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Abstract

The study aims to test the impact of organizational commitment factors on the business performance of self-employed enterprises in the context of digital transformation in Vinh City, Nghe An Province, Vietnam. Using quantitative research methods through exploratory factor analysis (EFA) and multiple regression model analysis, the research results show that all three components of employee commitment to the organization have a positive impact on business performance. In which, the order of impact is determined as: norm-based commitment, emotional commitment and finally calculation-based commitment. From there, the study proposes a number of solutions to strengthen employees’ commitment to the organization in order to improve business performance in enterprises.

Keywords

Organizational Commitment, Emotion-Based Commitment, Commit Based on Calculation, Standards-Based Commitment, Business Performance

1. Introduction

In the development of businesses today, digital transformation plays an impor-
tant role and represents a prerequisite in the goals set by businesses. Digital transformation brings businesses forward, creating momentum for growth, long-term and sustainable development. In the core goal systems of the enterprise, besides brand development and safety assurance, improving business efficiency is the core and most important goal, as well as playing a decisive role in the success of the business, all remaining target systems of the enterprise. Buzzell & Gale (1987) argue that performance is the extent to which an enterprise’s business objectives are achieved in relation to revenue growth, sales, profitability, growth, and market share, as well as the degree to which accomplishes strategic goals. In the same opinion, Keegan et al. (1989) proposed a business performance measurement matrix by classifying measurement results based on costs and non-costs. Katou & Budhwar (2010) have shown that performance results are positively correlated with the orientation of reward, performance-based remuneration, training and development for employees to have more expertise, and to evaluate job performance, equal, motivating employees to work.

Among many factors that are considered to be factors affecting the business performance of enterprises, commitment to the organization from employees has always been of interest to many researchers to analyze and understand the link between the company and the organization. It affects the business performance of the business. According to Meyer & Allen (1991), organizational commitment is considered in terms of two perspectives on attitude approach and behavioral approach. Mowday et al. (1982), Reichers (1985), Salancik (1977), Scholl (1981), Staw & Ross (1977) in the course of a theoretical review of organizational commitment showed that there is a difference between commitments attitude and behavioral commitment. Research by Stringer & Didham (2011) shows that if employees are not paid commensurate with their efforts in their work, it will affect the intrinsic motivation of labor. Bakiev (2013) argues that the high-performance work system through mediation is the relationship between trust, employee engagement and organizational performance perception that has a positive influence on business performance, organization’s business. Shahzad et al. (2008) studied the relationship between remuneration, performance evaluation, promotion practice and organizational effectiveness, the research results showed that these factors are positively correlated with each other.

A sole proprietorship is an enterprise owned by an individual who is solely responsible for all his/her assets for all activities of the business. Located in a favorable geographical position and as a trading gateway for many activities in the country, private enterprises in Nghe An in general and Vinh city in particular in Vietnam always stand in front of many advantages. In fact, in recent years, many private enterprises in Vinh city have made remarkable progress, reflected in the growth in business scale, the scope of operations is continuously expanded and reaching out to the public, strong in both regional and national as well as international scope. Many entrepreneurs and private business owners have shown bold steps, creating a change in both quality and quantity for their businesses.
international level. However, with limited scale, mainly small, medium and even micro enterprises; The organizational apparatus of many enterprises is relatively cumbersome; Unscientific management; At the same time, the link between employees and businesses is relatively loose...which is the reason that has a significant impact on business performance and operational efficiency of many private enterprises in Vinh city, Nghe An province, Vietnam today is not as expected.

Digital transformation is considered an effective and necessary tool in the current trend of integration and globalization. The study aims to test the impact of organizational commitment factors on the business performance of self-employed enterprises in the context of digital transformation in Vinh city, Nghe An province, Vietnam. The study raises the question: Is there an impact of employees' commitment to the organization’s performance on business performance? How is the impact of each element of commitment to the organization on the business performance of the enterprise? By using quantitative research methods through exploratory factor analysis (EFA) and multiple regression model analysis, the findings of this study show an important contribution both in terms of theory and In fact, it is shown that all three components of employee commitment to the organization have a positive impact on the business performance of the enterprise, as well as the order of impact of each factor. On that basis, the study proposes a number of solutions to strengthen employees' commitment to the organization in order to improve business performance in enterprises.

