial motivation (Alpander and Carter, 1991; Reitz, 1975). Lee and Wilkins (2011) studied job-related motivations of managers in public and non-profit sectors and found important differences in their motivations. There are three approaches in early views of motivation including: The traditional approach, The Human relations approach and The Human Resources approach. Meanwhile the most recent theories about motivation represent a fourth perspective called contemporary approaches. The Traditional approach is associated with Frederick Taylor and Scientific management. According to this approach, managers determined the most effective way to perform repetitive tasks then motivated workers with a system of wage incentives. The underlying assumption was that managers understood the work better than workers, who were essentially lazy and could be motivated only by money.

The human relations approach: The boredom and repetitiveness of many tasks actually reduced motivation, while social contact helped create and sustain motivation. As a result, managers could motivate employees by acknowledging their social needs and by making them feel useful and important. This approach urged managers to give employees some freedom to make job-related decisions as well as information about managers’ intention and organizational goals. The Human resource approach: McGregor (1966) identified two different sets of assumptions that managers have about their subordinates. (1) The traditional view, known as Theory X believe that work is distasteful to employees who must be motivated by force, money or praise. Meanwhile, Theory Y (2) is more optimistic. It assumes that work is as natural as play or rest, people want to work and under the right circumstances, derives a great deal of satisfaction from work. The contemporary approaches are dominated by three types of theories including Content perspectives on motivation, Process perspectives on motivation, and Reinforcement perspective on motivation.

2.2. Middle Level Managers (MMS)

The middle managers section is a networking group for department heads, supervisors, and other middle managers. In every hierarchical organization, the middle management not only acts as an important link and interface between the top management and the operating core, but also as a central contact point for supporting service departments. It is the fact that middle managers are critical to improving overall engagement and corporate performance. They see the vision at the top of the organization and the pain at the bottom. In fact, for the past decade, middle managers have been cast aside or neglected. The organization of the future, however, will require this group to be strong, effective, and prepared. Middle managers, who supervise the majority of employees, are key to bringing engagement back.

Middle managers have traditionally been seen as suppliers of information and the consumers of decisions made by the top-level managers, in their business organizations (Thompson, 1967). The object of the communication system is to coordinate all aspects of the organization (Barnard, 1938). Instead of top-down or bottom-up models, some researchers have paid attention to the “middle-up-down” approach emphasizing the ‘knowledge creation’ by the middle managers. Middle managers are synonymous with ‘backwardness’, “stagnation” and “resistance to change” but they are the key to continuous innovation (Nonaka & Takeuchi, 1995). In the process of knowledge creation, employees, especially the middle managers, play an important role building up a new organization structure and transforming knowledge between the traditional hierarchical system and project teams (Nonaka & Takeuchi, 1997). Middle managers are in a strong position to introduce organizational change. Drucker emphasizes the important role of middle managers in creating and maintaining effective management systems. Upward influence is commonly associated with consensus decisions, commitment to goals, and innovation (Schilit, 1987).

2.3. Motivational Factors

Many theories are taken to be the basis of implementation of this study. The theories related to variables of the research cover as follow:

2.3.1. Individual Characteristics

Each person has unique traits and backgrounds that is why a HR strategy may motivate one employee and leave another one indifferent. As a result, the individual characteristics should be taken into account. Individual characteristics is something owned by someone in which inside it consist of demographical characteristic variable, ability, and personality. The demographical characteristics cover: age, gender, marital status, years of experience, education qualification, managerial position, etc. The personality characteristics cover: personality, attitude and someone's need taken along into the work atmosphere (Robins, 2008)

2.3.2. Related Work Factors

Hackman et al. (1975) provides a tool for diagnosing the motivational aspects of existing jobs and translates this in to specific steps for change. The research indicated that an employee needs to experience three critical psychological
states in order to get internally motivated. These psychological states include experiencing responsibility, meaningfulness and having knowledge of the results. Consequently, a diagnostic tool using five factors (autonomy, skill variety, task identity, task significance and feedback) was developed to analyze a job.

