

# Factors Affecting Employees' Job Engagement at Travel Agencies in Binh Thuan Province, Vietnam

Tran Phuc Ngon<sup>1</sup>, Nguyen Quoc Nghi<sup>2</sup>

<sup>1</sup>University of Phan Thiet, Vietnam

<sup>2</sup>Can Tho University, Vietnam

## ABSTRACT

The objective of the study is to identify factors affecting job engagement of travel agencies' staff in Binh Thuan Province, Vietnam. Research data were collected from 176 employees working at travel agencies by a convenient sampling method. Exploratory factor analysis and linear regression analysis were used to achieve research goals. The results have proved that factors positively affecting the employees' job engagement are direct management, nature of work, recognition, training and development, coworker relationship, and compensation and benefits. In which, the direct supervision has the most substantial influence on the job engagement of employees working at travel agencies in Binh Thuan Province.

**KEYWORDS:** *engagement, job, employee, travel agency*

**How to cite this paper:** Tran Phuc Ngon | Nguyen Quoc Nghi "Factors Affecting Employees' Job Engagement at Travel Agencies in Binh Thuan Province, Vietnam" Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-4 | Issue-3, April 2020, pp.1070-1074, URL: [www.ijtsrd.com/papers/ijtsrd30783.pdf](http://www.ijtsrd.com/papers/ijtsrd30783.pdf)



Copyright © 2020 by author(s) and International Journal of Trend in Scientific Research and Development Journal. This is an Open Access article distributed under the terms of the Creative Commons Attribution License (CC BY 4.0) (<http://creativecommons.org/licenses/by/4.0>)



## 1. INTRODUCTION

In 2019, Binh Thuan Province welcomed more than 6.4 million tourist turns, an increase of 11.39% compared to 2018. Of which, international visitors were about 775,000, and the revenue reached 15.110 billion VND, a rise of 17.5% compared to 2018. Creating an open investment environment attracts more and more economic sectors to invest in the tourism sector in Binh Thuan Province. By the end of 2019, Binh Thuan Province had nearly 400 tourism projects, including many foreign direct investment projects. Facilities and services for tourism are rapidly improved in both quantity and quality. There are almost 490 accommodation facilities with a total of 15,000 rooms in Binh Thuan Province. This meets the demands of travelers during off-peak seasons all year round. Besides, to reach the increasing demands of tourists and attract more labor involved in the tourism-hospitality field, travel agencies have been developing and expanding by size and quantity. Thus, attracting and retaining the human resources working in the tourism industry is a vital issue for travel enterprises in Binh Thuan Province.

According to Maslach et al., (2001), job engagement of employees is a common factor that connects other factors related to the work environment, turnover rate, job satisfaction, and commitment. From the organizational perspective, low job engagement of employees may lose

human resources, reduce work efficiency, and significantly affect the performance of the organization (Muthueloo and Rose, 2005). The higher the job engagement of employees, the more benefits the organization gets (Van Allen, 2012). If the manager effectively connects employees with their work, the organization's competitiveness will be undoubtedly improved (Baldoni, 2013). With the above discussions, this study was conducted to point out factors affecting the employees' job engagement of travel agencies in Binh Thuan Province.

## 2. THEORETICAL FRAMEWORK AND RESEARCH HYPOTHESES

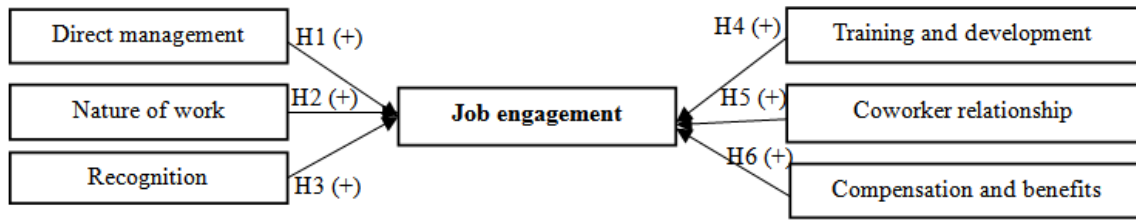
### 2.1. Theoretical framework

Job engagement represents the state of mind, shows employees' thoughts and actions at work. It is the focus on job tasks, dedication, passion, effort, and enthusiasm. Job engagement is the energy that an employee needs to work effectively with high efficiency (Maslach et al., 2001). Job engagement is a positive and satisfying mental state that is related to work. It is expressed by enthusiasm and dedication (Schaufeli and Bakker, 2004). According to Coughlan (2005), employee's engagement with their job is considered to be the dedication to the success of the organization and the belief that working at the organization is the right career choice.

