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"MONITORING THE CONFORMITY TO THE UNEMPLOYMENT INSURANCE LAW IN BINH DUONG PROVINCE BETWEEN 2013 AND 2015"

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DECLARATION OF AUTHORSHIP

I declare that this thesis is the result of the research of my own. The content of this dissertation uses adequate references if relevant from publications, books, magazines, and legal websites.

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ABSTRACT

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Keywords: Unemployment Insurance Law, Monitor, Binh Duong, Law compliance,
Unemployment Insurance Law compliance.

From the context of Binh Duong province, I choose the issues of unemployment law monitor as the topic of my master thesis. In order words, my topic is **"Monitoring the Conformity to the Unemployment Insurance Law in Binh Duong province between 2013 and 2015".**

Binh Duong is an emerging province that is a place for FDI companies to choose for their investment. The labor migration to Binh Duong then increases considerably. This situation challenges the unemployment insurance management in this province. The control of managing and implementing the unemployment insurance legislation is not effective. The number of unemployment insurance inspections is low that leads to the violation of unemployment insurance law. The post-inspection and inspection process in some localities has not received serious attention from the government. The ineffective monitoring of post-inspection has hindered the quality and efficiency of inspections.

For examining the monitor of unemployment law, the thesis uses both qualitative and quantitative research methods. The thesis firstly collects secondary data on implementation of the unemployment insurance law in enterprises in Binh Duong from 2013 to 2016. Then the thesis uses quantitative to examine the factors that influence the obedience of the enterprise in Binh Duong to unemployment insurance. Thirdly, the thesis uses case study, deep-interview to discover the reasons that cause the law disobedience about unemployment insurance in enterprises in Binh Duong. The sample size is 100. Likert Scale with 5 point is used. For quantitative data, the thesis use SPSS 20.0 to carry out regression analysis to examine the relation between dependent variable (law conformity) and independent variables developed in theoretical framework. Coefficient rate is 95% with $p = 0.5\%$. The process of analyzing data was conducted through 4 phases that are descriptive, reliability, validity and regression analysis.

There is the strong relation between IT Application and Law Compliance Monitor. The other three factors (Profession of Public Servants, Labor Union and Relevant State Organizations, The reinforced legal status Social Insurance Organization) also had positive effects on Law Compliance Monitor and these predictors should be used in developing and improving Law Compliance. However, one remaining factor including Volume of Cost did not have impact on Law Compliance Monitor.

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1 Introduction

1.1 The importance of monitoring the Conformity to the Unemployment Insurance Law in Binh Duong

Since January 1, 2009, Unemployment Insurance law has been officially introduced in Vietnam with the purpose of helping unemployed workers who lose a part of their income and, more importantly, support their apprenticeship and job search. With this effort, Vietnam became the 79th country in the world and the second country in ASEAN to issue and implement Unemployment Insurance law.

Up to now, after more than 8 years of implementation, Vietnam has achieved great achievements in the management of unemployment insurance. The unemployment insurance policy is well implemented. This law of Vietnam is very much compatible with the provision of international law and those of many countries around the world. The government has been continuously improved this law to make it more appropriate to the reality. The number of beneficiaries is increasing. The review and implementation of the unemployment insurance are the focus of the unemployment insurance policy process of law implementation. Policy regimes are becoming more diversified. The receiving and processing of the unemployment insurance follow clear and transparent procedures. Consultancy is provided actively, flexibly in each period. The unemployment insurance fund is guaranteed. Information technology is increasingly applied to the management and implementation of unemployment insurance.

However, many enterprises do not fully realize their rights and responsibilities to unemployment insurance. Therefore, there is still a situation where enterprises have debts in unemployment insurance. Some others have tendency to be late in paying unemployment insurance. Most of them have not been informed periodically about the situation of labor fluctuation in accordance with the Decree 28/2015/ND-CP. These situations have a great impact on the interests of workers, the implementation of unemployment insurance policy so they cannot update the data on labor situation in the locality.

This is because of many following reasons. The control of managing and implementing the unemployment insurance legislation is not effective. The number of unemployment insurance inspections is still low and not constant that often led to the violation of unemployment insurance law. In addition, the coordination between functional organizations is not tight enough. The post-

inspection and inspection process in some localities have not received serious attention. The ineffective monitoring of post-inspection has hindered the quality and efficiency of inspections. There is also no attention in checking operations of the unemployment insurance at the authorized agencies like The Center of Job Service and Social Insurance agency.

This ineffective monitor of unemployment insurance law raises a need to do more research in order to propose appropriate solutions for an effective monitor, especially in the context of Bình Dương.

1.2 The background of the topic

Unemployment insurance has first appeared in European countries with the establishment of voluntary unemployment insurance fund in Switzerland in 1983. In 1900 and 1910 respectively, Norway and Denmark issued national laws on voluntary employment insurance with financial subsidy from the Government. In 1911, The United Kingdom is the first country to issue compulsory unemployment insurance. Then, many other European countries also had this kind of law like Sweden, Germany and so on.

After the world economic crisis from 1929 to 1933, some countries in Northern America like Canada and The United States also issued laws on Social Insurance and Unemployment insurance. After the Second World War, especially after the appearance of Convention 102 in 1952 of The International Labour Organisation, many countries on over the world has implemented Unemployment Insurance and Unemployment support. Until 1981, there were about 30 countries had compulsory unemployment insurance and 7 countries had voluntary unemployment insurance. In 1992, this figure increased to 39 and 12 respectively (Hoang, 2014, p. 27).

Since its reform started in 1986, Vietnam has had many significant achievements in all aspects that has increased considerably the living quality of its citizens. However, this country is facing difficulties and obstacles in its development. Its economic development has gradually decreased. From 2009 to 2013, Vietnam's average GDP growth rate was just slightly above 5% that was very much lower in comparison with that of period before 2009 with 7% (Irish Aid, 2013, p.8).

Vodopivec (2004) argued that the benefits of unemployment insurance programs have positive relation to the growth rate of economy. This conclusion indicates that the developed countries have effective umployment insurance programs. However, the developing economies are also paying their attention to the unemployment insurance for the employees. This trend appeared due the ongoing economic fluctiations. This is because of the deeper and deeper economic integration that increases the needs of employee protection in developing countries (Vodopivec, 2013). The explaination for this is that economic integration makes employee more vunerable and thus they

require more protection from their government. The unemployment insurance in the developing countries has two important benefits (Vodopivec, 2013; Holzmann et al. 2012). The first benifit is to provide protection to employees. The second one is to ensure the economic stability. However, Vodopivec (2013) considered that the implementation of unemployment insurance indicates many abstacles. The first obstabcle is when to implement the unemployment insurance.

The second contraint comes from factors that affect the implementation of the unemployment insurance. The third is how to adjust unemployment insurance to suit the coverage level, regulation, benefits, and the way of monitor. In other words the aformentioned challenges are about how to solve the weaknesses in terms of administrative capacity, the problems coming from the big informal sector, and the difference between the umemployment in developed and developing countries. In short, the big informal sector, low administrative capacities, and political risks are three main factors influencing the application and implementation unemployment insurance in developing countries (Vodopivec 2013).

Moreover, one of the main factors to the law and policy implemtation is conformity to the law of citizens and enterprises (Versluis, 2007). Conformity to the law is the degree that enterprises follow and obey the content recorded in the law (Checkel, 1999: 3 cited in Versluis, 2007).

Imobediance of enterprise can cause many risks in every government levels (Versluis, 2007). To solve this situation, from the experience lessons of Labour Unions in Europe, researchers argued that the establishment institutions such as Committee could be positive solution. These Committees can generate and maintain the law compliance in enterprises (Kreher, 1997; Vos, 2000; Kelemen, 2002; Faure, 2004; Williams, 2005 cited in Versluis, 2007). In contrast, Versluis (2007) concluded that the aforementioned recommendation for law compliance is still an assumption and there is a need to carry out quantitative examining. Versluis (2007) also concluded that law conformity can be effective when there is an enforcement. Legal system and regulation are not strictly followed if they do not go with an effective enforcement system. Then monitoring the conformity to the law has to increase for the rise in law (Sverdrup, 2003, cited in Versluis, 2007).

In Vietnam, one of the measurements to assure and improve the law and unemployment insurance compliance is to reinforce the roles of Unemployment Insurance Organisations by completing the regulation on sanctions violations on social, health and unemployment insurance. At the same time, there is a need to set up process of litigation of Unemployment Insurance Organisation in the areana of social, health and unemployment insurance (Le, 2009). In addition, many researchers (Phung, 2013; Mai, 2012; Nguyen, 2010; Thai, 2012, Nguyen, 2013; Luong & Truong, 2013; Nguyen, 2014) argue that improvement in quality of monitoring the conformity to the social insurance

system in Vietnam is a sufficient solution for unemployment insurance law compliance. Specifically, Mai (2012) recommends some measurements with the propose to the central government that the inspection functions should be granted to Social Insurance Organisation System so that this system has enough legal base to accomplish their roles. Phan (2014) and Nguyen (2012) also suggest that some criminal titles in unemployment insurance, health insurance and social insurance should be added to the Criminal Law to Criminalise the criminal titles due to misobedience the unemployment insurance law.

In Vietnam, Unemployment policy has appeared and commenced since 01/01/2009. Unemployment policy in Vietnam focuses on its target group, participation conditions, support program, fund management and state's governance on unemployment insurance.

Binh Duong is one of the leading province in Vietnam in terms of economic development rate and potentials. This province is also in the leading position in terms of attracting foreign development investment (FDI). FDI volume and rate to this province is become bigger and faster over years. Resulting in the increase of FDI, there is a rise in the number of employees from different parts in Vietnam who move to Binh Duong. In other words, the number of migrants to Binh Duong has being increased and contributes around 80% of its whole population.

According to the report by Binh Duong Social Insurance Organisation, at the end of 2015, the number of employees participating unemployment insurance was 825.685 (contributing 99% of the whole number of social insurance participants and 43% poplulation and 69% number of employees). In 2015, there were 195.897 employees who received unemployment insurance with 468 billion VND.

Also as reported there are many disavantages relating to unemployment insurance that influence negatively to employees' living quality. Many of these disavantages could harm the sustainablity of the unemployment insurance fund. Noticably, in unemployment insurance management, there are on going missuses and wrongdoings of unemployment fund. This situation has become worsening as law confirmity monitor of Unemployment Insurance Organisation on unemployment insurance has weaknesses as well as contrains. Unemployment Insurance Binh Duong Organisation lacks law confirmity monitor staffs in terms of number and quality. In additon, the difficulties also come from the lack of legal base relating to wrongdoings and missuse of unemployment insurance fund. There are some regulations regarding to law confirmity monitor however these regulations are not effective enough. The Unemployment Insurance Organisations in Vietnam does not have fuctions of inspecting the wrongdoings and misuses which cause difficulties for these organisations in

dealing with wrongdoings. These aforementioned weaknesses hinder the effectiveness of law confirmity monitor, inspecting and solving problems after inspections.

This aformentioned situtation causes many problems. The first problem is about the sustainability of unemployment insurance fund. If Unemployement Insurance Organisation and the Government do not carry out effective solutions to improve the unemployment insurance law confirmity monitor, right and adequate actions, the unemployment insurance fund could break. When the Fund comes into "burn", the trust of citizens to social security policies of the government in both center and local and the political party will decrease. This could cause economy, politics, security unstainability. In other words, the question should be raised here is how to make the confirmity monitor to the Unemeployment Insurance Law in Binh Duong effective so that it could contribute to the effectiveness of the unemployment insurance policy in the province. By this, it means there is a need to do research on thesis of **"Monitoring the Conformity to the Unemployment Insurance Law in Binh Duong province between 2013 and 2015"**. To achieve the research purpose, this thesis first build up a theorectical framework, defines research methods then introduces the legal framework of unemployment insurance in Vietnam and Binh Duong. The thesis then examines the practice of monitoring the confirmity to the unemployment law in Binh Duong. The last part of this thesis will be findings and policy recommendations to the central and local government.

1.3 Background on Binh Duong province

Located in the Southeast region of Vietnam, Binh Duong province has experienced and considerable achievements in comparison with other provinces in Vietnam. Over 30 years of reform, Binh Duong's socio-economic status has significant change from a province with large farming sector to an industrialised province. In addition, Binh Duong has a developed infrastructure that meets its people in terms of education, health care, working environment and transportation.

Binh Duong province started its reform since 1986 with many effective, innovative and open policies. The first policy focused on restructuring Binh Duong's economy with the considerable shift from farming to industry and service sectors. This policy also found the way to restructure its agriculture sector with heavy implication of technology.