2. Literature Review and Hypotheses

2.1. Literature Review

2.1.1. Organizational Commitment Theory (Meyer & Allen, 1997)

The theory of organizational commitment with defined concepts began with Becker (1960) with the view that commitment is a mechanism that induces appropriate human behavior. Next, the theory of organizational commitment has been interested by many researchers, expanding like Porter et al. (1974) to explain organizational commitment as employees’ attitudes towards the organization’s collective them and further define organizational commitment as the identifying power of an individual participating in a particular organization. Organizational commitment is also expressed as a psychological state that forms employees’ relationships with the organization and the decision to stay or leave the organization (Meyer & Allen, 1991). This concept is extended in the study of Meyer & Allen (1997), according to which organizational commitment refers to the employee’s commitment in terms of morale, the level of employee involvement in the organization, or perceived their sense of obligation to stay with the organization taking into account the costs incurred by the employee relative to the benefits received from the organization. Meyer & Allen (1997) describe organizational commitment as a psychological attitude of employees that demonstrates the association between employees and the organization, including three aspects: 1) Emotional commitment; 2) Commitment based on calculation; 3)
Standards-based commitment.

Emotional commitment refers to the employee’s affection and attachment to the organization, the feeling of being part of the organization, is the emotional attachment that each individual has towards the organization, this commitment is characterized by identification and association with the organization as well as the enjoyment of being a member of the organization.

Computational commitment refers to the perception of costs and benefits associated with leaving an organization, the willingness to stay in an organization because employees perceive themselves to have investments in the organization that Uncollectible includes: retirement benefits, relationships with other employees, or other business-critical things. This commitment also includes factors such as age at employment or benefits that employees may receive only from the organization.

Norm-based commitment refers to a sense of responsibility to stay in the organization. Employees with a high standard of commitment perceive it as an obligation and a moral standard to stay in the organization even though they may not like it or really benefit from it compared to other options. Essentially, a norm-based commitment is a commitment that a person believes they need to stay in the organization to fulfill their obligations. Accordingly, commitment to duty as a generalized value of loyalty and responsibility.

The study aims to test the impact of organizational commitment factors on the business performance of self-employed enterprises in the context of digital transformation in Vinh city, Nghe An province, Vietnam. Using quantitative research methods through exploratory factor analysis (EFA) and multiple regression model analysis, the research results show that all three components of employee commitment to the organization are have a positive impact on business performance. In which, the order of impact is determined as: norm-based commitment, emotional commitment and finally calculation-based commitment. From there, the study proposes a number of solutions to strengthen employees’ commitment to the organization in order to improve business performance in enterprises.

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ization. Employees with a high standard of commitment perceive it as an obligation and a moral standard to stay in the organization even though they may not like it or really benefit from it compared to other options. Essentially, a norm-based commitment is a commitment that a person believes they need to stay in the organization to fulfill their obligations. Accordingly, commitment to duty as a universal value of loyalty and responsibility.

2.1.2. Theory of Business Performance (Delaney & Huselid, 1996)
The performance of the business is a factor that is of interest not only to managers and leaders in organizations and businesses, but also receives a lot of attention from researchers with many other aspects. Terms used, the level of analysis (Venkatraman & Ramanujam, 1986). Maisel (2001) evaluates business performance of enterprises as a system to help enterprises develop plans, measuring and controlling the results of sales, marketing, information technology, business decision making...and other business activities to set goals and create value for those with related benefits. According to Kaplan and Norton (1993), the effectiveness of an enterprise is determined from four basic groups of components, including: finance, customers, internal processes and development learning. It builds the basis for translating business strategy content into execution conditions. Perception-based measurement has a positive effect on organizational performance (Dollinger & Golden, 1992). The business performance of an enterprise can be viewed in terms of financial, non-financial results or a combination of these criteria (Nguyen et al., 2020).

In this study, the authors evaluate business performance based on the views and criteria of Delaney & Huselid (1996). In their research, Delaney & Huselid (1996) measure the performance of enterprises not based on financial indicators but on employees’ perceptions of the performance of the organization based on criteria. Such as product quality, new product development, employability, customer satisfaction, and the relationship between managers and employees as indicators of management performance. Management at the enterprise. Business performance is one of the important dependent variables for researchers and managers in any field of activity. Market competition for customers, inputs, and capital makes performance essential for an organization’s survival and success.