2.3.3. Organizational Factors

The organizational factors are a primary determinant of employee job satisfaction (Herzberg, 1966). Stejin (2002) also argues that variables linked to job content and organizational context are better to explain differences in job motivation. These factors involve organizational culture, organizational conditions, job security, pay and fringe benefit, supervision and management, supportive relationship and communication, career development (professional training and learning opportunities, promotion opportunities), etc.

Based on motivation model suggested by Lewis (1972) about three-level factors (organizational level, group level and individual level) in an organization. The study proposed the following hypothesis:

- H1: Pay and fringe benefits has a positive impact on MMs' motivation
- H2: Philosophy of HMR has a positive impact on MMs' motivation
- H3: Career development has a positive impact on MMs' motivation
- H4: Performance appraisal system has a positive impact on MMs' motivation
- H5: Work condition has a positive impact on MMs' motivation
- H6: Organizational objectives have a positive impact on MMs' motivation
- H7: Subordinates have a positive impact on MMs' motivation
- H8: Group relationship has a positive impact on MMs' motivation
- H9: Communication has a positive impact on MMs' motivation
- H10: Achievement has a positive impact on MMs' motivation
- H11: Recognition has a positive impact on MMs' motivation
- H12: Participation has a positive impact on MMs' motivation

3. Method

3.1. Population and Samples

Population in the research consists of middle level managers in small and medium sized enterprises (SMEs) in Hanoi, Vietnam at the total of 450 (four hundred fifty) persons. There are 425 (four hundred twenty five) respondents for this research. A return rate of about 94.44% was achieved. Participants (n=425) were randomly selected from SME section. The cohort was representative of SMEs' middle managers with respect to age, education, years of experience, managerial position, industry, types of ownership structures. Sample characteristics are presented.

| Gender        | Total (Persons) | Percentage (%) |
|---------------|-----------------|----------------|
| Males         | 213             | 50.1           |
| Females       | 212             | 49.9           |
| Age           |                 |                |
| 18 – 22 years | 29              | 6.8            |
| 23 – 30 years | 89              | 20.9           |
| 31 – 40 years | 227             | 53.4           |
| 41–50 years   | 73              | 17.2           |
| 50 or more    | 7               | 1.6            |
| Education     |                 |                |
| Bachelor      | 290             | 68.2           |
| Master        | 118             | 27.8           |
| Doctoral      | 5               | 1.2            |
| Others        | 12              | 2.8            |
| Seniority     |                 |                |
| < 3 years     | 82              | 19.3           |
| 3 – 5 years   | 100             | 23.5           |
| 5 – 10 years  | 143             | 33.6           |
| >10 years     | 100             | 23.5           |
| Managerial position |       |                |
| Head of department | 234     | 55.1           |
| Deputy of department | 94     | 22.1           |
| Team leader   | 47              | 11.1           |
| Others        | 50              | 11.8           |
| Types of ownership structures |       |                |
| 100% State Owned- enterprises | 18     | 4.2            |
| State Owned- enterprises | 8     | 1.9            |
| Private       | 393             | 92.5           |
| Khác          | 6               | 1.4            |
| Industry      |                 |                |
| Agriculture, Forestry, Fishing | 2     | 0.5            |
| Industry and Construction | 140   | 32.9           |
| Trade and Service | 230   | 54.1           |
| Others        | 53              | 12.5           |
| Total         | 425             | 100            |

| Table 1: Sample |
3.2. Sources of Data and Date Collecting Method

Sources of data in the research are primary as well as the secondary data, whereas data collecting is carried us through interview and questionnaire.

3.3. Variable Measurement

The research variables are measured by using the Likert Scale with 5 (five) options, namely: Absolutely Disagree (1), Disagree (2), Neutral (3), Agree (4), and Completely Agree (5).

