

Factors influencing trade union fund collection to ensure social security for workers: Perspectives from Vietnamese trade union finance officers



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ABSTRACT

The study aims to identify factors affecting the collection of trade union funds to enhance social security for employees. Data for the research were gathered through a survey of 768 trade union finance officers. The methods used included descriptive statistics, Cronbach's Alpha testing, and multivariate regression analysis. The findings reveal seven key factors that positively influence trade union fund collection: the financial policy system of the trade union, information technology, fund collection controls, coordination with ministries and relevant departments, the skills and capacity of trade union finance officers, support and awareness campaigns, and employers' compliance with union fee payments. Based on these results, the authors suggest recommendations to strengthen fund collection, ensuring sufficient financial resources for trade unions to effectively fulfill their roles and responsibilities.

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1. Introduction

Social security refers to a system of state-led policies and measures designed to help individuals handle risks such as illness, maternity, accidents, and occupational diseases. It is a crucial aspect of ensuring citizens' rights to safety and welfare, aiming to promote societal prosperity and happiness. Through public initiatives, social security fosters sustainable socio-economic development. For businesses, implementing social security policies reflects their responsibility toward employees and enhances their appeal in competitive labor markets by offering favorable working conditions, professional growth opportunities, and adequate welfare benefits. These measures contribute to a committed and motivated workforce, benefiting both employees and employers (Kunz, 2020).

Trade unions play a key role in fostering stable and progressive labor relations by advocating for employees' rights and supporting enterprise development. Their activities often focus on ensuring fair income, managing risks, promoting employment, and improving labor market conditions. Financial resources are essential for trade unions to fulfill

their responsibilities, and their funding sources include (1) union fees from members, (2) contributions from organizations and businesses (2% of salary funds used for social insurance), (3) state budget support, and (4) revenue from cultural and economic activities or sponsorships. Among these, contributions from organizations and businesses form the main source of union funds (Hodder and Edwards, 2015).

Trade union funds are used to support activities such as protecting employee rights, organizing workplace programs, and improving employees' cultural and social lives. Effective fund management is critical to maintaining stable labor relations and encouraging employee dedication. However, challenges such as revenue loss, fee evasion, and non-compliance by businesses hinder the collection and management of union funds. A lack of penalties for non-compliance exacerbates these issues, resulting in financial gaps that weaken union operations (Huang, 2022).

In recent years, the Vietnam General Confederation of Labor (referred to as the "General Federation") has introduced innovations to improve fund collection. This includes coordinating with Vietnam Social Insurance and other government agencies to ensure timely and accurate estimates, as well as applying modern technology to enhance transparency and efficiency. These efforts have increased the participation of businesses in the union fund system, contributing to stronger union activities and improved labor relations.

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Despite these advancements, challenges remain, such as unpaid fees, lack of grassroots trade unions in some enterprises, and insufficient oversight of fund collection. The study aims to analyze the factors affecting trade union fund collection and its impact on ensuring social security for employees. Using quantitative methods and primary data from trade union officials, the research will explore these issues in five sections: (1) Introduction, (2) Theoretical Background and Hypotheses, (3) Data and Methods, (4) Results and Discussion, and (5) Conclusions and Recommendations.

2. Theoretical foundation and development of research hypotheses

Contingency Theory is an approach to understanding organizational behavior that examines how factors such as technology, culture, and the external environment affect an organization's structure and operations. The central premise of this theory is that there is no one-size-fits-all organizational structure that can be universally applied to all organizations (Wolters et al., 2002). Contextual factors such as the external environment, technological level, company structure, size, finances, skills, and culture significantly impact the management system (Chenhall, 2003). This study applies the contingency theory to explore various factors influencing the collection of trade union funds. These factors include the financial policy framework of trade unions, the role of information technology, the monitoring of fund collection processes, coordination with relevant ministries and departments, the competence of trade union financial officers, support and advocacy activities, and the level of compliance by employers in paying trade union fees. The aim is to assess how these factors affect trade union fund collection and contribute to ensuring social welfare for employees.

Legitimacy Theory suggests that an organization's legitimacy is established and maintained within a framework governed by legal standards, ethical norms, and societal expectations (Niap, 2006). The theory highlights the relationship between an organization and the society it operates in, emphasizing that organizations are not isolated but must comply with prevailing legal and societal standards (Fernando and Lawrence, 2014). According to this theory, social disclosures are voluntary actions aimed at addressing social, economic, and political factors. Research indicates that private companies often voluntarily disclose social information (Deegan, 2014).