**2.2. Research hypotheses**

Studies by Schaufeli and Bakker (2004), Hewitt (2014), Bakker and Demerouti (2008), Malik et al., (2010), Azeem and Akhtar (2014) have demonstrated factors such as direct management, recognition, and colleague relation positively affect employees’ job engagement. Besides, Malik et al., (2010), Azeem and Akhtar (2014), Araya and Haiyan (2015), Nguyen (2016) have confirmed that the nature of work is an essential factor affecting the engagement with the job of employees. Furthermore, findings in studies by Martensen and Grønholdt (2006), Chughtai and Zafar (2006), Azeem and Akhtar (2014), Araya and Haiyan (2015) have stressed the positive impact of training and development opportunities on the employee's commitment to the work. Finally, Malik et al., (2010), Azeem and Akhtar (2014), Araya and Haiyan (2015), Nguyen (2016) showed the powerful influence of compensation and benefits on job engagement of the staff.

Based on the literature review, the study used the group discussion method (qualitative research) with tourism experts and employees working in travel agencies in Binh Thuan Province. The results of the discussion set out research hypotheses and appropriate scales for the research model. Research hypotheses: H1: Direct management positively impacts employee engagement. H2: The nature of work positively affects employees’ job engagement. H3: Recognition positively influences employee engagement. H4: Training and development opportunities positively affects employees’ job engagement. H5: Coworker relationship positively impacts employee engagement. H6: Compensation and benefits positively impact employee engagement. Therefore, the following research model is stated.



**Figure 1: Proposed research model**

**Table 1: Interpretation of observations in the research model**

Factor	Observed variables	Sign	Scale
Direct management	The work assignment is scientific and logical.	DM1	Likert 1-5
	The treatment is fair, and the feedback is always listened to.	DM2	Likert 1-5
	Job responses are provided regularly.	DM3	Likert 1-5
	Support and help from the manager are offered.	DM4	Likert 1-5
Nature of work	Professional competence is suitable for the job.	NOW1	Likert 1-5
	Understand and catch up with the nature of work.	NOW2	Likert 1-5
	Understand the requirements, responsibilities, and powers of each employee.	NOW3	Likert 1-5
	Have opportunities to use skills and creativity at work.	NOW4	Likert 1-5
Recognition	Achievements are always rewarded.	REC1	Likert 1-5
	Useful ideas are widely applied.	REC2	Likert 1-5
	The leader and colleagues recognize contributions.	REC3	Likert 1-5
	Feel valued at work.	REC4	Likert 1-5
Training and development	The organization has training courses in skills and professional qualifications.	TAD1	Likert 1-5
	The organization focuses on training and updating work-related knowledge.	TAD2	Likert 1-5
	The organization always chooses the right people in promotion decisions.	TAD3	Likert 1-5
	The organization gives promotion opportunities consistent with each employee’s capacity.	TAD4	Likert 1-5
Coworker relationship	Colleagues always cooperate well.	CR1	Likert 1-5
	Feel like a part of a capable team.	CR2	Likert 1-5
	The relationships among colleagues are good.	CR3	Likert 1-5
	Colleagues always trust each other.	CR4	Likert 1-5
Compensation and benefits	The salary is commensurate with the workload.	CAB1	Likert 1-5
	Rewards/punishments are clear and reasonable.	CAB2	Likert 1-5
	The welfare policy is excellent and flexible.	CAB3	Likert 1-5
	The income is highly competitive in the tourism market.	CAB4	Likert 1-5
	Compensation and benefits are always paid on time.	CAB5	Likert 1-5
Job engagement	Make efforts to complete assigned tasks.	JE1	Likert 1-5
	Always be proud of the current job.	JE2	Likert 1-5
	Will engage with the job in the long term.	JE3	Likert 1-5

### 3. RESEARCH METHODOLOGY

#### 3.1. Analytical methods

The quantitative determination of factors affecting employee engagement in travel enterprises is conducted in 3 steps. Step 1: Use the Cronbach's Alpha to test reliability and the internal consistency among observed variables. Step 2: Use the exploratory factor analysis (EFA) to assess the convergent and discriminant validity of observed variables. Step 3: Use the multivariate linear regression to test the research hypotheses.

#### 3.2. Data collection method

The study used a convenience sampling method to survey 176 employees who are working at travel agencies in Binh Thuan Province. According to Hair et al. (1998), to apply exploratory factor analysis (EFA), the proportion between observations and the measured variable is 5:1, meaning that each measured variable requires at least 5 items. As reported by Tabachnick and Fidell (2007), the appropriate sample size for linear regression is  $N \geq 50 + 5 * m$  (where m is the number of independent variables). Thus, the sample size achieves the reliability requirement for testing research hypotheses.