4. Data analysis and Result

| Dependent variables | MOV | MOV1 | MOV2 | MOV3 | MOV4 | MOV5 | MOV6 |
|---------------------|-----|------|------|------|------|------|------|
| Gender              |     |      |      |      |      |      |      |
| Male                | 3.87| 4.18 | 3.97 | 3.87 | 3.80 | 4.03 | 3.38 |
| Female              | 3.85| 4.11 | 3.82 | 3.80 | 3.81 | 4.12 | 3.42 |
| Age                 |     |      |      |      |      |      |      |
| 18-22               | 3.74| 3.76 | 3.69 | 3.93 | 3.89 | 3.45 | 3.76 |
| 23-30               | 3.94| 4.21 | 4.03 | 4.01 | 3.89 | 4.03 | 3.46 |
| 31-40               | 3.91| 4.16 | 3.99 | 3.82 | 3.88 | 4.14 | 3.46 |
| 41-50               | 3.70| 4.18 | 3.52 | 3.62 | 3.55 | 4.22 | 3.12 |
| > 50                | 3.62| 4.00 | 3.71 | 4.00 | 3.00 | 3.57 | 3.43 |
| Education           |     |      |      |      |      |      |      |
| Bachelor            | 3.90| 4.16 | 3.94 | 3.90 | 3.87 | 4.06 | 3.44 |
| Master              | 3.74| 4.06 | 3.75 | 3.59 | 3.56 | 4.09 | 3.39 |
| Doctoral            | 3.67| 4.00 | 3.60 | 4.00 | 3.40 | 3.40 | 3.60 |
| Others              | 4.37| 4.75 | 4.25 | 4.75 | 4.75 | 4.50 | 3.25 |
| Seniority           |     |      |      |      |      |      |      |
| <3 years            | 4.02| 4.16 | 4.21 | 4.18 | 3.91 | 3.94 | 3.72 |
| 3-5 years           | 3.99| 4.33 | 4.00 | 4.00 | 4.06 | 4.12 | 3.47 |
| 5-10 years          | 3.79| 4.08 | 3.90 | 3.64 | 3.75 | 4.12 | 3.27 |
| >10 years           | 3.71| 4.05 | 3.52 | 3.68 | 3.54 | 4.08 | 3.36 |
| Managerial position |     |      |      |      |      |      |      |
| Head of department  | 3.77| 4.07 | 3.78 | 3.72 | 3.70 | 4.09 | 3.29 |
| Deputy of department| 3.81| 4.12 | 3.93 | 3.79 | 3.71 | 3.97 | 3.38 |
| Teamleader          | 3.87| 4.09 | 4.00 | 3.91 | 3.81 | 3.87 | 3.60 |
| Others              | 4.35| 4.60 | 4.26 | 4.42 | 4.48 | 4.42 | 3.96 |
| Types of ownership structures | | | | | | | |
| 100% State owned    | 3.78| 4.17 | 3.83 | 3.67 | 3.83 | 3.83 | 3.33 |
| State owned         | 4.08| 4.13 | 3.75 | 4.13 | 3.75 | 5.00 | 3.75 |
| Private             | 3.86| 4.16 | 3.90 | 3.84 | 3.81 | 4.08 | 3.44 |
| Others              | 3.42| 3.50 | 3.50 | 4.00 | 3.50 | 3.50 | 2.50 |
| Industry            |     |      |      |      |      |      |      |
| Agriculture, Forestry, Fishing | 3.33| 4.00 | 3.00 | 3.00 | 3.00 | 4.00 | 3.00 |
| Industry and Construction | 3.94| 4.23 | 3.99 | 3.94 | 3.97 | 4.11 | 3.43 |
| Trade and Service   | 3.79| 4.08 | 3.83 | 3.78 | 3.70 | 4.00 | 3.35 |
| Others              | 3.98| 4.21 | 3.92 | 3.85 | 3.85 | 4.32 | 3.74 |