Legitimacy Theory emphasizes that businesses must adopt appropriate measures to align their operations with societal norms and standards. It also explains how legal regulations impact trade union fund collection, which is crucial for the trade union's operational effectiveness, financial management, and compliance with legal requirements. Furthermore, the theory demonstrates how managerial support influences fund collection, as achieving and

maintaining legitimacy depends significantly on managerial acceptance and response to necessary changes.

In this study, legitimacy theory is applied to examine factors such as the financial policy framework of trade unions, monitoring of trade union fund collection, coordination with ministries and relevant departments, and employers' compliance with trade union fund contributions. These factors are analyzed to understand their impact on fund collection, ensuring social welfare for employees.

Stakeholder Theory, as outlined by Freeman (2004), incorporates two key dimensions: management and ethics. The management dimension focuses on the efforts of managers to address the interests of stakeholders, while the ethical dimension aims to balance these interests (Fernando and Lawrence, 2014). Companies must consider stakeholders who are affected by or can influence the company's activities when making decisions. Stakeholders, including shareholders, creditors, consumers, employees, and suppliers, are often viewed as parties with an interest in the company's social and environmental responsibilities (Gray et al., 1992).

Stakeholder Theory highlights the complex and evolving relationships between organizations and their stakeholders, focusing on accountability and governance practices (Wong and Fryxell, 2004). According to Choi et al. (2010), an organization's financial management system influences the interests of external stakeholders. Therefore, trade unions must understand the needs and expectations of stakeholders, including employees, employers, and the community, to build trust and support. This trust can encourage active contributions to union funds and strengthen consensus for union activities.

In this study, Stakeholder Theory is applied to analyze factors such as coordination with ministries and functional departments, the competence of trade union financial officers, support and advocacy activities, and employers' awareness of compliance with trade union fund contributions. These factors are examined to assess their impact on trade union fund collection, ensuring social welfare for employees.

Institutional Theory emphasizes the role of institutions in shaping organizational design and structure (Berthod, 2016). Organizations are viewed as smaller representations of larger institutional frameworks, reflecting the norms, rules, and shared perceptions of their broader contexts. Institutions consist of formal regulations, informal norms, and shared beliefs that influence and constrain the behavior of actors within specific domains (Berthod, 2016). Ball and Craig (2010) highlighted the significance of ethical values and ecological awareness, including changes in financial management, to guide organizations toward sustainability.

The theory explains that improving trade union fund collection relies on three interconnected

pressures. First, legitimacy arises from the need to comply with legal and regulatory requirements (coercive isomorphism). Second, diffusion refers to adopting successful practices from other organizations (mimetic processes). Third, professionalism involves adhering to professional norms and standards (normative pressures). These factors collectively motivate organizations to meet trade union fund obligations, ensuring compliance with societal expectations.

Although trade union contributions represent a small fraction of organizational expenses (around 0.2% for subcontracting companies and 0.14% for others), they serve as a mechanism for employers to fulfill their social responsibilities. These contributions help maintain harmonious labor relations, improve employee welfare, and enhance job security, benefiting both employers and employees.

In this study, Institutional Theory is used to analyze factors such as the role of information technology, monitoring of trade union fund collection, coordination with ministries and relevant departments, the competence of trade union finance officers, advocacy activities, and employers' awareness of compliance. These factors are examined to understand their impact on trade union fund collection, ultimately supporting social welfare for employees.

Agency Theory examines the relationship between "principals" (individuals or organizations that delegate tasks) and "agents" (those responsible for performing the tasks). In this context, managers act as agents on behalf of principals, such as shareholders, to make decisions that support the company's business operations. This theory is often applied to understand the dynamic between owners and managers within organizations.

Wang and Coffey (1992) used Agency Theory to investigate how the personal characteristics of board members and CEOs influence decisions regarding social responsibility. In the context of trade union fund collection, Agency Theory ensures that union activities are carried out effectively and transparently, meeting the needs of members and promoting social welfare. By managing the relationship between union representatives, who act as agents, and union members, who are the principals, the union can optimize resource utilization and enhance benefits for stakeholders.

Key activities include implementing robust monitoring and control mechanisms to oversee trade union fund collection while prioritizing employee welfare. Encouraging active participation and support from employees fosters stronger engagement with the union's goals. Designing fair programs and policies ensures that members receive equitable benefits in return for their contributions. Additionally, resolving conflicts between union representatives and members protects the interests of all stakeholders.

In this study, Agency Theory is applied to analyze factors such as monitoring trade union fund

collection, coordination with relevant ministries and departments, the competence of trade union finance officers, advocacy efforts, and employers' compliance with trade union fund contributions. These factors are examined to understand their impact on fund collection and their contribution to the social welfare of employees.