However, this policy faced a lot of challenges due to low developed infrastructure. In order to solve this vital problem, provincial state government paid its attention to develop transportation system. This principle government gave its priority to develop the most important road that is national road no.13 which connects Bình Dương to Ho Chi Minh City so that it could utilize the chances from a very much developed city-Ho Chi Minh city. This road was constructed under B.O.T contract.

The third important policy is about attracting investors into Binh Duong. Binh Duong Government allowed non-state investors rent and use land for manufacture with favorable taxation. It also gave investors many favors to establish many industrial zones such as Binh Duong, Song Than, Dong An, Viet Huong, Vietnam-Singapore which have contributed vitally for FDI attraction. In 1997, Binh Duong had 6 industrial zones with 800 hectors in total (Thai Son, 2013). These industrial zones completely changed the socio-economic face of Binh Duong.

The fourth policy aimed at releasing the potentials of business at family level. With the helps provided by government may family-level business and small and medium sized entrepreneurs has changed and began to meet the new condition of development and integration.

As a result, the FDI increased significantly from two in 1992 to 52 projects in 1992 with 497,7 millions USD. Economy structure shifted to industrial sector with 50.45%, service sector with 26.8% and farming sector with only 22.8%. However, the absolute value of industrial sector was still very low with around 4,000 billions VND (0.2 billions USD). The change keeps happening. In 2015, there were 28 industrial zones with 10,000 hectors. Binh Duong has attracted 2,369 FDI projects with 20,3 billion USD (Thai Son, 2015).

With the significant development of infrastructure, the Binh Duong economy becomes the top developed provinces in Vietnam and promising land for foreign investors. Now, Binh Duong basically is a developed province with no poverty households. Binh Duong is under its pathway to become a developed, civilized and modern metropolitan in the future.

In 2016, in the context of the difficult domestic and international situation, the domestic economy faces many challenges but with the efforts of the political system, the business community and the people, the socio-economic situation of the province has brought about important and quite comprehensive achievements in many fields. Gross Provincial Product (GRDP) was estimated to increase by 8.5% compared to 2015; proportion of services, agriculture - forestry - fishery and import tax, product tax minus product subsidies in the corresponding economic sectors was estimated at 63% - 23.5% - 4.3% - 9.2% respectively (Thai Son, 2015).

Industrial production continues to grow. Industrial production index (IIP) was estimated to increase by 10.1% compared to 2015. The value of agricultural, forestry and fishery production was estimated to increase by 4.1%. The production value of the service sector was estimated to increase by 8.8%. Total retail sales of goods and services increased by 21%. Export turnover was estimated to increase to 16.4% (Thai Son, 2015).

The total investment capital of the whole society was estimated to increase by 11.5%. Estimated revenue in 2016 reached 40,000 billion VND, of which 29,000 billion VND from domestic production and business, 11,000 billion from import and export. Total budget expenditure was estimated at VND 14,500 billion, of which VND5,500 billion was spent on capital construction (Thai Son, 2015).

Social security, social welfare and other social sectors are guaranteed; people's living quality are stabilized and enhanced. Job creation reached at 45,500 employees. The proportion of trained workers was estimated at 72%. The number of hospital beds per ten thousand people reached 23.1 beds. The proportion of population participating in health insurance was estimated at 78.7%. The state government has finished the review social welfare regimes and policies and the survey of the poor and near-poor households with the use of a multi-dimensional approach. The poverty rate is 1.32%, the near poor is 0.97%. Housing square per capita was estimated at 25m2 (Thai Son, 2015).

In terms of education and training development, in school year 2015-2016, the quality of teaching and learning of all levels of education increased compared to the previous school year. The proportion of public schools up to national standards is 60.5% (Thai Son, 2015). Preventive medicine, food hygiene and safety have been well managed. Cultural activities, information, physical training and sports have improved. Administrative reform, settlements of complaints and denunciations and anti-corruption have received the serious attention from the provincial government. National defense, security, social order and safety are maintained.

Apart from the achievements, the socio-economic situation of the province still faces some difficulties and challenges. The order and procedures for investment in capital construction still face many problems. Some large projects have slow progress in construction and have not met the development requirements of the province due to the process of completing the dossiers at the stage of compensation clearance, handover of construction sites and procedures, browse design, pay volume. The situation of climate change, weather changes become more complicated and unpredictable. Local flooding still occurs on many roads. The price of agricultural products is still difficult; especially the price of latex reduces deeply, affecting the life of people. Although the province has invested in many resources, the work of ensuring social security has not met the increasing needs of people in the province. The pressure on investment in the construction of facilities and equipment for the education sector, health care, housing for low-income earners and workers is increasing, while the condition of budget revenue is limited. Traffic accidents have reduced but the situation is still complicated and unpredictable. Local traffic congestion on some routes still occurs affecting the flow of business goods and commuting of people.

1.3.1 Unemployment Insurance Policy can be found in many legal documents as follow:

Social Insurance Law No. 71/2006/QH11 on 29/6/2006 by Vietnamese National Assembly.

Decree No.127/2008/ND-CP on 12/12/2008 by Vietnamese Government about detailing and guiding some articles in Social Insurance Law 2006.

Decree No. 100/2008/ND-CP on 21/11/2012 about amending some articles in Decree 127/2008/ND-CP.

Circulars No. 96/2009/TT-BTC on 20/5/2009 by Ministry of Finance about guiding to apply financial regulation of Unemployment Insurance Fund.

Circulars No.32/2010/TT-BLDTBXH on 25/10/2010 by Ministry of Labour-Veterans and Society about guiding some articles in Decree No.127/2008/ND-CP on 12/12/2008.

Circulars No.04/2013/TT-BLDTBXH on 01/03/2013 by Ministry of Labour-Veterans and Society about amending and adding some articles in Circulars 32/2010/TT-BLDTBXH.

Manual guild books by Vietnam Central Social Insurance Organisation.

Manual guild books by Job Bureau and Ministry of Ministry of Labour-Veterans and Society about implementing Unemployment Insurance Regulation.

Structure of Unemployment Insurance Organisation is displayed in the figure below.

Figure 1. Structure of Unemployment Insurance Organisation
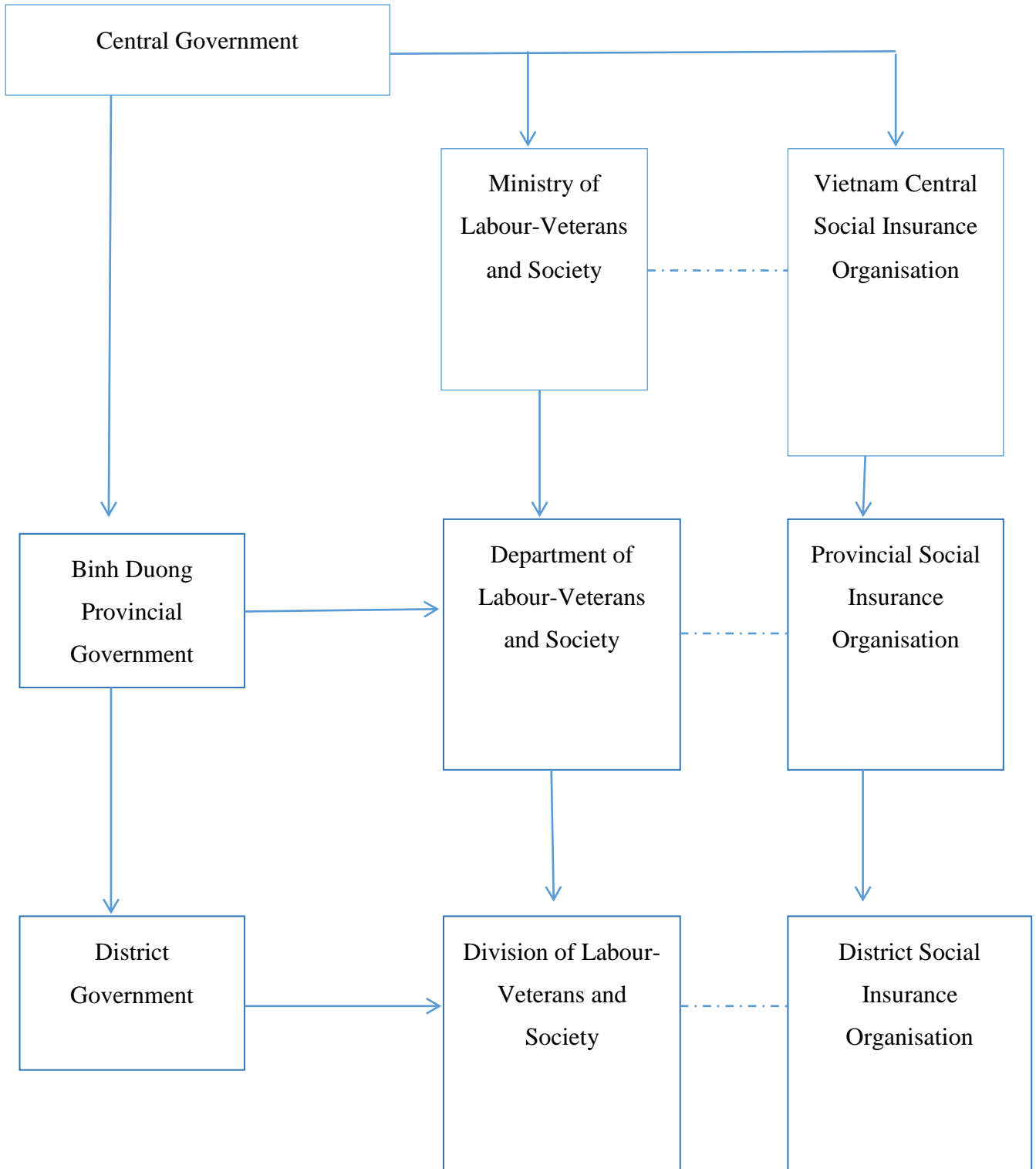
Central Government centrally governs the whole system of unemployment insurance. It orders relavant Ministries, Provincial Government and Central Social Insurance Organisation to issue and implement legal documents and policies on unemployment insurance.

Ministry of Labour-Veterans and Society is responsible for Central Government about state management of unemployment, including:

Hosting, coordinating with other ministries, state organisations and research institutions in making and them proposing to Government or issuing legal documents with its legal scope about unemployment insurance.

Hosting, coordinating with other ministries and state organisations to propaganda, publicize policies, regulations on unemployment insurance. It also carries out statistical activities regarding to unemployment.

Guiding and organising implementation of unemployment insurance regulations.

Controlling and checking the implementation and conformity the unemployment insurance regulations.

Organising inspect activities in implementing unemployment insurance regulations.

Organising international cooperation in unemployment insurance.

Vietnam Central Unemployment Insurance Organisation, a ministerial level organisation, is responsible for state management unemployment insurance all over the country in terms of collecting expensing and managing unemployment insurance fund.

Provincial governments have their responsible in state management unemployment insurance within their boundary.

Monitoring the conformity to the unemployment insurance law in Binh Duong.

Working labour in Binh Duong.

The number of working labour taking part in unemployment insurance shown in the following table:

Table 1. The number of working labour participating in unemployment insurance

Items	2013	2014	2015	2016
Total number of worker taking part in unemployment insurance:	53,359	56,086	58,750	60,439
- In administrative organisations	47,662	49,338	49,509	49,679
- All types of company	1,785	2,509	4,695	5,841
- Others	3,912	4,239	4,546	5,159

(Source: Reports of Binh Duong's Social Insurance Organisation)

According to the Table, at the end of 2016, the number of unemployment insurance participants increased 12% in comparison with that of 2013. There is about 4.52% increase in annually average of the whole period.

1.3.2 Unemployment regulation in Binh Duong Province

The Government issued Decree 127/2008 / ND-CP dated December 12, 2008 on detailing and guiding the implementation of some articles of the Law on Social Insurance on Unemployment Insurance.

The beneficiaries of the unemployment insurance are Vietnamese citizens including:

Who enter into labor contracts from 12 to 36 months or the labor contract with unspecified time limit for employers (including staff in state non-business units prior to the effective date of Decree No. 116/2003/ ND-CP dated 10/10/2003 of the Government about recruitment, employment and management of cadres and civil servants in public service delivery agencies).

Persons who receive monthly pension or monthly labor sickness allowance and or have signed labor contract with employers under the above types of contracts are not eligible to take part in unemployment insurance.

