

The effects of job satisfaction and loyalty on intention to stay, in the relationship with pay satisfaction of bankers: A case study of emerging economies

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Abstract: The study aimed to evaluate the pay satisfaction of employees working at banks in Hanoi City, Vietnam, a recognized emerging economy in Southeast Asia, and to explore the relationship between pay satisfaction, job satisfaction, loyalty, and the intention to remain within the organization. A total of 406 bankers participated in this research. Insights derived from the structural equation model (SEM) using AMOS 20 software indicated that factors such as pay level, benefits, pay structure, and bonus policy exert a significant influence on job satisfaction. Concurrently, benefits, pay levels, and raises play a critical role in employees' loyalty. Furthermore, the benefits were found to be statistically insignificant in terms of their intention to remain with the organization. Our findings further demonstrated that job satisfaction and loyalty have a significantly positive impact on employees' intention to stay with the organization. These findings are beneficial for managers at banks in developing countries, such as Vietnam, in driving intention to stay, improving employee satisfaction, and enhancing employee loyalty. Additionally, limitations and potential directions were deliberated upon.

Keywords: Banks, Intention to stay, Job satisfaction, Loyalty, Pay satisfaction.

1. Introduction

Regarding human resource management, most managers are concerned about what leads to an employee's intention to quit [1]. Increasing employee attrition rates, especially in Asian countries, have left organizations scrambling to find ways to address the ongoing situation [2]. Employees leaving their jobs will negatively impact the organization's operations, increasing costs, reducing morale, disrupting operations, creating pressure on the leadership team, and so on.

Salary is considered a dominant factor for employees and organizations. On the employee's side, salary is regarded as the primary source of income to support themselves and their families so that they can reproduce their labor. The salary is also considered a testament to the value of an employee. From the organization's side, salary is an effective tool for human resource management if used appropriately and accounts for many organizational operating costs [3]. According to Navigos Group's survey report published in 2022 for 27 occupations, salary is the first factor affecting employees' decision to quit, followed by the work environment, colleagues, and learning and development opportunities.

In Vietnam – an emerging economy in Southeast Asia, banking is in the group of industries with the most significant attraction because the average salary of employees is about 23.4 million VND a person per month and is appreciated higher than other industries and fields. However, statistics show that the attrition rate at banks tends to increase by about 32 percent, causing a loss of talent in the industry from 3 to 4 percent, with more than 60 percent revealing that the current salary is not commensurate with their efforts and dedication [4]. It has caused many difficulties for banks in doing business, even disrupting, stalling, and disrupting the bank's development goals.

How to promote employees' intentions to stay in banks has piqued the interest of researchers and management. Many scholars have thoroughly studied these issues in different situations because previous studies have recognized the importance of analyzing aspects of pay satisfaction [5]. Besides, the role of salary in promoting employees' intention to stay in the organization has also received academic attention [6, 7]. Nevertheless, the literature still has some gaps. Few studies address the role of pay satisfaction, job satisfaction, and loyalty as concurrent predictors of bankers' intention to stay, and very few studies use a multidimensional perspective on pay satisfaction. Hence, this study was conducted to understand better the multifaceted nature of wage satisfaction on employees' intentions to stay at work at banks while using job satisfaction and loyalty as potential intermediate variables.

This study consists of 6 sections. In addition to the introduction, the second section is the hypothesis development. Section 3 is the research methodology. Section 4 is the research results. Section 5, a discussion of management implications, presents the study's limitations, offers further research directions, and finally, the conclusion.

2. Theoretical Background and Hypothesis Development

2.1. Employee Retention Trends

According to Fulmer and Li [8] Millennials are transitioning to leadership roles. Gen Z is entering the workforce, so traditional recruitment and retention tools will no longer be practical now and in the future. Therefore, employee value proposition (EVP) is considered an essential strategic tool in the current context.

Since the 1990s, the term "Total Rewards" has been used to define the benefits package and salary that employers provide to their employees. By 2000, WorldatWork had officially expanded this model and accepted it in studies that included workplace flexibility, recognition, career opportunities, health, and well-being.