Trade union fees are contributions made by agencies, organizations, and businesses, amounting to 2% of the salary fund used as the basis for calculating employees' social insurance contributions. These fees must be paid regardless of whether the agency, organization, or business has an established grassroots trade union. The 2% contribution applies to the salary fund for employees required to pay social insurance under the law.

Trade union funds are a primary source of income for trade union organizations, accounting for up to 60% of their total revenue. Consequently, it is essential for trade union bodies tasked with collecting these funds to ensure they are collected accurately, completely, and promptly. The funds must be used and managed effectively for their intended purposes, enabling trade unions to fulfill their responsibilities. These responsibilities include representing, protecting, and promoting the legitimate rights and interests of union members and employees, as well as ensuring their welfare.

The trade union financial policy system: Based on Contingency Theory, Legitimacy Theory, and Stakeholder Theory, the trade union fund policy system establishes rules and authority for businesses to collect trade union funds and disclose information related to protecting employee interests (DiMaggio and Powell, 1983). Implementing this policy system can encourage organizations to modify their behavior (Delmas and Toffel, 2004).

Legal regulation measurement: Hoffman (2001) highlighted that regulations within the trade union policy system significantly influence the collection of trade union funds at grassroots levels. A strict legal framework can reflect changes in trade union activities that support employee welfare. Therefore, this study evaluates the trade union fund policy system using the following criteria: the completeness, timeliness, and clarity of directives and guidance documents for financial collection; the presence of deterrents and sanctions for fraud, delayed payments, and non-compliance in contributions; and the flexibility of the system to adapt to specific conditions.

Over different periods, the guidelines and policies of the Party and State establish a legal framework to support and encourage trade unions at all levels in generating financial resources. These policies influence the scope and content of trade union financial revenues and expenditures, allowing them to expand or narrow as necessary. Furthermore, the Vietnam General Confederation of Labor (VGCL) has the authority to propose changes to financial management and revenue-expenditure mechanisms across trade union levels to address evolving task requirements. Such adjustments directly impact the

financial management activities of district and grassroots trade unions.

Currently, VGCL has institutionalized regulations on trade union fund collection through the Trade Union Law and related sub-law documents, including resolutions, charters, decisions, regulations, and instructions. This synchronized legal system facilitates effective financial management. Key documents include the Resolution dated January 21, 2016, addressing trade union finance in the new context, and the Decision of December 19, 2016, outlining regulations on financial management, union assets, revenue collection, allocation, bonuses, fines, and payments. The Coordination Regulation of September 20, 2016, between VGCL and Social Insurance enables information sharing and legal action for violations of laws on social, health, and unemployment insurance. Further, the Decision of December 28, 2020, amends regulations on trade union finance, and the Instruction of December 30, 2020, provides guidance on implementing financial management, union asset management, and accounting for grassroots trade unions.

Overall, VGCL's documents and regulations on trade union financial management are comprehensive, clear, and practical. They improve the efficiency of fund collection and financial revenue control, minimizing the risk of revenue loss. Based on this, the research hypothesis is proposed:

H1: The system of policy documents related to trade union fund collection has a positive impact on trade union fund collection.

Information technology (IT): According to the Contingency Theory and Institutional Theory, the level of technology influences the collection of trade union funds in companies. The development of information technology has increased the flexibility of information, enhanced the automation of routine tasks, and improved the efficiency of trade union fund collection (Scapens and Jazayeri, 2003). To meet future financial management requirements for trade unions, including trade union fund collection, higher levels of technology and richer information are needed (Brown et al., 2005). When companies adopt high levels of automation technology, they can handle uncertain tasks and objectives more effectively, making the financial management of trade unions more flexible. Consequently, trade union financial management can provide timely, useful, and relevant information (Viere et al., 2011). Applying IT to tools to support trade union fund collection management is also an important factor that influences the prevention of trade union fund loss. The application of IT enables organizations and businesses to avoid errors in the process of implementing their trade union fund collection and, at the same time, enables upper-level trade unions to have data on trade union fund collection of organizations and businesses, making it easier for upper-level unions to easily compare data of organizations and businesses to check and verify

violations of organizations and businesses. Due to the large number of businesses and diverse industries, the management of trade union fund collection must also require an infrastructure system that meets the requirements of trade union fund collection management on an IT platform that not only enables upper-level trade unions to reduce management costs but also facilitates the inspection and control of trade union revenue more quickly and accurately, ensuring correct, complete and timely collection into the union financial budget. IT-based management of community union revenue not only enables upper-level trade unions to manage trade union fund collection but also creates favorable conditions for compliance by organizations and businesses. Applying science and technology to trade union fund collection management, particularly union financial revenue and expenditure, in general, makes financial management more accurate. Applying accounting software in financial management enables saving accounting human resources, improves financial management productivity, and reduces confusion and errors. In the U.S., some trade unions have adopted advanced financial management software to streamline fund collection and accounting processes. This includes automating dues collection and using data analytics to track financial performance (Warren et al., 2015). In the UK, trade unions utilize online platforms for easier collection of membership fees and contributions. Digital tools also help monitor and report financial activities efficiently. So, the research hypothesis is set out:

H2: Information technology has a positive impact on trade union fund collection.