Table 2: Variables

The result indicates that there is a gender-related difference in motivation. Men have a tendency to spend longer days at work compared to women since most of them consider career advancement a top priority. As a result, male managers’ motivation (3.87) is slightly higher than that of female managers (3.85). However, females prefer measure scale Mov5 "long-term engagement in job and company" and Mov6 "have willing to risk personal loss to help organization". This results are similar to previous findings of Jackson, Gardner, and Sullivan (1992), Kanfer and Ackerman (2000), Meyer and Braxton (2002), and Tolbert and Moen (1998). According to these studies, women tend to focus on work-life balance and stability. Especially, in Asian societies, women are motivated toward self-sacrifice since they have grown up in the culture that self-sacrifice is deeply rooted in women’s experience. These cultures substantially inform this sense of self by raising women to consider the need of others, to take care of men and to care for children (Chul Woo Son, 2013). In terms of chronological age, managers aged between 23-30 and 31-40 years old have the highest motivation level. It is widely accepted that this is life stage of enthusiasm, self-actualization, dedication and personal development. The studies conducted by Veroff et al. (1980), Kanfer and Ackerman (2004), Ilke Inceoglu et al. (2012) support the results of this study in how age-related changes may affect work motivation. Veroff et al. (1980) show that middle-aged men (30-40 years old) score higher of the construct “hope of power” than younger and older men, and that women. Ilke Inceoglu et al. (2012) indicates that career progression and development opportunities of employees after age 50 less motivating than younger employees. It results from less support outside at work to pursue career enhancing and developmental activities. In addition, MM being not bachelor, master and doctoral account for only 2.8 percent of respondents (12 persons). However,
this group reveals a very high motivation level with mean value of 4.25. Regarding motivation with seniority, the motivation mean value of group under 3 years is the highest (4.02). Especially, these respondents show a great interest in work. Meanwhile, the group with seniority over 10 years have the lowest mean value (3.71). With respect to motivation with types of ownership structures, the highest mean value of motivation belongs to MMs working at state-owned enterprises (4.08). Particularly, measure scale Mov5 "long-term engagement in job and company" reveals the absolute value of 5.

This study adopted measurement of Cronbach's Alpha to determine the reliability and inter-item consistency of questionnaire instrument (Huang et al., 2006). Besides, the value for item-total correlations more than 0.3 can be indicate as good correlation (Nunnally & Bernstein, 1994). Therefore, Cronbach's Alpha coefficients<0.65 and items with a corrected item-total correlation of ≤0.30 were deleted as recommended. The elimination criteria resulted in elimination of 3 measurement indicators. Furthermore, the value of KMO >0.5; factor loading >0.5; Total Variance Explained>50%; Eigenvalue ≥ 1 revealed that the data are suitable for an exploratory factor analysis. In order to determine whether there were any potential factors in this study, the Exploratory Factor Analysis (EFA) and SPSS 20 software were utilized to analyze the data.

The study considered 0.5 as the cut-off value to retain the items. Another exclusion criterion was to delete those items that loaded on multiple factors with loading of 0.5 or greater. The elimination process results in 61 out of 73 (6 items deleted simultaneously after first EFA and 9 items deleted after the second EFA). The final EFA was conducted with 61 items which result in 14 factors. The Career development factor was split into two factors: "Professional development" and "Promotional opportunities". The Performance appraisal system factor was split into two factors: "Difficulties in performance appraisal" and "Performance appraisal process".