The organization's total rewards are part of the EVP. An EVP is an employer's promise to an employee, detailing what the employer will provide as the employee gives and commits to the organization. The EVP is related to corporate culture, career stability and development, the work environment, and workplace relationships.

As such, the total compensation and EVP model is a comprehensive approach to employee compensation and benefits, including traditional financial and non-financial rewards. However, in the context of the Hanoi market, it is one of the two cities with the most expensive standard of living in Vietnam. Housing, food, education, and healthcare prices are much higher than in other localities. It makes employees, even though they are considered to be a group of workers with a good income, still carefully consider salaries and bonuses to ensure a stable life, and they will be satisfied. They have little or no interest in other aspects, such as training opportunities, corporate culture, etc. Moreover, the peculiarity of the banking industry is that it requires employees to have a high level of education, professional knowledge, skills in working with customers, and a good ability to withstand pressure, so they expect to receive a salary worthy of their efforts. In addition, the banking industry in Vietnam has a high level of competition between joint-stock commercial banks, foreign banks, and state banks. Banks must have attractive salaries, bonuses, and welfare policies to retain good employees. In addition, in the context of modern life and economy, money is one of the critical components and a fundamental proof of human existence. Therefore, pay satisfaction is the primary concern of bankers, particularly workers in a developing country like Vietnam; salary also plays a vital role in choosing jobs and enterprises to stick with because salary directly affects meeting their economic needs.

2.2. Underlying Theories

The two fundamental theories used to build the research model are Social Exchange Theory (SET) and Equity Theory (ET). SET refers to a mutually beneficial voluntary exchange between two parties, usually between the employee and the employer [9]. Job satisfaction and loyalty are essential components of the SET, while job satisfaction and loyalty measure the relationship quality between

employees and employers [10]. Based on the SET's interpretation, organizations can build satisfaction and loyalty by paying their employees satisfactorily because well-paid employees will respond by being loyal and staying with their organization. In contrast, employees will not have satisfaction, loyalty, and intention to keep if the organization lacks generosity in rewarding.

Complementing the SET in this study is the equity theory. Equity theory refers to a situation in which an employee compares their output (reward) and input (contribution) with that of a colleague and even with other employees outside their organization [11]. A person's pay satisfaction depends on how much they earn compared to others [12]. Employees who are aware of fair pay will be satisfied. Based on equity theory, organizations that implement improved employee pay satisfaction will be more likely to notice that their employees have higher satisfaction, loyalty, and intention to stay at work [13]. Therefore, organizations must demonstrate fair pay to employees to create positive outcomes, including job satisfaction, loyalty, and intention to stay.

2.3. Pay Satisfaction and Job Satisfaction

Pay satisfaction is a positive emotion toward monetary rewards that employees receive from their workplace [14]. Since the first study by Heneman and Schwab [15] much evidence has supported the multidimensionality of pay satisfaction. Despite the initial contradictions about the aspects that contribute to determining pay satisfaction [16] the majority of studies have shown that four aspects make up pay satisfaction: (1) pay level, (2) pay raise, (3) benefits, and (4) pay structure – referring to the methods used to determine pay level and salary management methods. Heneman and Schwab [15] argue that these aspects represent differentiated assessments of pay satisfaction, which helps organizations determine which aspect satisfies employees. For instance, an employee may be happy with the pay level, but the pay raises over time make them unhappy. Satisfaction with pay raises is more relevant to procedural fairness, as it reflects an assessment of how fair the organization is in adjusting compensation based on employee performance.

Materialism is vital for employees because it dramatically affects their lives, level of commitment, or willingness to stay with the organization [17]. However, few studies empirically investigate the relationship between the multidimensionality of pay satisfaction and job satisfaction; many only consider pay satisfaction and job satisfaction as a monovariable structure, such as Nguyen [18] and Serreqi [19] or Chan and Ao [20]. Therefore, it is necessary to conduct empirical studies and develop hypotheses about multidimensional relationships, especially in the context of the banking industry in a developing country like Vietnam.