Control of trade union fund collection (KS): Control of trade union fund collection is an important function of trade union funds management with the establishment of organizations to implement appropriate mechanisms, policies, procedures, and regulations at all trade union levels, ensuring preventing, detecting and handling risks of trade union funds with the goal of managing trade union funds strictly and effectively, best meeting the activities according to the functions and tasks of the trade union. The Canadian trade unions focus on enhancing member engagement through regular communication and transparency about how funds are used. This approach helps build trust and encourages timely contributions. Similarly, Australian trade unions have implemented comprehensive member education programs to inform members about the importance of their contributions and how they benefit them directly (Snell and Gekara, 2020). Control of trade union fund collection is the act of controlling and orienting by the controlling payers in relation to decision-making on trade union finance policies and activities of payers using trade union funds at the trade union to ensure financial activities and financial performance results that achieve the

union's goals and development strategies. To control trade union fund collection is to help trade union executive committees at all levels improve responsibility in the management of trade union labor, ensuring trade union collection in accordance with regulations of the State and the General Confederation; Organize effective implementation of the budgeting work approved by the Executive Board; Deploy and organize the implementation of annual estimates and settlements according to regulations, detect errors, limitations and promptly rectify shortcomings in the management of public revenue collection. The research hypothesis is set out:

H3: The control of trade union fund collection has a positive impact on trade union fund collection.

Coordination with ministries and relevant functional departments at the same level is essential for effective trade union fund collection. This coordination is reflected in several key areas: sharing and providing information, organizing the collection process, mobilizing and educating stakeholders, raising awareness, and managing debt collection. Preventing the loss of trade union funds requires continuous collaboration, not only among trade unions at various levels but also with entities such as the Tax Authority, Social Insurance, Inspection and Inspectorate agencies, and Public Security. This collaboration involves efforts to recover arrears, particularly from businesses, and includes recommending sanctions and initiating legal actions against non-compliant entities.

When ministries, departments, branches, and other specialized agencies collaborate to develop and implement a coordinated program for trade union fund collection, with clearly defined responsibilities, authority, and working relationships among stakeholders, the effectiveness of fund collection improves significantly. Such coordination helps minimize collection losses. Based on this premise, the research hypothesis is proposed:

H4: Coordination with ministries and functional departments at the same level has a positive impact on trade union fund collection.

Capacity of trade union finance officers (CB): According to Contingency Theory and Institutional Theory, the competence of trade union financial staff significantly impacts the collection of trade union funds in companies. The level of staff expertise is a critical factor in effectively managing trade union finances, as a lack of knowledge and skills makes it challenging to manage financial matters at the grassroots level (Jarvis and Rigby, 2012). Trade union financial staff are proven to be the primary providers of advisory services when implementing changes related to finance, accounting, mergers, and valuations (Jarvis and Rigby, 2012).

Therefore, having skilled and knowledgeable staff is essential for ensuring efficient management of

trade union funds and achieving effective financial oversight.

A team of trade union finance officers with strong professional qualifications, skills, and ethical standards plays a crucial role in the success of trade union fund collection. Properly assigning finance officers to businesses ensures effective fund collection. As enterprises grow in scale and diversify their operations, it is essential for trade union finance officers to possess solid professional expertise, enabling them to detect and address violations promptly and prevent losses in trade union funds.

Given the role of trade unions in representing, protecting, and promoting the legitimate rights and interests of union members and employees, the quality of human resources is particularly significant. Trade union finance officers must demonstrate enthusiasm, responsibility, and strong professional competence. With qualified officers, financial decisions regarding revenue and expenditure will align with established financial principles and be applied flexibly. This improves the efficiency of managing and utilizing trade union finances, benefiting union members.

Beyond qualifications, the age of trade union finance officers can also influence decision-making and the effectiveness of financial management. Based on these factors, the research hypothesis is proposed:

H5: The capacity of trade union finance officers has a positive impact on trade union fund collection.

Support and propaganda activities are essential to the effective management of trade union fund collection. The primary objective is to ensure that businesses and organizations understand their obligation to pay trade union fees and recognize the consequences of non-compliance. Efforts to achieve this include widely disseminating documents and regulations issued by the State and the General Confederation, providing guidance on the implementation of legal and financial regulations, and addressing inquiries about policies, employee rights, and trade union finances through online platforms.

