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# ENHANCING EMPLOYEE LOYALTY AND PERFORMANCE IN THE INSURANCE INDUSTRY

Exploring Leadership Strategies at Manulife Vietnam

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## ABSTRACT

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Employee retention has always been a crucial issue for businesses, as it directly influences workplace productivity and innovation. This thesis examines the strategies Manulife employs to strengthen employee loyalty, with a particular emphasis on leadership's role.

The study provides an overview of the research context, outlining the challenges Manulife faces and the high employee turnover rates in the insurance sector. It defines key research questions, including the current state of employee loyalty, the factors influencing retention across various departments, and strategies for improving employee retention rates.

Using theoretical frameworks, the thesis explores the connection between loyalty, job satisfaction, and leadership models. Specifically, it evaluates how different leadership styles—primarily transactional and transformational leadership—affect employee satisfaction.

The empirical section of the study investigates Manulife's organizational structure, utilizing surveys and interviews to gather insights into employee turnover, leadership-driven motivation, and job satisfaction across different departments and branches. The findings highlight discrepancies in employee satisfaction levels across units, underscoring leadership as a pivotal factor influencing loyalty. The results suggest that branches experiencing higher turnover can learn from those with lower turnover by implementing strategies such as effective leadership, leadership training programs, and engaging employees in decision-making processes.

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Keywords: employee loyalty, leadership impact, leadership behavior, leadership style, job satisfaction

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# **1. INTRODUCTION**

## **1.1 Research Context**

### **1.1.1 Overview of the Insurance Industry in Vietnam**

As of 2024, Vietnam's insurance market has experienced tremendous expansion and change, as evidenced by a number of noteworthy successes that demonstrate the sector's progress.

The stable increase in premium revenue has highlighted the growing awareness among the Vietnamese population regarding the importance of insurance. This awareness has been stimulated by a combination of economic growth and increased public discourse on risk management. As the economy continues to expand, both individuals and businesses recognize the necessity of financial protection against unforeseen events. This shift in mindset is crucial; it indicates the maturation of the market, where insurance is no longer perceived as a luxury but rather as an essential component of financial planning.

Moreover, the COVID-19 pandemic has had a substantial impact on consumer behavior, which has increased demand for health insurance products. The pandemic served as a stark reminder of life's unpredictability and the importance of safeguarding one's health and financial well-being. This trend aligns with global patterns observed in many markets, where health-related insurance products have skyrocketed during times of crisis.

As the industry becomes increasingly competitive, with both domestic and international investors entering the market, companies are compelled to diversify their products and enhance service quality. The influx of new investors not only intensifies competition but also drives innovation, prompting existing companies to reassess their strategies. In this context, the development of diverse insurance products, including liability, property, and health insurance — reflects an adaptive response to the evolving needs of consumers.

Despite the optimistic outlook, Vietnam's insurance market confronts a number of obstacles. The significant incidence of customer rejection is one of the main obstacles. Many individuals remain hesitant to engage with insurance products due to a lack of trust in insurance companies, coupled with a limited understanding of the benefits of insurance. Insurance firms must improve their client education and communication strategies to overcome this problem. Organizing workshops, community events, and media campaigns can help enhance public awareness and understanding of insurance.

Moreover, increasing transparency of information and improving customer service will contribute to building trust and encouraging customers to participate in the insurance market.

Additionally, workforce volatility within the insurance sector poses a barrier to sustainable development. High turnover rates and frequent job changes among insurance professionals create instability within organizations. To tackle this issue, insurance companies must cultivate a positive work environment and create career development opportunities for employees. Implementing effective leadership strategies, such as fostering innovation and allowing employees to participate in decision-making, may boost employee loyalty and lower attrition rates.

Specifically, this study will concentrate on the methods of management Manulife Vietnam uses to foster employee loyalty. These strategies not only improve work performance but also foster innovation within the organization. By applying modern leadership models, Manulife may establish a productive workplace culture where staff members are inspired to contribute and feel appreciated.

Ultimately, this research will not only participate in the existing corpus of information in the field of leadership within the insurance industry but also provide practical insights for insurance companies operating in Vietnam.

The research's conclusions will provide businesses a better grasp of the difficulties facing the insurance industry, thereby enabling them to devise appropriate solutions to enhance operational efficiency and sustainable development in the future.

In summary, Vietnam's insurance sector is at the intersection of several possibilities and difficulties. The implementation of effective leadership strategies will be key to overcoming these challenges and leveraging future growth opportunities.

### **1.1.2 Introduction to Manulife Vietnam**

One of Vietnam's top providers of life insurance is Manulife Vietnam, part of the Manulife Financial Corporation headquartered in Canada. Established in 1999, Manulife not only provides high-quality insurance products but also promotes the development of the insurance industry in Vietnam through continuous innovation and improvement.

The first entirely foreign-owned life insurance provider in Vietnam is Manulife Vietnam, marking a significant step in attracting foreign investment into the insurance sector. With the highest charter capital in the market, Manulife has demonstrated strong financial capability, which not only instills confidence in customers but also affirms the business's standing in the sector.

Manulife Vietnam has built a vast network with over 70 offices and a team of more than 1,000 employees, along with over 50,000 consultants. This strong presence allows the company to reach and serve nearly 1.5 million customers nationwide, showcasing its success in market expansion and meeting the diverse needs of clients. (Information updated as of March 31, 2024). Establishing partnerships with leading banks is also a smart strategy, enabling Manulife to leverage a wide distribution network and enhance its presence in the community.

Moreover, Manulife's mission to accompany customers in providing exceptional health, financial, and retirement protection solutions reflects the company's strong commitment to its clients. Continuous product and service innovation not only helps Manulife maintain its competitive edge but also timely meets the increasing and diverse demands of customers. The technology initiatives and digital transformation that Manulife implements are also crucial in the current context, as customers increasingly prefer online services and digital conveniences.

Additionally, the community activities carried out by Manulife contribute to enhancing brand image and building trust within the community. These activities not only demonstrate the company's social responsibility but also deepen its connection with customers, thereby fostering a supportive and cohesive community.

In summary, Manulife Vietnam is not just an insurance company but also a symbol of innovation and sustainable development in the insurance industry in Vietnam. With relentless efforts to improve products, services, and enhance the quality of its consulting team, Manulife is steadily affirming its position and contributing to the overall growth of the insurance market in Vietnam. The success of Manulife serves as a valuable lesson for other insurance companies in developing sustainable growth strategies and meeting customer needs in the digital age.

## **1.2 Statement of the Problem**

According to this study, there are major obstacles to employee performance, loyalty, and inventiveness in the Vietnamese insurance industry. Addressing these issues requires, in particular, the application of strong leadership techniques. Transformational leadership has been found to be a crucial component in fostering employee engagement and loyalty, as was indicated in the introduction. This is particularly true in the insurance sector, where there is a strong need for innovation and growing competition.

The absence of relationship-building between leaders and employees is one of the biggest issues with employee loyalty. According to earlier research, workers are more inclined to stick with a company when they feel empowered and encouraged by their managers (Chen & Silverthorne, 2008; Judge & Piccolo, 2004). However, in the Vietnamese insurance sector, many employees still feel a lack of connection and support from leadership, leading to low motivation and commitment.

Creativity is also an important factor to consider. The insurance industry not only needs to maintain employee loyalty but also to encourage innovation to meet the increasingly diverse needs of customers. Research by Brown and Mitchell (2010) has shown that transformational leadership can create a conducive environment for creativity. However, in practice, many insurance organizations in Vietnam have yet to truly create space for employees to express their ideas and initiatives. This may be due to rigid management practices or a lack of policies that promote creativity.

Organizational performance is also significantly affected by these factors. When employees do not feel loyal or are not encouraged to be creative, their work performance declines. This leads to organizations being unable to achieve strategic goals and sustainable development. Furthermore, in the context of the rapidly developing Vietnamese insurance market, a lack of improvement in performance may hinder organizations in competing with their rivals.

This study also highlights how these challenges may be addressed with the use of effective leadership techniques. Specifically, developing leadership training programs aimed at enhancing communication skills, support, and empowerment for employees is essential. Insurance organizations should consider implementing transformational leadership models to establish a productive workplace where staff members feel appreciated and inspired to participate.

Lastly, this study provides a fresh perspective for future investigations into human resource management and leadership in Vietnam's insurance industry. Using Manulife Vietnam as a case study might yield important insights into how leadership techniques can be implemented and modified to suit Vietnam's unique cultural and economic setting. This promotes the long-term, sustainable growth of the insurance sector in addition to helping insurance companies function better.

### **1.3 Research Objectives**

The following are the study's primary goals:

1. To assess the leadership techniques used by Manulife Vietnam.
2. To assess how these tactics affect the dedication and loyalty of employees.
3. To investigate how employee creativity and leadership tactics relate to one another.
4. To evaluate how well leadership techniques work to raise overall performance in the insurance sector.

### **1.4 Research Questions**

1. What specific leadership strategies has Manulife Vietnam implemented to enhance employee loyalty?
2. In what ways do the leadership strategies applied by Manulife Vietnam foster employee creativity?
3. How do workers feel about leadership tactics' ability to reduce excessive staff turnover in Vietnam's insurance sector?
4. What challenges does Manulife Vietnam face in implementing effective leadership strategies, and how are these challenges addressed?
5. How do the leadership strategies of Manulife Vietnam compare to those of other insurance companies operating in Vietnam?

6. How does organizational culture affect Manulife Vietnam's leadership techniques' efficacy?
7. How do outside variables, such market rivalry and legislative modifications, affect Manulife Vietnam's leadership tactics?
8. What lessons can be drawn from the leadership strategies of Manulife Vietnam that could be applied to other sectors in the Vietnamese economy?

### 1.5 Significance of the Study

This study proposal offers several benefits:

1. **Practical Insights:** The findings will provide insurance companies operating in Vietnam with practical insights into effective leadership and management strategies. By understanding the strategies employed by Manulife Vietnam, other companies can adapt and implement similar approaches to enhance employee loyalty, creativity, and overall performance.
2. **Industry Development:** The findings of the study will support the growth of Vietnam's insurance sector. By identifying effective strategies, this study may help address challenges faced by the industry, such as high turnover rates, which affect customer confidence.
3. **Academic Contribution:** This research will contribute to the body of information already available on management and leadership in the insurance industry, especially with regard to Vietnam. The research will offer a distinctive viewpoint and advance knowledge of successful leadership techniques in various organizational and cultural contexts by placing it within the Vietnamese insurance industry.

In conclusion, the purpose of this study project is to investigate the successful leadership techniques that Manulife Vietnam has used in the setting of the

insurance sector. This study will add to the body of knowledge by examining how these tactics affect employee loyalty, innovation, and overall performance. It will also offer useful insights for insurance firms doing business in Vietnam. The findings of this research will not only benefit the industry but also enhance academic understanding in the fields of leadership and management.

## **1.6 Research Methodology and Scope**

### **1.6.1 Case Study Design**

A qualitative case study approach will be used in this research to collect detailed data about the management and leadership tactics used by Manulife Vietnam. This study will offer a thorough grasp of the tactics used and their results within a particular organizational setting by focusing on a single example.

### **1.6.2 Data Collection**

Semi-structured interviews with important stakeholders will be the main technique used to collect data, such as senior managers, team leaders, and employees from various departments within Manulife Vietnam. Additionally, document analysis will be conducted to review internal policies, reports, and performance indicators. These diverse data sources will guarantee the correctness and dependability of the result.

### **1.6.3 Data Analysis**

Thematic analysis, which entails finding recurrent themes and patterns in the data, will be used to examine the gathered information. This process will allow for the identification of the key leadership and management strategies employed by Manulife Vietnam, as well as their impact on the loyalty of employees, creativity, and overall performance. Both qualitative and quantitative techniques are used to evaluate the leadership techniques used by Manulife Vietnam.

Using both approaches allow for a thorough analysis of the company's initiatives, offering in-depth knowledge of their efficacy and influence on employee results. Key executives and managers will be interviewed in order to get qualitative data. These interviews will offer insightful information on the company's strategy and provide crucial details about their efficacy and implementation. Because the interviews are semi-structured, there is freedom in examining pertinent subjects, guaranteeing that all important facets of the leadership techniques are covered. By accurately recording and transcribing the interviews, the researchers have ensured the precision and reliability of the data.

In order to find recurring themes and patterns in the data, thematic analysis has been used to the interview transcripts. This method enables a methodical analysis of the qualitative data, helping researchers to identify key findings and draw meaningful conclusions. The involvement of multiple researchers in the analysis process has ensured consistency and reliability, as it minimizes the potential for bias and enhances the likelihood of achieving consensus on the themes and patterns found.