| Item                                                                 | Component                           |
|----------------------------------------------------------------------|-------------------------------------|
| **ORG1**                                                             | **ORG 2**                            |
| **ORG 3**                                                            | **ORG 4**                            |
| **ORG 5**                                                            | **ORG 6**                            |
| **ORG 7**                                                            | **ORG 8**                            |
| TNPL5. Insurance policies related to MMs are adequate                | .812                                 |
| TNPL4. Fringe benefits show that the company takes a great interest in MMs | .762                                 |
| TNPL1. MMs' income are adequate to their ability and performance     | .760                                 |
| TNPL2. MMs' income fulfill their own financial needs.                | .750                                 |
| TL5. The company takes great interest in profit maximization         | .733                                 |
| SLD2. Top managers always deal with MMs selection and training based on their understanding of both people and tasks | .657                                 |
| TL1. The company takes great interest in people.                     | .624                                 |
| SLD1. Top managers always look for and give opportunities to MMs     | .612                                 |
| TL2. Company policies are established to foster creativity and increase employees' commitment | .571                                 |
| SLD3. MMs and employees are treated as human beings rather than machines | .541, .535                          |
| TL4. The company attaches much importance to work-life balance       | .535                                 |
| PT5. Promotion are based on performance, not based on seniority or relationship | .772                                 |
| PT7. Promotion process ensures transparency and publicity             | .716                                 |
| PT6. I have the right to express my opinion and attitude towards promotion | .637                                 |
| Item                                                                 | Component |
|----------------------------------------------------------------------|-----------|
| DG6 The company has difficulties in performance appraisal due to lack of instruction | 0.857     |
| DG5 The company has difficulties in performance appraisal due to lack of resources | 0.765     |
| DG7 The company has difficulties in performance appraisal due to organizational policies | 0.751     |
| PT3 Training programs are useful and relevant to my professional knowledge | 0.740     |
| PT2 I have a lot of training opportunities related to task implementation | 0.673     |
| PT1 The company                                                       | 0.660     |
| PT4 Assigned tasks are appropriate and helpful to my professional development | 0.560     |
| DG1 Objectives of performance appraisal are clear and easy to understand | 0.773     |
| DG2 Supervisors taking in charge of appraising MM’s performance always support and co-operate in time to achieve goals | 0.729     |
| DG3 Criteria of MM performance appraisal are clear and concrete       | 0.661     |
| DG4 Criteria of employee performance appraisal are clear and concrete  | 0.632     |
| MTR2 The design of office space makes people feel comfortable and convenient | 0.805     |
| MTR3 The company give facilities for me to work                       | 0.648     |
| MTR1 I work in a safe and healthy environment                         | 0.633     |
| MTR5 Task-related information is provided adequately                   | 0.548     |
| MTR4 Task-related information is provided timely                       | 0.504     |
| MT2 Objectives of assignment are based on managers’ opinion            | 0.706     |
| MT3 Organizational objectives are in harmony with departmental objectives | 0.655     |
| MT1 Objectives of assignment are clear and concrete                    | 0.633     |
| Eigenvalues:                                                          |           |
| 10.817                                                                | 3.330     |
| 2.362                                                                | 1.721     |
| 1.555                                                                | 1.263     |
| 1.237                                                                | 1.082     |
| % of variance:                                                        |           |
| 32.799                                                                | 10.092    |
| 7.158                                                                | 5.214     |
| 4.712                                                                | 3.826     |
| 3.747                                                                | 3.280     |

Table 3: Factor Loadings of Each Construct (Organizational Level Factors)
| Item                                                                 | Component     |
|----------------------------------------------------------------------|---------------|
| NV2. Employees in my department are willing to co-ordinate to        | GRO1 0.831    |
| achieve group objectives                                            | GRO2          |
| NV1. Employees in my department have a strong sense of tasks        |               |
| NV3. Employees take pride in their department                       |               |
| QH3. The department is kept small enough in size to stimulate       |               |
| morale                                                            |               |
| QH2. In my department, employees contribute their own ideas         |               |
| sincerely                                                          |               |
| QH1. Employees treat me with respect and dignity                     |               |
% of variance: 47.393 19.004

Table 4: Factor Loadings of Each Construct (Group-Level Factors)