Training sessions and workshops on policies and legal requirements are regularly organized, targeting those responsible for paying trade union fees, particularly businesses without established trade unions. Specialized trade union finance officers are also dispatched to provide on-site guidance, answer questions, and resolve challenges during implementation. For businesses and units without trade unions, propaganda efforts should highlight the importance of trade unions in securing funding to care for and protect the interests of union members and employees. This message can positively influence production and business activities by fostering trust and cooperation.

At the grassroots level, a significant portion of trade union funds is allocated to directly support the

care, protection, training, and retraining of union members and employees. When union members, employees, and employers understand how financial resources are utilized, they are more likely to support fund collection efforts, increasing awareness and responsibility in adhering to regulations. Trade union activities that visibly safeguard legal rights and improve the material and spiritual well-being of employees also encourage voluntary membership, strengthening the union and boosting revenue.

For instance, Norwegian trade unions employ robust monitoring and auditing mechanisms to ensure transparency and accountability in fund collection. Regular audits and financial reporting maintain integrity and address issues promptly. Hansen (2020) emphasized that accountability through stringent financial controls and reporting ensures effective fund utilization and builds trust in the management of members' contributions.

Based on these considerations, the research hypothesis is proposed:

H6: Support and propaganda activities have a positive impact on union fee collection.

Awareness of compliance with the labor employer unit's payment of trade union fees (YT): Hossen et al. (2020) argued that when managers have a greater understanding of the value of social responsibility in evaluating corporate performance, they are more likely to recognize the importance of contributing to trade union funds. This contribution supports employee welfare and enhances the role and social responsibility of employers in collaboration with trade unions, which is crucial for the development of the business. Similarly, Al-Ghazali and Sohail (2021) highlighted that managerial awareness is a key factor in successfully implementing social responsibility initiatives. Thus, fulfilling the obligation to pay the trade union fees reflects the social responsibility of businesses to the Government and employees. Therefore, there needs to be a mechanism to commend these enterprises in the mass media, which can be commended on the websites of the Provincial People's Committee, the Provincial Labor Federation, or in coordination with the General Department of Taxation to commend the website of the General Department. These mechanisms will enable businesses to build their image and increase their reputation and brand in the market without spending marketing costs only when businesses see economic benefits and profits. The research hypothesis is set out:

H7: Awareness of compliance with the labor employer unit's payment of trade union fees has a positive impact on trade union fund collection.

3. Data and methodology

This study employs an in-depth interview method, as it is the first to investigate factors

influencing trade union fund collection. The primary objective of this method is to identify factors and observed variables based on the experiences of those directly involved in or knowledgeable about trade union fund collection.

Fifteen experts participated in the interviews, comprising five experts from the Finance Committee of the General Confederation and the Confederation of Industries, five grassroots union officers with over five years of experience, and five lecturers and researchers specializing in public finance at universities and the Ministry of Finance.

The insights gained from these interviews were synthesized to refine and adjust the draft scale of research variables. This process ensured that the variables were tailored to the specific research context, ultimately contributing to the development of a complete and robust survey questionnaire (Table 1).

To achieve reliable estimates, the authors determined the smallest sample size, $n=5 \times k$, where k is the number of observed variables equivalent to the number of research questions (Hair et al., 2010). In this study, the survey questionnaire was designed in two parts:

- Part 1: Factors influencing trade union fund collection, each observed variable is written in the form of a narrative sentence with a 5-point Likert scale from (1) Very uninfluential (5) Very influential;
- General information about the survey subjects: This part is used by the author to collect information about gender, seniority, income position and some characteristics of grassroots trade unions.

With 28 observations used to measure variables in the research model, the minimum sample size is $25 \times 5 = 125$. Survey subjects are trade union finance officers belonging to trade union organizations in units in 06 provinces: Hanoi, Bac Ninh, Danang, Thanh Hoa, Binh Duong, and Tien Giang. These are localities with many industrial parks, gathering a large number of trade union members, such as Samsung Industrial Park (Bac Ninh), Nghi Son Industrial Park (Thanh Hoa), Danang Seafood Industrial Park (Danang), Song Than Industrial Park (Binh Duong), Trung An Industrial Park (Tien Giang), etc. The sample structure, according to the criteria, is quite similar to the whole, so it is representative and statistically significant (Table 2).

Table 2 surveys trade union finance officers classified according to the following criteria: survey province/city, gender, education level, and type of unit. In the surveyed provinces/cities, the number of trade union finance officers is relatively equal. Women account for a larger proportion than men. The highest level of education is university, and accounts for the highest proportion in this group at 82.3%. Non-state enterprises have a strong presence, accounting for 47.9%.