Surveys were used to gather quantitative data from a sample of one hundred employees. These surveys assessed employees' perceptions of leadership and management strategies, as well as their levels of loyalty, creativity, and performance. The validity and reliability of the data gathered were guaranteed by the survey's methodology, which made use of recognized scales. By implementing electronic surveys, the researchers ensured confidentiality and ease of data collection, thereby increasing the response rate and minimizing potential biases associated with direct administration.

Statistical methods, such as regression analysis, were applied to analyze the survey data. These techniques made it possible to determine the connections between employee outcomes and management and leadership tactics. By quantifying these relationships, the researchers were able to provide a more objective assessment of the impact of the strategies employed by Manulife Vietnam on employee results.

To guarantee the accuracy of the data, a number of steps were performed. To guarantee clarity and comprehensibility, the questionnaires were first evaluated with a small group of employees. Any necessary modifications were made based on the feedback received, leading to improvements in the survey tools. Second, to make sure the results were representative and applicable to a wider population, the questionnaires were administered to a broader sample of employees. This method strengthened the study's external validity and the findings' generalizability.

### **1.7 Structure of the Thesis**

The requirement of the research topic, selection criteria for research subjects, research techniques, study scope, and study structure are all covered in Chapter 1.

Chapter 2 examines how our understanding of effective leadership has evolved to satisfy the creative needs of today's dynamic workforce.

A theoretical analysis of work performance and employee loyalty is presented in Chapter 3, along with a discussion of definitions, importance, and affecting variables. The connection between employee work performance and loyalty is also covered in this chapter.

Chapter 4 looks at how leadership philosophies affect Manulife employees' performance and loyalty.

Chapter 5 will present findings, analyze leadership styles, and propose solutions to enhance employee loyalty and job performance.

Chapter 6 discusses how effective leadership strategies play a crucial role in building loyalty and encouraging creativity, as well as improving employee performance.

## **2. THE THEORY OF LEADERSHIP**

### **2.1 Definition of Leadership**

Leadership in the workplace is essential for influencing organizational motivation and having a direct influence on the company's capacity to meet its objectives. Over time, research on leadership has evolved from traditional viewpoints that emphasize the innate qualities of leaders to more flexible and comprehensive approaches. Understanding the complex nature of leadership has become increasingly essential, particularly as businesses seek to enhance employee engagement and improve job satisfaction (Northouse, 2021).

Bass and Bass (2008) argue that leadership involves guiding and influencing activities within a group or organization to achieve established objectives. This indicates that leadership is related to setting a vision, communicating goals, and motivating individuals to work towards common success.

According to Burns (1978), there are two types of leadership: transformative and transactional. The goal of transformational leadership is to inspire and motivate staff members to grow and perform better, whereas transactional leadership relies on incentives and trades to accomplish outcomes.

Ultimately, leadership is a multifaceted and intricate process that necessitates successful communication between the leader and followers in order to achieve success and long-term growth for the business.

Servant leaders put their followers' needs first while encouraging and pushing them to contribute to the shared objective, claim Eva et al. (2019).

## **2.2 Trait Theory**

According to trait theories of leadership, some people have natural leadership and influence skills because of their inherent qualities. According to this theory, leadership traits are not the result of experience or training but are formed from the essence of human nature. This perspective reflects the assumption that leadership is a set of inherent traits that can be universally applied, regardless of the organizational or social context (Zaccaro, 2007).

Although early studies attempted to identify a list of distinguishing traits of successful leaders, there is no clear evidence to support the existence of a unique set of traits that guarantees success in a leadership role. As a result, the strategy has changed from concentrating just on personal qualities to taking into account the interplay of situational elements, leadership behaviors, and personal features (Judge et al., 2002).

Currently, trait theory is viewed as part of a comprehensive model, where factors such as emotional intelligence, ethics, and communication style also play crucial roles in determining an effective leader. Some studies have indicated that while personal traits may influence leadership style, it is not possible to assess leadership effectiveness solely based on fixed characteristics (Antonakis et al., 2004). Instead, leaders need to develop the ability to adapt to specific circumstances and work environments to optimize their roles (Day & Zaccaro, 2004).

In summary, trait theory remains valuable in identifying characteristics that can help an individual become a leader. However, modern research has broadened the scope by emphasizing that leadership is influenced not only by innate traits but also by behaviors, environments, and the ability to adapt to specific situations.

### **2.3 Behavioral Theory**

The behavioral theory of leadership posits that anyone who, through their actions and behaviors, can influence others to follow their intentions is a true leader. This idea places more emphasis on the particular acts and behaviors of leaders than on their intrinsic traits. According to this view, a person's ability to lead effectively depends more on the particular acts they perform in a leadership environment than it does on whether they are "born to be a leader".

Task-oriented behavior and people-oriented behavior are the two main schools of thought that make up behavioral theory. Task-oriented behavior emphasizes achieving specific goals through planning, organizing, and monitoring. In contrast, people-oriented behavior prioritizes building relationships, motivating individuals, and fostering team spirit.

The work of Blake and Mouton (1964), who developed the Managerial Grid model, provides a noteworthy illustration. Based on the level of care for both people and production, this model categorizes leadership styles. Because it has both of these essential components, the "Team Leadership" style is seen to be optimal.

Behavioral theory has also given rise to analytical frameworks like Situational Leadership Theory, which was created by Hersey and Blanchard and contends that there is no one best way to lead in every circumstance; instead, leaders must adapt their actions according to the team's readiness and abilities.

### **2.4 Situational Theory**

Situational theories of leadership recognize that the effectiveness of leadership is not solely determined by inherent qualities or fixed behaviors, marking a significant shift from previous trait and behavioral models. Instead, these theories emphasize the critical role of the situational environment in influencing leadership (Fiedler, 1967). They acknowledge that effective leadership is shaped not only by qualities or behaviors but also by the surrounding context.

There is no "perfect" leadership style that works in every situation, according to situational leadership theory. Effective leadership instead rests on the leader's capacity to modify and match their management approach to the level of preparedness, proficiency, and independence of their staff.

A leader's performance depends on how well their innate leadership style fits the situational setting, according to Fiedler's Situational Model. Although these theories offer insightful information, putting them into practice can be difficult, and the idea of a set leadership style may be constrictive. However, they emphasize how crucial it is to modify leadership to suit followers' demands, which can raise worker happiness.

The foundational ideas of situational theory proposed by Hersey and Blanchard in the 1960s laid the groundwork for "adjusting" leadership styles to specific situations (Hersey & Blanchard, 1969). They argued that no leadership approach is absolutely correct; instead, effectiveness is measured by the alignment between leadership style and employee readiness. For example, in the initial stages of a project, when employees are inexperienced and unfamiliar with their tasks, employing a "directive" style to provide information and specific guidance will yield better results. Conversely, as the team matures and becomes capable of self-management, transitioning to a "delegating" style will help maximize their creative potential.

This perspective has been further expanded by modern scholars. According to Northouse (2021), a successful leader must possess both strong competence and the flexibility to modify their approach depending on the specific work environment. As business environments become increasingly diverse and rapidly changing, this flexibility becomes a key factor in helping organizations maintain sustainable competitive advantage.

Additionally, Graeff (1997) offered a critical view of this theory, emphasizing that while leadership styles can be clearly categorized, the real dynamic between managers and staff is frequently complicated and deviates from a set pattern.

### **2.5 Transformational Leadership and Transactional Leadership Theories**

Changing and raising members' consciousness inside an organization is the main goal of transformational leadership. Transformational leaders not only provide vision but also inspire, encourage creativity and personal development, thereby helping the organization achieve outstanding goals. According to Burns (1978), this type of leadership encourages individuals to "go beyond themselves" to achieve common achievements that exceed initial expectations. Bass (1985) expanded this concept by emphasizing factors such as vision, inspiration, encouragement of creative thinking, and personal concern for each employee. Through this, this leadership style helps create a dynamic, innovative and constantly evolving work environment (Burns, 1978; Bass, 1985).

Transactional leadership, as opposed to transformative leadership, is concerned with creating and preserving transparent exchange relationships between leaders and followers. This style relies heavily on reward-punishment mechanisms to motivate performance. Transactional leaders set specific goals, establish rules, and use monitoring systems to ensure that tasks are performed according to expectations. This contributes to maintaining order and short-term efficiency for the organization, although it may limit creativity and innovation compared to transformational leadership (Bass, 1985; Bass & Avolio, 1994). In today's organizational environment, many businesses apply a combination of both leadership styles to both ensure work efficiency through reward-punishment systems (transactional leadership) and promote employee innovation and creativity (transformational leadership).

The objectives of the company, the makeup of the workforce, and the particular market conditions are frequently taken into consideration when selecting a leadership style.

For example, in technology companies that need to constantly innovate, transformational leadership is often preferred, while organizations operating in stable environments with standardized work processes tend to favor transactional leadership (Bass, 1985; Bass & Avolio, 1994).

## **2.6 Leader-Member Exchange (LMX) Theory**

According to the Leader-Member Exchange (LMX) idea, leadership is a dynamic process that incorporates various exchanges between team members and leaders. LMX emphasizes the nature of the interaction between leaders and people, which in turn influences employee motivation and performance, in contrast to traditional leadership models that see leadership as a uniform procedure for all workers (Graen & Uhl-Bien, 1995).

According to this idea, there are two primary categories of leader-member relationships: in-group and out-group. In-group workers often enjoy stronger bonds with their managers, are trusted and supported, and have more prospects for advancement. Peripheral groups, on the other hand, are more likely to have lower levels of organizational commitment, less growth prospects, and transactional connections (Dansereau et al., 1975).

High-quality leader-employee connections can also result in more motivation, better performance, and lower turnover, according to LMX study (Liden et al., 1997). On the other hand, workers are more likely to be dedicated to the company and actively participate in its general growth when they believe they are being treated fairly and have a close relationship with their leaders (Gerstner & Day, 1997).

Although LMX theory provides many new perspectives on work motivation, it has also faced some criticism. Some argue that dividing employees into two groups can create bias and negatively affect the morale of peripheral groups (Scandura,

1999). Therefore, recent studies emphasize the need to enhance fairness in leader-member relations to avoid negative effects from group discrimination.

In summary, LMX is an important theory that helps to better understand how personal relationships between leaders and employees can affect organizational performance. This theory suggests that leaders need to care not only about job performance but also build positive relationships with employees to promote organizational commitment and engagement.

## **2.7 Servant Leadership Theory**

A leadership approach known as "servant leadership" prioritizes the needs of others before one's own prestige or accomplishments. Robert K. Greenleaf first proposed the idea in the 1970s, when he defined the ideal leader as someone who puts their followers' growth first and is prepared to serve before taking charge (Greenleaf, 1977).

In contrast to conventional leadership theories that prioritize influence or power, servant leadership theory emphasizes ethics, altruism, and concern for the development of employees (Eva et al., 2019). Leaders following this model not only aim for organizational effectiveness but also help employees develop personally and professionally (Liden et al., 2008).

## **3. THE IMPACT OF LEADERSHIP ON EMPLOYEE LOYALTY AND PERFORMANCE**

### **3.1 Employee Loyalty**

Job happiness and employee loyalty are strongly associated, playing a significant role and having a profound impact on performance, productivity and sustainable growth in the corporate workplace.

A group of feelings that make workers feel devoted to their current employer and less inclined to perceive a better future elsewhere are collectively referred to as employee loyalty. Numerous facets of a business's operations are impacted.

Employers used to promise job security in return for dedication and devotion under the idea of "employment for life".

These days, job security is not always offered since firms are under pressure from shareholders to perform well. It is understandable why some businesses lose almost one-third of their workforce each year. Employee loyalty may seem extinct when faced with figures like these.

Lack of loyalty and frequent staff turnover, particularly among younger employees, are issues that many business owners are worried about. Young people have been exposed to a steady flow of information since they were young, and thanks to applications like Facebook and Twitter, they are always aware of new job openings. Furthermore, in today's environment, it is uncommon for young workers to remain with one company for extended periods of time because they are frequently independent and daring. In order to continue operating, all businesses will ultimately need to hire new staff, therefore it's critical that they take all necessary steps to foster the loyalty that will help them stay on board.

This chapter analyzes the complex relationship between loyalty, satisfaction, and performance and provides actionable insights to help companies in their pursuit of excellence. Focusing on the most valuable asset of a business, its employees, understanding the nature of the problem and providing solutions to create a workforce that is so loyal and dedicated to the business that they never want to leave.

