FACTORS AFFECTING EMPLOYEE ENGAGEMENT WITH HOTELS IN VINH LONG CITY, VIETNAM

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Abstract: For businesses in general and hotels in particular, human resources are considered an important factor in improving the efficiency of business operations as well as a determining factor in service quality. While attracting and recruiting competent employees is difficult, retaining their engagement for hotels is even more difficult. Therefore, this study aims to investigate the factors that affect employee engagement with hotels in Vinh Long City, and on such basis, hotels will have solutions to maintain employee engagement with their hotels and stabilize human resources.

Keywords: *engagement, affecting factors, satisfaction level*

Introduction

Human resources are the most valuable asset of businesses as well as the origin of development. Especially in the hotel industry, the most important asset of an organization is its employees because they are the ones who directly provide quality services to customers. Therefore, businesses in general, and hotels in particular, are always aware that good human resources management will be an important factor in improving the efficiency of business activities and one of the urgent solutions is to maintain the stability of human resources, especially good employees. Attracting and recruiting good employees is difficult while retaining their engagement with the businesses is even more difficult. Hotels are still facing the situation of movement and fluctuations in human resources, causing many difficulties in the hotel business. Therefore, to retain employees, hotel owners need to know what factors affecting their engagement as well as the level of impact those factors have on their engagement with hotels so that there will be solutions to maintain stable human resources for hotels, contributing to the competition and development in the hotel business.

Literature review and research model

Kahn (1990) defines employee engagement as "the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances".

As noted by Robinson, Perryman & Hayday (2004), "Employee engagement is defined as the positive attitude held by the employee towards the organization and it depends on the amount of support they receive from the organization".

According to the E.R.G (Existence, Relatedness, Growth) theory, it shows that at a time there can be many needs that affect motivation. When a higher need cannot be satisfied, a lower-level need increases. At this time, if something happens and threatens the current job, the basic needs of the individual will be seriously threatened. Without factors to relieve the anxiety, the individual can fall into panic and despair.

Maslow's hierarchy of needs divides human needs into five levels from low to high: physiological, safety, social, esteem, and self-actualization. When the lower-level needs of employees in a business are satisfied to a certain extent, they will require other higher-level needs. If the business still adopts the old incentive method, not only will the employees' job efficiency be low but they are also discouraged and do not desire to keep engaged in their work. Conversely, if more attention is paid to the higher-level needs that have just arisen, the effectiveness of incentives will be higher and more pronounced.

David McClelland's theory believes that people have three basic needs including affiliation, power, and achievement. If managers would like to encourage employees to work, they have to study the levels of these three types of needs to introduce appropriate incentives.

Theory X and Theory Y of Douglas McGregor (1960) propose that humans in nature are not lazy and always have aspirations and self-encouragement and they also can take on greater obligations with self-control. Humans like to perform tasks voluntarily. This theory also acknowledges that people can essentially be self-directed and creative at work if properly motivated. Managers adopting Theory Y believe that if good conditions and opportunities are created, workers will be interested in their favorite jobs and will make positive contributions.

Based on the theoretical foundations and existing research, employee engagement with the organization is affected by various factors, and the numbers of these factors were not completely the same in different studies. On such basis, the author proposed a research model consisting of 7 factors affecting employees' hotel engagement including H1: Organizational culture, H2: Income, H3: Benefits, H4: Colleagues, H5: Leadership, H6: Training and promotion, and H7: Working conditions.

Research objective and method

Research objective

The research aims to investigate the factors and the extent of their influence on employee engagement with hotels in Vinh Long province, and, on such basis, to propose solutions to improve the engagement of staff and employees with the hotel.

Research method

* Qualitative research: Based on the mentioned theory, the author would design a draft scale and then discuss it with managers and employees at hotels to complete the scales of employee engagement, particularly, the organizational culture scale (4 variables), income scale (3 variables), colleague scale (4 variables), leadership scale (6 variables), training and promotion scale (4 variables), working condition scale (4 variables), benefit scale (5 variables), and engagement scale (5 variables). The study used a 5-point Likert scale in the order of 1: Strongly disagree, 2: Disagree, 3: Neutral, 4: Agree, 5: Strongly agree.