Employers taking part in unemployment insurance consist of those who work at state agencies, non-business units, people's armed force units; political organizations, socio-political organizations, socio-political and professional organizations, and other social organizations; enterprise; Cooperatives; Cooperative groups, Individual business households, other organizations and individuals that hire, use and pay for employees; foreign agencies, organizations and individuals

and international organizations operating in the Vietnamese territory employing ten or more Vietnamese laborers.

The unemployed will be entitled to unemployment insurance when they meet the three criteria: (1) their duration of unemployment insurance duration is full 12 or more within 24 months before job loss or termination of labor contract; (2) have registered with the labor agency when job loss, termination of labor contract and (3) have not found a job after 15 days from the registration date with the labor agency. When the laborer meets all three above conditions, he/she shall be entitled to unemployment allowance paid by the social insurance organization; and be supported for vocational training and in finding a job and get health insurance during the period of unemployment benefits.

Unemployment beneficiary contributes 60% of the average monthly salary or wage of the unemployment insurance payment of the six (6) consecutive months right before unemployment. The period of unemployment allowance depends on the duration of unemployment participation. Specifically, the unemployed worker receives allowance in 3 months, if they participate unemployment insurance from 12 months to less than 36 months. This duration is 6 months, if having from 36 months to less than 72 months of unemployment insurance contribution. This duration is 9 months, if having from 72 months to less than 144 months of unemployment insurance contribution. This duration is 12 months, if unemployment insurance contribution was from full 144 months of upwards.

The unemployed people will enjoy a vocational training, job placement assistance and health insurance. Employees shall be entitled to the unemployment insurance regimes on the 16th day from the date of registration with the labor agency when unemployed. The source of the unemployment contribution is from employer, employee and state. Employees pay 1% of the monthly salary or remuneration for unemployment contribution while employers pay 1% of the salary and wage fund for unemployment insurance contribution. The State supports 1% of the salary and wage fund for unemployment insurance contributions from the budget.

1.3.3 Content of the monitoring the conformity to the unemployment insurance law in Binh Duong

Periodical monitoring

Monitor division makes annual monitoring plan according to the Decision No. 1313/QD-BHXH on 22/11/2011 by Vietnam Central Social Insurance Organisation. By 15/11 each year, Provincial Social Insurance Organisation makes and issues the following year monitoring plan. Annually monitoring plan is prepared by Division of Social Insurance Monitor with the contribution from

others relating divisions and then get the approval of Director of Provincial Social Insurance Organisation.

Sudden monitoring

When a company or employee are suspicious to violate the unemployment insurance regulations, Director of Provincial Social Insurance Organisation issues a decision to carry out a sudden monitor or inspect. The company or employees are not informed well in advanced. Monitor board includes Director or Vice Director of Provincial Social Insurance Organisation, Manager of Divisions, and Public servant in Provincial Social Insurance Organisation. The sudden monitor has to follow the procedure and regulation in Decision No. 1313/QD-BHXH on 07/10/2011 by Vietnam Central Social Insurance Organisation.

Monitoring on collecting unemployment insurance

Social Insurance Organisation has responsibility to monitor, inspect and control the unemployment insurance collecting. Annually Provincial Social Insurance Organisation makes and approves monitor plan for unemployment insurance contribution of companies and employees. These plan then will be submitted to the Vietnam Central Social Insurance Organisation, Provincial Inspection Organisation and Department of Labour-Veterans and Society.

Monitoring the payment of unemployment insurance

According to the Decree 28/2015 / ND-CP dated 12 March 2015 of the Government about detailing the implementation of a number of articles in the Law on Employment, The social Insurance Agencies organize the collection of unemployment insurance, and the Center of Employment Services within the Department of Labor - Invalids and Social Affairs, receives the dossier and resolving the unemployment insurances, then transfer the decision on enjoying unemployment insurance to The social Insurance Agency so that this agency pays allowance to beneficiaries. The process has not finished at the Social Insurance Agency because Social Insurance Agency authorizes the payment activities to service organizations to pay and manage the beneficiaries through a service contract. Thus, in order to receive the unemployment insurance allowance, workers have to complete several steps, as follows:

Firstly, they go to the employer to terminate the labor contract and receive the social insurance book;

Secondly, they register unemployed status at Center of Employment Services;

Thirdly, they submit profile for receiving unemployment allowance Center of Employment Services;

Fourthly, they receive back the final results at Center of Employment Services and get health insurance card;

Fifthly, they go to the Unemployment Payment Office at the postal office to receive the health insurance and health insurance card (if you are paid in cash);

In addition, the monthly status of employment must be reported to Center of Employment Services and the Social Insurance Agency in order to continue enjoying or not receiving benefits.

Post office organizes the management of beneficiaries and pay unemployment allowance in time under the contract signed with the Social Insurance Agency. There are two ways to pay unemployment allowance. The first way is in cash at the Post Office. The second way is transfer money into ATM card of receivers.

1.4 Keywords or concepts

Unemployment Insurance

Unemployment Insurance is interpreted as a social policy closely linked to the national economic policy system, implemented in various forms through the creation of a monetary fund with contributions by stakeholders in order to support employees directly or indirectly in preventing, minimizing and reducing the risks caused by unemployment (Government of Vietnam, 2015).

Unemployment insurance monitor

Monitor the process of management, implementation and enforcement of unemployment insurance legislation is not only a process whereby state management agencies exercise control over the management of employees and employers in the implementation and enforcement of this law but also is the process of controlling the management agencies, unemployment insurance implementation and the contingent of civil servants, employees and employees in those agencies (Government of Vietnam, 2015).

Monitor of managing, implementing and enforcing the unemployment insurance legislation cover all activities that are considered, evaluated, compelled or required to perform activities in the management of the competent authorities in order to ensure that the unemployment insurance policies are implemented in accordance with the law, in the right direction, effectiveness and efficiency. The monitor includes Inspection, check and resolving petitions, complaints, denunciations, petitions of citizens and public (Government of Vietnam, 2015).

1.5 Thesis structure

In order to present the research results, this thesis is organized as follow. Chapter 1 focuses mainly explaining why the topic is of importance in the context of Binh Duong, a province in Vietnam. Chapter 2 will do literature review in order to provide an overall view on the topic in scientific discussion. Chapter 3 is going to provide a theoretical framework. Chapter 4 will go in details the research data and research methods in the thesis. Chapter 5 will analyze data and present the main finding and research results of the thesis. The last part of the thesis is the conclusion with the summary of it, research limitations and future research development.

2 Literature review

2.1 Unemployment insurance law

Insurance is one of social responses to protect vulnerable people in society. Insurance functions as prevention tool that society provides to its individuals. Insurance generates primary as well as secondary prevention. Prevention policies should be approached from normative view as it relates to many normative issues such as justification, response to incentives, and liability (Bubois, 2011).

Unemployment insurance is a public income program that developed governments provide to employees when they are in jobless situation. This public program is designed to smoothen consumption patterns (Vodopivec, 2013). In other words, it aims at offering good protection for the employed from all sectors of the economy.

2.2 Unemployment insurance law conformity

2.2.1 Understanding law conformity

Conformity can be considered at the level of organisations and society. At the organisational level compliance is a critical management function (Interligi, 2010). It involves how to make employees commit and produce compliance behavior inside company (Interligi, 2010). At the society level, compliance refers to "conformity or obedience to regulation and legislation" (Snell, 2004 cited in Inteligi, 2010). At the society level, conformity indicates regulatory compliance.

Regulatory conformity is the core concern of political science as it contributes to the success of regulation (Versluis, 2007). The failure of law compliance is the source of vulnerability of all governmental levels as well as internationals parties (Versluis, 2017). In addition, the compliance of enterprises in law and policy implementation of unemployment insurance has significant influence to the unemployment insurance receiver.

Checkel (1999: 3) defined conformity as the fulfillment and the accordingly actions of agents to the

rules and norms. Conformity is different from implementation and effectiveness. Implementation indicates a process of implementing "commitments into practice" (Raustiala & Slaughter, 2002: 539). Effectiveness refers to the extent to which a problem solved at stake (Versluis, 2007) while conformity is the extent to which agent follows the law and regulations.

2.2.2 Reasons for non-conformity

According to Domfeh (2003), the law compliance of enterprises has many reasons that are economic reason, enterprise image and community pressure.

The first reason relates to economic perspective. The rationalists apply the rational choices in interpreting non-conformity (Versluis, 2007). The enterprise adapts cost and benefit principle in deciding whether to follow a regulation. For them, there are two options: non-compliance and compliance. The cost for non-compliance is the financial fine by the government while the cost of compliance includes all payments by enterprise regarding to the regulatory conformity. These payments are sometime intangible. The cost of compliance is reported as a significant contribution to the cost of a company (Butler & McGovern, 2012). The cost appears due to non-conformity includes companies that "face the risk of exclusion from key markets, stopped shipments, product recalls, with a corresponding loss of revenue, and potentially disastrous consequences for brand image and/or corporate reputation (Brown 2006; Avila 2006; Goosey 2007 cited in Butler & McGovern, 2012)". In addition, serious non-conformity could cause a punishment or even criminal prosecutions (Brown 2006; Hristev 2006 cited in Butler & McGovern, 2012). The enterprise usually compares these two situations. They have tendency to commit non-conformity when they weigh the cost of conformity very much higher over that of non-conformity.

The second reason is about enterprise image. They obey the law because they concern about their public image (Domfeh 2003). There are many factors determines the commitment to comply of a corporate such as deterence, remuneration, moral reasoning and group indentifications (Domfeh, 2003). The factors of moral reasoning and group indentifications belong to social norms (Cohen, 1998 cited in Domfen, 2003). The commitment to comply to the law a corporate follows sometimes depends on how it percepts the influence of publicity on its image.

The third cause is the pressure of community and control commited by informal forces (Domfeh 2003; Botelho et.,2005). Stakeholders and community always display their expectations to a corperate so that whehter this corporate could follow strictly the right direction to generate benefits for society. These actors interact both directly and indirectly with corporates through many ways and methods. However, in practice, community pressure could be so weak that they could not

generate any pressure on corporate regarding to law compliance as community pressure depends on their income and educational level (Domfeh 2003).

The fourth reason comes from the ability and commitment of the enterprise. Abliliy refers to ability in implementing the law by government while commitment includes perception of enterprise about morality, and consiouness of enterprise.

The fifth source of corporate compliance is its compliance culture (Iterligi, 2010). Organisational conformity refers to regulatory policy trends (Iterligi 2010) and it relates to alignment with external actors' values and expectations (Caroll & McGregor-Lowndes, 2002; Haines & Gurney, 2003 cited in Iterligi, 2010). In another words, corporate compliance depends to some extent to the norms of external stakeholders. Organizational culture is socially –constructed (Iterligi 2010) that shapes the behaviour of corporate members. These behaviours in their turn contribute to law compliance outcomes of companies. This is how corporate compliance relates to its organisational culture. By integrating two important theories in organizational science that are Neo-institutional theory and competing values model, Interligi proposed a compliance process (as depicted in Figure 1). The process framework explains how compliance is perceived and adopted in corporate. It involves three levels of interaction that are "stakeholders-organisational, intra-organizational, and organisational-individual interactions" (Iterligi, 2010).