### **3.1.1 Definition**

The degree of dedication, devotion, and faith that workers have in the company where they are employed is known as employee loyalty. It reflects the desire of employees to continue working long-term, supporting common goals and maintaining positive morale at work (Mowday, Steers, & Porter, 1979). Loyalty is

not only physical presence, but also mental and emotional agreement with the mission and values of the business.

Long-term employment is only one aspect of employee loyalty; other traits include emotional attachment, trust, readiness to contribute, and alignment with the organization's mission and fundamental values (Mowday, Steers, & Porter, 1979). Since they view the growth of the company as their own, devoted employees will not be readily enticed by invites from other companies. Allen and Meyer (1990) identified three primary components of loyalty:

Feelings and the desire to stay involved with the organization are the sources of affective commitment.

Continuance commitment: stems from the belief that quitting the company would be expensive.

Moral responsibility or a sense of duty to remain with the organization are the sources of normative commitment.

Whereby emotive commitment is seen to be the strongest basis for preserving a long-term engagement between workers and the company. In fact, the technology company Salesforce is famous for its human-centered organizational culture. Salesforce employees are encouraged to participate in social activities, develop themselves, and receive mental health support. This leads to low turnover rates and high employee satisfaction rates (Glassdoor, 2023).

Loyalty here is not only maintained by benefits, but also comes from empathy, respect and opportunities for personal growth – factors that create deep emotional commitment.

Loyal workers are those that are employed to perform a certain task and will go above and beyond to complete it effectively. Aside from putting in a lot of effort for their compensation, loyal workers are also dedicated to the company's long-

term development. Though they always work to better themselves and their position, they usually prioritize the needs of the business before their own.

### **3.1.2 Causes Leading to Employee Turnover**

Employees leaving an organization can stem from many causes, both internal and external to the business. The decision to leave often begins with dissatisfaction, leading to the intention to leave and finally the behavior of leaving.

#### **3.1.2.1 Internal Factors**

Internal factors include low job satisfaction, lack of advancement opportunities, uncompetitive salaries, toxic work environments, and inappropriate management styles (Mobley, 1977). In addition, work-life imbalance, feelings of not being recognized or not being properly valued for their contributions are also common factors leading to turnover (Hausknecht, Rodda, & Howard, 2009). Research indicates that younger workers—Millennials and Gen Z in particular—have a tendency to quit companies early if they do not perceive clear prospects for advancement (PwC, 2022).

#### **Contentment at Work**

One important determinant of employee loyalty to a company is job happiness. When workers believe their work fulfills their own requirements, both financial and non-financial, they tend to stay for a long time. According to Herzberg (1966), motivational factors such as recognition, advancement opportunities, and a positive work environment have a significant part in employee retention. Once these elements are not emphasized by the organization, employees may feel unappreciated, leading them to seek new opportunities at other organizations.

Additionally, the balance between work and personal life has a direct impact on job satisfaction. According to a research by Greenhaus et al. (2018), employee

support programs like flexible scheduling or health insurance help to increase loyalty and lower attrition.

One crucial indicator that may be used to assess a company's general health is employee satisfaction. For this reason, a lot of companies routinely poll their employees to gauge their level of satisfaction and monitor changes over time. High satisfaction ratings show that workers are happy with the treatment they receive from the organization. One of the things that every management and company should focus on is this. Maintaining employee satisfaction is a key component of increased sales and productivity. Highly contented workers are more inclined to be loyal to the company and to support its purpose and growth goals since they believe it offers them the finest advantages. This allows those workers to proudly tell others about the positive aspects of the firm, which in turn draws in a lot of brilliant individuals who wish to work and contribute to the business. assisting companies in minimizing the sum of money they spend on hiring and educating new employees.

### **Insufficient prospects for professional progression**

One of the main causes of employee discontent and excessive turnover in companies is a lack of opportunity for professional growth. When employees perceive that their career path is not being focused on, they may lose their sense of belonging to their work. According to research by Lee et al. (2020), Career advancement motivates employees to develop their own abilities and gives them a sense of value from the organization. This is especially important in fields that require innovation and creativity, where building new skills is necessary to meet job demands.

Furthermore, not having the opportunity to learn or improve skills can make employees feel stuck in a position where they cannot grow. This leads to dissatisfaction, even psychological stress, when they feel that their efforts are not recognized or invested in. Therefore, building a clear promotion plan and

periodically reviewing the employee's path is essential to retain them and increase work performance.

### **Uncompetitive salary**

Salary is a core factor affecting employee satisfaction. When salaries are uncompetitive, employees may feel that their value and efforts are not fairly recognized. Smith (2019) argues that salary is not only a financial income, but also a factor showing appreciation and respect from the organization. Especially in highly competitive industries, an unattractive salary can lead to employees moving to other organizations with better compensation policies.

In addition, a lack of transparency in how the organization makes decisions about compensation can also cause internal conflicts and insecurity. This makes employees not only lose trust in the organization but also feel unfairly treated. In order to solve this problem, it is crucial establish transparent compensation criteria and regularly evaluate employee performance.

### **Toxic Work Environment**

Employees' emotional and physical health may suffer significantly in a hazardous workplace. A work environment with many conflicts, lack of support among members, or ineffective leadership can easily cause employees to fall into a state of stress, lose motivation, and eventually decide to leave the organization. According to Robbins and Judge (2018), a healthy workplace not only encourages productivity but also plays a significant part in fostering a good rapport among employees.

In addition, a toxic environment also reduces the level of creativity and concentration of employees. This is especially dangerous in organizations that require constant innovation to stay competitive. To overcome this, leaders need

to build a friendly working culture, encourage sharing and support, and quickly handle conflicts to ensure a positive working environment.

### **Inappropriate Management Style**

Employee performance and happiness are significantly impacted by management style. Feelings of neglect or undervaluation at work might result from inappropriate leadership. Employees will lose faith in their leaders and the company if managers don't listen to them or can't help them when they need it, claims Yukl (2017).

Additionally, a careless management style can cause workers to feel overly anxious, disempowered, and disengaged from the objectives of the company. Managers must learn how to listen to their staff members' requirements, adapt their leadership style to each individual, and encourage their involvement in critical decision-making in order to enhance this. In addition to enhancing the working environment, this will support the organization's sustainable growth.

### **3.1.2.2 External Factors**

#### **Attraction from Competitors**

Competition from other companies is a strong external factor that affects employee loyalty. When rival companies offer more attractive benefits packages or have better reputations, employees tend to switch to those organizations in search of better working conditions. A study by Hill (2019) found that adopting employee retention strategies, such as improving the working environment and compensation, is an effective way to deal with competition from other companies.

In addition, building a strong organizational brand also plays an important role in maintaining employee loyalty. Organizations need to demonstrate core values

and a positive work culture to attract and retain employees, even in the face of strong competition.

### **Career Mobility**

Career mobility is becoming a common phenomenon in the modern workplace. Employees, especially those of the younger generation, often prioritize experience and career development opportunities over long-term stability at a single organization. Arthur and Rousseau (1996) assert that "mobile" occupations can create opportunities for employees to seek positions with higher growth potential, but at the same time pose a great challenge for organizations in retaining talent.

Organizations need to proactively adapt to this trend by providing training programs and supporting continuous skill development. Employee engagement to the company is strengthened in addition to giving them a sense of personal growth.

### **Economic volatility**

Economic volatility is a major factor affecting employee loyalty, especially during recessions or financial crises. When the economy is in trouble, organizations often have to cut staff or limit spending, which leads to anxiety and loss of trust in the organization among employees. According to Baker (2020), a lack of support and transparency during times of economic volatility causes employees to seek stability in other organizations. However, if organizations build an effective crisis management strategy and increase communication with employees, they can retain employees even in difficult times. Clarity about organizational goals and plans will help employees feel secure and continue to engage.

### **3.1.3 Consequences of Employee Turnover**

In today's businesses, employee turnover is a prevalent issue that can have detrimental effects. From directly affecting performance to having a long-term impact on an organization's image and reputation, this situation requires careful attention to understand and overcome. These are the primary repercussions of staff turnover.

#### **Reduced Organizational Performance**

Organizational performance might suffer from high staff turnover. When employees leave, the workload is redistributed to the remaining employees, leading to overload and reduced performance. According to Allen et al. (2010), staff shortages also disrupt work processes, leading to delays and reduced quality of services or products.

In addition, the time and effort required to recruit and train new employees consumes more resources for the organization, especially in industries with high technical requirements. This creates a negative cycle, affecting overall performance.

#### **Increased operating costs**

The cost associated with employee replacement is one of the most obvious economic consequences of employee turnover. Depending on the position and degree of experience, replacing an employee might cost anywhere from 50% to 200% of their yearly compensation, according to a research by Cascio (2014). These expenses include posting jobs, conducting interviews, providing training, and any short-term lost productivity that occurs throughout the onboarding process.

In addition, having to continually invest in the recruitment and training process also deprives the organization of the opportunity to invest in other long-term projects or development.

### **Loss of Knowledge and Expertise**

When an employee with the experience and knowledge necessary for the organization's development leaves, the organization loses not only a human resource but also the entire knowledge, skills, and network of relationships or partnerships that person has accumulated - intangible assets of great value. This is especially serious in industries that require high levels of expertise or have complex customer relationships. Such employees often decide to leave due to dissatisfaction or other influences, causing a significant loss of skills and expertise (Cascio, 1991).

In addition, the organization not only faces a loss of expert knowledge, but also leads to a decrease in the morale of other employees, and a decline in overall performance (Dess & Shaw, 2001).

Another study by Dess and Shaw (2001) highlighted that high employee turnover not only reduces an organization's competitiveness but also hinders its ability to preserve enduring connections with partners and clients.

### **Negative impact on organizational image and brand**

Continuous employee turnover can seriously affect an organization's image and brand. Potential candidates may feel concerned about the working environment when they see high turnover rates, while customers and partners may lose confidence in the organization's capabilities. An organization with a reputation for instability will have great difficulty attracting and retaining top talent as well as recruiting new employees.

According to Klotz et al. (2014), maintaining a stable and satisfied workforce is a core element in building a strong organizational brand and building trust from the community.

#### **3.1.4 The Importance of Employee Loyalty**

Employee loyalty is essential to an organization's success and long-term viability. According to Reichheld (2001), loyal employees are devoted, eager to go above and above, and serve as good representatives of the company's brand. They not only support internal stability but also lay the groundwork for sustained creativity and innovation. A steady and dedicated staff also helps to improve customer satisfaction, save operational expenses, and create a strong corporate culture (Harter, Schmidt, & Hayes, 2002). In today's global competition and high rate of change, retaining quality and loyal employees is a key strategy to maintain a competitive advantage for the organization. Organizations start to observe some amazing advantages for all parties when employee loyalty is fostered and flourishes. Employees are more inclined to put effort into their job, come up with novel ideas, and go above and beyond when they are devoted to their employer. After all, devoted workers are content workers, and Forbes notes that contented workers translate into "huge profits."

It has long been known that production and employee satisfaction are related. Pret credits its substantial sales growth to contented workers. According to one research that tried to quantify the relationship, contented employees are 12% more productive than their dissatisfied counterparts.

Employee loyalty and commitment to the company's values and goals are essential for a successful business. As a result, companies should keep emphasizing and working to boost employee loyalty.

### **3.2 Creativity in the Workplace**

In the era of globalization and digital transformation, creativity is considered a key driver for sustainable development and competitiveness of organizations.

Not only does it help organizations adapt to changes, creativity is also a core factor for innovating processes, products, business models, and improving productivity and employee engagement. This section aims to examine the critical function that creativity plays in the workplace and elucidate the role that leadership plays in fostering an innovative atmosphere.

Amabile (1996) defines creativity in businesses as the capacity to provide novel, practical, and adaptable concepts in order to enhance goods, services, procedures, or business models. Creativity acts as a catalyst for innovation, and is also a tool to help organizations adapt to change and lead the market.

#### **3.2.1 The Importance of Creativity for Organizational Success**

All organizational levels are significantly impacted by creativity – from improving productivity, improving products and services to building sustainable competitive advantages. The most significant "intangible asset" that a company may have in the age of artificial intelligence and digital transformation is creativity (Florida, 2002).

Creativity becomes a crucial component of an organization's growth and success in an environment of escalating competition. In addition to helping businesses develop new goods and services, creativity also enhances operational procedures, strengthens bonds between staff and the company, and makes it easier for businesses to adjust to shifting market conditions. The following are some particular advantages of creativity for businesses.

