








“The impact of environment, social, and governance factors on employee commitment of commercial banks in Vietnam: The mediation effect of employee motivation”

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THE IMPACT OF ENVIRONMENT, SOCIAL, AND GOVERNANCE FACTORS ON EMPLOYEE COMMITMENT OF COMMERCIAL BANKS IN VIETNAM: THE MEDIATION EFFECT OF EMPLOYEE MOTIVATION

Abstract

Environmental, Social, and Governance (ESG) issues today have a profound impact on various aspects of businesses. This research paper explores the relationship between each ESG dimension, including Environmental, Social, and Governance, and employee commitment in Vietnam's commercial banks. The paper further examines the mediation effect of employee motivation on the relationship between ESG and employee commitment. An online questionnaire survey was administered to employees of 21 commercial banks in Vietnam, yielding a dataset of 411 responses. The collected data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.1. The study proposes that the environmental and governance dimensions of ESG have a positive impact on employee commitment, with p-values of 0.000. Additionally, employee motivation serves as a complementary mediator in the relationship between the environmental dimension and normative commitment (p-value 0.000), as well as in the relationship between the governance dimension and both affective commitment and normative commitment (p-value 0.000). However, the social dimension of ESG does not have a direct impact on employee commitment (p-values ranging from 0.069 to 0.219). Furthermore, employee motivation functions as an indirect-only mediator in the relationship between the social dimension of ESG and employee commitment (p-value 0.000). Besides, employee commitment does not moderate the relationship between the environmental dimension and affective commitment (p-value 0.053), the environmental dimension and continuance commitment (p-value 0.134), or the governance dimension on continuance commitment (p-value 0.078). The findings provide valuable insights into ESG practices for fostering employee commitment by enhancing employee motivation in Vietnamese commercial banks.

Keywords commercial bank, ESG, employee commitment, motivation, Vietnam

JEL Classification G21, J50, M10

INTRODUCTION

In the dynamic landscape of businesses globally, Environmental, Social, and Governance (ESG) factors have emerged as important determinants of organizational success, sustainability, and reputation (Orlitzky et al., 2011). In light of contemporary global issues, including climate change, social inequality, and ethical governance, organizations face increasing pressure to integrate ESG principles into their strategy to promote sustainable and responsible business practices (Clementino & Perkins, 2020). There is a growing global recognition

among organizations of the significance of ESG practices for employee motivation and commitment (Smith, 2019). Integrating ESG principles into an organization's strategy contributes to minimizing environmental and social risks and enhances the organization's reputation, stakeholder trust, and employee commitment (García-Sánchez et al., 2021).

In the context of increasing foreign investment in Vietnam, businesses are urged to align with international standards, including ESG practices. PwC Vietnam (2022) notes that 46% of Vietnamese employees show greater commitment to foreign businesses due to their adherence to sustainable ESG policies, reflecting stable future development. This trend pressures local businesses to adopt ESG practices to retain talent. Despite the benefits, ESG research in Vietnam is limited, as businesses struggle with ESG compliance (PwC, 2023). Besides, commercial banks in Vietnam are increasingly adopting ESG practices, recognizing their importance in mitigating environmental risks, promoting green growth, and enhancing corporate governance. However, while some achievements have been made, several challenges still hinder full-scale ESG implementation in Vietnam's banking sector.

1. LITERATURE REVIEW

Employee commitment has long been recognized as a critical factor influencing organizational success, with numerous studies exploring its determinants across various industries. In recent years, the integration of ESG factors into organizational frameworks has gained significant attention, not only as a driver of sustainable business practices but also for its potential influence on employee behavior and attitudes (Galbreath, 2013; Friede et al., 2015). ESG factors play a pivotal role in the sustainable development strategies of businesses and have a profound impact on employee commitment. Specifically, the Environmental (E) dimension influences employees' perceptions of responsibility and meaningfulness in their work through initiatives aimed at mitigating environmental impacts, fostering a sense of professional pride. The Social (S) dimension directly affects employee satisfaction and motivation by promoting corporate social responsibility practices, ensuring a safe, diverse, and inclusive work environment. Meanwhile, the Governance (G) dimension enhances employee trust and loyalty through transparent and equitable management practices, as well as clear policies for employee development. Collectively, ESG factors not only improve the corporate image but also establish a solid foundation for enhancing employee motivation and commitment, thereby fostering sustainable development within the organization (Li et al., 2018). In the banking sector, the integration of ESG factors is particularly relevant due to the industry's direct impact on economic stability and societal well-