Table 1: Scale of independent and dependent variables

Code	Description
CS	Policy system for trade union fund collection
CS1	Completeness, timeliness, and specificity of documents guiding trade union fund collection
CS2	Deterrents and sanctions for fraudulent declarations, late payments, and outstanding debts
CS3	Flexibility of the policy system to adapt to specific conditions
IT	Information technology
IT1	Synchronization and connectivity of information technology infrastructure between trade union levels
IT2	Quality of information technology infrastructure in coordinating community revenue collection
IT3	Comprehensive and timely digitization of trade union fund collection data
KS	Control of trade union fund collection
KS1	Level of control over trade union fund collection at the grassroots level
KS2	Tightness and efficiency in the process of controlling trade union fund collection at all levels
KS3	Scientific, reasonable, and effective methods for controlling trade union fund collection
KS4	Disclosure level of trade union fund revenues at the grassroots level
PH	Coordination and propaganda between ministries and functional departments at the same level
PH1	Compliance of collection, disbursement, and submission processes with regulations
PH2	Efforts to propagate and encourage participation in trade union fund payments
PH3	Supervision and management of trade union fund collection
HT	Support and propaganda activities
HT1	Timely and effective support from upper-level trade unions for grassroots collection activities
HT2	Advocacy and encouragement for accurate, complete, and timely fund payments
HT3	Motivation for active participation in activities organized by trade unions
CB	Capacity of trade union finance officers
CB1	Professional qualifications ensuring quality and professionalism
CB2	Sufficient professional skills, communication abilities, and practical experience for dialogue with stakeholders
CB3	Independence, objectivity, honesty, and professional ethics
YT	Awareness of compliance with the labor employer unit's payment of trade union fees
YT1	Awareness of unit leaders regarding responsibilities, obligations, and rights when paying union fees
YT2	Degree of employer intervention in financial activities at the grassroots trade union level
YT3	Reputation and image of the unit in the local area where it operates
TUF	Trade union fund collection
TUF1	Accurate and complete calculation of trade union funds according to regulations
TUF2	Timely payment of trade union funds by units and members as prescribed
TUF3	Effective utilization of trade union funds

Table 2: Detailed industry of research sample

Criteria	Quantity	Ratio (%)
Province/City	768	100
Hanoi	128	16.6
Bac Ninh	128	16.6
Danang	128	16.6
Thanh Hoa	128	16.6
Binh Duong	128	16.6
Tien Giang	128	16.6
Gender	768	100
Male	280	36.5
Female	488	63.5
Education level	768	100
High school level	23	3.0
Associate degree level	113	14.7
Bachelor's degree level	632	82.3
Type of unit	768	100
Public unit	372	48.4
State-owned enterprise	28	3.6
Non state-owned enterprise	368	47.9

4. Research results and discussion

4.1. Reliability of the scale

The authors analyzed and assessed the reliability to test the consistency of the questions with the research problem. In this analysis, Cronbach's Alpha coefficient will be used to evaluate the reliability. The higher the Cronbach's Alpha coefficient, the higher the reliability of the scale. According to Hair et al. (2010), a scale that ensures unidirectionality and reliability should reach Cronbach's Alpha threshold of 0.7 or higher. However, as a preliminary exploratory study, a Cronbach's Alpha threshold of 0.6 is acceptable. In the event Cronbach's Alpha coefficient is higher than or equal to 0.60, then it can

be confirmed that the observed variables have a sufficiently reliable scale. In addition, the Corrected Item-Total Correlation index shows the correlation between each observed variable and the remaining variables in the scale. The higher the Corrected Item-Total Correlation value, the better the observed variable. Cristobal et al. (2007) suggested that a good scale is when the observed variables have a Corrected Item-Total Correlation value of 0.3 or more. For this study, when performing the Cronbach's Alpha reliability test, it is necessary to ensure 2 factors: The Cronbach's Alpha coefficient is greater than 0.6 and the Corrected Item-Total Correlation value is from 0.3 or higher (Table 3). Therefore, all observed variables are accepted and will be used in the subsequent analysis.

4.2. Regression analysis

From the results of research on factors influencing trade union fund collection, the independent variables all have a statistically significant impact on the dependent variable. The independent variables are correlated with the dependent variable. The independent variables are not correlated with each other or correlated but at a low level (Table 4).