Job satisfaction is a gripping psychological state characterized by employees' attachment to their work Farida and Savage [21]. Nguyen and Uong [22] has shown that job satisfaction is a carefully selected set of overall and dimension satisfaction measures. He emphasized the importance of overall job satisfaction, so it was chosen for this study.

The study of Singh and Loncar [23] confirmed that pay satisfaction is a crucial contributor to job satisfaction, and the results identified four components of pay satisfaction (pay level, pay raise, benefits, and pay structure) that directly impact job satisfaction. In addition, Chaudhry, et al. [24] indicated that pay satisfaction impacts job satisfaction in the public or private sector. Huynh and Luu [7] also revealed that pay level, benefits, and structure impact job satisfaction. Based on the SET, the authors expect employees with higher salary satisfaction to have positive emotions reinforcing their job satisfaction. Based on the above discussion, the following hypotheses could be started:

Hypothesis 1.1. Pay level has a positive impact on job satisfaction

Hypothesis 1.2. Benefits has a positive impact on job satisfaction

Hypothesis 1.3. Pay raise has a positive impact on job satisfaction

Hypothesis 1.4. Pay structure has a positive impact on job satisfaction

2.4. Pay Satisfaction and Employee Loyalty

Traditionally, human resource researchers see loyalty as a single and integrated structure [25]. Loyalty signifies the level of close psychological attachment between employees towards the organization and the desire to work hard and dedicate themselves to the organization's shared goals and values [26]. In most studies, pay satisfaction has consistently proven to be a key factor when considering employee loyalty Chang, et al. [27]; Abdullah, et al. [28] and Ha and Vu [29]. Tran and Nguyen [30] stated that pay satisfaction directly impacts loyalty. The pay structure has the highest impact on loyalty, followed by pay level, benefits, and pay raises. Huynh and Luu [7] showed that the greater the pay satisfaction, the higher the employee loyalty, which means that the organization gains employee loyalty thanks to the pay. Based on the above discussion, the following hypotheses could be started:

- Hypothesis 2.1. Pay level has a positive impact on employee loyalty
- Hypothesis 2.2. Benefits have a positive impact on employee loyalty
- Hypothesis 2.3. Pay raise has a positive impact on employee loyalty
- Hypothesis 2.4. Pay structure has a positive impact on employee loyalty

2.5. Pay Satisfaction and Intention to Stay

Intention to stay is the likelihood that employees want to continue working with the organization for a long time [31]. Previous studies showed that pay satisfaction is the underlying cause of the big difference between employees who leave an organization and those who stay Hom and Griffeth [32]. [33] found a negative relationship that was both direct and indirect between pay satisfaction and intention to quit. Williams, et al. [34] also asserted that pay satisfaction can reduce quitting intentions. In other words, components of pay satisfaction can drive employees' intention to stay at work [23]. Based on the above discussion, the following hypotheses could be started:

- Hypothesis 3.1. Pay level has a positive impact on intention to stay
- Hypothesis 3.2. Benefits have a positive impact on intention to stay
- Hypothesis 3.3. Pay raise has a positive impact on intention to stay
- Hypothesis 3.4. Pay structure has a positive impact on intention to stay

2.6. Job Satisfaction and Employee Loyalty

Fletcher and Williams [35] found that job satisfaction was positively correlated with loyalty. Martensen and Grønholdt [36] show that loyalty occurs in employees if they have job satisfaction. Other studies have also confirmed that job satisfaction job satisfaction strongly impacts loyalty [37, 38]. Based on the above discussion, the following hypothesis could be started:

- Hypothesis 4. Job satisfaction has a positive impact on employee loyalty

2.7. Job Satisfaction and Intention to Stay

Job satisfaction indicates that employees intend to stay in the organization or wish to leave [39, 40]. Additionally, Bloxsome, et al. [41] also revealed that job satisfaction has a powerful impact on employee motivation to stay. Based on the above discussion, the following hypothesis could be started:

- Hypothesis 5. Job satisfaction has a positive impact on intention to stay

2.8. Employee Loyalty and Intention to Stay

Moynihan and Landuyt [42] found that employees with higher loyalty maximally motivated their intention to stay at work compared to employees with less loyalty. Some studies believe loyal employees will never intend to quit even when the organization encounters difficulties [7, 43]. The study by Albtoosh, et al. [44] showed that loyalty has a negative impact on intention to quit. Based on the above discussion, the following hypothesis could be started:

- Hypothesis 6. Employee loyalty has a positive impact on intention to stay

3. Research Methodology

3.1. Sample Size

The study obtained a sample of 406 employees working at banks in Hanoi (Vietnam) with an average professional experience of 5.5 years. A total of 34.54 percent of employees work at state-owned banks, and 65.46 percent of employees work at private banks. Of these, 40.55 percent were male, and 59.45 percent were female. The education level of the employees varied, with 5.30 percent having college degrees, 78.32 percent having undergraduate degrees, and 16.38 percent having postgraduate degrees (masters, doctorates). Regarding positions, 5.63 percent of senior managers, 9.32 percent of middle managers, 15.34 percent of team leaders, and 69.71 percent of employees. Finally, concerning marital status, 84.21 percent were married, and 15.79 percent were unmarried.

3.2. Measurement Scales

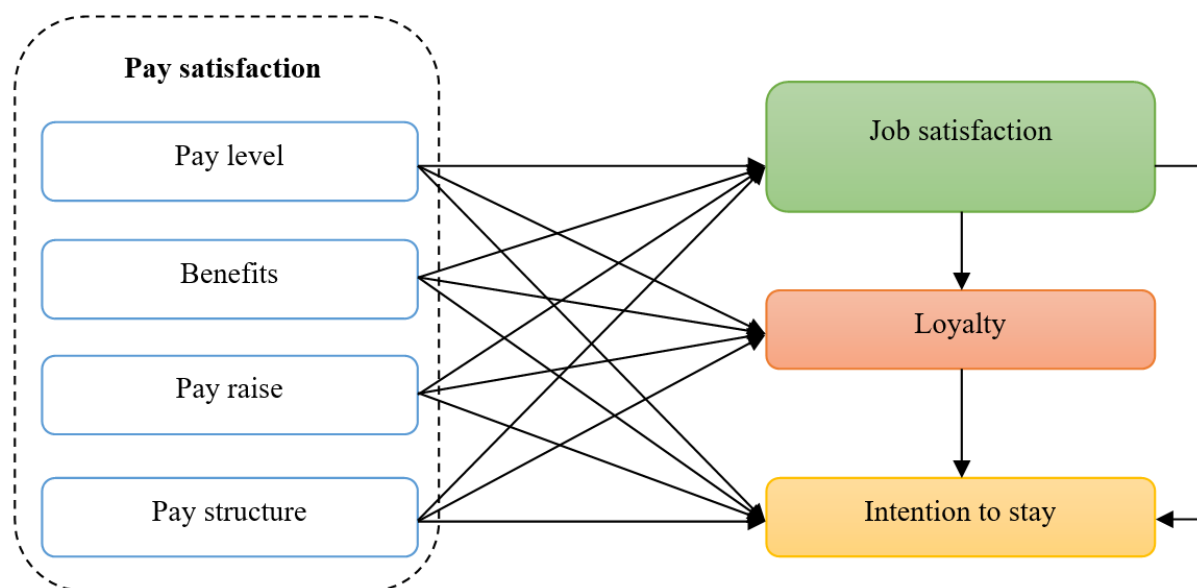


Figure 1.
Research model.

To measure pay satisfaction, this study used 18 observational variables from PSQ scale of Heneman and Schwab [15] with 1 – very dissatisfied, 3 – neutral, 5 – very satisfied. Pay satisfaction reflects employee feelings through comparing the expected salary amount with the actual amount of salary received [45].

The job satisfaction scale was measured using a single observational variable from the study by Nguyen and Uong [46] using a 5-level scale, with very dissatisfied (1), neutral (3) and very satisfied (5). Job satisfaction reflects employees' positive feelings toward the job [47].