### 4. RESEARCH RESULTS AND DISCUSSIONS

#### 4.1. Evaluate the reliability of the scales

The Cronbach's Alpha was used to eliminate variables with "garbage" values and variables with Item-total correlation less than 0.3 (Nunnally, 1978; Peterson, 1994; Slater, 1995). The scales are satisfactory if Cronbach's Alpha coefficients are more significant than 0.6 (Nunnally and Bernstein, 1994). The analysis result in Table 2 shows that the scales have high Cronbach's Alpha values (the minimum is 0.752) and the Item-total correlation of each observation meets the requirement (the minimum is 0.325). Therefore, all variables can be included in the exploratory factor analysis (EFA).

**Table 2: Scale reliability test result**

Factor	Number of variables	Minimum item-total correlation	Cronbach's Alpha
Direct management	4	0.552	0.804
Nature of work	4	0.496	0.752
Recognition	4	0.325	0.757
Training and development	4	0.492	0.787
Coworker relationship	4	0.465	0.790
Compensation and benefits	5	0.504	0.775
Job engagement	3	0.560	0.752

Source: Survey data, 2020

#### 4.2. Exploratory factor analysis (EFA)

According to the EFA result for independent variables, the coefficients are guaranteed as follows: The significance level of the model (Sig) is less than 0.05 and the KMO = 0.738 (in the range of 0 to 1); the factor loading values of all observations are more significant than 0.5; the cumulative variance test is 65.217% > 50%. This shows that the research data is satisfactory (Anderson and Gerbing, 1988). As a result, 6 factors are formed, namely, F1, F2, F3, F4, F5, and F6. The observations in the scales are the same as the proposed model, so there is no change in factor names. Hence, the research model includes 6 factors which are direct management, nature of work, recognition, training and development, coworker relationship, and compensation and benefits. Similarly, the EFA result for the dependent variable is as follows: The significance level of the model (Sig) is less than 0.05 and the KMO value = 0.671 (between 0 and 1), the factor loading is more significant than 0.5; the cumulative variance test reaches a value of 67.257% > 50%. This proves that the research data is satisfactory (Anderson and Gerbing, 1988). Thus, the result creates 1 factor, which is F7, job engagement. All elements are presented in the table below.

**Table 3: Factors formed from the exploratory factor analysis**

Sign	Observed variables	Factor names
F1	4 variables: DM1, DM2, DM3, DM4	Direct management
F2	4 variables: NOW1, NOW2, NOW3, NOW4	Nature of work
F3	4 variables: REC1, REC2, REC3, REC4	Recognition
F4	4 variables: TAD1, TAD2, TAD3, TAD4	Training and development
F5	4 variables: CR1, CR2, CR3, CR4	Coworker relationship
F6	5 variables: CAB1, CAB2, CAB3, CAB4, CAB5	Compensation and benefits
F7	3 variables: JE1, JE2, JE3	Job engagement

Source: Survey data, 2020

#### 4.3. Multivariate linear regression

After the EFA step, the multivariate linear regression was used to identify factors affecting employee engagement at travel enterprises in Binh Province. The result is shown in Table 4.

**Table 4: Multivariate linear regression result**

Factor	Standardized coefficient	Significance probability (Sig.)	Variance inflation factor (VIF)	Hypothesis
Direct management	0.452	0.000	1.305	H1: accepted
Nature of work	0.314	0.000	1.260	H2: accepted
Recognition	0.156	0.001	1.089	H3: accepted
Training and development	0.199	0.000	1.094	H4: accepted
Coworker relationship	0.213	0.000	1.260	H5: accepted
Compensation and benefits	0.239	0.000	1.264	H6: accepted
Adjusted R <sup>2</sup>				0.640
Durbin-Watson stat				1.862
Sig.F value				0.000

Source: Survey data, 2020

According to Table 4, the adjusted R<sup>2</sup> value of the model is 64%, which proves that the factors explain the employees' job engagement in the model at a high level. The Sig.F value of the model is much smaller than the significance level whose  $\alpha = 5\%$ , so the proposed model is statistically significant. The Durbin-Watson coefficient = 1.862, and VIF < 4, showing that the model does not reach auto-correlation and multi-collinearity. Besides, the result suggests that independent variables in the model are statistically significant. All factors (direct management, nature of work, recognition, training and development, coworker relationship, and compensation and benefits) are positively correlated with employee engagement. In other words, if the employee highly appreciates the leadership style, organization's recognitions, working environment/conditions, job characteristics, adequate salary and benefits, promotion opportunities, the employee's engagement to the job will be higher. In particular, direct management has the most definite impact on the job engagement of employees working at travel agencies in Binh Thuan Province.

