

# THE FACTORS AFFECTING EMPLOYEE ENGAGEMENT AT COMMERCIAL ENTERPRISES IN HANOI

## HOANG THANH TUNG

PhD, Associate Professor, University of Labour and Social Affairs. Email: hoangthanh tung15@gmail.com

ORCID ID: <https://orcid.org/0000-0001-7265-1708>

## NGUYEN THI VAN ANH

PhD, University of Labour and Social Affairs. Email: nguyenvananh83@ulsa.edu.vn,

ORCID ID: <https://orcid.org/0009-0008-4703-2014>

## VU THI LE GIANG

MA, Dai Nam University. Email: giangvtl@dainam.edu.vn

## MAI ANH VU

PhD, Thanh Hoa University of Culture, Sports and Tourism. Email: maianhvu@dvttd.edu.vn,

ORCID ID: <https://orcid.org/0009-0006-3987-7565>

### Abstract

**Objective:** This research aims to identify and evaluate factors affecting employee-enterprise engagement at commercial enterprises in Hanoi. **Theoretical Framework:** Inheriting and selecting several theoretical bases and researching factor scales of previous studies such as Porter et al. (1974), and Schaufeli et al. (2002) with adjustments to suit the research objectives, specific characteristics of commercial enterprises **Method:** The methodology was designed based on a combination of factors measuring the level of willingness of employees to stick with the enterprises. The factors included in the research are "employees' income," "working environment and conditions," "relationships," "job performance evaluation," and "training and advancement opportunities." The research subjects are employees and grassroots managers working at some commercial enterprises that have headquarters and business operations in Hanoi. The research team conducted a survey, collected 237 people's opinions, and used the analysis software SMARTPLS to analyze the data received. **Results and Discussion:** The results have shown that all 5 factors affected employee engagement with enterprises, but they were concerned at different levels. **Research Implications:** Analyzing and evaluating these factors can suggest effective solutions to address resignation and job abandonment. **Value:** The study have proposed five feasible solutions related to the influencing factors so that businesses can increase employee engagement with the business.

**Keywords:** Engagement; Satisfaction; Factors; Satisfied; Employees; Enterprises; Commercial.

## 1. INTRODUCTION

Commercial enterprises are enterprises that buy and sell finished products and goods without directly organising the goods' production and packaging. Commercial enterprises use fewer employees, compared with manufacturing enterprises, but they demand their employees to have a high level of expertise and work intensively. . If the retention mechanism is not effective, the employees will easily abandon their job and switch to another. To maintain regular operations and develop the business, employee retention and workforce situation stabilization were enterprises' priority interests. When employees are satisfied with their job as well as working environment, they will enjoy working and stick with the business, so the capacity of their ability and enthusiasm for work will be

maximised, aiding the enterprises' development in a competitive environment nowadays. The questions here are: "What are the reasons for job changing?", "How to make employees more attached to commercial enterprises?", "What are factors affecting employee engagement at commercial enterprises?" and "What measures should commercial enterprises take to create employee engagement to the business?"

To conduct this research, the team made an overview of the rationale for employee engagement to the organisation, built a research model and questionnaire for employees. Afterward, the team analyzed the collected data using SMARTPLS software, and based on that provided some effective solutions to increase employee engagement with enterprises. This is also a foundation for commercial enterprise managers to adjust human resource management policy, stabilise human resource and improve the competitiveness of businesses during international economic integration period.

## **2. THEORETICAL BASIS, METHODOLOGY AND RESEARCH HYPOTHESIS**

### **2.1. Theoretical basis**

#### *2.1.1. Employee engagement with organisation*

According to Porter et al. (1974), engagement with an organisation is a strong belief and acceptance of the organisation's goals, a willingness to put in one's best effort for the organisation, and a desire to remain a member of the organisation. Engagement with an organisation is a willingness to stay as an organisation member, to put in one's best effort for the organisation and to support the goals and values of the organisation.

Mowday et al. (1979) mentioned the concept of "Organisational engagement is the relative strength of an employee's identification with the organisation and the employee's active participation in a certain organisation". From Mowday's point of view, the engagement consists of unity, effort and loyalty, which shows positive relationship between employees and organisation, making employees devote effort to organisation success and development.