For employee loyalty, this study used four observational variables from Kim and Cho [48]. Loyalty reflects an employee's active long-term stay with the organization based on the positive relationships available between employees and the organization [49].

The intention to stay scale was measured using 4 observational variables from the study of Huynh and Luu [7]. The intention to stay is that the employee feels a pretty consistent with the organization, wishes to accompany the organization, and is always willing to fulfill the requirements assigned by the organization [50].

This study was conducted in Vietnam – a developing country- but the original pay satisfaction and loyalty scales were mainly verified in developed countries. Hence, to ensure that it is suitable for the practical context in Vietnam, the study conducts in-depth interviews and group discussions with experts for appropriate corrections. As a result, experts recommend adding the “bonus policy” component to the pay satisfaction scale when studying in the Vietnamese context because Vietnamese people attach importance to material factors as a basis for arousing their working spirit and increasing work efficiency. Besides, bonus policies are one of the crucial components of salary; bonuses are seen as a material incentive to motivate employees to put more effort into their work and make employees feel recognized. In addition, the “loyalty” scale is proposed to add four observational variables to clearly describe the content and be more relevant to the banking industry. The questionnaire was initially drafted in English and later translated into Vietnamese. At the same time, to ensure the accuracy of the translation, the questionnaire was then translated backward.

4. Research Results

4.1. Reliability and Convergent Validity Analysis

Before testing the structural equation model, the authors performed a confirmatory factor analysis (CFA) as recommended by Anderson and Gerbing [51]. Table 1 describes the observed variables for the structural model and summarizes the reliability and convergent validity analysis results. The results of the confirmatory factor analysis showed that the indicators are suitable for evaluating the structural model: $\chi^2 = 565.802$ (df = 351, $p < 0.001$), GFI = 0.902, NFI = 0.913, TLI = 0.921, CFI = 0.924 and RMSEA = 0.056. In addition, all factor loadings exceeded the threshold of 0.60 ($p < 0.001$), and the Average Variance Extracted (AVE) of all constructs exceeded the recommended threshold of 0.50 [52]. The internal consistency reliability of the constructs is acceptable, with Cronbach's Alpha estimates ranging from 0.792 to 0.879 exceeding the 0.7 threshold and composite reliability (CR) exceeding 0.7, as Hair, et al. [53] recommended. Table 2 shows the mean, standard deviation, and correlation between structures. The discriminant validity is accepted because the square root of AVE for each construct is higher than all the correlations between the constructs [52]. Thus, the analysis results indicated that the structures have reliable, convergent, and discriminant validity.

Table 1.
The results of the reliability and convergent validity.