## **1. Creativity helps organizations maintain a competitive advantage**

The basis for creating new goods and services to satisfy the more varied demands of consumers is creativity. According to Amabile's research (1996), organizations with creative capabilities often lead the market by constantly innovating and creating different values. These businesses not only maintain customer loyalty but also increase their competitive advantage over competitors.

In a fiercely competitive environment, where technology and consumer behavior change constantly, creativity plays a role in maintaining and enhancing competitive advantage. Typical businesses such as Apple, Tesla or Amazon cannot lead the market without creative thinking and continuous innovation. Apple, with products like the iPhone or AirPods, has set new standards for the technology industry thanks to its ability to capture latent needs and turn creative ideas into revolutionary products (Isaacson, 2011).

Netflix is another example of a smart business; it began as a mail-order DVD rental service, Netflix has transformed into the largest streaming platform in the world thanks to its acumen in creating business models, leveraging big data technology to personalize user experiences (Grant, 2021).

In addition, creativity also helps organizations discover and take advantage of potential opportunities, minimizing risks from external factors. Organizations may effectively adapt and overcome industry volatility by investing in innovative concepts.

## **2. Improve operational efficiency and workflow**

Innovation plays an important role in improving operational efficiency and optimizing workflows. Innovative solutions help organizations find ways to work more efficiently, reduce operating costs and increase productivity.

A study by Davenport (2013) emphasized that the application of advanced technologies and innovative processes is a core factor to improve performance.

Moreover, innovation in work management and organization also helps to minimize internal risks, while ensuring flexibility in daily operations. This helps organizations operate more effectively, even in challenging environments.

Innovation is not limited to products or services, but also includes innovation in internal processes. Organizations may enhance production, cut expenses, and improve efficiency when workers are encouraged to think of innovative ways to arrange their work. Toyota with its kaizen model is a clear demonstration of how employees' everyday micro-innovation can create a macro impact on the entire organization (Liker, 2004).

### **3. Promote engagement and motivation**

Creativity not only benefits the organization but also motivates employees. When employees are encouraged to contribute ideas and participate in the creative process, they feel recognized and meaningful in their work. Deci and Ryan's (1985) research found that employees are more satisfied and committed to the company when they have the opportunity to express themselves and be creative at work. Additionally, fostering a creative workplace fosters cooperation and lowers stress.

Employees who work in creative environments often feel more respected, empowered, and motivated. A study by Adobe (2016) found that 78% of employees feel they are more productive when they work in environments that encourage creativity. Better job outcomes are the product of creativity, which also gives workers a sense of purpose in their work.

Another element that raises work happiness and staff engagement is creativity. When their suggestions are acknowledged and implemented, workers feel appreciated and trusted.

#### **4. Promote the ability to adapt to change**

Adaptability is essential to an organization's survival in a turbulent world. Organizations that are creative are better able to maximize resources, create new strategies, and react swiftly to changes in the outside world.

According to Kotter's (1996) research, organizations with high creativity are often more flexible in facing new challenges and opportunities. Moreover, creativity also helps organizations build a culture of innovation, promoting the spirit of continuous learning and improvement throughout the system.

In order to thrive in the post-COVID-19 world, companies must adapt constantly. Continuous learning, experimentation, and a readiness to modify tactics enable creative firms to swiftly respond to the changing environment.

Netflix is a perfect illustration of how innovative thinking and adaptability in their business strategy allowed them to grow from a DVD rental company to a worldwide streaming platform. Other creative companies such as Zoom or online learning platforms such as Coursera, Khan Academy have quickly adapted, scaled and created new value. Creativity helps organizations not only overcome crises but also thrive in uncertain conditions (Grant, 2021).

#### **3.2.2 The Role of Leadership in Fostering a Creative Environment**

Leadership is a key factor in determining whether creativity can truly flourish in an organization. An effective leader is not only a guide but also a “keeper” of creativity by creating an environment that nurtures ideas, accepts risks, and encourages experimentation.

Leadership has a crucial role in encouraging innovation in a business. Leaders not only play a guiding role but also create favorable conditions for employees to develop their creativity. A creative environment not only helps the organization

innovate and develop but also increases employee satisfaction and commitment. Here are the key aspects that leaders need to focus on:

### **1. Build an environment of psychological safety**

Leaders are crucial in fostering an atmosphere in which workers may openly share their thoughts without worrying about criticism. Edmondson (1999) stressed that organizational learning and creativity require psychological safety. In this setting, failure is accepted as a necessary component of learning and experimenting is encouraged. Because they feel acknowledged and valued, teams with high psychological safety are more likely to generate creative ideas, regardless of their viability.

Google encourages its workers to focus on personal projects during business hours. Products like Gmail and Google News were developed as a result of this atmosphere (Bock, 2015).

### **2. Encourage diversity of thought**

Leaders must provide diverse teams the chance to integrate different viewpoints, which will lead to more inclusive and innovative solutions. Teams that are diverse in terms of gender, culture, and experience are more likely to produce creative ideas, according to research (Hunt et al., 2015).

Diversity of thought helps organizations leverage different perspectives and experiences to creatively solve problems. Leaders need to encourage teams that are diverse in culture, expertise, and thinking to ensure that every idea is explored. Diversity in work groups can lead to innovative ideas and enhance creative performance, claim Milliken et al. (2003).

To encourage independent thought and creativity, Google implements the "20% time" philosophy, which permits staff members to dedicate 20% of their working hours to personal creative endeavors (Bock, 2015).

Another typical case is IDEO – the world’s leading creative design consultancy – design teams often include engineers, designers, behavioral psychologists, business experts who work together to develop products (Kelley & Kelley, 2013).

### **3. Lead by example and inspire**

Leaders not only need to promote creativity but also lead by example by demonstrating creativity in their management and decision-making. According to Bass’s (1985) research, inspirational leaders will encourage employees to go beyond their limits and contribute new ideas. Leaders need to provide concrete examples to demonstrate that creativity is a crucial component of the culture of the company.

Leaders are the ones who set the standards for a creative culture through their behavior and attitudes. When leaders demonstrate openness to new ideas, are willing to take risks, and learn from failure, employees will feel secure and motivated to innovate.

Satya Nadella – CEO of Microsoft – has changed the entire “know-it-all” culture of the corporation into a “learner” culture (growth mindset), encouraging people to constantly innovate and learn from failure (Nadella, 2017).

### **4. Invest in human resource development**

Developing employees’ creative capacity is an indispensable part of creating a creative environment. Leaders need to invest in training programs, skill development, and provide support tools so that employees can maximize their potential. According to Gagné (2009), leadership that focuses on employee development not only improves creativity but also makes employees feel valued by the organization. Creativity does not come from pressure, but from a nurturing environment. Leaders need to invest in training, creative thinking skills development programs, and organize hackathons or internal competitions to

stimulate and recognize ideas. Each R&D worker at 3M is permitted to dedicate 15% of their working hours to personal projects, which has resulted in the development of several famous products, like Post-it Notes (Sawhney et al., 2006).

## **5. Foster cross-disciplinary collaboration**

An effective innovation environment is often built on cross-disciplinary collaboration, where teams from different disciplines share knowledge and experience. Leaders can create opportunities for cross-departmental collaboration or organize workshops where employees from different disciplines can network and exchange ideas. According to Hargadon (2003), fostering cross-disciplinary collaboration is an important factor in generating breakthrough innovative ideas.

### **3.3 The Relationship Between Loyalty and Job Performance**

In any organization, employee loyalty is essential for preserving internal stability as well as having a direct impact on productivity and business outcomes. Loyalty demonstrates the level of attachment, commitment and willingness to devote long-term effort of employees to the organization, thereby promoting cooperation, team spirit and innovation in the working environment.

On the contrary, when an organization lacks loyalty from its staff, the inevitable consequence is increased staff turnover, reduced operational efficiency and many obstacles to sustainable development. The link between employee loyalty and job performance must be examined using measures of organizational success and the role of leadership in controlling this relationship in order to conduct a more thorough analysis.

#### **3.3.1 Metrics for Evaluating Organizational Performance**

The degree to which an organization accomplishes its strategic objectives with limited resources is known as organizational performance. In order to fully

represent the organization's operational condition and capacity for sustainable development, Kaplan and Norton (1996) contend that organizational performance should be evaluated using both financial and non-financial metrics. The following list of typical indicators has a high reference value in real-world research:

### **1. Revenue and profit**

Revenue and profit are two basic financial indicators that reflect the financial health of an organization. They not only show the organization's ability to exploit the market but also demonstrate the effectiveness of the applied business strategies. According to Kaplan and Norton (1996), organizations need to combine revenue with non-financial factors to ensure a comprehensive assessment of performance.

Revenue and profit not only reflect financial performance but also show the organization's level of success in optimizing business strategies. For example, in the retail industry, Amazon is considered a typical model when using revenue as a key indicator, thanks to the strategy of reducing prices and increasing customer value, leading to sustainable long-term profits (Kaplan & Norton, 1996).

### **2. Labor productivity**

Labor productivity is an index that directly reflects the work efficiency of employees, measured by output or work results per unit of time. Research by Banker et al. (2004) shows that labor productivity has a close relationship with employee loyalty and satisfaction. A productive workplace where workers feel valued, appreciated, and encouraged can help to increase labor output. A typical example is Toyota with the Lean Manufacturing model, which helps eliminate waste in the process and optimize labor efficiency, while maintaining high engagement and commitment of the staff.

### **3. Turnover rate of employees**

The stability and retention of an organization's workforce are reflected in its employee turnover rate. A high turnover rate often means an unattractive working environment, inadequate compensation or limited career development opportunities. According to CIPD (2022), the cost of replacing a quitting employee can be 6–9 months' salary, not to mention the loss of productivity and morale of the remaining employees.

Employee turnover is a crucial metric that shows the stability and loyalty of the company's human resources while also having a direct impact on expenses and earnings. The organization's workforce plan must be assessed, reviewed, and modified right away if this index is greater than the industry norm.

Google is a typical example of an organization that maintains a low turnover rate thanks to comprehensive welfare policies, flexible working environments, and personalized career development programs for each employee.

### **4. Employee satisfaction index**

Workplace culture, loyalty, and leadership are all mediated by job satisfaction. Locke (1976) asserted that satisfaction is the factor that drives employee commitment and performance. Modern organizations often conduct periodic surveys to measure employee satisfaction, thereby adjusting internal policies, welfare, and corporate culture accordingly. Enterprises such as Microsoft and Unilever are famous for their two-way feedback systems and “Employee Voice” programs to create conditions for employees to express their opinions and propose ideas, thereby increasing the level of commitment.

### **5. Quality of goods and services**

This is a crucial metric that shows the capacity to satisfy client demands and uphold brand integrity. Product and service quality is often directly influenced by

the sense of responsibility and loyalty of the staff. A dedicated and committed team will maintain stable quality standards and continuously improve to meet the increasing expectations of customers.

## **6. Innovation index**

This index measures the creativity of an organization through the quantity and quality of ideas, initiatives or process improvements realized in a certain period. Organizations with high innovation index often build an open working environment, encourage employees to contribute ideas and reduce psychological barriers. To be on the cutting edge of new technological goods, 3M, for instance, keeps 6% of its profits in R&D and permits workers to dedicate 15% of their working hours to personal creative endeavors.

### **3.3.2 The Relationship Between Leadership, Employee Loyalty, Creativity, and Performance**

There is a complicated and highly synergistic link between organizational success, employee loyalty, leadership, and innovation. The degree of employee loyalty and the organization's capacity to foster innovation are influenced by leadership's role in directing, inspiring, and fostering a positive work environment.

Transformational leadership is one of the most important elements that foster employee loyalty, claims Bass (1985). This type of leader not only communicates a strategic goal but also values personal growth while fostering an environment where staff members may contribute to decision-making and generate new value.

Employee loyalty is the foundation for nurturing creativity. Edmondson (1999) emphasizes that psychological safety—the feeling of being heard and not being punished for trying new ideas—is a prerequisite for employees to boldly propose initiatives. Employees are more inclined to provide suggestions to increase

process effectiveness or create new goods and services if they feel appreciated and trusted.

When organizations encourage and promote creativity, work performance will improve significantly. Amabile (1996) asserts that creativity is a core factor that helps organizations increase their competitiveness, adapt to the changing business environment, and develop sustainably. Many empirical studies also show that organizations with loyal and creative employees often achieve higher financial and non-financial performance.

To put it briefly, there is a positive feedback loop between leadership, loyalty, creativity, and organizational success, where one element influences and amplifies the effect of the others. When leaders create conditions that encourage creativity, employees become more loyal, performance improves, which in turn drives organizational innovation and sustainable growth.