Another study by Schaufeli et al. (2002) considered the engagement from a psychological perspective: "Engagement is a positive, fulfilling, work-related psychological state characterised by vigour, dedication, and absorption. Vigour is characterised by high levels of energy and mental resilience spirit while working, willingness to invest effort in one's work, and persistence even in the face of difficulties. Dedication is characterised by meaning, enthusiasm, inspiration, pride and challenge. Absorption is characterised by complete and total concentration on one's work".

According to Quan and Dang (2015) engagement between employees and enterprise could be considered as the result of exchange relationship between individuals and organisations. Engagement is a personal relationship between employees and those using them - include 3 main components of organisational engagement, which are a strong belief in and acceptance of the organisation's goals, a willingness to go the extra mile for the organisation, and a desire to remain a member of the organisation.

Recent research by Bui and Pham (2020) believes that employee engagement to the organisation is a psychological state that represents an individual's engagement to an organisation and career, the loyalty and enthusiasm of employees towards the organisation, and the willingness to make every effort for the organisation, always putting the organisation's interests above one's own interests.

*Therefore, employee engagement with enterprises is willing to stay with the organisation for a long time as a member, devote full effort to the organisation and support the organisation's goals and values.*

### *2.1.2. Factors affecting employee engagement with enterprises*

Doan (2012) studied employee engagement with 6 factors methodology, which were: (1) Job characters, (2) Training and advancement opportunities, (3) Empowerment, (4) Wages and justice, (5) Rewards and recognition of achievements, (6) Support from superiors and colleagues, organisational standards.

Pham and Nguyen (2013) studied human resource management and employee engagement with the business accredited 4 factors affecting employee engagement with enterprises, being: (1) Job advancement opportunities, (2) Job performance evaluation, (3) Compensation, (4) Updated job description system.

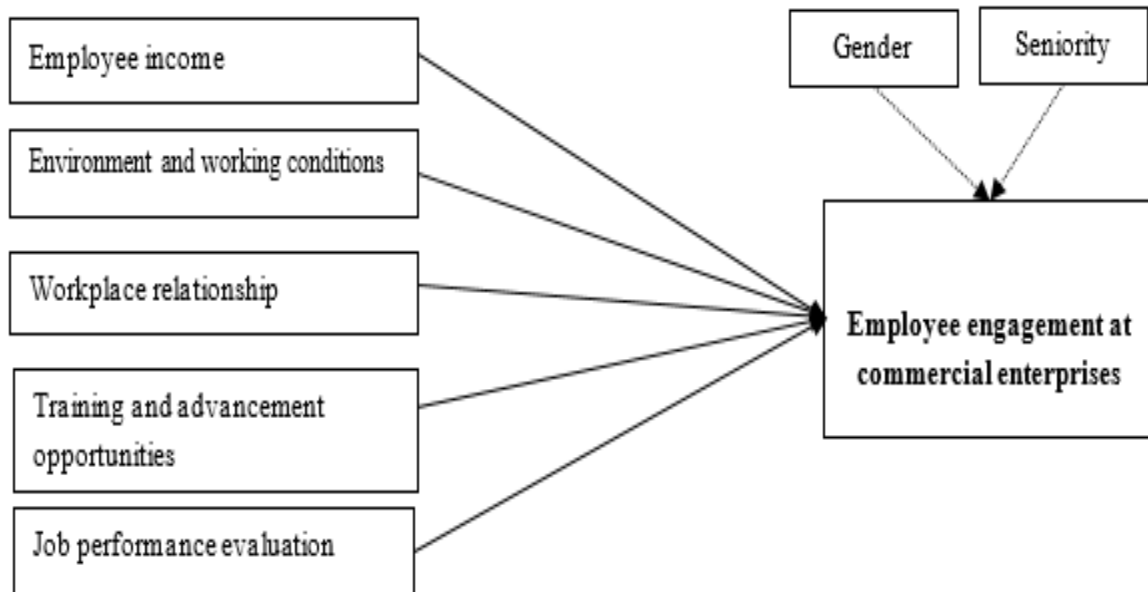
A study by Nguyen (2015) showed 7 factors affecting employee engagement with enterprises, which consist of: (1) Leaders, (2) Compensation, (3) Training and advancement, (4) Colleagues, (5) Brand and support activities, (6) Nature of work, (7) Work pressure.

Bui and Pham (2020) considered employee engagement on 7 factors, being (1) Wages, (2) Compensation, (3) Working environment, (4) Colleagues, (5) Direct manager, (6) Advancement opportunities, (7) Organisation culture. Among these factors, Wages had the biggest impact, followed by Compensation, Direct manager, Working environment, Colleagues, Organisation culture and last, Advancement opportunities.