Constructs	λ	Cronbach's α	CR AVE
Pay level			
PS ₁ . I am satisfied with the actual salary received	0.784	0.797	0.783 0.673
PS ₂ . I am satisfied with the current salary	0.892		
PS ₃ . I am satisfied with the total salary obtained	0.713		
PS ₄ . I am satisfied with the current pay coefficient	0.673		
Benefits			
PS ₅ . I am satisfied with the benefits of the bank	0.798	0.879	0.820 0.645
PS ₆ . I am satisfied with the amount of money the bank spends on benefits	0.816		
PS ₇ . I am satisfied with the value of the benefits	0.872		
PS ₈ . I am satisfied with the amount of benefits received	0.753		
Pay raise			
PS ₉ . I'm happy with the recent raise	0.893	0.826	0.789 0.571
PS ₁₀ . I am satisfied with the decision to increase or decrease my salary	0.794		
PS ₁₁ . I'm happy with all the raises in the past	0.682		
PS ₁₂ . I am satisfied with the criteria for a raise	0.700		
Pay structure			
PS ₁₃ . I am satisfied with the pay structure of the bank	0.780	0.792	0.824 0.616
PS ₁₄ . I am satisfied with the information about the pay structure	0.888		
PS ₁₅ . The amount of salary received is commensurate with the job position	0.821		
PS ₁₆ . I am satisfied with the consistency in the pay policy	0.890		
PS ₁₇ . I am satisfied with the salary difference between positions	0.714		
PS ₁₈ . I am satisfied with the flexible salary management mechanism	0.857		
Bonus policy			
PS ₁₉ . I am satisfied with the bonus amount when I exceed the target	0.789	0.814	0.798 0.578
PS ₂₀ . I am satisfied with the prize money on Tet holidays	0.644		
PS ₂₁ . I am satisfied with the criteria for promotion at work	0.814		
PS ₂₂ . I am satisfied with the modern equipment for the work	0.672		
PS ₂₃ . I am satisfied with the increase in vacation time during the year	0.728		
PS ₂₄ . I am satisfied with the form of direct honors at the bank	0.773		
PS ₂₅ . I am satisfied when I am empowered to make decisions at work	0.783		
Job satisfaction			
JS. I am satisfied working at the bank	0.851	0.802	0.786 0.589
Loyalty			
L ₁ . I always do my best to help the bank succeed	0.734	0.801	0.800 0.674
L ₂ . I accepted all assignments to stay in the bank	0.777		
L ₃ . I will stay even if another bank makes a more attractive offer	0.842		
L ₄ . I have always been proud to be a member of the bank	0.878		
L ₅ . I regularly introduce the bank's services/products	0.825		
L ₆ . I'm always concerned about the future of banking	0.863		
L ₇ . I will not leave the bank even in difficult times	0.647		
L ₈ . I am willing to sacrifice my personal interests for the sake of the bank	0.894		
Intention to stay			
IS ₁ . I want to work at the bank for as long as possible	0.881	0.856	0.735 0.514
IS ₂ . I never had the urge to find a new job	0.786		
IS ₃ . I look forward to working at the bank for at least the next 2-3 years	0.669		
IS ₄ . I always wanted to continue working at the bank	0.620		

$\chi^2 = 565.802$ ($df = 351$), $p < 0.001$, $\chi^2/df = 1.611$, $GFI = 0.902$, $NFI = 0.913$, $TLI = 0.921$, $CFI = 0.924$, $RMSEA = 0.056$

Table 2.

Mean, standard deviation and correlation between constructs.

Constructs	Mean \pm St.d	1	2	3	4	5	6	7	8
1. Pay level	4.02 \pm 0.892	1	0.345	0.221	0.146	0.352	0.378	0.341	0.347
2. Benefits	3.89 \pm 0.901	0.563	1	0.163	0.269	0.245	0.215	0.452	0.251
3. Pay raise	3.98 \pm 1.036	0.784	0.256	1	0.302	0.202	0.351	0.104	0.284
4. Pay structure	4.12 \pm 1.033	0.672	0.462	0.289	1	0.347	0.404	0.218	0.333
5. Bonus policy	4.08 \pm 1.056	0.156	0.743	0.301	0.475	1	0.562	0.303	0.178
6. Job satisfaction	4.00 \pm 1.073	0.783	0.526	0.468	0.707	0.467	1	0.401	0.204
7. Loyalty	3.96 \pm 1.088	0.554	0.672	0.561	0.562	0.154	0.318	1	0.462
8. Intention to stay	3.90 \pm 1.102	0.245	0.661	0.780	0.158	0.222	0.274	0.661	1

4.2. Structural Equations Modelling and Testing Hypotheses

The structural equation modelling is a good fit ($\chi^2 = 652.372$; $df = 369$, $\chi^2/df = 1.768$, $p < 0.001$, $GFI = 0.905$, $NFI = 0.917$, $TLI = 0.923$, $CFI = 0.928$ and $RMSEA = 0.061$). To test how pay satisfaction affects job satisfaction, hypothesis group 1 was partially accepted. Pay level ($\beta = 0.478$), benefits ($\beta = 0.357$), pay structure ($\beta = 0.301$), and bonus policy ($\beta = 0.269$) are four of the five components of pay satisfaction that have a significant effect on job satisfaction, except pay raise ($\beta = 0.056$) no impact. The hypothesis group 2 has also been partially accepted. Pay level ($\beta = 0.352$), benefits ($\beta = 0.367$), and pay raise ($\beta = 0.250$) have a significant effect on employee loyalty. The hypotheses group 3 (pay satisfaction had a significant effect on the intention to stay in the organization) was accepted, except that the pay raise ($\beta = 0.163$) did not find a statistically significant effect on the intention to stay in the organization. Hypothesis 4 is not accepted, this finding is surprising. This result is likely due to our focus on the banking sector, which will be discussed more deeply in the next section. Job satisfaction and loyalty were also found to have a direct and significant effect on the intention to stay in the organization, so hypotheses 5 and 6 were accepted (see Table 3).