#### **4. THE INFLUENCE OF LEADERSHIP STYLE ON EMPLOYEE LOYALTY AND PERFORMANCE AT MANULIFE VIETNAM**

##### **4.1 Overview of Manulife Vietnam**

Life insurance has seen significant change in the more than two decades that the Vietnamese market has grown, particularly in terms of people's understanding of the function of insurance. In addition to the necessity to safeguard personal funds, insurance firms' attempts to enhance the caliber of their services and consulting staff have also contributed to this rise in knowledge. The staff of experts is now being revitalized and working full-time, indicating a good shift in the way the insurance sector functions.

The quality of the team of consultants is improved through systematic training programs and close supervision. This investment not only helps to improve individual capacity but also creates a working environment that encourages creativity and development. This is very important in the context of today's

competitive insurance market, where the difference in service quality can determine the success of a company.

From a strategic perspective, Manulife has clearly demonstrated its customer-centric goals, while constantly innovating to improve the experience of the client. Incorporating technology into goods and services not only streamlines operations but also increases the value that the business offers to clients. This demonstrates a sustainable development strategy, focusing not only on profits but also on social responsibility and environmental protection.

Manulife Vietnam has maintained its competitive position in the Vietnamese insurance market by consistently working to develop and enhance its brand and look for chances for strategic collaboration. Manulife has been able to solidify its position in a competitive market by combining appealing HR policies with first-rate customer service.

In addition to demonstrating the company's continuous growth, Manulife Vietnam's success of being named the "Best Workplace in Asia 2024" validates the caliber of the workplace they have laboriously created. In addition to being encouraging for Manulife, this serves as a template for other companies operating in Vietnam's insurance and financial sector. This acknowledgement demonstrates that in an era of heightened competition, a positive work environment not only draws in talent but also keeps competent staff members.

A solid company culture is largely a result of Manulife's appealing welfare program and well-defined career path. Workers have possibilities to grow in their professions and feel appreciated, which not only improves their work ethic but also strengthens their loyalty to the organization. A favorable work atmosphere frequently results in increased productivity and decreased turnover, according to human resources studies. Manulife has demonstrated that the secret to long-term success is to invest in people and create a corporate culture.

Another notable factor is the ability to adapt to market needs, especially Gen Z. Attracting 1,200 candidates of this generation to the Manulife Future Leaders 2024 program not only shows the company's agility but also demonstrates a deep understanding of current human resources trends. Establishing an inclusive workplace that meets the requirements of Generation Z is crucial since this generation has its own expectations and beliefs. This not only helps Manulife maintain a young and dynamic workforce but also brings new creative ideas, contributing to the sustainable development of the business.

Furthermore, self-development support initiatives like "Pursuit Learning Week" and "Better Me" not only enhance individual abilities but also provide staff members a chance to interact and exchange stories. Organizing exchange activities between employees and management shows Manulife's commitment to building a culture of open communication.

This not only promotes cohesion among members of the company but also facilitates the exchange of ideas and creative solutions, thereby improving work efficiency.

In short, the development of Manulife Vietnam is not only a personal success story but also a testament to the transformation of the life insurance industry in Vietnam. Investing in people, service quality and innovation will continue to be key factors helping the company maintain and develop sustainably in the future.

This study focuses on analyzing leadership strategies based on qualitative and quantitative data from an internal survey, aiming to identify strengths, weaknesses, and propose improvements. Data was gathered from 100 employees in Ho Chi Minh City who provided legitimate answers. The findings of the study have important implications for improving operational effectiveness, raising employee happiness, and cultivating loyalty to the company.

## 4.2 Qualitative Research Findings

Four major themes pertaining to the organizational work environment and leadership style are identified by this qualitative study's analysis of the data from open-ended questions: transparency in compensation, leadership communication, inspiration, and support for vulnerable groups.

1. **Transparency in Compensation:** Employees desire clarity and fairness in compensation policies to enhance trust and create a fair working environment. A lack of transparency can lead to suspicion and decreased motivation.
2. **Leadership Communication:** Workers want leadership to communicate more openly because it builds rapport and understanding between them, which increases dedication and job satisfaction.
3. **Inspiration:** Employees value inspiring programs and training for new staff, which help them quickly integrate and develop skills. This is crucial in the current competitive landscape.
4. **Support for Vulnerable Groups:** In the context of digital transformation, older employees need support to access new technologies, ensuring that everyone has the opportunity to develop and is not left behind.

In summary, the qualitative analysis from open-ended feedback indicates that employees appreciate a leadership style that is attentive, encouraging, and facilitates career development. Some comments suggest that leadership needs to improve communication skills and provide timely feedback.

## 4.3 Quantitative Research Findings

### 4.3.1 Survey Questions

Due to geographical limitations, we used Google to conduct an online survey Forms, with the survey content designed in Vietnamese to facilitate employee participation in providing feedback.

The survey was designed with a 5-point Likert scale:

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

The questions focused on key factors of leadership strategy, including:

- Strategic Vision
- Internal Communication
- Decision-Making Ability
- Motivation and Encouragement of Employees
- Employee Development and Training

The application of the Likert scale allows us to quantify subjective assessments and facilitates statistical analysis (Allen & Seaman, 2007).

Statistical results from the Likert scale questions indicate:

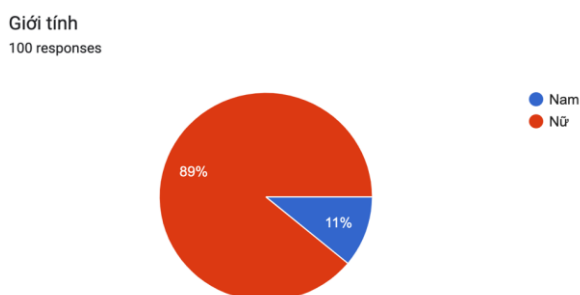
- Average scores ranging from 3.6 to 4.2, suggesting that employees have a positive evaluation of leadership capabilities.
- Standard deviations ranging from 0.5 to 0.8, reflecting a moderate level of consensus in the responses.

#### **4.3.2 Sampling and Data Collection**

One hundred workers at the Manulife office in Ho Chi Minh City participated in the poll, and all 100 replies were legitimate. Due to time, resource, and geographic limitations, a convenience sampling technique was used. However, this process still ensured a reasonable distribution among departments, job levels, and the genders of the employees.

### 4.3.3 Descriptive Statistics of Sample Size

#### Gender



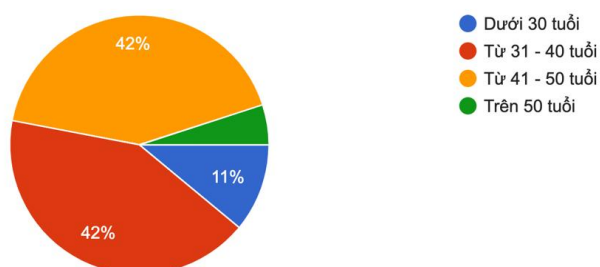
In terms of gender, the proportion of male and female employees who took the poll differs significantly. Specifically, the number of female employees is predominant, while the proportion of male employees working at Manulife is relatively low, accounting for only 11%. This situation accurately reflects the general state of the insurance industry in Vietnam, where male participation in this field remains limited.

Gender	Employees	Percent (%)
Female	89	89
Male	11	11
<b>Total</b>	<b>100</b>	<b>100</b>

**Table 1. Gender-based statistics of employees.**

#### Age Distribution

**Độ tuổi của bạn**  
100 responses



Among the survey participants, the age groups of 31 to 40 and 41 to 50 represent the largest proportions, each accounting for 42%. For the group of employees under 30 years old, this proportion is 11%, showing that the number of young people working in the insurance sector has significantly increased. In contrast, employees over 50 years old comprise only 5% of the total survey participants.

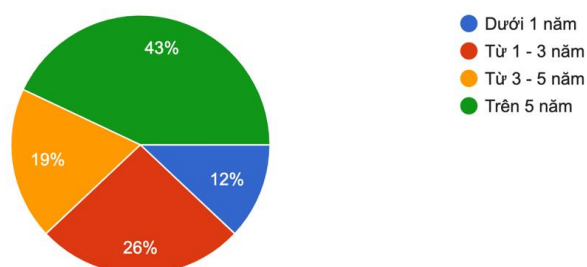
Age	Employees
Under 30	11
31–40	42
41–50	42
Over 50	5
Total	100

**Table 2. Statistics Based on Employee Age**

**Experience**

### Bạn đã làm việc trong ngành bảo hiểm bao lâu

100 responses



According to data collected from the survey, the percentage of employees with more than 5 years of service accounts for 43%, demonstrating a high degree of staff dedication to Manulife. Additionally, the percentage of employees with 1 to 3 years of experience is 26%, while those with 3 to 5 years of experience make up 19%. The proportion of younger employees participating in and maintaining their positions at the company is relatively low, at only about 12%.

Years	Employees
< 1	12
1-3	26
3-5	19
> 5	43

**Table 3. Statistics based on employees' work experience**

#### 4.3.4 Advanced Statistical Analysis

##### Cronbach's Alpha Analysis:

The Cronbach's Alpha coefficient is used to assess the measuring scale's reliability in the following ways::

Question Group	Cronbach's Alpha
Strategic Vision	0.82
Communication	0.78
Decision Making	0.81
Motivation	0.88
Employee Development	0.75

According to Nunnally & Bernstein's (1994) high standard criterion ( $>0.7$ ), the question groups' coefficients range from 0.75 to 0.88, according to the reliability study results using Cronbach's Alpha. This suggests that the measurement scale being used demonstrates good reliability.

##### EFA, or exploratory factor analysis

The following outcomes of the exploratory factor analysis (EFA) were obtained:

Factor	% Variance
Inspirational Leadership	~20%
Transactional Leadership	~16%
Supportive Leadership	~14%
Liberated Leadership	~12%

The Bartlett's test yields a p-value < 0.001, and the exploratory factor analysis (EFA) findings show a KMO value of 0.82, demonstrating that the data meets the requirements for analysis. The number of extracted factors is 4, which include:

- Inspirational Leadership
- Transactional Leadership
- Supportive Leadership
- Liberated Leadership

The model has a good explanatory capability since the total explained variance is 62%, which is higher than the minimal criteria of 50% as per Hair et al. (2010).

#### **Pearson Correlation Analysis:**

Job satisfaction and inspiring leadership are strongly correlated ( $r = 0.65$ ,  $p < 0.01$ ). This bolsters the claim made by Bass's (1985) transformational leadership theory that motivating leadership approaches may raise worker engagement and satisfaction.

#### **Correlation Analysis:**

- Inspirational Leadership ↔ Job Satisfaction:  $r = 0.65$ ,  $p < 0.01$
- Communication ↔ Organizational Commitment:  $r = 0.58$ ,  $p < 0.01$

- Employee Development ↔ Long-term Commitment Intent:  $r = 0.50, p < 0.01$

### **Data Evaluation**

In a setting where women make up the majority (89%) and the age range is predominantly between 31 and 50, this study has produced a number of significant conclusions about the link between leadership styles and employee happiness. These factors can profoundly influence how employees perceive and evaluate leadership styles within the organization.

Firstly, the predominance of women in the workforce may lead to differences in how they interact with leaders and perceive leadership styles. Women often tend to prioritize values such as collaboration, empathy, and personal development, which may result in a higher appreciation for inspirational leadership styles.

The age range of 31 to 50 is also a significant factor to consider. Employees in this age group typically have work experience and may hold higher expectations regarding leadership styles. They may seek guidance and support from leaders, and as such, inspirational leadership styles may better meet these expectations. In addition to confirming the alignment with transformational leadership theory, the strong correlation between inspirational leadership and job satisfaction ( $r = 0.65, p < 0.01$ ) highlights the potential of this leadership style to foster a productive workplace where staff members feel inspired and involved in their work.

A moderate consensus among employees regarding leadership factors, with a standard deviation ranging from 0.5 to 0.8, indicates that while there is a general agreement, differing opinions still exist. This might be a reflection of the varied experiences and expectations of workers, particularly in a workplace with a broad mix of ages and genders. To guarantee that every employee feels heard and has

the chance to advance, these distinctions must be taken into account and respected when creating and executing leadership development programs.

The high reliability of the measures, particularly in the group of questions concerning employee development (Cronbach's Alpha = 0.88), implies that the variables being assessed are reliable and useful for evaluating how well leadership styles are working inside the company. This also indicates that focusing on employee development is not only a crucial element of inspirational leadership but also a determining factor in enhancing employee satisfaction and engagement.