Nguyen (2021) has showed that there were 6 factors affecting employee engagement with enterprises, being: (1) Wages and justice, (2) Training and advancement, (3) Empowerment, (4) Recognition, (5) Leadership style, (6) Working environment. Among them, working environment was the biggest factor, followed by Leadership style, and Empowerment, while Wages and justice were the smallest.

## **2.2. Methodology and research hypothesis**

Inheriting and selecting a number of theoretical bases and researching factor scales of previous studies with adjustments to suit the research objectives, specific characteristics of commercial enterprises, the methodology was designed based on a combination of factors measuring the level of willingness of employees to stick with the business, including: (1) Employee income; (2) Working environment and conditions; (3) Workplace relationships; (4) Training and advancement opportunities; (5) Job performance evaluation. The methodology is diagrammed as follows:



**Figure 1: Proposed methodology**

*Resource: Research team proposal*

*Hypothesis for methodology were proposed are:*

- H1: Employees' income has a positively correlated influence on employee engagement at commercial enterprises.
- H2: Working environment and conditions has a positively correlated influence on employee engagement at commercial enterprises.
- H3: Workplace relationships have a positively correlated influence on employee engagement at commercial enterprises.
- H4: Training and advancement opportunities have a positively correlated influence on employee engagement at commercial enterprises.
- H5: Job performance evaluation has a positively correlated influence on employee engagement at commercial enterprises.
- H6: Employees of different genders will have different levels of engagement to commercial enterprises
- H7: Employees having different levels of seniority will have different levels of engagement to commercial enterprises

### **2.3. Research scale**

Based on the synthesis of previous studies on factors affecting employee engagement to businesses, and the proposed methodology, the research team proceeded to build measurement scales (observed variables) for representative factors.

**Table 1: Research scales summary**

Proxy variables	Code	Observed variables	References
Employee income (TN)	TN1	Employee income can ensure an average standard of living	Pham and Nguyen (2013); Doan (2012); Bui and Pham (2020)
	TN2	Employee income is decided based on employee's capacity base	
	TN3	Employee income depends on specific work result	
	TN4	Employee income levels are determined and paid fairly and on time	
Working environment and conditions (MT)	MT1	You are not under too much work pressure during your working time	Nguyen (2015); Nguyen (2021)
	MT2	Working environment is hygienic, clean and airy	
	MT3	Working equipment is complete, suitable and guaranteed to perform the job	
	MT4	Working environment ensures good working safety conditions	
	MT5	Working regulations are clear and strict and ensure fairness between different job positions	
Workplace relationships (QH)	QH1	Colleagues are always hospitable, open-minded and united	Pham and Nguyen (2013); Bui and Pham (2020)
	QH2	Colleagues are always willing to support each other's in work	
	QH3	Superiors are always willing to support employees in their work	
	QH4	Superior treat employees at different work position hospitably and equally	
	QH5	Leaders encourage employees to make decisions related to common activities	
Training and advancement opportunities (DT)	DT1	You have the opportunities to participate in training courses to refresh your knowledge annually	Doan (2012); Nguyen (2015)
	DT2	The enterprise regularly pays attention to training and fostering knowledge and skills for employees	
	DT3	The enterprise always creates opportunities for employees to strive for advancement	
	DT4	Enterprise advancement policy is fair to all employees	
	DT5	You satisfy with enterprise training and advancement policy	
Job performance evaluation (DG)	DG1	The enterprise has a job description system that is regularly updated	Pham and Nguyen (2013); Nguyen (2021)
	DG2	The duties of each job are clearly defined	
	DG3	Employees' work results are evaluated based on specific criteria	
	DG4	The job performance evaluation system operates fairly and accurately	
Engagement with enterprise (SGB)	SGB1	You will stay with the enterprise even though another place has a relatively more attractive salary offer	Mowday et al. (1979) Pham and Nguyen (2013)
	SGB2	You are glad that you chose this company to work	
	SGB3	You are willing to sacrifice personal interests when necessary to help the company develop	
	SGB4	You intend to stay long term with the company	