* Quantitative research: Based on the data collected by employee survey questionnaires and with the use of SPSS 22.0 statistical analysis software as the analysis tool, the analysis of the measurement model was carried out through three steps: (1) Assessing the reliability of the scale using Cronbach's Alpha coefficient, (2) Analyzing EFA exploratory factor, (3) Conducting regression analysis to test the suitability of the model and determine the influence of factors on employee engagement with hotels in Vinh Long city. The regression model was expected as:

$$Y = A + A_1X_1 + A_2X_2 + A_3X_3 + \ldots + A_iX_i$$

In which:

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- Y: the dependent variable showing the employee engagement

- X: The independent variable derived from EFA factor analysis

- A: The slope coefficient of the regression equation which was standardized

* Survey sample: According to Hair et al. (2006), the minimum sample size was 50, preferably 100 and the ratio of observations/measured variables was 5:1, which means that a minimum of 5 observations for each measured variable. The study had 35 measured variables, thus, the sample size had to be 5 x 35 = 175 (Nguyen Dinh Tho, 2011). Therefore, in this study, the author proposed a sample size of 195 and evenly distributed them to survey locations in Vinh Long City, such as Saigon Vinh Long Hotel, Cuu Long Hotel, Vin Hotel, Ruby Hotel, Van Trang Hotel, and Phuoc Thanh IV Hotel.

Research results

Research sample information

The total number of survey questionnaires was 195 and 188 were acceptable, accounting for 96.4%. The gender rates of hotel managers and employees were 66.2% female and 33.8% male. The major age group was from 18-30 years old with 115 people (61.2%), the age group from 31-50 years old was 54 people (28.7%), and the age group over 50 years old was 19 people (10.1%). In terms of working positions, 133 were employees (70.7%), and 55 were managers in sections (29.3%). In terms of working years, 85 worked for less than 1 year (45.2%), 63 worked for 1 to 5 years (33.5%); only 40 worked for more than 5 years (21.3%). Education levels were mainly high school and college with 103 people (54.8%) and university graduates with 27 people (14.4%), workers with primary training with 58 people (30.9%). The monthly income of employees ranged from 4 to 6 million VND per month, 66.5%, and over 6 million VND per month accounted for 33.5%.

Testing the scale using Cronbach's Alpha reliability coefficient

The reliability of Cronbach's Alpha scale on factors affecting employee engagement with hotels in Vinh Long City was tested with 30 variables for Cronbach's Alpha coefficient ranging from 0.9 to 1.0. This shows a good measurement scale. When considering factor correlation coefficients, no variables were eliminated from the model because all values were greater than 0.3. Therefore, these 30 variables were used in the next exploratory factor analysis.

Scale	Accepted variables	Cronbach's Alpha value
Organizational culture	4	0.970
Income	3	0.955
Benefits	5	0.978
Colleagues	4	0.981
Leadership	6	0.987
Training and promotion	4	0.944
Working condition	4	0.934

(Table 1: Summary of Cronbach's Alpha reliability test
Source: Analysis results obtained by the author, 2023)

Exploratory factor analysis (EFA) for the independent variables

All 30 independent variables were included in exploratory factor analysis (EFA). The KMO test results provided a value of 0<KMO=0.916<1 and Sig = 0.000 < 0.05, showing that the scale met the requirements and these 30 observation variables were correlated with each other and were completely consistent with the factor analysis. Simultaneously, the results also show that the total variance extracted was 91.1% > 50% and eigenvalues > 1, so using the factor analysis method was appropriate. The results of exploratory factor analysis show that 5 factors had an influence on the "GB" engagement factor and 5 factors were extracted explaining 91.1% of the data variation.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**,916**
Bartlett's Test of Sphericity	Approx. Chi-Square	7305,639
	df	435
	Sig.	**,000**

(Table 2. KMO test
Source: Analysis results obtained by the author, 2023)

Factor rotation matrix: After rotation, observations with factor loading coefficient < 0.5 were removed from the model. EFA exploratory factor analysis would retain observation variables with factor loading coefficient > 0.5 and arrange them into main groups.