Table 3.

Estimation of structural parameters.

Hypothesis	β	t-value	Conclusion
Pay satisfaction \rightarrow Job satisfaction			
Hypothesis 1.1. Pay level \rightarrow Job satisfaction	0.478	2.892**	Accepted
Hypothesis 1.2. Benefits \rightarrow Job satisfaction	0.357	2.146*	Accepted
Hypothesis 1.3. Pay raise \rightarrow Job satisfaction	0.056	1.673	Rejected
Hypothesis 1.4. Pay structure \rightarrow Job satisfaction	0.301	2.048***	Accepted
Hypothesis 1.5. Bonus policy \rightarrow Job satisfaction	0.269	2.634**	Accepted
Pay satisfaction \rightarrow Loyalty			
Hypothesis 2.1. Pay level \rightarrow Loyalty	0.352	2.167**	Accepted
Hypothesis 2.2. Benefits \rightarrow Loyalty	0.367	2.745***	Accepted
Hypothesis 2.3. Pay raise \rightarrow Loyalty	0.250	2.385*	Accepted
Hypothesis 2.4. Pay structure \rightarrow Loyalty	0.124	1.378	Rejected
Hypothesis 2.5. Bonus policy \rightarrow Loyalty	0.035	0.994	Rejected
Pay satisfaction \rightarrow Intention to stay			
Hypothesis 3.1. Pay level \rightarrow Intention to stay	0.235	2.271**	Accepted
Hypothesis 3.2. Benefits \rightarrow Intention to stay	0.362	2.394*	Accepted
Hypothesis 3.3. Pay raise \rightarrow Intention to stay	0.163	1.267	Rejected
Hypothesis 3.4. Pay structure \rightarrow Intention to stay	0.400	2.489**	Accepted
Hypothesis 3.5. Bonus policy \rightarrow Intention to stay	0.284	2.280*	Accepted
Hypothesis 4. Job satisfaction \rightarrow Loyalty	0.067	0.824	Rejected
Hypothesis 5. Job satisfaction \rightarrow Intention to stay	0.463	2.673***	Accepted
Hypothesis 6. Loyalty \rightarrow Intention to stay	0.416	2.563***	Accepted
$\chi^2 = 652.372$ ($p < 0.001$), $df = 369$ $\chi^2/df = 1.768$, $GFI = 0.905$, $NFI = 0.917$, $TLI = 0.923$, $CFI = 0.928$, $RMSEA = 0.061$			

Note: * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.

5. Discussion and Implications

In recent years, studies on pay satisfaction in financial institutions have increased significantly [54, 55]. These studies showed that financial institutions that deliver pay satisfaction achieve better results and performance, improve their market value, reduce employee turnover, and show greater loyalty and engagement [56]. Moreover, employees who are committed, highly knowledgeable, and motivated are key to achieving growth and competitive advantage, which leads to better business results [57].

Current research on pay satisfaction needs more theoretical development [58, 59] so that similar studies can shed more light on the link between pay satisfaction and financial institution employee retention strategies. Likewise, intermediate variables provide deeper perspectives on relationships within a financial institution. In our case, pay satisfaction has not been studied in the context of employee retention at banks in Hanoi city (Vietnam) and exploring the mediating role of job satisfaction and employee loyalty. Although the theoretical model has largely been confirmed, some hypotheses have not been accepted. The results of this study contribute to knowledge of organizational citizenship behavior, aspects of pay satisfaction, and intention to stay in the organization, as well as establish relationships between them in a holistic model. Furthermore, our study contributed to the introduction of the pay satisfaction scale of Heneman and Schwab [15] in the context of banks in Hanoi city (Vietnam), a developing country in Southeast Asia.