2.2. Research Hypothesis
Business performance is the most important goal in an enterprise and is a measure of the sustainable development of the business in different periods. Business performance is measured by many factors. One of the factors that have a significant impact on maintaining and improving the performance and working efficiency of each employee, deciding the premise to attract and retain a good employee, create high productivity, the process that promotes business performance in enterprises that managers need to be aware of is organizational commitment (Ajila & Abiola, 2004). Bakiëv (2013) argues that the high-performance
work system through mediation is the relationship between trust, organizational cohesion and organizational performance perception that has a positive effect on organizational performance. Trust in the organization is a factor that has a positive influence on organizational performance (Guinot et al., 2014). Koh & Boo (2001) reported a positive relationship between organizational ethics and employee satisfaction. Furthermore, employees who are closely attached to the organization show a positive supportive attitude towards the organization and are motivated to work more and stay longer with the organization. At the same time, commitment to the organization creates more support in the working process of employees through intermediary relationships between management levels and employees, thereby promoting work motivation and results in their work (Nguyen et al., 2021; El-Sayed et al., 2021). Employees who demonstrate commitment to the organization in different ways can have different effects on their psychological well-being and performance in the organization. However, regardless of the aspect, promoting employee commitment to the organization will always be a premise to help managers create more peace of mind in the process of implementing activities in management, manage, motivate creative work and maintain the effective work productivity of the employees they manage and this becomes even more necessary in the digital age. So, in the context of private enterprises in Vinh city, Nghe An province, Vietnam, how the components of organizational commitment have an impact on the business performance of enterprises in the context of digital transformation, the research hypothesizes (Figure 1):

**H1:** Emotion-based commitment positively affects business performance of private enterprises in Vinh city, Nghe An province, Vietnam in the context of digital transformation.

**H2:** Commitment is based on calculating the positive impact on business performance of private enterprises in Vinh city, Nghe An province, Vietnam in the context of digital transformation.

![Proposed research model](image-url)
**H3:** Standards-based commitment has a positive impact on business performance of private enterprises in Vinh city, Nghe An province, Vietnam in the context of digital transformation.

### 3. Research Method

#### 3.1. Research Scale

On the basis of theoretical overview and related studies, the article proposes a research model with the independent variable as commitment to the organization, including: 1) Emotional commitment (AC); 2) Commit based on calculation (CC); 3) Standards-based commitment (NC). The target variable in this study is business performance (FP). The scale used in the study is a Likert scale with 5 levels (Strongly disagree; Disagree; Normal; Agree; Strongly agree). Indicators measuring variables are applied with adjustments in accordance with the study sample characteristics from previous studies. With the commitment variables in the organization using the research scale of Meyer & Allen (1997) including 18 observations with 3 groups of factors: Emotional commitment has 6 observations; Commit is based on a calculation of 6 observations; Normative commitment has 6 observations. Business performance of enterprises using the scale of Delaney & Huselid (1996) including 6 observations.

#### 3.2. Research Sample

The research sample was selected by non-probability sampling method which is convenience sampling. Data is collected through stratified sampling at private enterprises that have carried out digital transformation activities in Vinh city, Nghe An province, Vietnam. The sample size in the collection is 481 samples who are employees at 121 enterprises, of which there are 51 small and micro enterprises (42.15%), 68 small and medium enterprises (56.20%) and only 2 enterprises. large-scale industry (1.65%). The data collection process is conducted in two ways: in person and online through the Google Form survey tool. The number of online ballots collected is 241, the number of usable votes is 226. In person, the number of votes issued is 400, the number of votes collected is 289, the number of usable votes is 255. The total number of valid votes is used for analysis, is 481. Based on the study of Hair et al. (1998) for reference about the expected sample size, the minimum sample size is 5 times the total number of observed variables. With the number of observations in the article is 24, the research scale includes 481 samples to meet the analysis requirements. The data collection completion period is from August 2022 to November 2022.

#### 3.3. Data Processing

The results of data collection through the investigation and survey process were processed by SPSS software version 22.0. From there, it is possible to draw conclusions that demonstrate the appropriateness of the model and the research hypotheses. First, the study assessed the reliability of the scale with the required
Cronbach’s Alpha coefficient ≥ 0.7 and the total variable correlation coefficient ≥ 0.3. Also, if the Cronbach’s Alpha If Item Deleted value is greater than the Cronbach’s Alpha coefficient of a variable, then this type of observed variable should be considered (Nunnally & Burnstein, 1994). Next, the study tests the value of the scale by analyzing the EFA discovery factor, which requires factor loading > 0.5; KMO coefficient ≥ 0.5 and ≤1; Sig value. < 0.05 and extraction variance > 50% (Hair et al., 2010), the factor extraction method used is the Varimax factor rotation method. After removing the inappropriate indicators, the study re-tests the reliability of the scale. Next, the study tests Pearson correlation coefficient to measure the relationship between variables. The Pearson correlation coefficient test provides information about the importance of the relationship, the correlation, as well as the direction of the relationship. In addition, the Pearson correlation coefficient test also helps to identify the occurrence of multicollinearity problem when the independent variables are strongly correlated with each other. To test the hypotheses, the study analyzed multiple regression models with the regression equation in general form:

\[ FP = \beta_0 + \beta_1 \times AC_1 + CC \times X_2 + NC \times X_3 \]