Resource: Research team's summary

### 3. METHODOLOGY

#### 3.1. Measure variables and select research samples

The research was a combination of qualitative and quantitative approaches. . In the first step, qualitative research method was used to conduct preliminary research. The team discussed with 2 groups of employees, each group of 5 people working in different job positions in 2 commercial enterprises. The discussion session was based on a set of preliminary scales referenced from previous studies on factors affecting employees' attachment to the organisation. Discussion participants were free to give their opinions on the aspects of engagement with the business mentioned. The preliminary study sample size was 10 (n=10). Preliminary research results were used to complete the research questionnaire and methodology. Based on preliminary research results, the research team completed a questionnaire with 5-level Likert scale questions to collect employees' opinions on their level of engagement with the businesses The participants were surveyed from March 2024 to May 2024. Because the survey time was short, the research team used a convenience sampling method. The sample size was determined according to the rules of Comrey and Lee (1992), and also referred to the rules of Hoàng Trọng & Chu (2005). With 27 parameters (observed variables) needing to conduct factor analysis, the minimum number of samples needed is  $27 \times 5 = 135$  observed samples. From the perspective of collecting as many observation samples as possible to ensure the stability of the impact, based on the ability to collect samples, the research team decided to choose the number of observation samples as  $n = 250$ . To ensure the sample size: The team distributed 250 survey questionnaires, the number of questionnaires received was 241, of which 237 valid questionnaires were included in the analysis.

#### 3.2. Analyse research data

##### 3.2.1. Evaluate the quality of observed variables (Outer loadings)

Outer Loadings of observed variables are indicators showing the degree of association between observed variables and proxy variables. Basically, outer loadings in SMARTPLS are the square root of the absolute value of  $R^2$  linear regression from the latent variables to the sub-observed variables. Hair et al. (2016) suggest that the outer loadings should be greater than or equal to 0.708 observed variables that are quality. To make it easier to remember, the researchers rounded off the threshold to 0.7 instead of the number 0.708.

##### 3.2.2. Evaluate reliability

Evaluating the reliability through SMARTPLS by two main indicators, Cronbach's Alpha and Composite Reliability (CR). Reliability coefficient Cronbach's Alpha: the measurement scale is good when the coefficient is greater than 0.8; can be used from 0.7 to 0.8; in case the research concept is a new concept in the research situation, 0.6 or more can be used (Nunnally, 1978; Peterson, 1994; Slater, 1995; citing Hoang Trong and Chu, 2005). According to DeVellis (2012), Cronbach's Alpha  $\geq 0.7$  and according to Bagozzi & Yi (1988), Composite Reliability CR  $\geq 0.7$ . Thus, the reliability through SMARTPLS is shown by Cronbach's Alpha  $\geq 0.7$  and Composite Reliability CR  $\geq 0.7$ .

### 3.2.3. Evaluating convergence

Evaluating Convergence on SMARTPLS is based on AVE (Average Variance Extracted). Hock & Ringle (2010) claim that a scale reaches a convergence value if AVE reaches 0.5 or higher. This level of 0.5 (50%) means that the average latent variable will explain at least 50% of the variation of each sub-observed variable. If a scale does not reach convergence, we also remove each observed variable with the lowest outer loading in turn to improve convergence. If after the process of eliminating variables, convergence is still not guaranteed, we conclude that the scale does not ensure convergence and do not use the scale for subsequent quantitative analysis.

### 3.2.4. Evaluate Discriminant Validity

Discriminant validity is used to consider whether a research variable is really different from other research variables in the model. To evaluate the discriminant validity, Sarstedt et al. (2014) said that considering two criteria including cross-loadings and the measurement of Fornell and Larcker (1981). Cross-loading coefficients are often the first approach to evaluating the discriminant validity of indicators (observed variables) (Hair et al., 2017). The load factor of the observed variable (indicator) linked in the factor (latent variable) should be greater than any of its cross-load factors (its correlation) in the other factors. Fornell and Larcker (1981) recommend that discriminant is ensured when the square root of AVE for each latent variable is higher than all correlations between latent variables. In addition, Henseler et al. (2015) used simulation studies to demonstrate that discriminant validity is better evaluated by the HTMT index that they developed. With the HTMT index, Henseler et al. (2015) propose that if this value is below 0.9, the discriminant validity will be guaranteed. Meanwhile, Clark & Watson (1995) and Kline (2015) used a stricter standard threshold of 0.85. In this research, the team preferred a threshold of 0.85 in the evaluation.