| Item                                                                 | Component     |
|----------------------------------------------------------------------|---------------|
| GT4 I put more effort to work when receiving seniors’ timely         | IND1 0.794    |
| feedback                                                            | IND2          |
| GT5 I put more effort to work when receiving seniors’ clear feedback |               |
| GT2 I always try my best to clear up inferiors’ questions           |               |
| GT3 I make an effort to work when having opportunity to express my  |               |
| point of view to seniors                                            |               |
| GT1 I am always willing to listen to opinions and                   |               |
| difficulties of inferiors                                           |               |
| TT4 While working on a task, I think of how it will feel when and   |               |
| if the task is successfully completed                               |               |
| TT5 I feel uneasy to do something if I am not sure of                |               |
| succeeding                                                         |               |
| TT3 When proceeding with a task, I always set my heart on          |               |
| completing the task at least better than my predecessors.           |               |
| GN6 I put more effort when receiving informal recognition            |               |
| (gestures of praise, congratulation…)                               |               |
| GN4 I put more effort when receiving reward                          |               |
| GN5 I put more effort when receiving formal recognition             |               |
| (certificate of satisfactory progress, award ceremony…)            |               |
| GN1 I put more effort when receiving adequate recognition           |               |
| GN2 I put more effort when receiving timely recognition              |               |
| TG2 I put more effort when having opportunities to participate      |               |
| in policy making process                                            |               |
| TG1 I put more effort when having opportunities to                  |               |
| participate in strategic planning process                            |               |
| TG3 If I am allowed a certain amount of discretion and freedom in   |               |
| decision concerning their work                                      |               |
| TN2 I put more effort when I am given assignments with upper level  |               |
| requirements                                                        |               |
% of variance: 45.750 10.990 7.840 6.435

Table 5: Factor Loadings of Each Construct (Individual Level Factors)

The regression equation is as follow:

\[ MOV = \alpha + \beta_1 ORG_1 + \beta_2 ORG_2 + \beta_3 ORG_3 + \beta_4 ORG_4 + \beta_5 ORG_5 + \beta_6 ORG_6 + \beta_7 ORG_7 + \beta_8 ORG_8 + \beta_9 GRO_1 + \beta_{10} GRO_2 + \beta_{11} IND_1 + \beta_{12} IND_2 + \beta_{13} IND_3 + \beta_{14} IND_4 + \epsilon \]

MOV: Middle level managers’ motivation in SMEs in Hanoi

Organizational factors
The study uses Pearson correlation coefficient to measure the strength of the linear statistical relationship between variables. The significance level (p-value) is less than 0.05 (correlation coefficient is called statistically significant) indicate that there is correlation between all independent variables and dependent variable (Motivation). Besides, correlation coefficients are greater than zero show the positive relationship. The stepwise regression (stepwise selection) was then adopted to assess the relative importance of the selected factors in this study. The R Square value of the model was 0.555 indicates that the model explains 55% variation of dependent variable. It was found that factors "Participation", "Recognition", "Income and fringe benefits", "Group relationship" have standardized beta coefficient 0.314; 0.299; 0.123; 0.120 respectively and sig at a 5% level. It means that "Participation", "Recognition", "Income and fringe benefits", "Group relationship" had a positive effect on MM's motivation. The results also indicated that there are differences in middle level managers' motivation related to age, seniority, managerial position, industry. Meanwhile, the results showed there is no difference in motivation related to gender, education, types of ownership structure.

The regression model is:

\[ \text{MOV} = 0.314 \text{IND}4 + 0.299 \text{IND}3 + 0.123 \text{ORG}1 + 0.120 \text{GRO}2 \]

The VIFs shown are all less than 10 (from 1.000 to 2.532) and the absolute Pearson correlation is less than 0.8 indicating that the multicollinearity does not pose a serious problem for the model.

5. Discussion and Conclusion

In this study, we examine factors influencing middle manager's motivation in SMEs in Hanoi. The results of the study indicate that 4 factors including "Participation", "Recognition", "Income and fringe benefits", "Group relationship" have a positive impact on MM's motivation. This agrees with Spector (1997) Mullen, Copper (1994), Jamieson O'Neil (2016), Kalimullah et al. (2010).

From the findings, there are differences motivation regarding chronological age, years of experience, managerial position and types of ownership structures. Especially, the motivation level show a decreasing tendency of motivation level with seniority (the group with tenure of 10 years or more have the lowest level). Regarding motivation with type of ownership structures, motivation level of MMs working at State-owned enterprises reveals a dominant position. Meanwhile, motivation level of MMs working at private sector and 100% state-owned rank second and third respectively. The main reason is due to the fact that managers' pay and their performance do not match up in 100% state-owned enterprises.

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