4. Research Result and Discussion

4.1. Testing the Reliability of the Scale

To evaluate the reliability of the scale, the study conducted Cronbach’s Alpha analysis for each group of variables. The result show the reliability of the scale used in the analysis when all Cronbach’s Alpha values of the variables included in the model are consistent with the correlation coefficients of the total variables of the observed variables > 0.3, and Cronbach’s Alpha coefficient > 0.7. At the same time, the Cronbach’s Alpha If Item Deleted value of all indicators is smaller than the Cronbach’s Alpha coefficient of the total variable (Table 1).

4.2. Exploratory Factor Analysis (EFA)

After testing the appropriateness of the scale, the study conducted an exploratory factor analysis (EFA) for both independent and dependent variables. The result show that the data is eligible for analysis with factor loading > 0.5; KMO coefficient ≥ 0.5 and ≤1; Sig value. < 0.05; percentage of variance extracted > 50% and satisfying two conditions: “Convergence value” (observed variables converge on the same factor) and “Discriminatory value” (observed variable belong to the same factor distinguish it from other factors) (Table 2).

Table 1. Rating the reliability of the scale through Cronbach’s Alpha coefficient.

<table>
<thead>
<tr>
<th>No.</th>
<th>Variable</th>
<th>Code</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Emotional commitment</td>
<td>AC</td>
<td>0.813</td>
</tr>
<tr>
<td>2</td>
<td>Commit based on calculation</td>
<td>CC</td>
<td>0.810</td>
</tr>
<tr>
<td>3</td>
<td>Commitment based on standard</td>
<td>NC</td>
<td>0.810</td>
</tr>
<tr>
<td>4</td>
<td>Business performance</td>
<td>FP</td>
<td>0.844</td>
</tr>
</tbody>
</table>
Table 2. EFA factory analysis results.

<table>
<thead>
<tr>
<th>Analysis</th>
<th>KMO coefficient</th>
<th>P-value</th>
<th>Average Variance Extracted (%)</th>
<th>Loading Factor</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent variables</td>
<td>0.938</td>
<td>0.000</td>
<td>52.156</td>
<td>All of them &gt; 0.5</td>
<td>Ensure the analysis requests</td>
</tr>
<tr>
<td>Dependent variable</td>
<td>0.867</td>
<td>0.000</td>
<td>56.486</td>
<td>All of them &gt; 0.5</td>
<td>Ensure the analysis requests</td>
</tr>
</tbody>
</table>

4.3. Pearson’s Correlation Coefficient Test

The results of the correlation analysis show that all the independent variables have an impact on the dependent variable (Public University Link). At the same time, there is a close correlation between the variables (the Sig coefficient (2-tailed) is all <0.05). Therefore, to ensure the level of accuracy, it is necessary to carefully consider the role of the independent variable on the multivariable regression model by considering the level of impact of each independent variable on the dependent variable (Table 3).

4.4. Analysis of Multiple Regression Models

The results of the regression analysis show that, with the value Sig. < 0.05, and the normalized regression coefficient Beta is positive, all hypotheses from H1 to H3 are accepted. Therefore, it can be concluded that the independent variables included in the model include: Commitment based on emotions; Commit based on calculation; Standards-based commitments have a positive impact on the business performance of private enterprises in the context of digital transformation in Vietnam. These conclusions are consistent with studies of Koh & Boo (2001); Ajila & Abiola (2004); Bakiev (2013); Guinot et al. (2014).

At the same time, with the highest standardized regression coefficient of all the independent variables of 0.291, the norm-based commitment variable has the strongest impact. The next order of impact is emotional commitment (0.262) and computational commitment (0.216). The regression equation is obtained:

\[ FP = 0.824 + 0.276 \times AC + 0.222 \times CC + 0.294 \times NC. \]

The adjusted R2 coefficient is 0.440, which means that the independent variables included in the model affect 44% of the change in the dependent variable (Business performance) (Table 4).