#### **4.4 Evaluating leadership style at Manulife**

In the context of research on employee satisfaction and loyalty at Manulife Vietnam, survey results have highlighted several important points related to employees' perceptions of leadership and the work environment. Through the notable findings, we can clearly see the differentiation in employees' perceptions, which opens up numerous issues that require deeper discussion.

##### **4.4.1 Clear communication from leadership**

Consensus on leadership communication is a crucial factor influencing employee perceptions. Although many employees believe that leadership communicates clearly and frequently, it cannot be denied that there remains a segment that disagrees or feels neutral. This indicates that not all employees perceive transparency and effectiveness in communication from leadership. This could result in a lack of desire and trust, particularly in a cutthroat market like the insurance sector.

#### **4.4.2 Leadership strategies influence employee loyalty**

One factor that requires careful thought is how leadership tactics affect employee loyalty. Divergent views indicate that not all employees feel supported and directed by leadership, even if the majority of employees believe that leadership techniques have a favorable influence. This may stem from differences in work experiences or individual expectations. Long-tenured employees may have witnessed the company's development and thus hold a higher appreciation for leadership strategies, while newer employees may lack a comprehensive view and therefore feel a deficiency in support.

#### **4.4.3 Leaders encourage creativity**

Encouraging creativity is another important factor in the work environment. Survey results indicate that some employees feel that leadership encourages creativity, while many others do not share this sentiment. This may reflect a division in company culture and the manner in which leadership implements policies to foster creativity. Employee loyalty to the firm may be greatly increased by creating a nice work atmosphere where they feel supported and encouraged to share fresh ideas.

#### **4.4.4 Manulife Employee Loyalty**

Regarding company attachment, the differences in perception among employees are also a critical factor. Some employees demonstrate strong attachment to the company, while others do not feel the same way. This may relate to various factors such as income policies, work environment, and support from leadership. Employee discontent and a decline in attachment may result from pay policies that are out of step with their needs and expectations.

Finally, the challenge of maintaining employee loyalty is an issue that cannot be overlooked. Inadequate pay rules and a negative work environment have been

cited by employees as factors impeding loyalty. This implies that in order to foster a more pleasant workplace where staff members feel appreciated and respected, the organization has to review its rules and procedures.

The findings from the survey at Manulife Vietnam not only reflect the diversity in employee perceptions of leadership and the work environment but also highlight the challenges the company must face to enhance employee satisfaction and loyalty. In order to create a productive and long-lasting workplace in the future, it will be essential to comprehend and resolve these challenges.

Based on survey data from 100 employees at Manulife, with a valid response rate of 100%, we can draw several important conclusions about the leadership style within this organization. The results indicate that employees are not only actively engaged in evaluating leadership style but also demonstrate concern for key factors in their work environment.

One of the most prominent points is the strategic vision of leadership. As noted, a clear vision from leadership not only helps shape the organization's direction but also creates a strong connection among employees. This aligns with transformational leadership theory, where inspiring and motivating employees is crucial. However, while Manulife performs well in this aspect, there remains a lack of transactional and service-oriented elements, which could lead to dissatisfaction and a lack of employee attachment.

One of the most important elements in establishing bonds and encouraging unity among staff members is internal communication. Survey results indicate that effective communication not only makes employees feel heard but also creates an open working environment where their ideas and opinions are valued. This is crucial in establishing a positive organizational culture where everyone can contribute and grow.

The decision-making ability of leadership is also an important factor emphasized in this study. Timely and accurate decisions not only affect work performance but also build trust among employees. When employees feel that leadership is capable of making the right decisions, they are more secure in their roles.

However, it is noteworthy that while leadership at Manulife has the ability to motivate employees, there is still a lack of clear reward and punishment mechanisms. This may cause some staff groups to become unmotivated, particularly older employees and new hires. The absence of clear incentive policies may diminish work motivation and employee satisfaction, thereby impacting the overall effectiveness of the organization.

Finally, investing in employee development and training is essential for maintaining long-term satisfaction and engagement. Survey results show that employees at Manulife appreciate leadership's concern for their skill and capability development. In addition to improving staff capabilities, this creates a productive workplace that welcomes innovation and creativity.

In summary, the leadership style at Manulife reflects a focus on inspiration, effective communication, and employee development. However, to enhance employee satisfaction and engagement, the organization needs to consider improving reward and punishment mechanisms and support for different employee groups. These changes could not only improve the employee work experience but also contribute to creating a more positive and effective working environment in the long term.

## **5. RECOMMENDATION TO ENHANCE EMPLOYEE LOYALTY AND JOB PERFORMANCE**

In the context of researching employee satisfaction and loyalty at Manulife Vietnam, survey results have highlighted several important points related to employees' perceptions of leadership and the working environment.

Through the key insights recorded, we can clearly see the differentiation in employees' feelings, which opens up many issues that require further discussion.

## **5.1 Recommendations for Leadership Style**

### **5.1.1 Enhance Transparent Communication:**

Firstly, enhancing transparent communication is regarded as an essential factor in organizational management. Effective communication not only helps employees access necessary information but also creates a reliable setting in which people may freely voice their thoughts and worries.

Regular meetings and direct exchanges play a crucial role not only in conveying information but also in providing opportunities for leaders and employees to develop stronger relationships. Research from various experts indicates that the connection between leaders and employees can enhance satisfaction levels and motivation, enhancing the organization's overall performance in the process.

Building trust among employees and fostering a positive organizational culture relies on effective and transparent communication. To promote an environment where information is easily transmitted and employees feel valued and well-informed, organizational leaders need to prioritize open, honest, and consistent communication.

Establishing regular town hall meetings led by senior management is essential. In these meetings, leaders can present updates on the organization's goals, strategies, and performance. Additionally, it is necessary to promote an interactive structure that allows employees to provide comments and ask questions. Employees should be provided with open communication channels where they can comfortably share their thoughts, concerns, and feedback, such as suggestion boxes, online forums, or dedicated email accounts. Leaders should also actively listen and act on feedback from employees.

Ensuring that all employees have access to and a clear understanding of the organization's updates, including information such as budget results, strategic plans, and leadership transitions, is vital. Transparency in information will help employees easily see the bigger picture of their work and build greater trust.

**Implementation methods may include:**

1. **Utilizing Technology:** Leverage technology to enhance communication capabilities. Messaging applications, intranets, and internal communication platforms can be used to effectively disseminate information.

It is crucial to ensure that important updates are available through various channels. Providing a feedback portal for employees to comment on the effectiveness of communication strategies and using this feedback to bridge any knowledge gaps will improve communication techniques.

2. **Communication Training:** Provide leaders with specialized guidance on how to successfully interact with their teams. At the same time, employees should also have access to communication training to help them improve their communication skills within the team. This will contribute to fostering an environment that values openness and collaboration.

### **5.1.2 Enhancing the Inspirational Abilities of Leaders**

To improve the effectiveness of leaders at Manulife in inspiring their teams, it is essential to focus on core elements, including clearly communicating an engaging vision, fostering a culture of enthusiasm, and providing purpose for the team. Leaders aspiring to enhance their ability to create and convey an appealing vision should engage in leadership development programs that emphasize visionary

skills. One of the key objectives is purposeful communication, highlighting the deeper significance of the efforts made by the team.

Through workshops on storytelling, leaders can learn how to convey narratives that connect with their teams, while also showcasing the successes achieved through teamwork. Building a culture that values success and recognizes achievements is vital to encourage motivation and engagement. Essential elements include inspiring leadership workshops, transparent and sincere communication, establishing common goals within the team, and setting an example for others to follow.

**Implementation methods include:**

1. **Developing Visionary Leadership:** Establish leadership development programs focused on visionary leadership, providing tools, mentorship, and workshops to help leaders enhance their capabilities in building and articulating engaging visions.
2. **Purposeful Communication:** Organize communication workshops that focus on purposeful dialogue, linking daily activities to the company's overarching goals. Training sessions should be conducted to enhance honesty and transparency in communication, particularly in expressing genuine concern for the team's objectives.
3. **Storytelling Workshops:** Organize storytelling workshops to provide leaders the tools they need to tell compelling tales that emphasize the value of cooperation. Leadership development programs should include strategies to motivate and inspire the team.
4. **Goal Setting:** To create ambitious but attainable goals that complement the company's vision, schedule cooperative sessions with the staff. Formal recognition programs should be used to establish a culture of achievement acknowledgment in order to strengthen an inspirational and productive workplace.

5. **Leading by Example:** Encourage leaders to demonstrate passion, resilience, and commitment by modeling the behaviors and beliefs they wish to see in others.

### **5.1.3 Encouraging Servant Leadership:**

The servant leadership style is emerging as one of the significant trends in modern organizational management. Unlike traditional leadership methods, where leaders often take on directive and decision-making roles, servant leadership emphasizes support and the development of team members. This shift not only reflects a change in the perception of a leader's role but also highlights the essential need to build a productive and long-lasting workplace.

The capacity to listen is one of the fundamental components of servant leadership. Leaders may better understand workers' needs and wants by listening to their comments and suggestions. It also fosters an environment where people feel comfortable sharing their thoughts and viewpoints. According to Greenleaf's research (1970), servant leadership is not merely about management but about serving others, thereby creating value not only for the organization but also for each individual within it. Employees are more likely to be committed to the company and put out more effort at work when they believe that their thoughts are valued and heard.

Furthermore, establishing a solid corporate culture is largely dependent on servant leadership. Creativity and invention are encouraged in a productive workplace where staff members feel respected and appreciated. In addition to their duty, employees work because they are passionate about and connected to the company. This may result in better overall performance, lower turnover rates, and more work satisfaction.

Additionally, servant leadership aids in the growth of organizational leadership abilities. When leaders take on a servant role, they prioritize investing in their staff' skill development in addition to job accomplishment.

This develops future leaders inside the company in addition to strengthening the staff. Encouraging employees to learn and develop will make them more capable of assuming leadership positions in the future, which will create a cycle of sustainable development for the entire company.

**Methods for implementing the servant leadership style may include:**

1. **Active Listening:** Organizing regular weekly, monthly, or quarterly meetings for employees to share their opinions, ideas, and feedback about work and the work environment.
2. **Training and Development:** Providing training programs aimed at enhancing employees' skills and competencies, supporting their professional and personal growth.
3. **Encouraging Participation:** Creating opportunities for employees to engage in important organizational decisions, helping them feel that they may influence and have an opinion in how the business develops
4. **Mental Health Support:** Demonstrating concern for employees' mental well-being by organizing relaxation activities, providing psychological support, and creating a comfortable work environment.
5. **Recognition and Reward:** Evaluating and acknowledging employees' contributions, thereby encouraging them to continue their commitment to the organization.

#### **5.1.4 Developing Emotional Intelligence (EI) in Leadership**

Leadership style is essential for preserving stability, encouraging motivation, and raising worker productivity in an increasingly dynamic and competitive company environment.

Emotional intelligence (EI)-based leadership is one of the contemporary leadership philosophies that are frequently used by multinational corporations. In addition to being excellent at controlling their own emotions, leaders with high EI are also skilled in identifying, comprehending, and controlling the emotions of others, which enhances interpersonal connections and upholds a healthy work atmosphere. Emotional intelligence (EI) is a critical communication ability that also determines success and job satisfaction.

Goleman (1995) asserts that self-awareness, self-regulation, intrinsic motivation, social awareness (empathy), and social skills are the five essential elements of emotional intelligence. These elements enable leaders to better understand the desires, expectations, and challenges that employees face during their work, allowing them to provide timely and appropriate solutions. Building trust with staff members is easy for a leader with high EI, who also knows how to inspire, encourage, and direct people toward the organization's objectives.

Furthermore, studies by Cavazotte et al. (2012) have shown that transformational leadership and managerial effectiveness are directly impacted by emotional intelligence. In particular, leaders with high EI tend to foster a strong sense of enthusiasm for their job, support workers' initiative and creativity, and reduce stress and conflict at work. Employee happiness and long-term loyalty to the company are also increased, in addition to work performance.

Therefore, to develop sustainable human resources and improve operational efficiency, businesses should implement training programs on emotional intelligence for their leadership teams. Enhancing abilities to identify and control

emotions, deal with delicate circumstances, communicate effectively, and motivate staff should be the main goals of these training courses.

The use of emotional intelligence in leadership not only aids in an organization's ability to adjust to changes in the business environment, but it also helps to create a workplace that is efficient, equitable, and compassionate.