being. Studies examining ESG initiatives in banking have primarily focused on their external implications, such as customer loyalty and financial performance (Scholtens, 2009; Wu & Shen, 2013). However, recent research highlights the growing importance of internal dynamics, including how ESG and ESG factors (including Environmental factor, Social factor, and Governance factor) influence employee attitudes and behavior (Gu et al., 2020; Lee et al., 2023).

1.1. Environmental factor and employee commitment

The environmental aspect of ESG covers various observable factors such as carbon emissions, energy efficiency, and waste management strategies. According to sustainability literature, organizations with strong environmental practices reduce their ecological impact and contribute to larger sustainability objectives (Voegtlin & Greenwood, 2016). For example, efforts to lower carbon emissions and preserve natural resources align with global endeavors to address climate change and protect biodiversity (Cek & Eyupoglu, 2020). Several compelling justifications support the incorporation of ecological elements into the ESG framework. Firstly, environmental sustainability has become critical given the growing ecological challenges, including climate change, resource depletion, and biodiversity decline (Voegtlin & Greenwood, 2016). By integrating sustainable environmental practices into their operations, organizations reduce their environmental footprint and position themselves as responsible cor-

porate citizens committed to global stewardship. Secondly, environmental sustainability is closely tied to organizational resilience and long-term viability, with proactive environmental management serving as a precursor to risk reduction and strategic adaptation in response to changing regulatory environments and stakeholder expectations (Cek & Eyupoglu, 2020).

Employee commitment is a crucial concept in organizational research, indicating the degree to which employees exhibit dedication, loyalty, and commitment to their organization (Meyer & Allen, 1997). Commitment refers to a range of phenomena, including the “state of being” bound by one’s actions, the willingness of individuals to devote energy and loyalty to social systems, the perception that it is impossible to choose another social identity, and emotional attachment to an organization beyond its purely instrumental value (Kim & Rowley, 2005; Kim et al., 2024). Affective, normative, and continuance dimensions comprise employee commitment. It reflects employees’ emotional attachment to the organization, their sense of obligation or duty, and the perceived costs associated with leaving (Meyer & Allan, 1997). According to Meyer and Allan (1997), affective commitment arises when individuals fully align with the organization’s goals and values, engage actively in the organization, and feel a personal responsibility for its success. Normative commitment, on the other hand, is the presence of individuals in the organization that is driven by expected standards of behavior or social norms, leading employees to work primarily out of compliance and adherence to formalities (Meyer & Allan, 1997). Continuance commitment is reflected in the employee’s relationship with the organization, which is based on the benefits they receive (such as salary, benefits, and connections) in exchange for their work, as well as the potential risks they may face if they choose to leave the organization (Meyer & Allan, 1997).

Organizations that prioritize strong environmental practices not only reduce their ecological impact but also foster higher levels of trust, commitment, and motivation among employees, and then initiatives signal to employees a commitment to long-term success and stability (Smith, 2019; Ramus & Steger, 2000). Personnel who regard

their organization as environmentally responsible are more inclined to take pride in their work, increase motivation, and demonstrate a heightened commitment to the values and objectives of the organization (Orlitzky et al., 2011).

1.2. Social factor and employee commitment

The societal dimension of ESG highlights the interplay between organizational behavior and broader societal welfare, encapsulating efforts to promote social responsibility, engage stakeholders, and enhance diversity and inclusion, such as equal opportunities, freedom of association, health and safety, human rights, and customer and product responsibility (Carroll, 1991). These endeavors contribute to societal welfare and demonstrate an organization’s dedication to ethical behavior and stakeholder involvement (Seker & Şengür, 2021). Organizations emphasizing social responsibility cultivate positive relationships with stakeholders, bolster brand reputation, and enrich the social fabric of their operating communities (Brammer & Millington, 2008). In a world increasingly attuned to social issues, organizations face mounting pressure to align their activities with societal expectations and positively impact the communities they serve (Seker & Şengür, 2021). Prioritizing social responsibility and fostering inclusive organizational cultures enables companies to build reputational capital, foster stakeholder trust, and nurture a committed and engaged workforce. Additionally, employees perceiving their organization as socially responsible are more likely to demonstrate higher levels of commitment, driven by a sense of purpose and alignment with organizational values (Brammer & Millington, 2008).