## 5. CONCLUSION AND IMPLICATIONS

The study used quantitative methods to find out factors affecting the job engagement of employees working in tourism agencies in Binh Thuan Province. The analytical results have proved that the factors positively impact employee engagement are direct management, nature of the work, recognition, training and development, coworker relationship, and compensation and benefits. In which, direct supervision puts the most powerful impact on the job engagement of employees. Subsequently, several management implications are proposed. Firstly, continuously improve the leadership style in positive and modern directions. Secondly, create a competitive and efficient working environment. Thirdly provide work motivation through moral and material policies. Fourthly, pay more attention to working conditions and the nature of work. Fifthly, expand training and professional qualification courses.

## REFERENCES

- [1] Anderson, J. C., & Gerbing, D. W. (1988). Structural equation modeling in practice: A review and recommended two-step approach. *Psychological Bulletin*, 103(3), 411-423.
- [2] Araya, S. H., & Haiyan, M. (2016). How job satisfaction factors affect components of organizational commitment: Study on employees of star hotels in Eritrea. *International Journal of Human Resource Studies*, 5(4), 95-109.
- [3] Azeem, S. M., & Akhtar, N. (2014). Job satisfaction and organizational commitment among public sector employees in Saudi Arabia. *International Journal of Business and Social Science*, 5(7), 128-133.
- [4] Bakker, A. B., & Demerouti, E. (2008). Towards a model of work engagement. *Career development international*, 13(3), 209-223.
- [5] Baldoni, J. (2013). Employee engagement does more than boost productivity. *Harvard Business Review*, 4.
- [6] Chughtai, A. A., & Zafar, S. (2006). Antecedents and consequences of organizational commitment among Pakistani university teachers. *Applied H.R.M. Research*, 11(1), 39-64.
- [7] Coughlan, R. (2005). Employee loyalty as adherence to shared moral values. *Journal of Managerial Issues*, 17(1), 43-57.
- [8] Hair, J. F., Tatham, R. L., Anderson, R. E., & Black, W. C. (1998). *Multivariate Data Analysis* (5th ed.). New Jersey: Prentice-Hall.
- [9] Hewitt, A. (2014). 2012 Trends in global employee engagement.
- [10] Malik, M. E., Nawab, S., Naeem, B., & Danish, R. Q. (2010). Job satisfaction and organizational commitment of university teachers in public sector of Pakistan. *International journal of business and management*, 5(6), 17-26.
- [11] Martensen, A., & Grønholdt, L. (2006). Internal marketing: a study of employee loyalty, its determinants and consequences. *Innovative Marketing*, 2(4), 92-116.
- [12] Maslach, C., Schaufeli, W. B., & Leiter, M. P. (2001). Job burnout. *Annual review of psychology*, 52(1), 397-422.

- [13] Muthuveloo, R., & Rose, R. C. (2005). Typology of organizational commitment. *American Journal of Applied Science*, 2(6), 1078-1081.
- [14] Nguyen, Q. N. (2016). Factors affecting adherence to the organization of young employees in the banking system. *Journal of Economics - Technology*, 15, 22-29.
- [15] Nunnally, J. (1978). *Psychometric Theory*. New York: McGraw-Hill.
- [16] Nunnally, J. C., & Bernstein, I. H. (1994). *Psychometric theory* (3rd ed.). New York: McGraw-Hill.
- [17] Peterson, R. (1994). A Meta-Analysis of Cronbach's Coefficient Alpha. *Journal of Consumer Research*, 21(2), 381-391.
- [18] Slater, S. (1995), Issues in Conducting Marketing Strategy Research. *Journal of Strategic*, 3(4), 257-270.
- [19] Schaufeli, W. B., & Bakker, A. B. (2004). Job demands, job resources, and their relationship with burnout and engagement: A multi-sample study. *Journal of Organizational Behavior: The International Journal of Industrial, Occupational and Organizational Psychology and Behavior*, 25(3), 293-315.
- [20] Tabachnick, B. G., & Fidell, L. S. (2007). *Experimental designs using ANOVA* (p.724). Belmont, CA: Thomson/Brooks/Cole.
- [21] Van Allen, S. (2012). Engagement at Work: Its effects on performance continue in tough economic times: Key Findings from Gallup's Q12 Meta-Analysis of 1.4 million employees. *Gallup, Inc*