Firstly, in line with Huynh and Luu [7] this study revealed that pay satisfaction has a significant and positive impact on job satisfaction, except for pay raises. In particular, pay level was identified as the most critical variable affecting job satisfaction. This proves that the more satisfied employees are with their current salary, the more satisfied they are with their jobs. This finding further demonstrates the critical role of material factors in employees' organizational citizenship behavior.

Secondly, research has found a positive relationship between pay satisfaction and employee loyalty (except for pay structure and bonus policy). This finding is similar to Abdullah, et al. [28] but contradicts [30] who identify the pay structure as the most potent driving factor for employee loyalty. This study identified benefits as the variable with the most decisive influence on loyalty. Because after employees join the organization, their loyalty can change through socialization. Now that the concept of lifetime work is gone, benefits can be a good way to encourage employee loyalty. Therefore, flexible benefits will be a good alternative for employees to choose the welfare services they want, such as health care, gifts on holidays, etc, thereby promoting loyalty.

Thirdly, we found a positive relationship between pay satisfaction and employees' intention to stay in the organization at banks in Hanoi city (except for pay raises). This finding is similar to that of Singh and Loncar [23]. In particular, the pay structure is the most crucial variable for intention to stay in the organization found in this study, so a fair pay system is needed. When employees perceive that the salary determination process is fair, their mindset of staying in the job increases [60]. Therefore, to promote employees' intention to stay in the organization, the pay structure must accurately reflect their value or contribution. The organization must show employees that their salaries are pretty distributed and provide transparent, accessible information about pay structures.

Fourthly, in this study, we found no job satisfaction had a direct positive effect on employee loyalty at banks in Hanoi city. This finding is somewhat surprising because several previous studies have found a significant relationship between job satisfaction and loyalty [37, 38]. The reason is as follows: Vietnamese people, especially women, attach importance to taking care of their families. Nevertheless, the nature of the work of bank employees is pretty busy; there are many pressures, and they cannot ensure a work-life balance. Although bank employees are satisfied with their jobs regarding high salaries, welfare regimes, promotion opportunities, etc., they are not particularly loyal to the organization when they perceive such a massive imbalance between work and family as the organization takes up most of their time.

Finally, our study provides evidence of a positive relationship between job satisfaction, loyalty, and the intention to stay at banks in Hanoi. This finding is similar to those of Bloxsome, et al. [41] and

Albtoosh, et al. [44]. It means that the higher the job satisfaction and loyalty, the greater the intention of employees to stay at Hanoi banks.

Although this research has made theoretical and practical contributions, some limitations remain. First, the sample only includes employees at banks in Hanoi, which are only part of the banking system in Vietnam so that generalization may be limited. Second, this study depends on a survey with a cross-sectional design (a single study at a time) and, therefore, may not reflect a causal relationship between the variables of the research model. Future researchers should conduct investigations in two waves. Third, individual demographic factors are not adequately considered, which can affect pay satisfaction regarding age and other characteristics. Therefore, future studies may consider age a prerequisite variable for employee pay satisfaction.

6. Conclusion

Drawing on the multidimensional perspective of pay satisfaction, this study provided empirical evidence to resolve some controversies in the literature regarding the relationship between pay satisfaction and employees' intention to stay in the organization. These findings support the view that pay satisfaction provides the foundation for achieving sustainable competitive advantage through employee retention. By looking at pay satisfaction from a multidimensional perspective, this research contributes further to understanding the different roles of pay satisfaction aspects in determining employees' organizational citizenship behavior in Vietnam, an emerging economy.

Transparency:

The authors confirm that the manuscript is an honest, accurate, and transparent account of the study; that no vital features of the study have been omitted; and that any discrepancies from the study as planned have been explained. This study followed all ethical practices during writing.

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