1.3. Governance factor and employee commitment

Governance practices within the ESG framework encompass transparency, accountability, and ethical decision-making mechanisms for safeguarding against corporate misconduct, enhancing investor trust, and promoting long-term value creation (Perdana et al., 2023). Effective governance serves as the bedrock of organizational integrity and ethical conduct, encompassing mechanisms aimed at ensuring accountability, transparency, and ethi-

cal decision-making (Solomon, 2010). Within the ESG framework, governance factors assume paramount importance due to their role in safeguarding against corporate malfeasance, promoting investor trust, and enhancing long-term shareholder value (Aguilera et al., 2007). By upholding high standards of governance, organizations can foster a culture of trust, empower stakeholders, and facilitate strategic alignment between organizational objectives and societal expectations (Perdana et al., 2023). From a sustainability perspective, organizations with robust governance practices are better equipped to navigate complex challenges, foster stakeholder trust, and ensure ethical conduct throughout the organization (Solomon, 2010). Moreover, a culture of transparency and accountability fosters employee trust and trust in organizational leadership, thereby enhancing employee commitment (Aguilera et al., 2007).

1.4. Mediating role of motivation

Motivation plays a crucial role in this relationship by influencing employees' attitudes and behaviors towards the organization (Grant, 2008). Motivation is defined as the psychological process that provides behavior with purpose and direction (Kreitner, 1995). Narayanan (2022) measured employee motivation factors by aspects such as employees being motivated by job advancement prospects, as well as training and development opportunities, external rewards, such as recognition and praise, and employees finding intrinsic motivation in enjoying their work and achieving personal achievements. Honore (2009) believes that employees, not money or products or profits, are the most valuable assets of any organization, so employers need to pay attention to motivating and maintaining employee motivation through the establishment of a positive work environment and the provision of avenues for employee development and employee commitment. Employees in organizations with strong ESG performance are more likely to experience a sense of pride and purpose in their work, which increases their motivation and commitment. Besides, Gholizade et al. (2014) indicated a strong positive correlation between job motivation and organizational commitment (including affective, normative, and continuance commitment),

which means that increasing job motivation leads to a corresponding increase in organizational commitment.

Studies by Alniaçık et al. (2012), Huang (2015), and O'Driscoll and Randall (1999) demonstrate a robust positive correlation between intrinsic motivation and affective commitment, emphasizing the importance of employees' inner drive in fostering emotional ties to their workplace. Empirical findings from cross-national studies by Huang (2015) reveal consistent patterns of association between intrinsic motivation, affective commitment, and normative commitment across different cultural contexts. These insights underscore the pivotal role of motivation in shaping employees' emotional bonds with their organizations, highlighting the need for organizations to cultivate environments that nurture and sustain employees' intrinsic motivation to enhance affective commitment. In addition, research on the relationship between continuance commitment and motivation underscores its pivotal role in understanding employee retention and employee commitment. Kasogela (2019) demonstrated that continuance commitment is linked to intrinsic motivation, which is affected by extrinsic motivation. This study demonstrates that increased motivating factors are positively associated with higher continuance commitment, ultimately leading to the development of human capital characterized by extensive experience and superior performance. Huang (2015) and Kasogela (2019) highlight intrinsic and extrinsic motivation, revealing that heightened motivating factors positively impact continuance commitment. These insights illuminate the complex dynamics between continuance commitment and motivation, crucial for retention strategies and employee development. Besides, Al-Madi et al. (2017) found that while affective commitment demonstrates the strongest association with employee motivation, normative commitment also plays a significant role, albeit slightly less pronounced. This aligns with Gholizade et al.'s (2014) observations of a robust positive correlation between job motivation and organizational commitment, which encompasses continuance commitment alongside affective and normative commitment. Furthermore, the findings of Al-Madi et al.'s (2017) study show that the association between employee motivation and affective commit-

ment is the strongest, followed by normative commitment and continuance commitment. From the above analysis, the integration of ESG factors has proven to enhance employee commitment across various dimensions. Environmental, Social, and Governance practices foster trust, motivation, and a sense of purpose among employees.