The relationship between the variables is presented through the following regression equation:

$$TUF = 0.100 + 0.362 \times YT + 0.309 \times PH + 0.159 \times CB + 0.153 \times IT + 0.073 \times CS + 0.011 \times HT + 0.004 \times KS$$

All variables included in the model were statistically significant, with p-values less than 0.05, indicating that they have a meaningful impact on the dependent variable. Each variable positively influences trade union fund collection. The employer's awareness of compliance with trade union fee payments has the strongest effect, with a Beta coefficient of 0.362. This is followed by coordination and communication between ministries and functional departments (Beta = 0.309). Other contributing variables include the capacity of union finance officers (Beta = 0.159), the application of information technology (Beta = 0.153), the union's financial policy system (Beta = 0.073), support and propaganda activities (Beta = 0.011), and control over union financial collection (Beta = 0.004).

Table 3: Cronbach's alpha coefficient

	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Squared multiple correlation
Trade union funds policy system; Cronbach's alpha=0.888				
CS1	7.21	4.695	.783	.838
CS2	7.30	4.425	.819	.807
CS3	7.39	5.234	.747	.871
Information technology; Cronbach's alpha=0.926				
IT1	7.06	4.398	.841	.901
IT2	7.10	4.547	.868	.880
IT3	7.14	4.477	.841	.900
The work of controlling trade union fund collection; Cronbach's alpha=0.965				
KS1	10.96	10.809	.914	.953
KS2	10.91	10.741	.915	.952
KS3	10.88	10.999	.934	.948
KS4	10.90	10.656	.888	.961
Coordination and propaganda between functional departments; Cronbach's alpha=0.960				
PH1	7.15	4.797	.896	.957
PH2	7.26	4.678	.928	.933
PH3	7.24	4.678	.924	.936
Support and propaganda activities; Cronbach's alpha=0.961				
HT1	7.35	4.817	.921	.938
HT2	7.41	4.768	.923	.937
HT3	7.40	4.736	.904	.951
Capacity of trade union finance officers; Cronbach's alpha=0.966				
CB1	7.64	5.113	.939	.942
CB2	7.60	5.174	.933	.946
CB3	7.54	5.151	.911	.963
Awareness of compliance with the employer unit's payment of trade union fees; Cronbach's alpha=0.900				
YT1	7.35	4.558	.782	.874
YT2	7.45	4.452	.801	.858
YT3	7.48	4.706	.824	.839
Trade union fund collection; Cronbach's alpha=0.965				
TUF1	7.53	4.588	.906	.935
TUF2	7.54	4.765	.915	.929
TUF3	7.47	4.734	.898	.941

Table 4: Results of multivariate regression analysis

Factor	Unstandardized coefficients		Standardized coefficients	T-statistic	P-value
	B	Standard error	Beta		
Blocking coefficient	.100	.055		1.814	.070
CS	.073	.028	.073	2.595	.00
CN	.158	.032	.153	4.980	.000
KS	.004	.041	.004	.105	.000
PH	.307	.035	.309	8.845	.000
HT	.011	.036	.011	.314	.000
CB	.152	.033	.159	4.531	.000
YT	.373	.033	.362	11.144	.000

Coefficients: R=0.918; R²=0.871; R² adjustment =0.870; F= 639.110; Sig.=0.000; B: Unstandardized coefficients; Beta: Standardized coefficients

These findings demonstrate that all independent variables significantly and positively influence trade

union fund collection, although their levels of impact vary. Specifically:

- **Employer Awareness of Compliance with Trade Union Fee Payments (YT):** Employer awareness has the strongest impact on trade union fund collection, with a Beta coefficient of 0.362. Many businesses are unaware of their responsibility to pay trade union fees as required by the Trade Union Law. This lack of awareness often leads to disinterest in establishing trade unions, with some businesses even deliberately avoiding it to evade the 2% union dues. Additionally, trade union fund collection often fails to align with the salary funds used for social insurance payments, particularly in small and micro-sized private enterprises without trade unions. When business managers understand and comply with their obligation to pay trade union fees, fund collection increases significantly.
- **Coordination and Propaganda Among Functional Departments (PH):** Coordination among departments, with a Beta coefficient of 0.309, is the second most influential factor. Effective coordination, supported by data systems such as the Vietnam Trade Union account, aids in monitoring, urging compliance, and recovering arrears from businesses. Collaboration with entities like the Tax Authority, Social Insurance, Inspection and Inspectorate agencies, and Public Security ensures better fund collection. Sanctions and lawsuits against non-compliant businesses further enhance compliance. Good coordination and effective propaganda led to improved trade union fund collection.
- **Capacity of Trade Union Finance Officers (CB):** The qualifications and skills of trade union finance officers significantly affect fund collection. Currently, many grassroots finance officers lack adequate training, operate part-time, and frequently change positions due to term-based elections, leading to uneven capabilities. As a result, budget and financial management effectiveness remains low. Enhancing the capacity of these officers improves the efficiency of trade union fund collection.
- **Information Technology (IT):** The use of information technology in managing trade union funds has proven effective. Most trade unions have adopted IT tools, but further investment in facilities, equipment, and systems is necessary to analyze financial data scientifically and update information promptly. This facilitates better fund collection management. These findings align with studies by [Scapens and Jazayeri \(2003\)](#), [Viere et al. \(2011\)](#), and [Warren et al. \(2015\)](#).
- **Support and Propaganda Activities (HT):** Although these activities have a lower impact on fund collection (Beta coefficient of 0.011), they play an essential supportive role. Regular training sessions and guidance on policies and legal regulations are conducted, particularly for businesses without established trade unions. Specialized finance officers address implementation challenges and emphasize the importance of paying union fees to support members' welfare and promote economic