Figure 1. The proposed compliance process
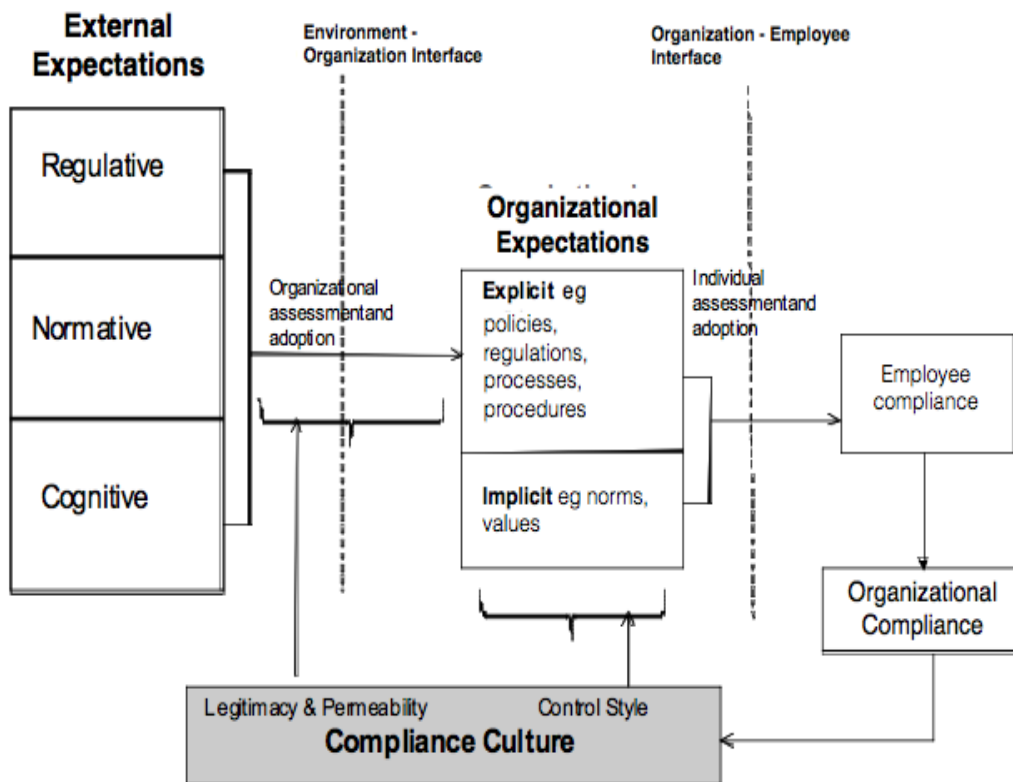
(*Source: Iterligi, 2010*)

According to the framework in Figure 2, there are three factors that determine compliance culture then compliance outcomes of an organisation. Regulative factor is perceived at two levels. The first level falls at organisations and employees. Organisations and employees have to consider expectations of actors as legitimate to facilitate compliance (Kostova & Roth, 2002; Tyler, 2006 cited in Iterligi, 2010). In their turn, at the level of stakeholders, they have to perceive organizational response as appropriation. The second element in the framework is permeability. This core dimension involves the openness and willingness of corporate in adopting stakeholders' expectations (Iterligi, 2010). The third core of the framework is control style. Control style emphasizes the way a corporate put stakeholders' expectation in the practice of organisation and then influences its members' behaviour (Iterligi, 2010).

2.2.3. Unemployment law conformity monitor

Non-compliance can produce many costs for both firms and workers. At the firm's side, they can bear some cost from punishment imposed by the government. At the workers' side, their benefits and social assurance and security could be hindered and violated seriously, especial when they fall in unemployment situation. Due to these negative consequences, there is a need to increase and

encourage the law compliance in the field of unemployment assurance. In other words, increasing the quality of monitor the law conformity is necessary. In order to improve the law compliance, it is necessary to have appropriate monitor.

In the context of environmental regulation, Botelho et al. (2005) argued that "recording all compliance matters on a central legal compliance register" (The University of Adelaide, p.3).

Effective monitor law conformity involves many factors that are effective data resources, administrative capacity, political and corruption.

For effective monitor, efficient source of data has a fundamental role (Botelho et al. 2005). Data is all information regarding to law compliance. Firstly, data resource plays as the role of criteria based on which government decides whether a firm follows or not follow the law. Secondly, government has to have effective information to do its inspection or monitor.

Law compliance also relates to administrative capacity. This capacity of government refers to ability to impose sanctions and prevent eligibility continuation of firms (Vodopivec, 2013). This approach usually refers to organizational capacity and quality of public servants who account for monitor. Organizational capacity indicates the legal role of relevant government body in carrying its monitor. In addition, law monitor sometimes depends too much on judgment of government officials, thus corruption could appear and hinder the quality of monitor (Vodopivec, 2013).

3 Theoretical framework

3.1 Research questions

With the decrease in unemployment insurance law in Binh Duong, researchers argue that monitoring the law conformity could be a proper solution. However the monitoring the law conformity is not effective and receives improper concerns from Binh Duong Government and Center Government. Then there is a need for how to increase the quality of monitoring the conformity to the unemployment insurance law in Binh Duong.

From this archiving research question, there are specific research questions as follow:

1.   What are the factors influencing the quality of monitoring the conformity?

2.   What could be solutions for better monitoring the conformity?

3.2 Hypothesizes

To address the research question 1, there are some hypotheses as follow:

Hypothesis 1. The volume of cost of violation to the unemployment insurance law has positive relation to the law obedience of enterprises.

Hypothesis 2. The reinforced legal status Social Insurance Organisation has positive relation to monitoring the conformity of the enterprise to the unemployment insurance law.

Hypothesis 3. Labour Union and Relevant State Organisations have positive impact on enterprises' conformity to the unemployment insurance law in Binh Duong.

To address the research question 2, there are some hypotheses as follow:

Hypothesis 4. The increase in degree of IT application could increase the compliance to the law of enterprises in Binh Duong.

Hypothesis 5. Profession of public servant in Social Insurance Organisation could increase the compliance to the law of enterprises in Binh Duong.

From these aforementioned research questions, the thesis comes to the research models as follow:

Figure 2. Research conceptual framework
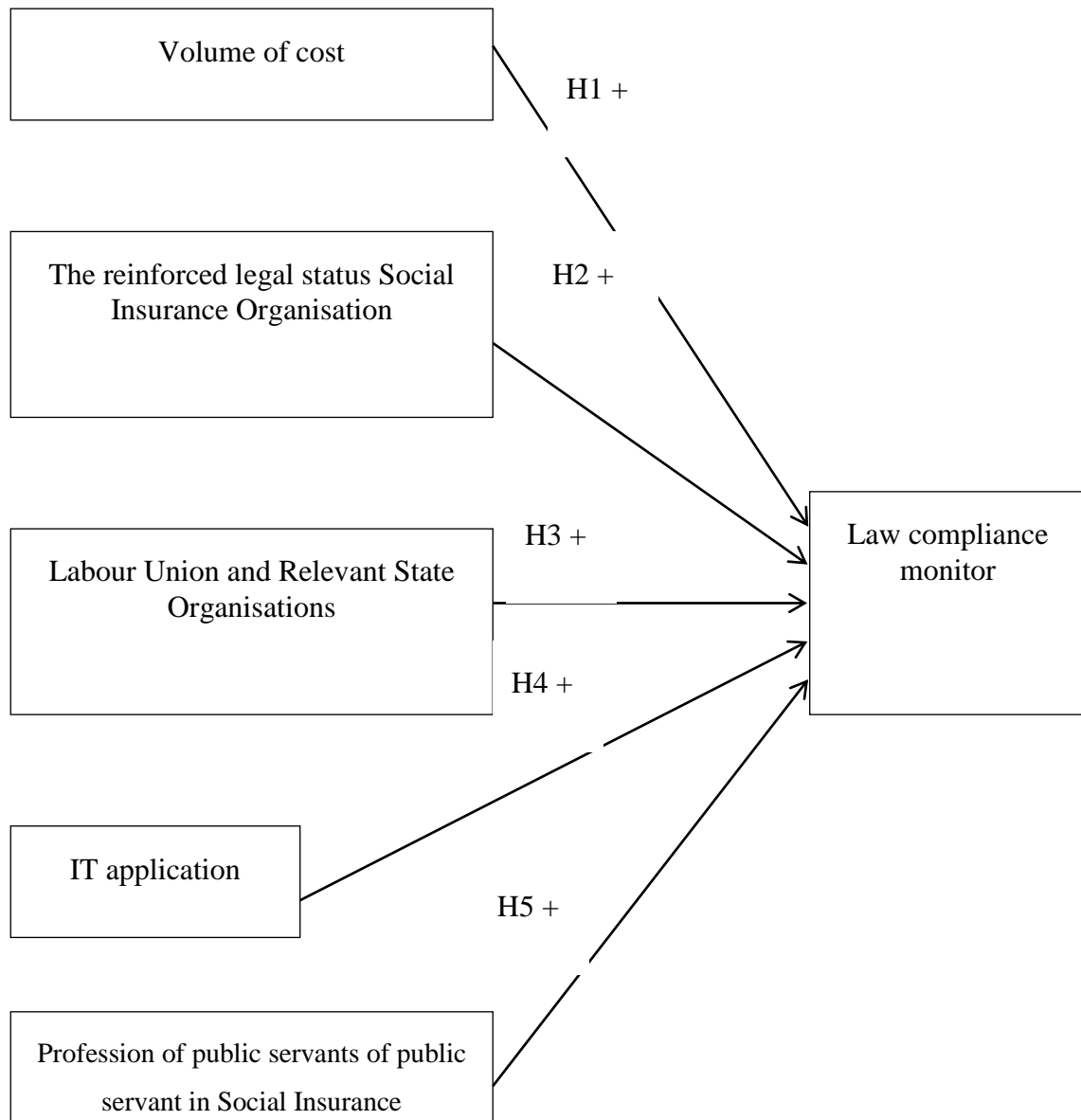
After interview 10 people with question about the Law Compliance monitor, this study summarized and suggested the measurement scale for dependent and independent variables as table:

Table 2. Variables in research

Volume of Cost	Volume of Cost and fee for unemployed insurance is appropriate for any enterprise to follow
	Volume of cost and fee for unemployed insurance dominates a acceptable part in employee's income
	All of enterprises is satisfied to pay this fee for their employee.
The reinforced legal status Social Insurance Organisation	The social insurance policy is stable time by time, no changing in short-time
	The Social Insurance Organization always has supported policies for enterprises.
	The Social Insurance Organization knows to take care/ serve all enterprise.
	Enterprises need an enthusiasm spirit from Social Insurance Organization
Labour Union and Relevant State Organisations	Supporting from Labour Union is very important to persuade any enterprise to compliance
	By traditional of country, Labour Union has a big affect to commit the benefit of unemployed insurance
	As a moderated organization, Labour Union is a good partner to connect Social Insurance Organization and enterprises.
IT application	Information technology is helping enterprise to understand and adopt insurance policy the most corrected
	IT application can also make enterprise easily to spread the benefit of unemployed insurance to any employee
	This is the most important thing to update a new policy
Profession of public servants	Depending on nature of working, public servants have different perception to attend unemployed insurance
	Higher level of public servant's position is, more committed public servants is
	Due to higher position in organization, I must have higher responsibility to pay and call for other co-workers
Law compliance monitor	Law compliance monitor is critical with any enterprise
	Law compliance monitor is not only a duty, but also a responsibility with any enterprise
	Assure law compliance monitor is the benefit for enterprise and labour.

4 Research material and methods

4.1 Research methodology

Research design is planning and structuring of investigation to figure out answers to proposed research questions. The plan is the general program of the research. It consists of a framework that researchers will carry out starting with writing hypothesis and their operational implications to preceed data. Moreover, research design will select the methods and procedures of collecting and analyzing the information based on research objective. Therefore, the selection of research design becomes critical because it will affect a significant research results (Churchill and Iacobucci 2006). There are many types of method to conduct the study. Each of method was devised through a number of researcher's decisions due to the purpose and the nature of study i.e. experimental, survey, grounded theory, qualitative or quantitative method. Some current researchers use both of quantitative and qualitative method. In business research, quantitative method attempts precise measurement about behavior, knowledge, opinions or attitudes. These methodologies answer questions related to size (how much/how many), frequency (how often), (time) when and people (who). Based on the research question of this thesis, quantitative and qualitative methods were selected. It is the fact that quantitative method is numerically oriented involved to statistical analysis the large numbers of interviews in the form of questionnaire. The questionnaire is one of the most common tools for collecting a wide range of the data quickly and cost effective. Quantitative data include participant responses, which are then coded, categorized, and reduced to numbers so that they may be manipulated for statistical purposes. The questionnaire is one of the most common tools for collecting a wide range of the data quickly and cost effective.

The thesis uses both qualitative and quantitative research methods to examine monitoring the conformity to unemployment insurance law of enterprise in Binh Duong.

Firstly, the thesis collects secondary data on implementation of the unemployment insurance law in enterprises in Binh Duong from 2013 to 2016. This is to have an overall picture about unemployment insurance law implementation in enterprises.

The thesis then uses quantitative to examine the factors that influence the obedience of the enterprise in Binh Duong to unemployment insurance. The target group for the survey is enterprises that are operating in Binh Duong province.

Thirdly, the thesis uses case study, deep-interview to discover the reasons that cause the law disobedience about unemployment insurance in enterprises in Binh Duong. Then, the thesis

proposes some vital recommendations for a better law compliance and building the measurement scale.

The research was conducted on the scope of Binh Duong province. Research subjects were sampled cadre, employees who have been working in public organization and FDI companies. For the factor analysis, Heir et al. (1998) said that the size of sample might be minimum of five times of the observed variables. In this thesis, there were 19 observed variables; the, the appropriate size should be: 5 x 19 = 95 respondents. Because the sample of 100 is more than 95, the sample size of 100 cadres, employee was enough ability for the factor analysis (EFA).