This study aims to investigate the complex interplay between ESG dimensions and their collective impact on employee commitment in commercial banks in Vietnam. Firstly, this study will examine each ESG dimension and the relationship between each ESG dimension and employee commitment. Secondly, this study will conduct an important test of the impact of the mediating variable motivation on the correlation between each ESG dimension and employee commitment. Lastly, the study aims to make a contribution to the current body of knowledge in economic research and provide practical implications for businesses aiming to leverage ESG for employee commitment. Below is the formulation of the hypotheses used and the proposed research model:

H_1 : *Environmental factor is positively correlated with employee commitment.*

H_{1a} : *Environmental factor is positively correlated with affective commitment.*

H_{1b} : *Environmental factor is positively correlated with continuance commitment.*

H_{1c} : *Environmental factor is positively correlated with normative commitment.*

H_2 : *Social factor is positively correlated with employee commitment.*

H_{2a} : *Social factor is positively correlated with affective commitment.*

H_{2b} : *Social factor is positively correlated with continuance commitment.*

H_{2c} : *Social factor is positively correlated with normative commitment.*

H_3 : *Governance factor is positively correlated with employee commitment.*

H_{3a} : *Governance factor is positively correlated with affective commitment.*

H_{3b} : *Governance factor is positively correlated with continuance commitment.*

H_{3c} : *Governance factor is positively correlated with normative commitment.*

H_4 : *Motivation mediates the impact of ESG on affective employee commitment.*

H_{4a} : *Motivation mediates the impact of the Environmental factor on affective employee commitment.*

H_{4b} : *Motivation mediates the impact of the Social factor on affective employee commitment.*

H_{4c} : *Motivation mediates the impact of the Governance factor on affective employee commitment.*

H_5 : *Motivation mediates the impact of ESG on continuance employee commitment.*

H_{5a} : *Motivation mediates the impact of the Environmental factor on continuance employee commitment.*

H_{5b} : *Motivation mediates the impact of the Social factor on continuance employee commitment.*

H_{5c} : *Motivation mediates the impact of the Governance factor on continuance employee commitment.*

H_6 : *Motivation mediates the impact of ESG on normative employee commitment.*

H_{6a} : *Motivation mediates the impact of the Environmental factor on normative employee commitment.*

H_{6b} : *Motivation mediates the impact of the Social factor on normative employee commitment.*

H_{6c} : *Motivation mediates the impact of the Governance factor on normative employee commitment.*