**To implement emotional intelligence training programs for leadership teams, Manulife can adopt the following methods:**

- 1. Develop Customized Training Programs:** Conduct surveys or interviews to assess the current level of EI among leaders in the organization. Based on the assessment results, design a training curriculum tailored to the organization's unique requirements
- 2. Organize Workshops and Practical Scenario Exercises:** Invite emotional intelligence experts to teach and share experiences. Encourage leaders to apply EI skills in their daily work. Provide real-life scenarios for them to practice and learn from.
- 3. Mentoring and Coaching:** Establish a mentoring or coaching program where leaders can receive guidance and support from experienced individuals in developing emotional intelligence.
- 4. Integrate into Performance Evaluation Processes:** Incorporate emotional intelligence-related factors into the leadership performance evaluation process. This encourages leaders to develop their abilities and highlights the value of emotional intelligence in the workplace.

## **5.2 Recommendations for Enhancing Employee Loyalty**

### **5.2.1 Enhancing Employee Satisfaction**

Improving employee happiness has become a crucial necessity and a determining element for the organization's long-term survival in the insurance sector, given the escalating competition and mounting work demands. Prior suggestions have suggested that fostering work-life balance and stress management are essential tactics for raising employee happiness and output. In particular, addressing the particular requirements and difficulties encountered by female workers would assist the company in establishing a welcoming and encouraging workplace, improving their quality of life and productivity.

#### **1. The Importance of Stress Management Programs**

Programs for managing stress are an essential component of human resource development plans. In addition to making workers feel more at ease, recognizing and controlling workplace stresses promotes a happier workplace. Employee satisfaction has been demonstrated to benefit from training programs, workshops, and other activities that focus on enhancing physical health, work-life balance, and time management skills. When workers encounter challenges in their personal or professional life, Employee Assistance Programs (EAP) are essential in helping them get the assistance they need. Counseling and support services make employees feel valued and empowered to ask for assistance when necessary.

#### **2. Recommendations for Balance Between Work and Life**

Promoting work-life balance is essential for female professionals to effectively balance their tasks in the home and at work. Flexible work schedules and part-time employment options are examples of family-

friendly policies that will help female employees balance their personal and family responsibilities. Another practical alternative is to implement a rotating system that gives female employees a consistent work schedule. Furthermore, developing health care programs specifically for women not only helps improve their physical health but also supports their mental well-being. Online classes on nutrition and stress management can provide valuable and practical knowledge for female employees.

### **3. The Leadership Role in Promoting Employee Satisfaction**

When it comes to putting policies and initiatives meant to improve employee happiness into action, leadership is essential. To successfully help staff, leaders must be trained to recognize and manage stress symptoms. Employee motivation and engagement will increase in a pleasant and encouraging work environment. Additionally, encouraging employees to participate in stress reduction programs and providing feedback on these initiatives will create a collaborative and cohesive atmosphere within the organization. Employee involvement not only helps improve the quality of programs but also fosters connections among team members.

### **4. Long-Term Vision**

The organization requires a long-term vision and a well-defined human resource development plan in order to accomplish these goals. This includes regularly assessing and adjusting stress management and work-life balance programs to ensure they remain aligned with employee needs and organizational objectives. Implementing a comprehensive approach that combines support programs, training, and family-friendly policies will create an ideal work environment where employees can thrive both personally and professionally.

In conclusion, improving employee happiness in the insurance sector is a long-term strategy that has to be addressed rather than just a quick fix. By putting these suggestions into practice, the company will increase employee happiness and provide a strong basis for future, sustainable growth. Additionally, a company that puts employee health and happiness first will draw and keep top talent, which will increase employee loyalty.

### **5.2.2 Employee Participation in the Decision-Making Process**

Establishing an open workplace that welcomes employee contributions is more crucial than ever in light of the growing significance of employee involvement in the decision-making process. First and foremost, establishing regular communication channels is a crucial step in facilitating employees to express their opinions and ideas. Platforms such as digital forums, suggestion boxes, and town hall meetings not only help employees feel heard but also create opportunities for them to engage in important decisions that affect their daily work. Employees are likely to be happier in their positions when they believe that their ideas are respected and taken into account.

On top of that, holding seminars on participatory decision-making is a good method to provide staff members knowledge and the opportunity to participate in decision-making. In addition to giving staff members a greater knowledge of the decision-making process, these courses also give them the tools they need to participate successfully. In this manner, the company raises employee engagement while also improving the caliber of judgments made. Creating committees or task groups inside corporate divisions is another successful strategy for promoting employee involvement.

These groups enable employees to contribute based on their interests and areas of expertise, thereby leading to informed decisions that positively impact business operations. This participation not only boosts morale but also fosters creativity and innovation within the organization.

Moreover, openly communicating the options and decisions made at higher levels is crucial for building trust among employees. Employees are more inclined to embrace changes and have a stronger sense of belonging to the company when they are aware of the rationale behind and effects of actions. Openness in the decision-making process promotes inclusivity and motivates staff members to actively engage. To implement these methods effectively, the commitment of leadership is a prerequisite. Leaders need to be clearly committed to encouraging employee participation and demonstrating diversity within the organization. They must ensure that all levels of leadership understand the importance of this and are willing to support employees in the decision-making process.

Furthermore, creating appropriate training programs is essential to help employees grasp the decision-making processes within business areas. Accessible and customized to meet the unique requirements of workers in their respective work environments, these programs should. Training not only helps employees feel more confident in their participation but also enhances their capabilities in making quality decisions. Last but not least, examining employee input and formulating plans of action based on their suggestions can assist the company in creating a more productive and happy workplace. When workers see that their perspectives are taken into account and implemented in practice, their level of trust and engagement will rise. This leads to a more proactive and engaged staff in addition to increased job satisfaction. To summarize, the involvement of employees in the decision-making process is essential for increasing work satisfaction and organizational effectiveness.

### **5.2.3 Improving Income and Benefit Policies**

One of the most important ways to increase employee loyalty is to improve pay and benefit programs. Numerous studies have shown that when workers believe their pay and benefits are fair and acceptable, they are more likely to stay with a company. Adjusting income policies to accurately reflect the value and

contributions of employees not only helps them feel respected but also creates a stronger motivation to work. Furthermore, reasonable reward programs, such as performance bonuses or additional benefits, can provide significant encouragement and increase employee attachment to the organization.

In addition, recognizing innovative solutions and the efforts of employees is an essential factor in encouraging their participation. A system that acknowledges and rewards the creative contributions of employees will not only motivate them but also demonstrate the organization's concern for their efforts. Increased job satisfaction and improved loyalty to the company will result from appropriate pay practices, public acknowledgment, and career advancement possibilities.

To sum up, improving employee loyalty is a complex undertaking that calls for leadership time and energy. Proposals to improve income and benefit policies, build a positive work environment, and develop training programs are not merely theoretical solutions but practical actions that can yield high effectiveness in practice. In order to provide the greatest possible working environment for sustainable growth, firms must continually review and modify their policies and programs in response to employee feedback.

### **5.3 Proposed Solutions to Improve Job Performance**

#### **5.3.1 Improving Leadership Capability through a Flexible Reward System**

Focusing on individual and team achievements, along with fair recognition, has the potential to enhance the leadership capabilities of managers at Manulife through a flexible reward system. This approach not only reinforces desired behaviors within the organization but also boosts employee motivation. Setting explicit performance goals and identifying certain rewards that are tied to meeting these expectations are crucial for an effective implementation.

Executives must be able to modify incentives according to the individual preferences of workers while taking into account a number of employee motivating elements. For this strategy to be effectively deployed, open and honest discussions regarding expectations and the relationship between performance and rewards are crucial. To foster a positive and inspiring work environment, training programs should emphasize the importance of applying rewards fairly and consistently.

#### **Implementation Methods:**

1. **Clarity on Performance Expectations:** Train leaders to establish transparent, clear performance expectations that align with the company's goals.
2. **Appropriate Reward System:** Develop a reward system that allows managers to tailor rewards according to the preferences and motivations of each employee, encouraging a customized strategy.
3. **Transparent Communication:** Enhance the necessity for openness and honesty regarding performance goals and motivations. Leaders should communicate these aspects clearly and consistently.

#### **5.3.2 Development of Specialized Support Programs for Each Employee Group**

While concentrating on establishing a welcoming workplace that is appropriate for both senior staff members and those with less experience, Manulife must also have a thorough awareness of the variations in educational backgrounds and the use of modern technologies among its workers. Leaders play a critical role in this endeavor as they may improve employee satisfaction by tailoring support programs to each person's specific requirements.

Offering training programs that correspond with the particular skills needed for their positions is a crucial part of helping employees. Accessibility and practicality should be given first priority when creating training programs, workshops, and consultations that are tailored to each person's requirements and learning preferences.

To guarantee that workers are fully aware of their duties and obligations, effective communication and the establishment of clear expectations are vital. To alleviate uncertainty and promote clarity, leaders should employ concise and direct communication methods that are appropriate for the understanding level of this employee group.

Leaders should also simplify recognition criteria and performance metrics to inspire and appreciate the contributions of lower-skilled employees. If these metrics are presented in an easily understandable manner, employees will have a clear awareness of their goals and the expectations related to conditional rewards. Organizing regular recognition initiatives is essential to boost the morale of employees with lower educational qualifications. By acknowledging their contributions in team meetings and publicly praising their commitment, leaders can take the necessary steps to honor their achievements. These contributions will be recognized within the company, fostering a positive work atmosphere.

Furthermore, building a positive workplace culture requires establishing a collaborative team environment. Leaders are responsible for promoting teamwork so that employees with different educational backgrounds can support one another. Support and knowledge sharing among team members should be encouraged through this inclusivity.

Additionally, leaders need to ensure that training materials, handbooks, and other resources are readily available and presented in a clear manner for employees with less expertise. Providing additional support through mentoring programs or support staff can also help them progress in their careers.

**Implementation Methods:**

- 1. Assessing Educational and Training Needs:** Conduct a comprehensive needs assessment to identify the specific educational and training requirements of employees with lower qualifications and skills. Programs should be customized accordingly.
- 2. On-the-Job Training Programs:** Offer application-enhancing programs that meet workplace recruitment requirements, including both technological skills and other soft skills.
- 3. Peer Support and Mentoring:** Establish mentoring programs so that lower-skilled employees can receive advice from more experienced colleagues.

**5.3.3 Promoting Creativity and Innovation**

To encourage employees to develop new and creative ideas in their work, it is essential to implement appropriate incentive programs. These programs may include idea competitions, creative brainstorming sessions, or team activities designed to foster a spirit of creativity.

Additionally, establishing clear and fair performance metrics is very important. Making ensuring that every employee understands their objectives and work requirements is essential. Clearly defining performance evaluation criteria in a fair manner will contribute to a sense of equity and enhance employee motivation.

Finally, encouraging autonomy in the workplace is also a key factor. It is necessary to create conditions that allow employees to manage their own work and make independent decisions. This autonomy not only increases job satisfaction but also boosts employee motivation.

**To implement solutions aimed at enhancing work performance, the following methods can be employed:**

1. **Organize Idea Competitions:** Encourage employees to propose creative solutions to workplace challenges. Hold periodic competitions (quarterly or annually) with specific themes. Provide attractive awards for the best ideas.
2. **Regular Brainstorming Sessions:** Create a space for employees to freely share ideas and solutions. Establish monthly brainstorming meetings where everyone can participate and contribute without fear of judgment. Consider inviting external experts to provide additional motivation and new perspectives.
3. **Create a Creative Work Environment:** Establish a work environment that promotes creativity. Design flexible workspaces with distinct areas for group discussions, individual work, and relaxation. Provide supportive tools such as whiteboards and online resources to facilitate idea sharing.

## **6. CONCLUSION**

According to this study, Manulife Vietnam's leadership style and employee happiness are related, which is a significant subject given that the majority of its workforce is made up of women between the ages of 31 and 50. The findings from the research not only provide insights into the factors influencing employee satisfaction and loyalty but also open up new avenues for improving the work environment and leadership strategies within the organization.

One of the highlights of the study is the predominance of women in the workforce at Manulife Vietnam. Women often tend to prioritize values such as collaboration, empathy, and personal development, which is clearly reflected in their

perceptions of leadership style. To foster a supportive workplace where staff members feel inspired and more dedicated to their work, leaders must modify their approaches to meet these standards. Leaders that are aware of these principles will be better able to interact with staff members and increase their dedication to the company.