For the regression analysis, according to Heir et al. (1998) the least sample size is determined by the formula: 50 + (8 x m), where m is the total of number of independent variables. In this thesis, there were five independent variables; thus, the smallest size should be: 50 + (8 x 5) = 90 respondents. Because the sample of 100 is bigger than 90, the sample size of 100 cadre, employee was applicable for the regression analysis.

The technique of selecting sample greatly bases on the aims of the research (Cooper & Schindler, 2006). For the objective of this research is to generalize the quantitative and qualitative findings of the sample to the workers, a representative sample is requested (Sekaran, 2000). Convenience sampling is needed to describe the differentiation of an ideal sample that was randomly selected. It is also important to describe the individuals, who might be left out during the selection process or the individuals who are overrepresented in the sample.

The research process is summarized in figure 3:

Figure 3. Research framework

```
                    ┌─────────────────┐
                    │  DEFINE         │
                    │  PROBLEMS       │
                    └─────────────────┘
                             │
                             ▼
                    ┌─────────────────┐
                    │  SET UP THE     │
                    │  OBJECTIVES     │
                    └─────────────────┘
                             │
          ┌──────────────────┴──────────────────┐
     ╭─────────╮                           ╭──────────────╮
     │OBJECTIVES│                          │ METHODOLOGY  │
     ╰─────────╯                           ╰──────────────╯
          │                                        │
          ▼                                        ▼
┌────────────────────────┐            ┌────────────────────────┐
│ Need for how to        │            │ Collect Primary data & │
│ increase the quality   │            │ analysis               │
│ of monitoring the      │            │                        │
│ conformity to the      │            └────────────────────────┘
│ unemployment insurance │                         │
│ law in Binh Duong      │                         ▼
└────────────────────────┘            ┌────────────────────────┐
          │                           │ Focus group combined   │
          ▼                           │ with Survey method,    │
┌────────────────────────┐            │ SPSS software          │
│ 2. To conduct Research │            └────────────────────────┘
│ on factors affecting   │                         │
│ law compliance         │                         ▼
└────────────────────────┘            ┌────────────────────────┐
          │                           │ Descriptive methods:   │
          ▼                           │ Tables, figure,        │
┌────────────────────────┐            │ analysis, etc.         │
│ 3. Use SPSS software   │            └────────────────────────┘
│ to identity key        │
│ factors have positive  │
│ affect to law          │
│ compliance             │
└────────────────────────┘
          └──────────────────┬──────────────────┘
                             ▼
          ┌──────────────────────────────────────┐
          │ To show the importance of law         │
          │ compliance and suggest trend to       │
          │ improve it.                           │
          └──────────────────────────────────────┘
```

Table 3. Codes and Description of Variables

Variables	Coded	Description of statement
Cadre and employee background		Gender
		Age
		Occupation
Volume of Cost	**VolumeCost1**	Volume of Cost and fee for unemployed insurance is appropriate for any enterprise to follow
	VolumeCost2	Volume of cost and fee for unemployed insurance dominates a acceptable part in employee's income
	VolumeCost3	All of enterprises is satisfied to pay this fee for their employee.
The reinforced legal status Social Insurance Organization	**LegalStatus1**	The social insurance policy is stable time by time, no changing in short-time
	LegalStatus2	The Social Insurance Organisation always has supported policies for enterprises.
	LegalStatus3	The Social Insurance Organisation knows to take care/ serve all enterprise.
	LegalStatus4	Enterprises need an enthusiastic spirit from Social Insurance Organisation
Labor Union and Relevant State Organizations	**LaborUnion1**	Supporting from Labour Union is very important to persuade any enterprise to compliance
	LaborUnion2	By traditional of country, Labour Union has a big affect to commit the benefit of unemployed insurance
	LaborUnion3	As a moderated organization, Labour Union is a good partner to connect Social Insurance Organization and enterprises.
IT application	**ITApplication1**	Information technology is helping enterprise to understand and adopt insurance policy the most corrected
	ITApplication2	IT application can also make enterprise easily to spread the benefit of unemployed insurance to any employee

	ITApplication3	This is the most important thing to update a new policy
Profession of public servants	PublicServants1	Depending on nature of working, public servants have different perception to attend unemployed insurance
	PublicServants2	Higher level of public servant's position is, more committed public servants is
	PublicServants3	Due to higher position in organization, I must have higher responsibility to pay and call for other co-workers
Law compliance monitor	LawCompliance1	Law compliance monitor is critical with any enterprise
	LawCompliance2	Law compliance monitor is not only a duty, but also a responsibility with any enterprise
	LawCompliance3	Assure law compliance monitor is the benefit for enterprise and labour.

4.2 Research data

4.2.1 Data collection

About secondary data, the thesis collect data on unemployment insurance payment of enterprises for their employees; number of enterprises violating the unemployment insurance payment regulation from 2013 to 2016; number of litigation and lawsuits about unemployment insurance. These secondary data can be collected from annual report of Binh Duong Social Insurance Organisation. However, the drawback of this sort of data is that it could be modified and changed by Binh Duong Social Insurance Organisation due to "chasing achievements disease". Because of this, when using this data, it is necessary for the author to filter, compare and make an appropriate choice.

The thesis also uses questionnaires to survey and collect data about factors that affect the unemployment law compliance of enterprises in Binh Duong. The target groups for this survey are

Directors of the enterprises; Directors of Human Resource Management; and Public servants in Binh Duong Social Insurance Organisation.

In addition, the thesis also uses focus group discussion. There are 02 focus group discussions with two groups that are employees who participate in unemployment insurance and staff who directly manages unemployment insurance issues in enterprises.

Specifically as follow:

The thesis chooses the sample size of 100 questionnaires. All of measurement scale is used Likert Scale 5 point. From 1: Totally Disagree to 5 Totally Agree. The research sample includes Binh Duong Social Insurance Organisation, Department of Labour, Invalid and Social Affairs; Binh Duong Job Promotion Center, enterprises in Binh Duong.

The questionnaires distribution is 50 samples for employers (with 30 from FDI enterprises, 16 from 100% domestic capital enterprises, 4 from state organisations. Another 50 samples are from Binh Duong Social Insurance (30 samples), Binh Duong Job Promotion Center (16 samples), Department of Labour, Invalid and Social Affairs (4 samples).

4.2.2 Data analysis method

For quantitative data, the thesis use SPSS to carry out regression analysis to examine the relation between dependent variable (law conformity) and independent variables developed in theoretical framework. Coefficient rate is 95% with $p = 0.5\%$.

Once receiving questionnaires from the respondents, I then do inputting the data then process this data set with SPSS 20.0 program. The process of analyzing data was conducted through 4 phases that are descriptive, reliability, validity and regression analysis. Each of those phases is detailed as below.

Descriptive Analysis

As discussed by Cooper and Schindler (2006), the descriptive analysis is perceived as a vital tool for data description in analyzing the features of the sample. This statistical procedure allows the authors to summarize, organize, and describe a provided data set in feasible manner. It could indicate that the purpose of this analysis is to describe large amounts of data regarding to central tendency, variability, and shape of distribution.

Reliability test

In order to know whether all the items are in the same concept or construct, many researchers use the reliability analysis (Cronbach, 1951). Specifically, this analysis is to measure the consistency of the measurement scale (Sekaran, 2000). Because the Cronbach's Alpha Coefficient is typically indicates and proves internal consistency, it is widely employed as the criteria to test the reliability of the measurement scale (De Vellis, 1991). The Cronbach's Alpha Coefficient values usually score from 0 to 1 in which 1 is closer to Cronbach's Alpha Coefficient. By this I mean being closer to 1 indicates the greater internal consistency of the items in the scale and then a better measuring instrument.

Validity Analysis

In order to test whether the scale effectively and efficiently measures what the author wants to measure or not, the validity analysis is employed (Williams, Brown, & Onsman, 2000). Factor analysis was constructed in order to examine the statistical analysis for a shortened one set of multivariate observations interdependence into a variable (called factors) less meaningful to them but still bears most of the information content of the original collective variables (Hair & CTG, 1998).

The purpose of factor analysis was to figure out the independent elements influencing law compliance. The observed variable (item) put on factor analysis was determined referring to the existing research (in the rationale). The factor analysis process was based on the correlation matrix of them. Due to the factor analysis application, the variables are required to link together. The fact is that they almost had this kind of link. If the correlation coefficient between variables in factor analysis were small, this link probably would not appear. When applying exploratory factor analysis, there is a need to follow the rules of thumb:

Table 4. Exploration factor analysis requirements

Values	Judgments
KMO index ≥ 0.5 Sig for Bartlett's Test < 0.05	The data set is suitable factor analysis.
Loading Factor ≥ 0.5	The correlation among each variable and the factor is acceptable.
Eigenvalues > 1 Total Variance Explained $\geq 50\%$	The amount of variance is acceptable.

(Source: Williams, B. R., Brown, T., & Onsman, A. (2000). Exploratory Factor Analysis: A five-step guide for novices. (3rd Ed.). Australia: Australasian Journal of Paramedicine)

Regression Analysis

The researchers can ascertain the influence of one or more variables upon another by using the regression analysis (Sekaran, 2000). It is the process of exploring the coefficients of independent variables for establishing the linear regression equation in order to predict the value of dependent variable (Keller & Warrack, 2003). In this thesis, I use the regression analysis to meet the research objective that is to identify the relationship between independent factors and Law compliance monitor.

In this research, I carried out three tests to validate the statistical significance of the regression equation consisting of F-test, R2-test, and Pearson Correlation test as detailed as below:

•   F-test: This test is to examine the statistical significance of the regression equation. The following rules of thumb should be followed in this thesis:

Table 5. Regression requirements

Values	Judgments
If F is large and p-value < 0.05	"The entire regression equation has statistical meaning at 95% level of confidence."
If F is small and p-value ≥ 0.05	"The entire regression equation has no statistical meaning at 95% level of confidence."

(Source: Cooper, D. R., & Schindler, P. S. (2006). Business Research Methods, (9th Ed.). Singapore: McGraw-Hill Education)

•   R2-test: The coefficient of determination (R2) was to examine the variation in the dependent and independent variable. The values of R2 run from 0 to 1. For this test, there is a need to follow the rules of thumb:

Table 6. The coefficient of determination

Values	Judgments
If R^2 is closer to 1	"Most of the variation in the dependent variable is explained by the regression model and that model is significant and hence useful" or "The regression equation is highly accurate in predicting the value of dependent variable."
If R^2 is closer to 0	"Most of the variation in the dependent variable is not explained by the regression model and that model is insignificant and hence not useful" or "The regression equation is less accurate in predicting the value of dependent variable."

(Source: Cooper, D. R., & Schindler, P. S. (2006). Business Research Methods. (9th Ed.). Singapore: McGraw-Hill Education)

• Pearson Correlation test: This test was used to investigate the correlation among the independent variables. The less correlation among independent variables is favorable which proves that the regression equation is eligible for illustrating the direct impacts of each independent variable toward the dependent variable. For this test, there is a need to use the following rules of thumb:

Table 7. Pearson Correlation test requirements

Values	Judgments
If the correlation value is close to 0	The relationship among the independent variables is weak.
If the correlation value is close to 1	There relationship among the independent variables is strong
If p-value < 0.05	"There is a statistically significantly correlation among independent variables and the increases or decreases in one variable do significantly relate to the increases or decreases in others."
If p-value ≥ 0.05	"There is no statistically significantly correlation among independent variables and the increases or decreases in one variable do not significantly relate to the increases or decreases in others."

(Source: Cooper, D. R., & Schindler, P. S. (2006). Business Research Methods. (9th Ed.). Singapore: McGraw-Hill Education)

5. Research Results

5.1 Sample demographic

In this research, respondent profiles are summarized into significant categories such as gender, age and occupation. The survey was carried out from 1st August to 30th August 2017 with total sample sized of 120. Respondents who have invalid account for approximately 16% of total respondents with 20 people. These respondents could not continue through all questionnaires because they did not answer correctly two screening questions: "Have you ever paid unemployment insurance?" and another question about sampling quota.

Table 8. The respondent rate

	FREQUENCY	VALID PERCENTAGE
Paid unemployment insurance	100	84%
Unconditional	20	16%

(Source: SPSS date process)

And this is the bar chart for overview data.