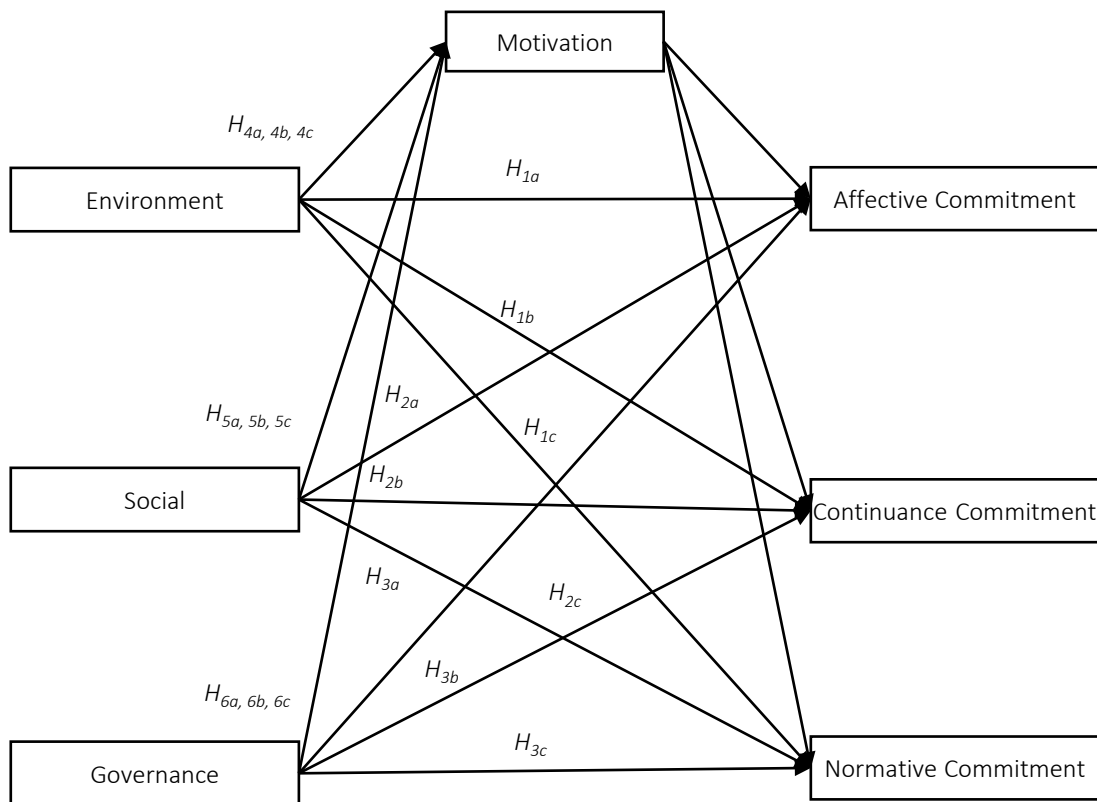


Figure 1. Research model

2. METHODOLOGY

The research sample collected responses from a large number of employees in the Vietnamese banking system to ensure the representativeness and reliability of the results. The target population consists of employees from commercial banks in Vietnam, with the sample drawn from the top 21 banks, collectively representing 93.7% of the workforce in the country’s commercial banking sector.

The questionnaires were created in the Google Form platform and sent to respondents by the snowball method to collect samples from 21 Vietnamese commercial banks from February 2024 to June 2024, resulting in 411 valid responses. This study comprises 411 valid observations across 7 variables, meeting the preferred sample-to-variable ratio of 20:1 recommended by Hair et al. (2010). The authors use SmartPLS version 4.1 software to assess the measurement model and analyze the partial least squares structural equation model (Ringle et al., 2024). Table 1 shows the demographics of the sample in this study. The sample profile included diverse demographics, with

the majority of respondents being female (60.3%), aged between 18 and 40 years (81.0%), and holding staff positions (53.8%).

Table 1. Sample demographics

Variables/ Criteria	Frequency	Percentage
Gender		
Male	163	39.7%
Female	248	60.3%
Age		
From 18 to 30 years old	204	49.6%
From 31 to 40 years old	129	31.4%
From 41 to 50 years old	65	15.8%
From 51 to 60 years old	13	3.2%
Income		
Employee	221	53.8%
Fist-line managers	97	23.6%
Middle managers	71	17.3%
Top manager	22	5.3%

A survey is a set of questions arranged in a certain logical order. Through the answers from respondents to the questionnaire, the researcher will collect the information he needs for the study. The survey form is the result of the qualitative research presented above.

Based on the research objectives, research problems, and research questions, the survey is designed into two main parts:

- Part 1: Information about the people surveyed (including questions about gender, age, and position). The format of this section is single-choice and multiple-choice questions, and the answer choices depend on the nature of the question.
- Part 2: Evaluate the relationship between observed variables. The scale for each factor is referenced from previously conducted studies. The group applies a 7-point Likert scale (1 is “Strongly disagree,” 2 is “Disagree,” 3 is “Somewhat disagree,” 4 is “Neutral,” 5 is “Somewhat agree,” 6 is “Agree,” and 7 is “Strongly agree”) to measure the statements included in the research model.