	Component				
	1	2	3	4	5
VH1	.951				
VH2	.900				
LD4	.894				
LD6	.882				
LD2	.881				
LD3	.880				
VH3	.874				
LD5	.870				
LD1	.865				
VH4	.851				
PL3		.891			

PL4	.865			
PL1	.857			
PL2	.857			
TN3	.842			
TN4	.835			
TN1	.835			
PL5	.829			
DN2		.895		
DN3		.869		
DN4		.860		
DN1		.836		
DKLV1			.844	
DKLV4			.826	
DKLV2			.717	
DKLV3			.691	
DT1				.758
DT2				.737
DT4				.731
DT3				.728

(*Table 3: EFA results for independent variables*
Rotated Component Matrix[a]
Source: Analysis results obtained by the author, 2023

From the initial model of 7 factors with 30 observation variables, 5 factors were extracted from EFA exploratory factor analysis, in which new scales were re-tested by the author and all had high

reliability. Therefore, the research model "Factors affecting employee engagement with hotels in Vinh Long City" includes 5 influencing factors defined as:

- H1: Organizational culture (VH) includes 10 observation variables: VH1, VH2, VH3, VH4, LD1, LD2, LD3, LD4, LD5, LD6

- H2: Income (TN) includes 8 observation variables: TN1, TN3, TN4, PL1, PL2, PL3, PL4, PL5.

- H3: Colleagues (DN) includes 4 observation variables: DN1, DN2, DN3, DN4.

- H4: Working conditions (DKLV) includes 8 observation variables: DKLV1, DKLV2, DKLV3, DKLV4.

- H5: Training and promotion (DT) include 8 observation variables: DT1, DT2, DT3, DT4.

Multivariate regression analysis

Regression analysis results show that all independent variables of Organizational Culture (VH), Income (TN), Colleagues (DN), Working conditions (DKLV), Training, and promotion (DT) all had Sig.< 0.05 so all variables were at 95% of reliability. The regression coefficients were all positive, so the independent variables all had a positive influence on employee engagement with the hotels. The regression equation showing the employee engagement with the hotels is as follows:

$$GB = 0.420VH + 0.356 \ TN + 0.471DN + 0.377 \ DKLV + 0.303 * DT$$

Regression results show that the colleague factor had the most influence on employee engagement with hotels in Vinh Long City (Beta= 0.471), followed by the organizational culture (Beta= 0.420), working conditions (Beta= 0.377), income (Beta= 0.356), and training and promotion factor (Beta= 0.303).

Conclusion and recommendations

Colleague relationships are one of the important elements of a business. Good relationships between individuals as well as colleagues are a factor strongly impacting the level of job satisfaction and creating engagement with the organization. Businesses need to create good relationships between colleagues within the same department or between departments of a business and create a friendly and united working environment with care and sharing among colleagues. Businesses should also encourage colleagues to participate in collective activities to create close bonds between them.

For the company culture to develop, there should be strong propaganda activities to make employees excited and imbued with the ideology and culture of the business. Company culture should make employees feel comfortable so that they can integrate into the organization. It is necessary to provide induction training for new recruits, show them the objectives to be achieved and help them quickly integrate into the organization and maximize their abilities. In addition, leaders need to treat employees in a fair manner, always respect their abilities and recognize their contributions, and have timely reward policies to create more engagement with hotels.

Good working conditions will create excitement for employees and help them feel secure in their engagement with the company, therefore, hotels need to provide accommodation and a reasonable resting regime for employees. Creating the best working conditions for employees and ensuring their health are always the most significant tasks to protect the legal and legitimate rights and interests of employees to enhance their attachment to the jobs.

In summary, humans are the most important factor; especially in the hotel industry where humans are considered a prerequisite for business success. Therefore, hotels in Vinh Long

province need to pay more attention to colleague relationships, organizational culture, and working conditions, helping hotels maintain stable human resources for sustainable competition and development.

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