Figure 4. Sample demographic
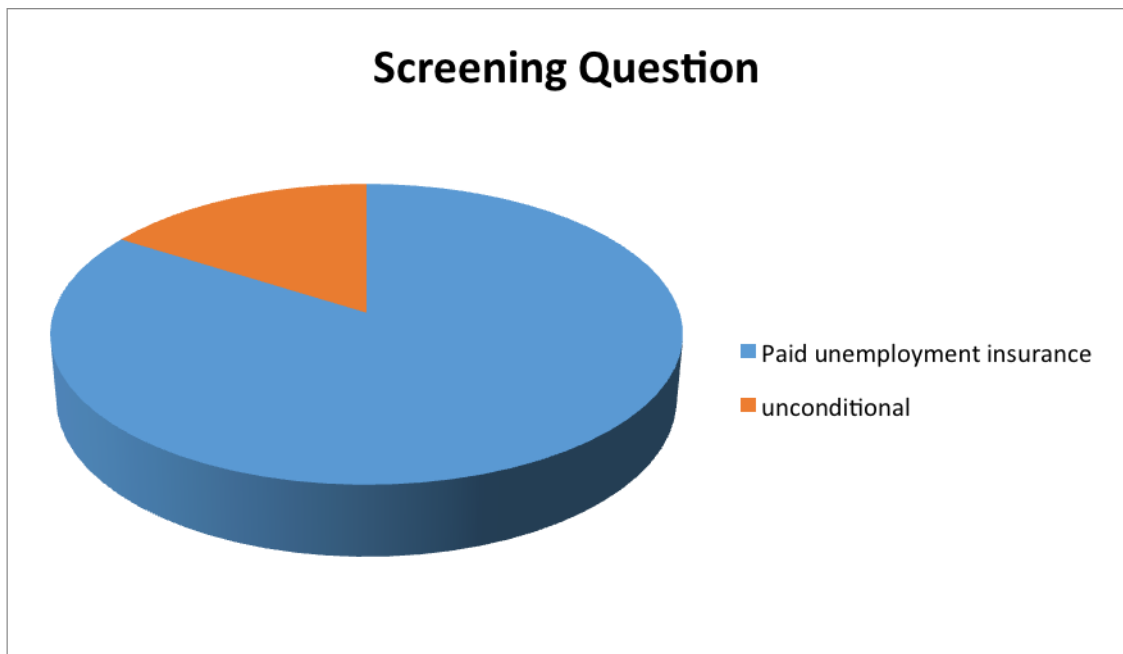
(Source: SPSS date process)

The next table will show the demographic information in this research

Table 9. The demographic information

DETAIL		FREQUENCY	PERCENTAGE
GENDER	Male	63	63
	Female	37	37
OCCUPATION	Cadre	50	50
	Employee	50	50

(Source: SPSS date process)

Figure 5. Distribution of gender
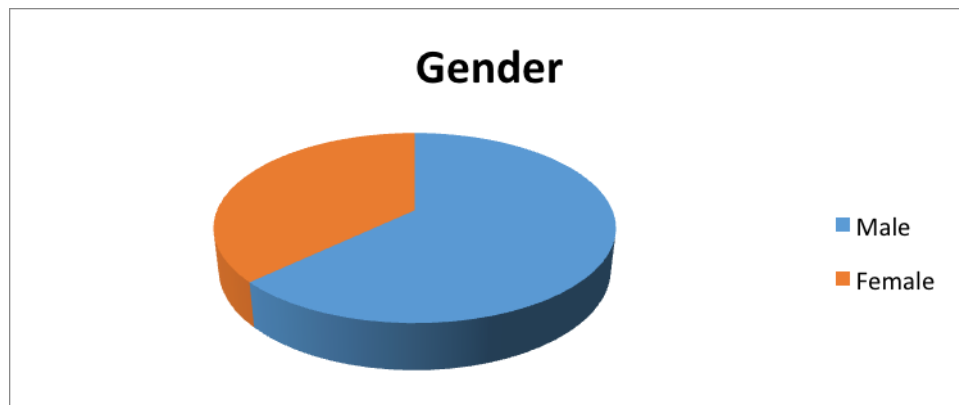
(Source: SPSS date process)

Figure 6. Distribution of occupation
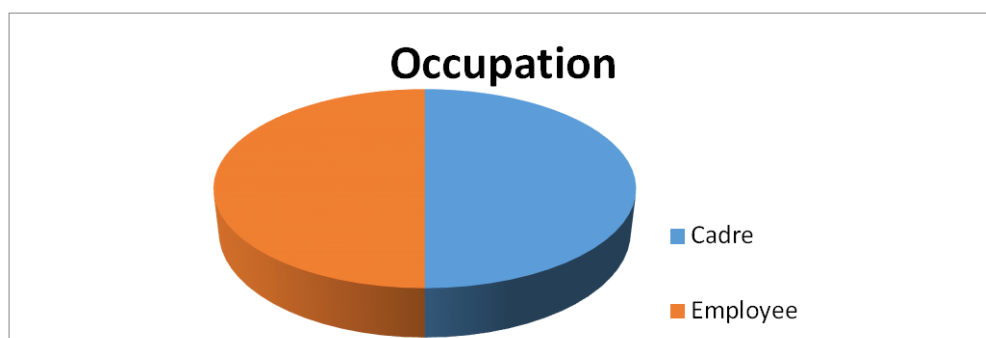
(Source: SPSS date process)

5.2 Descriptive research

I used descriptive statistics in this chapter to explore, summarize and describe data collected because I want to make some general observations about data. In this section, sample of 100 is selected to make the overall descriptive observation about Volume of cost, The reinforced legal status Social Insurance Organization, Labor Union and Relevant State Organizations, IT application and Profession of public servants effect to Law compliance monitor, in case of Binh Duong province.

5.2.1 Volume of cost

Table 10. Volume of cost

Volume of cost		N	Mean	Std.Deviation
VolumeCost1	Volume of Cost and fee for unemployee insuarance is appropriate for any enterprise to follow	100	4.03	.904
VolumeCost2	Volume of cost and fee for unemployee insuarance dominates a acceptable part in employee's income	100	3.98	.887
VolumeCost3	All of enterprises is satisfied to pay this fee for their employee.	100	3.94	.897

(Source: SPSS data process)

The descriptive statistics of Volume Cost dimension is mentioned in the agreement degree of respondents toward the 3 statements. The largest mean value at 4.03 shows "Volume of Cost and fee for unemployment insurance is appropriate for any enterprise to follow".

5.2.2 The reinforced legal status Social Insurance Organization

Table 11. Reinforced legal status Social Insurance Organization

The reinforced legal status Social Insurance Organization		N	Mean	Std.Deviation
LegalStatus1	The social insurance policy is stable time by time, no chagning in short-time	100	3.34	0.997
LegalStatus 2	The Social Insurance Organisation always has supported policies for enterprises.	100	3.62	0.940
LegalStatus 3	The Social Insurance Organisation knews to take care/ serve all enterprise.	100	3.78	0.768
LegalStatus 4	Enterprises need an enthusias spirit from Social Insurance Organisation	100	3.68	0.931

(SPSS data process)

About the reinforced legal status Social Insurance Organization, the descriptive statistics is suggested in the agreement degree of customers toward the 4 statements. The largest mean value at 3.78 shows "The Social Insurance Organisation always has supported policies for enterprises." And the smallest one is 3.34 "The social insurance policy is stable time by time, no changing in short-time".

5.2.3 Labor Union and Relevant State Organizations

Table 12. Descriptive analyze of factor of Labor Union and Relevant State Organizations

Labor Union and Relevant State Organizations		N	Mean	Std.Deviation
Labor Union 1	Supporting from Labour Union and Relevants are very important to persuade any enterprise to compliance	100	3.94	1.023
Labor Union 2	By tradditional of country, Labour Union has a big affect to commit the benefit of unemployee insurance	100	3.61	1.004
Labor Union 3	As a moderated organization, Labour Union is a good partner to connect Social Insurance Organization and enterprises.	100	4.04	.875

(Source: SPSS data process)

Labor Union and Relevant State Organization variable is evaluated by three statements. Respondents have the highest score in "As a moderated organization, Labour Union is a good partner to connect Social Insurance Organization and enterprises" that they need a moderator to have higher belief in Social insurance organization.

5.2.4 IT application

Table 13. Descriptive analyze of factor IT application

IT application		N	Mean	Std.Deviation
IT application 1	Information technology is helping enterprise to understand and adopt insurance policy the most corrected	100	4.23	.823
IT application 2	IT application can also make enterprise easily to spread the benefit of unemployee insurance to any employee	100	4.43	.819
IT application 3	This is the most important thing to update a new policy	100	4.28	.978

(Source: SPSS data process)

IT application has important role in monitoring law compliance. That's why it got high average mean in three statements (almost greater than 4.0). "IT application can also make enterprise easily to spread the benefit of unemployment insurance to any employee" is the highest grade in average mean(4.43).

5.2.5 Profession of public servants

Table 14. Descriptive analyze of factor IT application Profession of public servants

Profession of public servants		N	Mean	Std.Deviation
Public Servants 1	Depending on nature of working, public servants have different perception to attend unemployee insurance	100	3.76	.83
Public Servants 2	Higher level of public servant's position is, more committed public servants is	100	3.83	.81
Public Servants 3	Due to higher position in organization, I must have higher responsibility to pay and call for other co-workers	100	3.43	.92

(Source: SPSS data process)

Profession of public servant is considered as a factor in monitoring law compliance.. "Higher level of public servant's position is, more committed public servants is" is the highest grade in average mean (3.83). the lowest mean is 3.43 "Due to higher position in organization, I must have higher responsibility to pay and call for other co-workers".

5.2.6 Dependent Variable- Law compliance monitor

Table 15. Descriptive analyze of factor of Law compliance monitor

Profession of public servants		N	Mean	Std.Deviation
Law Compliance 1	Law compliance monitor is critical with any enterprise	100	4.12	.825
Law Compliance 2	Law compliance monitor is not only a duty, but also a responsibility with any enterprise	100	4.2	.839
Law Compliance 3	Assure law compliance monitor is the benefit for enterprise and labour.	100	4.2	.972

(Source: SPSS data process)

The descriptive statistics of purchase loyalty dimension is presented in the agreement degree of customers toward the 3 statements. The averaged mean value at 4.23 shows that customers have high willingness to compliance the law.

5.3 Reliability Test

I used Cronbach's Alpha to test the consistence of measurement scale. George and Mallery (2003) conducted the criteria of for Cronbach's Alpha: Alpha > 0.9 – Excellent, >0.8 – Good, > 0.7 – Acceptable, >0.6 – Questionable, >0.5 – Poor, and <0.5 –Unacceptable.

To measure the internal consistency, I use reliability and factor analysis. Factor analysis is to reduces the number of variables and identify the specific constructs in the research model. Internal consistency can test the degree in which a multiple–element dimension reflects a unique phenomenon or idea, and the degree in which the elements that depend on this dimension have internal consistency (Bryman & Cramer, 1994). Cronbach's alpha is to evaluate internal consistency. In reality, the Cronbach' alpha estimates the mean value of the correlation coefficients between all possible split–half combinations. In general, the lower limit for Cronbach's alpha is 0.7, though it can be equal to 0.6 due to exploratory research (Robinson, 1991).

5.3.1 Volume of cost

Table 16. Reliability test of factor of volume of cost

Volume of cost	Initial Cronbach's alpha	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
VolumeCost 1		.808	.903
VolumeCost 2	9.18	.826	.889
VolumeCost 3		.869	.853

(Source: SPSS data process)

Reliability analysis for Volume of Cost shows that the internal consistency is good with Cronbach's alpha greater than 0.8 (9.18) and all item-to-correlation above 0.5 indicates the high reliability in measurement scale.

5.3.2. The reinforced legal status of Social Insurance Organization

Table 17. Reliability test of factor of the reinforced legal status of Social Insurance Organization

The reinforced legal status Social Insurance Organization	Initial Cronbach's alpha	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
LegalStatus 1		.795	.869
LegalStatus 2		.830	.854
LegalStatus 3	0.902	.755	.885
LegalStatus 4		.757	.881

(Source: SPSS data process)

Reliability analysis for The reinforced legal status Social Insurance Organization show that the internal consistency is good with Cronbach's alpha greater than 0.8 (0.902) and all item-to-correlation above 0.5 indicates the high reliability in measurement scale and no items if deleted is greater than general Cronbach Alpha.