This study measured ESG, which includes Environmental factor, Social factor and Governance factor by adapting the research of Looor-Zambrano et al. (2022), Gannon and Hieker (2022), Malhotra and Pachauri (2022), and Narayanan (2022). Four items measured environmental factors, and an example of the Environmental factor is “I believe the bank I work for tries to minimize pollution when producing products/services”. Eight items measured the social factor, and an example of the Social factor is “I believe that my bank tries to provide clearly labeled/explained products for customers”. Four items measured the governance factor, and an example of the Governance factor is “I believe the bank I work for tries to provide the company’s financial information to the public”. The reality coefficients for Environmental, Social, and Governance factors were 0.928, 0.962, and 0.912, respectively.

Employee Motivation was measured using the scale adopted by Maslak et al. (2022), Narayanan (2022), and Shahzadi et al. (2014). Six statements were asked, and an example is “I believe that I find intrinsic motivation in enjoying my work and achieving personal accomplishments”. The reality coefficient for employee motivation was 0.954.

Employee commitment, including affective commitment, normative commitment, and continu-

ance commitment, was measured by items proposed by Liu and Wang (2013), Maqsood et al. (2012), Meyer et al. (2004), and Perreira et al. (2018). Of these, 8 items were used for affective commitment, and an example is “I would be delighted to dedicate the remainder of my career to the bank.” The normative commitment was measured by 6 items, and an example is “I need to maintain moral obligation because I believe that loyalty is important.” Continuance commitment was measured by 8 items, and an example is “It wouldn’t be too costly for me to leave my bank now”. The reality coefficients for affective commitment, normative commitment, and continuance commitment were 0.945, 0.935, and 0.922, respectively.

3. RESULTS AND DISCUSSION

The author followed the guidelines of Hair et al. (2010) to test the reliability, convergence, and discriminant validity of the measurement model (Table 2). The reliability of the scales is initially assessed using Cronbach’s alpha reliability coefficient and Composite reliability (CR). According to Hair et al. (2010), Cronbach’s alpha and Composite reliability (CR) values between 0.60 and 0.70 are the lowest acceptable level, whereas values exceeding 0.70 meet the requirement for being considered a reliable measure. In the study, every factor demonstrates reliability, as evidenced by all Cronbach’s alpha coefficients exceeding 0.7, ranging from 0.912 to 0.962. Furthermore, the CR coefficient ranging from 0.913 to 0.963 surpasses the 0.7 threshold, indicating that the CR of all factors is optimal. Such a value serves as a good indicator of optimal reliability.

Following that, the convergence of all variables was assessed through the average variance extracted (AVE) values and the loading factors. In theory, Hair et al. (2010) stated that a scale achieves convergent validity when the AVE is 0.5 or higher, and the loading factors are 0.7 or higher. In this study, the AVE of all these variables exceeded 0.5, and the loadings of all variables exceeded the threshold of 0.7. Therefore, the model’s convergence level is eligible for future investigation. Besides, Subsequently, the study used the Heterotrait-Monotrait (HTMT) ratio to evaluate the discriminant validity. The results in Table 2 show that the

Table 2. Reliability, convergence, and discriminant validity

Source: The results of analyzing data using SmartPLS 4.1.

Variables	Code	Loading	Cronbach's alpha	CR	AVE	HTMT
E	E1	0.904	0.928	0.928	0.822	0.591-0.871
	E2	0.906				
	E3	0.912				
	E4	0.904				
S	S1	0.880	0.962	0.963	0.791	0.561-0.898
	S2	0.900				
	S3	0.899				
	S4	0.902				
	S5	0.903				
	S6	0.870				
	S7	0.903				
	S8	0.855				
G	G1	0.883	0.912	0.913	0.790	0.581-0.895
	G2	0.891				
	G3	0.884				
	G4	0.898				
EM	EM1	0.881	0.954	0.955	0.814	0.620-0.867
	EM2	0.911				
	EM3	0.911				
	EM4	0.903				
	EM5	0.886				
	EM6	0.920				
AC	AC1	0.853	0.945	0.950	0.727	0.710-0.894
	AC2	0.864				
	AC3	0.824				
	AC4	0.702				
	AC5	0.908				
	AC6	0.894				
	AC7	0.862				
	AC8	0.896				
CC	CC1	0.716	0.922	0.940	0.645	0.558-0.751
	CC2	0.819				
	CC3	0.796				
	CC4	0.789				
	CC5	0.827				
	CC6	0.826				
	CC7	0.811				
	CC8	0.832				
NC	NC1	0.852	0.935	0.936	0.756	0.728-0.861
	NC2	0.863				
	NC3	0.885				
	NC4	0.890				
	NC5	0.870				
	NC6	0.855				