Other tests show that the regression hypothesis is not violated. The results of testing the models do not have multicollinearity because the VIP variance exaggeration factors of all variables are <2. Sig value of the F-test is 0.000 < 0.05. At the same time, the Durbin-Watson Coefficient is 1963 (between 1 and 3), which proves that the model has no autocorrelation. In addition, with both models, the sig value of the correlation between the normalized residuals (ABSRES) and the independent variables is >0.05, so there is no variable variance phenomenon. These results demonstrate the appropriateness of the model and research data.
Table 3. Correlation coefficients between variables in the model.

<table>
<thead>
<tr>
<th>Variable</th>
<th>AC</th>
<th>CC</th>
<th>NC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business performance</td>
<td>0.571**</td>
<td>0.571**</td>
<td>0.586**</td>
</tr>
<tr>
<td>Emotional commitment</td>
<td>0.631**</td>
<td></td>
<td>0.592**</td>
</tr>
<tr>
<td>Commit based on calculation</td>
<td></td>
<td></td>
<td>0.649**</td>
</tr>
<tr>
<td>Standards-based commitment</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed).

Table 4. Regression analysis result of the impact of organizational commitment factors on business performance of private enterprises in the context of digital transformation in Vietnam.

<table>
<thead>
<tr>
<th>No.</th>
<th>Independent variables</th>
<th>Regression coefficient</th>
<th>Normalized Regression Coefficient</th>
<th>Beta</th>
<th>Sig</th>
<th>VIP variance exaggeration factor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Constans)</td>
<td>0.824</td>
<td>0.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Emotional commitment</td>
<td>0.276</td>
<td>0.262</td>
<td>0.000</td>
<td>1.839</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Commit based on calculation</td>
<td>0.222</td>
<td>0.216</td>
<td>0.000</td>
<td>1.960</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Standards-based commitment</td>
<td>0.294</td>
<td>0.291</td>
<td>0.000</td>
<td>1.910</td>
<td></td>
</tr>
</tbody>
</table>

Thus, by accepting all the hypotheses from H1 to H3, the study has shown contributions both in terms of theory and practice. Theoretically, the research has proven that all component variables of organizational commitment have an impact on business performance in the enterprise. At the same time, the study shows that the order of impact of each factor is commitment based on standards; commitment based on emotion and finally commitment based on calculation. This can also be seen that, in Vietnam, standards and ethics are still upheld, especially with traditional occupations or elements of family and clan are still focused and employees of enterprises When there is a commitment based on standards, traditions or ethics, there is a tendency to focus on the development of the organization, to make sacrifices and contribute more to the organization than the contribution, from other factors.

In practical terms, the results of the study will be valuable documents for policy makers and business managers to find the most effective solutions to not only strengthen the close linkages at the top floor, employees, but also contribute to promoting business performance of sustainable businesses.

Besides these contributions, the study also has certain limitations. First, the convenient sampling method will be a limitation of the study, as it can reduce the representativeness of the research sample. In addition, the context of this study is limited to private enterprises in Vinh city, Nghe An province, Vietnam. Therefore, the research results need to be confirmed with the case of enterprises in other fields and in other countries in the region and in the world, especially in developed countries with strong economic background, different from develop-
ing countries like Vietnam.

5. Conclusion and Recommendations

The study aims to build a model and test the impact of organizational commitment factors on the business performance of private enterprises in the context of digital transformation in Vinh city, province. Nghe An, Vietnam. The results show the contributions of the study in both theoretical and practical aspects when demonstrating the importance of employees’ commitment to the organization, and at the same time demonstrating the impact of all three components of organizational commitment and the order of impact on business performance in the enterprise are: norm-based commitment, emotion-based commitment and calculation-based commitment, respectively. Based on the research results, the authors propose a number of solutions to increase employee commitment to the organization to improve business performance in the enterprise:

First, with standards-based commitment, managers need to create inspiration at work for employees, encourage creativity in the working process of employees, and uphold the role of democratic style, in management.

Second, with emotional commitment, businesses need to have methods to convey the company’s development orientation to employees transparently and at the right times so that employees can clearly understand the company’s development orientation, development direction of the company and build a development orientation for yourself at that organization.

Third, with compute-based commit, it is necessary to create a working environment in which businesses perceive and evaluate employees fairly and transparently. When employees are recognized for their contributions and are treated properly and fairly, employees will be motivated and not want to leave the organization, because they find satisfaction in their work, their efforts spend is worth it.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

References