The study also shows that the age of employees plays a significant role in determining effective leadership styles. Employees aged 31-50 typically have accumulated considerable experience and may have higher expectations for support and guidance from their leaders. Given the significant relationship between job happiness and inspiring leadership, it is possible to create a productive workplace where staff members feel inspired and invested in their work. This underscores the need for leadership training programs to be designed to develop leadership skills that meet the needs and expectations of employees.

Survey results indicate that leadership communication is a critical factor influencing employees' perceptions. While many believe that leaders communicate clearly, there remains a segment that disagrees, leading to a lack of trust and motivation.

Leaders need to improve their communication to ensure that information is conveyed effectively. They should listen to employee feedback and adjust their strategies accordingly.

Encouraging creativity is important, yet some employees do not feel encouraged. A positive environment can enhance employee engagement with the company. Differences in perceptions of company engagement should also be considered, particularly concerning income policies and support from leadership. In order to establish a productive workplace where staff members feel appreciated and respected, Manulife must review its rules.

The study on employee loyalty at Manulife Vietnam has, in conclusion, yielded important information on how workers view and interact with the company. The results highlight the critical roles that workplace culture, communication, and leadership play in influencing the attitudes and actions of employees. Through the implementation of the suggestions presented in this document, Manulife Vietnam may develop a dedicated, devoted, and productive staff.

Resolving the gaps in job performance, employee loyalty, and leadership style will improve employee happiness while also advancing the organization's long-term viability. As the business environment changes, Manulife Vietnam has to be aware of the demands and expectations of its staff while promoting an innovative and continuous development culture. In the cutthroat insurance industry, the company may create a strong basis for expansion and success by putting employee happiness and loyalty first.

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## APPENDIX

Survey questions for the research thesis on Leadership Strategies at Manulife Vietnam:

<https://docs.google.com/forms/d/e/1FAIpQLScvURVAbvH7IizZfzRgv-9jyIL2IzAHJvcN5nBz-8EACwH9vA/viewform>

### Survey questions for the research thesis on Leadership Strategies at Manulife Vietnam.

**B** *I* U ↻ ✕

The insurance sector in Vietnam has undergone significant changes in recent years, particularly regarding human resources. The rising rate of employee turnover and frequent job changes among insurance professionals have posed substantial challenges for companies. In this context, Manulife Vietnam has established itself as one of the leading insurance companies, not only due to its diverse product offerings and quality services but also because of its effective leadership and human resource management capabilities. The leadership strategies employed by Manulife to build employee loyalty, foster creativity, and enhance work performance have become a noteworthy topic in management research.

Understanding the factors that influence employee loyalty and performance is crucial in the evolving insurance industry. The purpose of this survey is to provide insights into the leadership strategies at Manulife Vietnam. The study will not only analyze theoretical frameworks but also propose practical solutions that will enable the company to take strategic steps to enhance operational effectiveness and cultivate a positive work environment.

Gender

Male

Female



Your age

- Under 30 years old
- 31 - 40 years old
- 41 - 50 years old
- Over 50 years old

How long have you worked in the insurance industry?

- Less than 1 year
- From 1 to 3 years
- From 3 to 5 years
- More than 5 years



Do you feel that the leadership strategies of Manulife Vietnam have a positive impact on your loyalty to the company?

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly agree

Do you agree that the leadership at Manulife Vietnam communicates clearly and frequently with employees?

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly agree

⋮

Do you think that the leaders at Manulife Vietnam encourage creativity in your work?

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly agree

⋮

Do you feel that the leadership strategies at Manulife Vietnam help improve your work performance?

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly agree

Do you feel a sense of attachment to Manulife Vietnam?

- Yes
- No

Would you be willing to recommend Manulife Vietnam as a good workplace to friends or family?

- Yes
- No

Do you feel that the working environment at Manulife Vietnam fosters your creativity?

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly agree

Do you believe that support from leadership helps enhance your work performance?

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly agree

Have you noticed that there are challenges in maintaining employee loyalty at Manulife Vietnam?

	1. Strongly disagree	2. Disagree	3. Neutral	4. Agree	5. Strongly agree
A non-positive work environment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Inadequate income policies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ineffective management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Constant changes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of connection and engagement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

To you, what factors do you believe leaders should possess to foster a stronger connection with the company?

	1. Strongly disagree	2. Disagree	3. Neutral	4. Agree	5. Strongly agree
Clear communication	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recognition and rewards	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Motivation and inspiration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Building a positive work environment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Flexibility in management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Guidance and value sharing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Would you like to share any additional opinions or suggestions regarding leadership strategies at Manulife Vietnam?

Your answer

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This study is committed to maintaining the confidentiality of the personal information of survey participants. The purpose of this research is to provide information for the completion of an individual's Master's thesis in International Economics. All analyses will be based on the knowledge and personal experiences gained from the academic program.

I am grateful to all participants who took the time to respond to the survey, and I wish everyone good health and success.

Thank you very much.

Trang Nguyen - Huong Nguyen

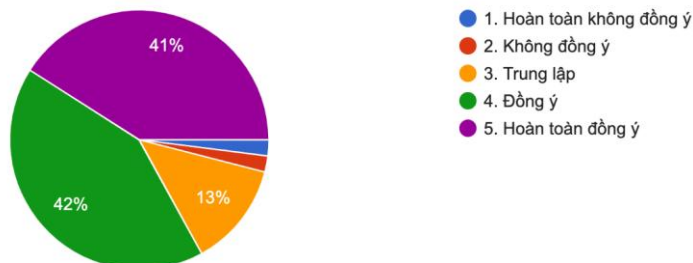
||| Manulife



### Chart 1: Leadership communicates clearly and frequently with employees

Bạn có đồng ý rằng lãnh đạo tại Manulife Việt Nam thường xuyên giao tiếp rõ ràng với nhân viên?

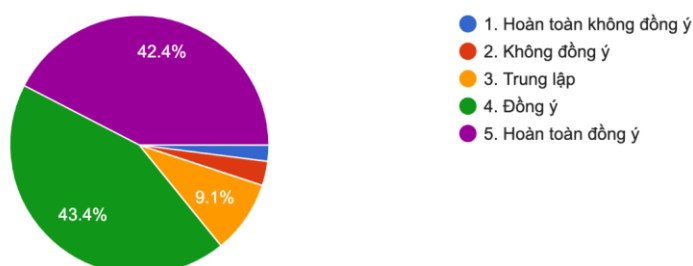
100 responses



### Chart2: Leadership strategies that positively impact loyalty

Bạn cảm thấy các chiến lược lãnh đạo của Manulife Việt Nam có ảnh hưởng tích cực đến sự trung thành của bạn với công ty không?

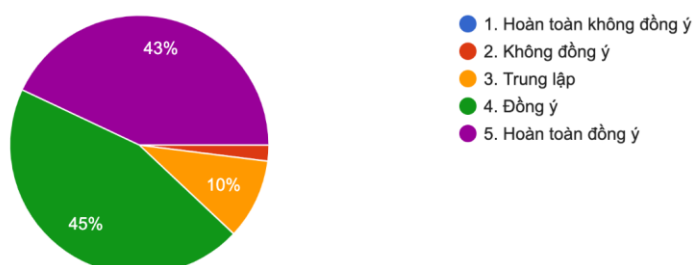
99 responses



### Chart 3: Leaders encourage creativity

Bạn có nghĩ rằng các lãnh đạo tại Manulife Việt Nam khuyến khích sự sáng tạo trong công việc của bạn?

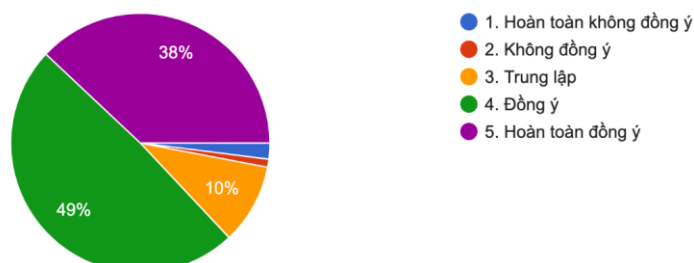
100 responses



#### Chart 4: Leadership strategies to improve job performance

Bạn có cảm thấy rằng các chiến lược lãnh đạo tại Manulife Việt Nam giúp cải thiện hiệu suất làm việc của bạn?

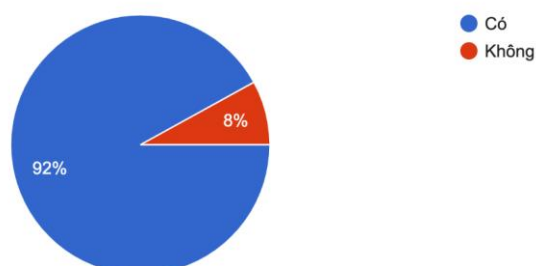
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#### Chart 5: Employee engagement level with the company

Bạn có cảm thấy gắn bó với Manulife Việt Nam không?

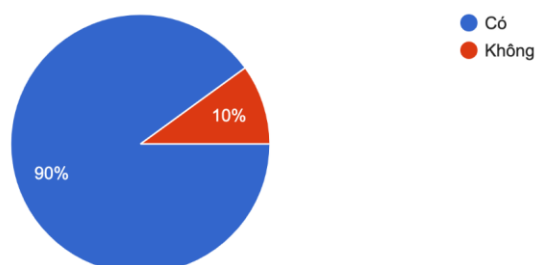
100 responses



#### Chart 5: Willingness to recommend the company

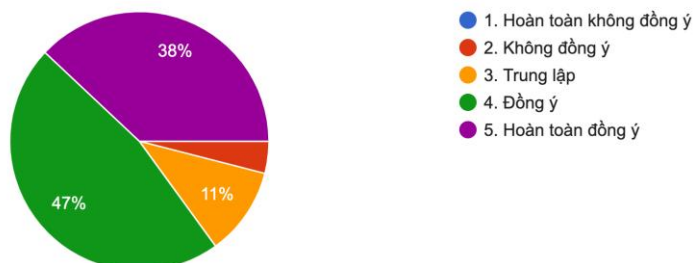
Bạn có sẵn sàng giới thiệu Manulife Việt Nam như một nơi làm việc tốt đến bạn bè hoặc người thân không?

100 responses



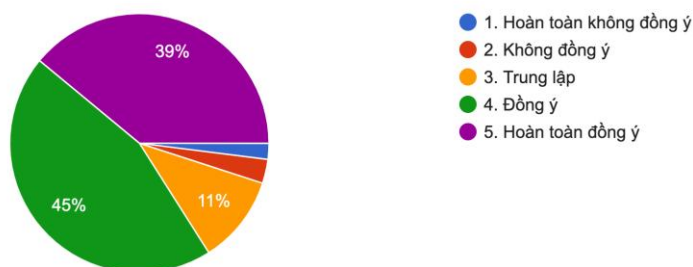
### Chart 6: Assessing a work environment that fosters creativity

Bạn có cảm thấy rằng môi trường làm việc tại Manulife Việt Nam thúc đẩy sự sáng tạo của bạn?  
100 responses



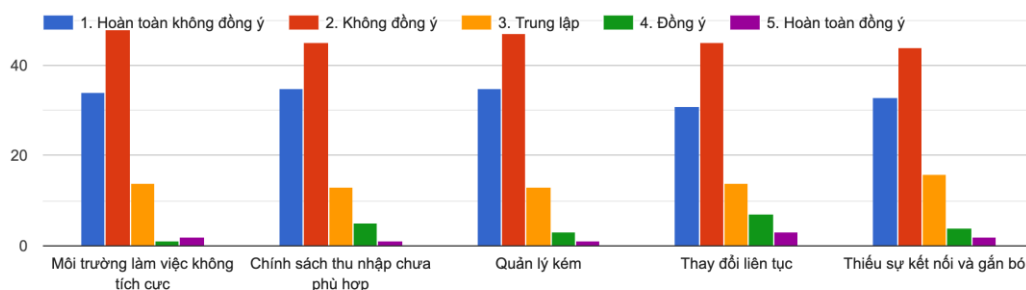
### Chart 7: Leaders help employees improve work performance

Bạn có nghĩ rằng sự hỗ trợ từ lãnh đạo giúp bạn nâng cao hiệu suất làm việc?  
100 responses



### Chart 8: The challenges in maintaining employee loyalty

Bạn có nhận thấy rằng có những thách thức trong việc duy trì sự trung thành của nhân viên tại Manulife Việt Nam không?



### Chart 9: Leadership qualities needed to create strong employee engagement

Theo bạn, Lãnh đạo cần có những yếu tố gì khiến bạn cảm thấy gắn bó hơn với công ty?