Note: E: Environmental factor; S: Social factor; G: Governance factor; EM: employee commitment; AC: affective commitment; CC: continuance commitment; NC: normative commitment.

scale's discrimination is acceptable because all HTMT values are smaller than 0.9. Thus, all factors meet the requirements of discriminant value. In other words, the absence of multicollinearity ensures that the data gathered is dependable and certain.

Table 3 shows the results of hypothesis testing. As presented in Table 3, the Environmental factor demonstrates a positive and significant impact on employee commitment in all three aspects, affective commitment, continuance commitment, and normative commitment, with coefficients

Table 3. Hypothesis testing results

Source: The results of analyzing data using Smart PLS 4.1.

Paths	Path coefficient	t-value	P values	Decisions
E → AC	0.333	4.081	0.000	Accept H_{1a}
E → CC	0.263	2.947	0.003	Accept H_{1b}
E → NC	0.313	3.990	0.000	Accept H_{1c}
S → AC	-0.165	1.816	0.069	Reject H_{2a}
S → CC	-0.130	1.231	0.219	Reject H_{2b}
S → NC	-0.145	1.702	0.089	Reject H_{2c}
G → AC	0.273	4.230	0.000	Accept H_{3a}
G → CC	0.325	3.848	0.000	Accept H_{3b}
G → NC	0.160	2.356	0.019	Accept H_{3c}
E → EM → AC	0.103	1.938	0.053	Reject H_{4a}
S → EM → AC	0.245	4.475	0.000	Accept H_{4b}
G → EM → AC	0.116	2.580	0.010	Accept H_{4c}
E → EM → CC	0.042	1.499	0.134	Reject H_{5a}
S → EM → CC	0.101	2.142	0.032	Accept H_{5b}
G → EM → CC	0.048	1.760	0.078	Reject H_{5c}
E → EM → NC	0.098	1.968	0.049	Accept H_{6a}
S → EM → NC	0.234	4.431	0.000	Accept H_{6b}
G → EM → NC	0.111	2.557	0.011	Accept H_{6c}

of 0.333, 0.263, and 0.313, respectively, and all three p-values of 0.000 leading to the acceptance of hypotheses H_{1a} , H_{1b} , and H_{1c} . Additionally, the Governance factor exhibits a positive and significant relationship with employee commitment in all three aspects, affective commitment, continuance commitment, and normative commitment, with coefficients of 0.273, 0.325, and 0.160, respectively, with all three p-values 0.000, leading to the acceptance of hypotheses H_{3a} , H_{3b} , and H_{3c} . Moreover, the Social factor exhibits an insignificant influence on employee commitment, with p-values ranging from 0.069 to 0.219, leading to rejection of hypotheses H_{2a} , H_{2b} , and H_{2c} .

In addition, based on Table 3, six out of nine moderating relationships find empirical support, except hypotheses H_{4c} , H_{5a} , and H_{5c} , with p-values higher than 0.05. It indicates that employee motivation mediates most relationships between Environmental, Social, and Governance factors and three types of commitment, except the impact relationship from Governance factors to continuance commitment, Environmental factors to affective commitment, and Environmental factors to continuance commitment. Employee motivation functions as an indirect-only mediator in the relationship between the social dimension of ESG and affective commitment, continuance commitment, and normative commitment,

with coefficients of 0.245, 0.101, and 0.234, respectively, with all three p-values 0.000, leading to the acceptance of hypotheses H_{4b} , H_{5b} , and H_{6b} . Besides, Employee motivation functions as a complementary mediator in the relationship between the environmental dimension of ESG and normative commitment, with coefficients of 0.098 and p-value 0.000, leading to the acceptance of hypothesis H_{6a} . Employee motivation positively mediates the relationship between the governance dimension of ESG and affective commitment and normative commitment, with coefficients of 0.116 and 0.111, respectively, with p-values lower than 0.05, leading to the acceptance of hypotheses H_{4c} and H_{6c} . However, the moderate effect of Employee motivation on the relationship between environmental dimension and affective commitment and continuance commitment resulted in hypotheses H_{4a} and H_{6a} not being supported, with p-values higher than 0.005 (at 0.053 and 0.134, respectively). In addition, the moderate effect of Employee motivation on the relationship between governance dimension and continuance commitment resulted in hypothesis H_{5c} not being supported with a p-value higher than 0.005 (at 0.078).