activities. This helps increase business awareness and compliance, aligning with [Hansen's \(2020\)](#) findings.

- **Trade Union Fund Policy System (CS):** Comprehensive and clear documents and regulations issued by the State and the General Confederation significantly contribute to effective fund management. These policies are quickly communicated to grassroots unions, enabling them to understand and implement higher-level guidelines accurately and efficiently. This improves the overall trade union fund collection process.
- **Control of Trade Union Fund Collection (KS):** Control mechanisms have the least influence on fund collection, with a Beta coefficient of 0.004. Upper-level trade unions must oversee and align estimates and financial settlements reported by grassroots unions. Effective control ensures that financial activities comply with regulations, ultimately increasing fund revenue. This finding is consistent with [Hansen's \(2020\)](#) research.

5. Conclusions and recommendations

To ensure the operational conditions of trade union organizations, particularly in fulfilling their role of representing, caring for, and protecting employees, it is crucial to enhance the effectiveness of trade union fund collection and minimize fund losses. Based on the study's findings, several recommendations are proposed:

Firstly, strengthening propaganda and advocacy efforts is vital. This involves educating and persuading business owners to comply with legal regulations on trade union fund collection and expenditure. A targeted approach should be adopted by classifying businesses into groups and tailoring advocacy methods accordingly.

Secondly, improving data connectivity is essential. Integrating trade union fund collection data with national and sectoral databases, such as those managed by the Social Insurance Agency and Tax Authority, can provide comprehensive oversight. Collaboration with the Vietnam Social Insurance Agency can help determine the number of employees, calculate annual union fund contributions, and identify units with unpaid funds or prolonged debts. Partnering with commercial banks to centralize fund collection through a single account can further reduce fund loss. Additionally, collaboration with the Tax Authority and other relevant agencies will enhance monitoring and ensure proper disbursement of funds to grassroots unions.

Thirdly, developing human resources is necessary. Trade union finance officers should receive training to enhance their professional skills and expertise. Recruitment and rotation of qualified personnel with competencies in economics, law, and innovation are needed to strengthen financial management and support effective revenue activities.

Fourthly, deploying financial management software across district-level trade unions can improve efficiency. This technology provides timely and accurate information, enabling better decision-making and reducing the risk of corruption, loss, and waste.

Fifthly, strengthening inspection and supervision of trade union fund collection, expenditure, and asset management is crucial. Enhanced oversight will help detect and address violations promptly, improving the overall quality of financial management.

Finally, enhancing financial discipline and transparency is essential. Recognizing and rewarding units and individuals who excel in financial fund collection can encourage compliance. Stronger measures should be implemented to maintain discipline, and public disclosure of financial information should be enforced. Transparency in reporting encourages proactive efforts to meet financial goals and reduces opportunities for fund mismanagement.

By implementing these measures cohesively, it will be possible to recover debts, reduce fund losses, and improve compliance with legal regulations. This approach will address prolonged debts, revenue losses, and non-compliance, significantly enhancing trade union fund collection.

However, the study has limitations. Data availability was restricted, with many observations excluded due to incomplete information, potentially affecting the reliability of findings. Additionally, the focus was limited to enterprises with established grassroots trade unions within the Vietnam Trade Union system, excluding broader issues like workers' rights to freedom of association. Furthermore, as the first study on this topic in Vietnam, the research scope is not exhaustive, and the identified factors may not fully capture all relevant influences.

Future research could address these limitations by extending the study period, exploring additional factors, and expanding the dataset to include other regions or countries for comparative analysis. With increasing international integration, further studies could examine the impact of emerging worker organizations outside the Vietnam Trade Union system, particularly in the context of expanded rights to freedom of association.

Compliance with ethical standards

Ethical considerations

This study was conducted in accordance with the ethical standards of the relevant national and institutional guidelines. Prior to data collection, all participants were informed about the purpose of the study, their voluntary participation, and their right to withdraw at any time without any penalty. Informed consent was obtained from all participants. The confidentiality and anonymity of the participants were maintained throughout the research process.

Conflict of interest

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

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