5.3.3 Labor Union and Relevant State Organizations

Table 18. Reliability test of factor of Labor Union and Relevant State Organizations

Labor Union and Relevant State Organizations	Initial Cronbach's alpha	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
LaborUnion1		.669	.766
LaborUnion2	0.822	.680	.753
LaborUnion3		.693	.747

(Source: SPSS data process)

Reliability analysis for Labor Union and Relevant State Organizations is lower than two variables above. However, it also shows that the internal consistency is good with Cronbach's alpha greater than 0.8 (0.822) and all item-to-correlation above 0.5 indicates the high reliability in measurement scale. It's good measurement scale and data collected.

5.3.4 IT application

Table 19. Reliability test of factor of IT application

IT application	Initial Cronbach's alpha	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
ITApplication1		.807	.937
ITApplication 2	0.929	.869	.887
ITApplication 3		.892	.868

(SPSS data process)

Reliability analysis for each utilitarian and hedonic value, brand trust, brand affect ,attitudinal loyalty   show that the internal consistency is good with Cronbach's alpha greater than 0.8 and all item-to-correlation above 0.5 indicates the high reliability in measurement scale.

5.3.5 Profession of public servants

Table 20. Reliability test of factor of profession of public servants

Profession of public servants	Initial Cronbach's alpha	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
PublicServants1		.731	.685
PublicServants2	0.815	.724	.700
PublicServants3		.577	.863

(Source: SPSS data process)

Reliability analysis for each utilitarian and hedonic value, brand trust, brand affect, attitudinal loyalty show that the internal consistency is good with Cronbach's alpha greater than 0.8 and all item-to-correlation above 0.5 indicates the high reliability in measurement scale.

5.3.6 Dependent Variable- Law compliance monitor

Table 21. Reliability test of factor of Law compliance monitor

Law compliance monitor	Initial Cronbach's alpha	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
LawCompliance1		.798	.963
LawCompliance2	0.935	.903	.877
LawCompliance3		.903	.877

(SPSS data process)

Reliability analysis for Law compliance monitor has very high score of Cronbach Alpha- 0.935, the internal consistency is excellence and all item-to-correlation above 0.5 indicates the high reliability in measurement scale.

5.4 Exploratory Factor Analysis (EFA)

Factor analysis is a technique to reduce data from a big number of variables to a smaller one. Factor analysis can conduct a result or construct underlying factors that summarize the necessary information in the variables. In addition, I use factor analysis as an exploratory technique to summarize the structure of a set of variables. Kaiser-Meyer-Olkin Measure (KMO) is a criterion for the suitability of EFA. This number is suitable if $0.5 \leq KMO \leq 1$. Bartlett's Test examines the null hypothesis that there is no correlation among observed variables. Null hypothesis will be rejected if

significance level is lower than 0.05 and we can conclude that variables have correlation in statistical meaning. The process will apply Kaiser- Meyer Olkin and Bartlett's tests with Varimax rotation to get the final results.

5.4.1 Exploratory Factor Analysis- Independent Variable

Due to independent variables, Volume of cost, The reinforced legal status Social Insurance Organization, Labor Union and Relevant State Organizations, IT application and Profession of public servants, we run SPSS with Dimension Reduction technique for exploring data structure.

About the KMO index and Significance value, the result is summarized as below table.

Table 22. Exploratory Factor Analysis- Independent Variable

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.869
Bartlett's Test of Sphericity	Approx. Chi-Square	1183.532
	df	120
	Sig.	.000

(Source: SPSS data process)

As shown in the results of data analysis, the value Sig = 0.000 <0.05 refers correlation between the items, an important condition of factor analysis. Furthermore, KMO is used to consider the suitability of factor analysis. In this thesis, I found 0.5 < KMO = 0.911 <1, then factor analysis was appropriate.

Table 23. Rotated Component Matrix for Independent Variables

Rotated Component Matrix[a]

	Component				
	1	2	3	4	5
ITApplication1		.791			
ITApplication2		.873			
ITApplication3		.856			
VolumeCost1			.779		
VolumeCost2			.836		
VolumeCost3			.884		
LaborUnion1				.754	
LaborUnion2				.851	
LaborUnion3				.759	
LegalStatus1	.836				
LegalStatus2	.839				
LegalStatus3	.761				
LegalStatus4	.819				
Publicservant1					.798
Publicservant2					.853
Publicservant3					.717

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 6 iterations.

(Source: SPSS data process)

After carrying out factor analysis and rotation method Varimax, there were 5 components extracted that are the concepts of IT Application, Profession of Public Servants, Labor Union and Relevant State Organizations, The reinforced legal status Social Insurance Organization, Volume of Cost respectively in the research model, while all items (observed variables) had a value greater than 0.5. This indicated the strong correlation between each item and the corresponding extracted component.

Table 24. Total Variance Explained for Independent Variables

Total Variance Explained

Compo nent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulati ve %	Total	% of Variance	Cumulati ve %	Total	% of Variance	Cumulati ve %
1	7.477	46.731	46.731	7.477	46.731	46.731	3.206	20.039	20.039
2	1.899	11.871	58.602	1.899	11.871	58.602	2.854	17.838	37.877
3	1.263	7.892	66.494	1.263	7.892	66.494	2.547	15.917	53.794
4	1.246	7.789	74.283	1.246	7.789	74.283	2.261	14.131	67.925
5	1.189	7.430	81.713	1.189	7.430	81.713	2.206	13.788	81.713

(Source: SPSS data process)

Extraction Method: Principal Component Analysis.

Extraction Method: Principal Component Analysis

Five factors explained 81.713% variability of the observed variables. Extracting fifth factor with eigenvalue = 1.189 was accepted. According Hair & CTG (1998) required that variance extracted had to reach 50% or more, thus the above results reached that standard.

5.4.2 Conclusions about the Validity of the Measurement Scale

The KMO and the Bartlett's test indicated that the data was suited for factor analysis. Totally 6 components for both dependent and independent variables were extracted from the exploratory factor analysis. The independent variables include 5 components including IT Application, Profession of Public Servants, Labor Union and Relevant State Organizations, The reinforced legal status Social Insurance Organization, Volume of Cost. The dependent variable consists of 1 component (Monitor Law Compliance). The scale of measurement was valid because those extracted components could significantly explain for the data variability.

5.5 Research Model Testing

I used Pearson correlation and regression analysis to test the hypotheses. Person's correlation analysis was performed between the dependent variable and independent variables, while the use of linear regression analysis was appropriate. If the Pearson's absolute value was closed to 1, the two variables were more closely linearly correlated. So I analyze the relationship between the independent variables as the relationships could impact the results of the regression analysis as causing multi-collinearity.

5.5.1 Pearson Correlation Analysis

The results of Pearson correlation analysis for each pair of independent variables were displayed in the table below:

Table 25. Pearson Correlation Analysis

	LAWCOMPLIANCE	1	2	3	4	5
1. ITAPPLICATION	.756	1.000				
2. VOLUMECOST	.585	.582	1.000			
3. LABORUNION	.538	.516	.485	1.000		
4. LEGALSTATUS	.620	.476	.474	.437	1.000	
5. PUBLICSERVANT	.512	.386	.413	.395	.512	1.000
Mean	4.17	4.31	3.98	3.86	3.6	3.67
SD.	.646	.717	.713	.659	.704	.666

*Note: * Significantlevel at p < .05*

(Source: SPSS data process)

There is a quite strong linear correlation between the independent variables and the dependent variable. The correlation coefficients were statistically significant ($p < 0.05$).

Specifically, the results of correlation coefficients as shown in Table above refers that there were considerable relationships between the dependent variable, LAWCOMPLIANCE: Monitor Law Compliance and the independent variables. In these significant relationships, there was all positive correlation between LAWCOMPLIANCE and all of independent variables. This means that the higher positive attributes of independent variables have, the higher Monitor Law Compliance have. More details, factors including ITAPPLICATION, VOLUMECOST, LABORUNION, LEGALSTATUS, PUBLICSERVANT had positive correlation with LAWCOMPLIANCE, respectively ($r = .756$, $p < .05$), ($r = .585$, $p < .05$), ($r = .538$, $p < .05$), ($r = .620$, $p < .05$), ($r = .512$, $p < .05$).

5.5.2 Regression Analysis

The results of regression analysis about the relationship between dependent and independent variables were shown in the following tables:

Table 26. Effect Coefficients between Vs and LAWCOMPLIANCE

Variables	Standardized Coefficients (Beta)	t-value	Sig.
		4.345	.500
1. ITAPPLICATION	.500	6.471	.000
2. VOLUMECOST	.092	1.198	.234
3. LABORUNION	.086	1.198	.031
4. LEGALSTATUS	.236	3.108	.002
5. PUBLICSERVANT	.117	1.673	.000

Predictors: ITAPPLICATION, VOLUMECOST, LABORUNION, LEGALSTATUS,
PUBLICSERVANT

ANOVA: $F_{(5, 1663)} = 40.755$, Sig. $= 000$, $p < .05$

Model summary: $R^2 = .668$

(Source: SPSS data process)

Five independent variables IT Application, Profession of Public Servants, Labor Union and Relevant State Organizations, The reinforced legal status Social Insurance Organization, Volume of Cost had standardized beta coefficient as ITAPPLICATION = 0.5; VOLUMECOST = 0.092; LABORUNION = 0.086, LEGALSTATUS = 0.236, PUBLICSERVANT = 0.117, , but the significance level of VOLUMECOST were more than 0.05. This indicated that VOLUMECOST were not significant when they were used in the model to explain the dependent variable LAWCOMPLIANCE. So, it would be removed from model. Thus, standardized beta coefficient and partial correlation coefficient showed the level of importance of the variables affecting Monitor Law Compliance (LAWCOMPLIANCE) in the following order: the first was IT Application (ITAPPLICATION = 0.500), the second was The reinforced legal status Social Insurance Organization (LEGALSTATUS = 0.236, the third was Profession of Public Servants (PUBLICSERVANT = 0.117), the fourth was Labor Union and Relevant State Organizations (LABORUNION = 0.086),

Therefore, the first regression equation illustrated factors affecting Law Compliance Monitor value were stated as follows:

LAWCOMPLIANCE = 0.5 ITAPPLICATION + 0.236 LEGALSTATUS + 0.117 PUBLICSERVANT + 0.086 LABORUNION

After removing the factor "Volume of Cost", we ran the second time of regression analysis and the result is summarized as below:

Table 27. Effect Coefficients between IV and LAWCOMPLIANCE

Variables	Standardized Coefficients (Beta)	t-value	Sig.
		-.430	.668
1. ITAPPLICATION	.534	7.411	.000
2. LABORUNION	.103	1.451	.150
3. LEGALSTATUS	.250	3.332	.001
4. PUBLICSERVANT	.128	1.787	.077

Predictors: ITAPPLICATION, LABORUNION, LEGALSTATUS, PUBLICSERVANT

ANOVA: F (5, 1663) = 40.755, Sig. =000, p < .05

Model summary: R2 = .680

(Source: SPSS data process)

Four independent variables IT Application, Profession of Public Servants, Labor Union and Relevant State Organizations, The reinforced legal status Social Insurance Organization, had standardized beta coefficient as ITAPPLICATION = 0.534; LABORUNION = 0.103, LEGALSTATUS = 0.250, PUBLICSERVANT = 0.128, but the significance level of LABORUNION (0.15) and PUBLICSERVANT (0.077) were more than 0.05. This indicated that LABORUNION and PUBLICSERVANT were not significant when they were used in the model to explain the dependent variable LAWCOMPLIANCE. However, significant level of PUBLICSERVANT is greater than 0.05 not too much. So, we just removed LABORUNION from model and the third regression result is as below:

Table 28. Effect Coefficients between IV and LAWCOMPLIANCE

Variables	Standardized Coefficients (Beta)	t-value	Sig.
		-.179	.858
1. ITAPPLICATION	.573	8.494	.000
2. LEGALSTATUS	.268	3.599	.001
3. PUBLICSERVANT	.144	2.023	.046

(Source: SPSS data process)

Three independent variables IT Application, Profession of Public Servants and Relevant State Organizations, The reinforced legal status Social Insurance Organization, had standardized beta coefficient as ITAPPLICATION = 0.573; LEGALSTATUS = 0.268, PUBLICSERVANT = 0.144. All of significant level of independent variables is lower than 0.05. So, the final equation for this research is: LAWCOMPLIANCE = 0.573 ITAPPLICATION + 0.268 LEGALSTATUS + 0.144 PUBLICSERVANT.