This study confirms the positive influence of environmental and governance factors on employees' affective, continuance, and normative commitment. Furthermore, the study unveils

the mediating influence of employee motivation in the relationship between environmental factors and normative commitment, the relationship between governance factors and affective commitment, and the relationship between governance factors and normative commitment. These findings are in line with previous research. Specifically, Colquitt et al. (2001) and Meyer et al. (2002) discovered that Environment-related ESG factors can affect employees' commitment. Besides, research by Feng et al. (2018) and Sadeghi (2019) highlights the positive correlation between the Governance dimension and employee motivation.

Notably, the study affirms that Social factors are linked insignificantly to employee commitment. These unexpected results compared with the conclusion about the relationship between Social and employee commitment, as in a study by Brammer and Millington (2008). However, these relationships between Social factors and employee commitment become significant when employee motivation plays a mediating role. Aligned with this statement, studies by Looor-Zambrano et al. (2022) demonstrate the mediating role of motivation in the relationship between Social factors and three types of commitment, including affective commitment, normative commitment, and continuance commitment.

CONCLUSION

This study aims to explore the intricate relationships among ESG dimensions and their combined influence on employee commitment, with the mediation effect of employee motivation in Vietnam's commercial banking sector. The empirical results show that the Environmental factor and the Governance factor in ESG have a direct positive effect on employee commitment, with the mediation effect of employee motivation. Although the Social factor in ESG does not have a statistically significant direct effect on employee commitment, the mediation role of employee motivation in the relationship between social factors and employee commitment is confirmed. These findings underscore the differential pathways through which ESG components influence workforce attachment and highlight the importance of motivational processes in translating ESG initiatives into committed employee behavior.

The findings of this study provide several implications for commercial banks in Vietnam to implement ESG. Firstly, commercial banks in Vietnam should focus on Environmental factors and Government factors to boost employee commitment directly. To address the waste pollution aspect in environmental factors, commercial banks in Vietnam should conduct a comprehensive assessment of their waste generation sources, including toxic emissions and waste streams, to identify areas for waste reduction, reuse, or recycling. To enhance corporate governance, commercial banks in Vietnam should ensure compliance with relevant laws and regulations, both domestically and internationally. In addition, employee motivation should be encouraged in commercial banks in Vietnam as the strategic driver to mediate the impact of all ESG dimensions, especially when the Social dimension's direct effect is insignificant. Commercial banks should focus on creating a positive and balanced work environment that can strengthen employee motivation and reinforce the link between ESG practices and employee commitment.

There are some limitations to this study. First, it primarily focused on quantitative measures, neglecting qualitative insights that could offer a deeper understanding of the mechanisms underlying the relationship between ESG practices and employee behavior. Qualitative research methods, such as interviews, could complement quantitative findings by capturing employees' perceptions and experiences related to ESG initiatives. Moreover, the study did not explore potential contextual factors that may influence the relationship between ESG practices and employee outcomes. Organizational characteristics such as size, industry, and geographic location could moderate the effects of ESG initiatives on employee behavior.

AUTHOR CONTRIBUTIONS

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INFORMED CONSENT STATEMENT

This study adhered to ethical guidelines and research principles. Informed consent was obtained from all individual participants included in the study. Confidentiality and anonymity were strictly maintained throughout the research process. The Ethical Committee of the Faculty of Business Administration, Banking Academy of Vietnam has granted approval for this study on August 12th, 2024 (Ref. No. 121082024/HDKH-KNH-HVNH).

DATA AVAILABILITY STATEMENT

The raw data supporting the conclusions of this article will be made available by the authors on request.

CONFLICT OF INTEREST

The authors declare no conflict of interest.

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