5.6 Conclusions and Judgments about Hypothesis Testing Results

Because F-test generally showed whether the regression equation had statistical meaning, it was very useful for predicting the reliable level of Law Compliance Monitor; R^2-test. From the regression analysis, it can be seen that six of independent variables had $\beta > 0$ and p-value < 0.05 (except VOLUMECOST), thus they statistically had positive relationship with the dependent variable. Therefore, five hypotheses were supported at 95% level of confidence.

Table 29. Summary of Hypothesis Testing

Hypothesis	Description	Indicator	Result
H1	The volume of cost of violation to the unemployment insurance law has positive relation to the law obedience of enterprises.	$\beta = 0.092$ $p = 0.234$	Not Support
H2	The reinforced legal status Social Insurance Organisation has positive relation to monitoring the conformity of the enterprise to the unemployment insurance law	$\beta = 0.268$ $p = 0.01$	Support
H3	Labour Union and Relevant State Organisations have positive impact on enterprises' conformity to the unemployment insurance law in Binh Duong	$\beta = 0.103$ $p = 0.15$	Not Support
H4	The increase in degree of IT application could increase the compliance to the law of enterprises in Binh Duong	$\beta = 0.573$ $p = 0.00$	Support
H5	Profession of public servant in Social Insurance Organisation could increase the compliance to the law of enterprises in Binh Duong	$\beta = 0.144$ $p = 0.046$	Support

(Source: SPSS data process)

Through the results generated by the reliability, exploratory factor analyses, Pearson correlation analysis and regression analysis, there was a change in the research model for this study. And the final model for this research is as below:

Figure 7. Final model for this research
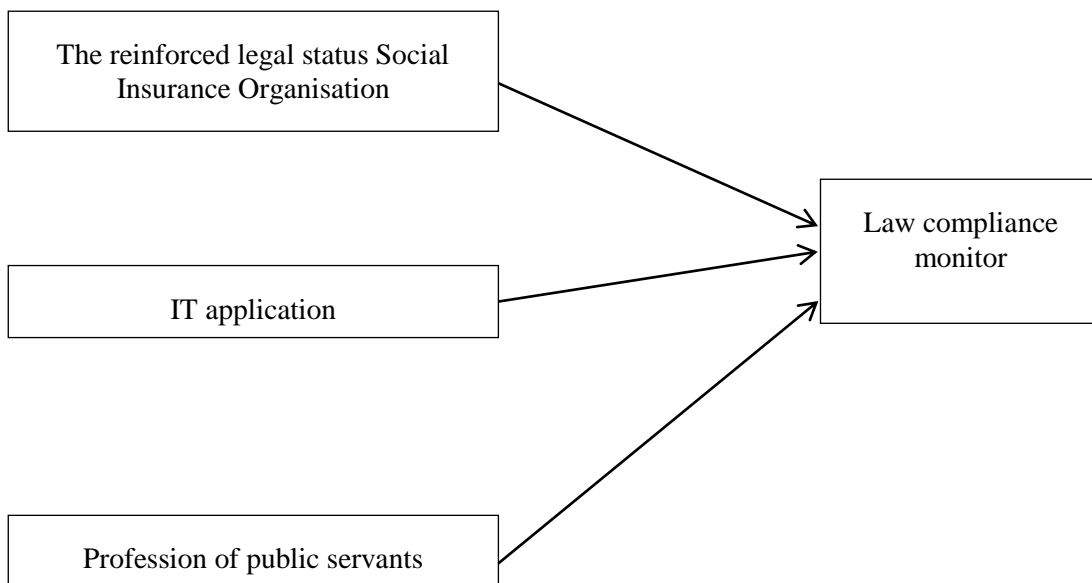
6 Conclusions

6.1 Short summary of the main results

To sum up, this thesis aimed to identify important factors of Law Compliance Monitor. From the results this research found above, with the joining of 100 respondents who take responsibility in paying unemployed insurance and have current job in public and private sector to get the best data quality, the research provided the highest relation of IT Application to Law Compliance Monitor. It means that this is really a strongest predictor for the development of Binh Duong Insurance system and payment. The three factors include Profession of Public Servants, Labor Union and Relevant State Organizations, The reinforced legal status Social Insurance Organization also had positive effects on Law Compliance Monitor and these predictors should investigate to develop and improve Law Compliance. However, one remaining factor (Volume of Cost) did not impact on Law Compliance Monitor, therefore it is not neccessary to concern in enhancing or developing the insurance sector at least in the current time. This finding is not compatable with the argument made by Butler & McGovern (2012) when they reported that cost of a company impacts the law compliance. The possible explanation for this deference is the context of unemployment insurance law in Vietnam in general and Binh Duong in specific. Major contributors into unemployment insurance are FDIs so that they have profound capital and they don't want to have troubles with host country government. The failure of law compliance could have the source from Profession of Public Servants, Labor Union and Relevant State Organizations, The reinforced legal status Social Insurance Organization and IT Application.

Moreover, enterprise image is not a concern in the situation of Binh Duong. Domfeh (2003) argued that the enterprises obey the law because they concern about their public image. Cohen (1998 cited in Domfen, 2003) added that the factors of moral reasoning and group indentifications belong to social norms. However, in the circumstance of FDI investers in Binh Duong with cultural diversity, the issue of public image, moral reason or social norms is not the focus. Their focus could be the economic and political situation in Vietnam.

This study contributes to a common understanding and overview of Law Compliance Monitor in Vietnam, in the context of Unemployment insurance of Binh Duong province, is growing but not much researcher has concerned on the issue of Law Compliance.

Research has added to model factors of Law Compliance, that each factor of model was built new measurement scale by qualitative method in Vietnam context and target interviewers is fulfilled all conditions for this research. From the synthesis of theoretical models and existing research in the

arena, the research have proposed a research model of 5 factors. From the results of data analysis, the thesis has showed 4 factors that affect law compliance on the scope of Binh Duong province.

Furthermore, the outcomes of this study are also a reference for further researchers in similar arena. There is a need for further research. Better questionnaires, more relevant, meaningful and accurate factors and items were also required. In addition, future research can expand in other aspects of law and public sector return intention like law of medicine, environment and economics.

In conclusion, based on these results, local government who decision makers can have more information for improvement of law compliance in Binh Duong province. This not only contributes to increase national budget but also improve standard of living for Binh Duong province because they can have more finance to enhance medicine, transportation and education for their own province. All of these predictors can also provide a great contribution to the success of image local government.

6.2 Recommendation

6.2.1 IT Application

From the research result, we suggest some recommendation for improve IT application in law compliance in Binh Duong province:

Application of information technology to develop a database on administrative procedures in the areas of uniform and law compliance activities applied nationwide.

Application of IT in the public system aims to build a working environment on the computer network among functional departments and branches and digitalize the coordination among relevant units in the settlement of procedures To create administrative habits of cadres and civil servants in the network environment and support information system, substitute paper documents.

Forming a channel to receive comments on the Internet environment, online dialogue organization, online question and answer section on the public's website on settlement of administrative procedures to serve CIs, citizens and enterprises.

6.2.2 The reinforced legal status Social Insurance Organisation

The first thing to do is to continue to improve the system of legal documents on unemployment insurance. Then there is a need to strengthen the information and propaganda activities: policies and policies on unemployment insurance in various forms suitable for each target group in order to raise awareness of unemployment insurance. Training for staff implementing policies of unemployment insurance, personnel in enterprises.

The government also formulates and implements measures to manage labor: Establish the basis for the identification and grasp of subjects participating in unemployment insurance, the implementation of unemployment insurance.

The government needs to push up the process of transfering the task of managing unemployed labor and paying unemployment allowance to the labor agency and the social insurance section of the district in order to create favorable conditions for unemployed laborers when applying for and receiving unemployment allowance.

Binh Duong government is to strengthen the inspection and examination of the implementation of unemployment insurance by insurance companies and enterprises. There are penalties enough to deter detrimental stakeholders involved in the implementation of social insurance, companies, debts, and debts and shirk responsibility for social insurance; In order to protect the legitimate and legitimate interests of employees participating in unemployment insurance.

6.2.3 Profession of public servants

Binh Duong Government needs to carry out well the planning and rotation work for training and fostering in order to raise the quality of cadres and civil servants of Binh Duong province's departments. It also develops and implements the working regulations of the departments on the basis of defining the functions and tasks assigned, clearly define the relationship between functional divisions, cadres, civil servants and employees in the settlement Administrative procedures for organizations and individuals. There is also a need to maintain standards of cadres, civil servants and civil servants in receiving citizens, often conducting surveys on the satisfaction of organizations and individuals with regard to administrative reform.

In addition, the thesis also provides some specific recommend to relevant state organizations as follow:

To the Central Government,

It is necessary to develop a roadmap to expand the unemployment participants to employees who have entered into labor contracts with less than 3 months of labor contract, wage earners who do not sign labor contracts, employees who are self-employed, and in agriculture, forestry and fishery.

The Central Government also directs Ministry of Labour, Invalids and Social Affairs to chair and coordinate with Vietnam Social Insurance and relating agencies to develop a national database on labor and employment.

These ministries are required to propose amendments and/or supplements to the current regulations on handling of administrative violations in the domain of unemployment insurance. There is a need to supplement more types of violation of unemployment insurance policies in order to have appropriate sanctions the crime of evading social insurance and serious violations of social insurance law in the Criminal Law.

The Central Government also has to promote decentralization to the Center for Job Services in provinces and cities in the terms of paying unemployment insurance and increase the autonomy of provincial level in state management of unemployment insurance. In addition, it promotes digital transactions using specialized digital signatures and enhances network security.

To the Ministry of Labor, Invalids and Social Affairs, this ministry need

To study and comprehend the labor management information system in the whole country by improving the efficiency of the existing labor management software.

To focus on capacity building for public servants who work in insurance agency by providing short training courses.

To adjust the distribution of labor quota to the unemployment insurance agency based on the volume of receipt at each locality.

To set up specific mechanisms for special-purpose unemployed laborers as well as specific financial and personnel mechanisms for localities with large numbers of unemployed persons.

To organize seminars unemployment insurance policies so that the companies understand these policies. These seminars also serve the purpose of collecting feedback information on unemployment insurance policy from companies in order to have a better policy implementation.

To Vietnam Social Insurance, this stakeholder should

Coordinate in monitoring changes in the labor situation throughout the country with the labor agency.

Strengthen measures to reduce arrears, slow or not paying unemployment insurance.

Combine the process of declaring retrenchment with the process of certifying the social insurance for employees into a process to avoid delay in closing the social insurance book.

Strengthen the application of information technology in the operation of the unemployment insurance management in order to shorten the transaction time for employees, employers (use electronic social security book, online book by electronic signature ...).

Strengthen the entrusted activities: entrusting the unemployment insurance collection to the tax office, entrusting unemployment insurance expenses to the Centre of Job Services.

6.3 Implication

From the research results, this thesis has some proposes to improve the law compliance for not only in Binh Duong province but also in other places.

One problem of Binh Duong province is that the level of insurance payment is not high. This is caused by both the lack of willingness in paying and the suggestion information from the other people. The bad impressions make people no longer interested in payment, or because there are many reasons behind the low perceived value and benefits, such as natural environment, infrastructure, etc.

6.4 Strengths and limitation of the research

There is still lack of the researches that analyze the effects of factors on law compliance monitor This research only focuses on unemployment insurance sector in Binh Duong province. Some of the respondents were failed to fill the questionnaires. There were the some main limitations this thesis.

Firstly, the thesis has a limitation in the scope of research. Because the data collection conducted only respondents who are already working in Binh Duong only, not in Viet Nam, the results are possibily not able to completely generalize for all respondents 's law compliance to recommend to other provinces. Furthermore, due to the lack of time, budget and location, it was difficult to cover all feedbacks of them in Vietnam. Other provinces can encounter with other aspects exclude of 5 factors in this study. Expanding this research to other specific places such as Ha Noi, Ho Chi Minh, Da Nang and Can Tho make our research model more objective and worth. Secondly, the thesis also has a limitation in the time of collecting data. By assessing respondents through feedback, the results collected mainly in a very short time. Maybe, respondents who took part in the survey finished the questionnaires in a hurry. They did not spend too much attention to read the survey carefully. Therefore, the data can not be sufficient as I expected.

Finally, the study has a limitation in the research concern. Since this study aimed to research factors affecting unemployment insurance law compliance monitor, other fields can be as medicine, economics (VAT, gas), transport (BOT), etc, also the interesting aspect for conduct and expand new research. In addition, in the future, I will continue to work on this research problems in the context of Binh Duong Province with larger sample size and the focus will be the relationship between corruption and unemployment insurance law monitor.

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