### 3.2.5. Assess collinearity/multicollinearity

To assess multicollinearity between latent variables, the team used the Inner VIF Values index and to assess multicollinearity between observed variables, the team used the Outer VIF Values index. According to Hair et al. (2019), very high levels of multicollinearity are indicated by VIF values  $\geq 5$ ; the model does not have multicollinearity when VIF indicators  $< 5$ . The range for assessing multicollinearity follows:

VIF  $\geq 5$ : Very high levels of multicollinearity

$3 \leq \text{VIF} \leq 5$ : May have multicollinearity

VIF  $< 3$ : May not have multicollinearity

## 3.3. Evaluate impact relationships

### 3.3.1. The impact relationship between independent factors and dependent factors

To evaluate impact relationships, use the results of Bootstrap analysis. Based mainly on two columns Original Sample (standardised impact coefficient) and P Values (sig value compared to 0.05 significance level).

Original Sample: Standardised impact factor of the original data.

Sample Mean: The average standardised impact factor of all samples from Bootstrap.

Standard Deviation: Standard deviation of the standardised impact factor (according to the original sample).

T Statistics: Test value t (test student the meaning of the impact).

P Values: The significance level of the T Statistics. This significance level is compared with thresholds such as 0.05, 0.1, or 0.01 (usually used as 0.05).

### 3.3.2. Evaluate the overall coefficient of determination $R^2$ (R square)

To evaluate the  $R^2$  coefficient, research team used the results of the PLS Algorithm analysis. The  $R^2$  is between 0 and 1, of which the values are 0,75; 0,50 and 0,25 indicate strong, moderate and weak contributions, respectively (Hair et al., 2017). The  $R^2$  (similar correction), in range of 0 and 1, the closer to 1 indicates the more independent variables that account for the dependent variable

### 3.4. Testament of differential impact of qualitative factors

Used the Independence-Sample T-test and One-Way ANOVA test to consider the differential impact of qualitative factors such as gender, seniority towards employee engagement with enterprises.

## 4. RESEARCH RESULT

### 4.1. Introduce the research sample

The research participants were workers (employees, grassroots managers) currently working in commercial enterprises which have headquarters and business operations in Hanoi. These enterprises sell different goods, from consumer goods to means of transport, machinery and equipment, with the business scope including both domestic market and import-export business. With the data collection method called “Snowball sampling”, out of the total of 250 questionnaires sent, the team received 241 responses, of which 237 were valid and were included in the analysis. Some sample characteristics are described as follows:

**Table 2: Research sample description**

		Quantity	Ratio (%)
Gender	Male	92	38.8
	Female	145	61.2
Seniority	Less than 3 years	78	32.9
	3 to 5 years	79	33.3
	5 to 10 years	60	25.3
	More than 10 years	20	8.4

*Resource: Research team's research result*

Classifying based on gender showed that there was a big gap between male and female because of the commercial enterprise characteristics. Specifically, male made up 38.8%



while 61.2% were female. As for the seniority, the number of employees with less than 3 years of working experience accounts for 32.9%, from 3-5 years accounts for 33.3%, from 5-10 years accounts for 25.3% and over 10 years of working experience accounts for only 8.4%.

## 4.2. Evaluating result

### 4.2.1. Outer loadings results

#### 4.2.1.1. Evaluate the quality of observed variables

The quality of observed variables are evaluated through outer loadings. After entering data and running the first test, the observed variable DG1 had outer loading being 0.657 < 0.7, so it was removed from the model and run a second test. The second test result of the quality of the observed variables affecting employee engagement at commercial enterprises showed in Table 3.

**Table 3: Outer loadings of the quality of observed variables affecting employee engagement at commercial enterprises in Hanoi**

	DG	DT	MT	QH	SGB	TN
DG2	0.821					
DG3	0.761					
DG4	0.845					
DT1		0.839				
DT2		0.826				
DT3		0.823				
DT4		0.844				
DT5		0.844				
MT1			0.796			
MT2			0.731			
MT3			0.795			
MT4			0.758			
MT5			0.777			
QH1				0.847		
QH2				0.829		
QH3				0.828		
QH4				0.752		
QH5				0.840		
SGB1					0.859	
SGB2					0.865	
SGB3					0.772	
SGB4					0.873	
TN1						0.729
TN2						0.796
TN3						0.716
TN4						0.772

Resource: Research team's testing result

The result in Table 3 have showed that the outer loadings of all observed variables affecting employee engagement at commercial enterprises were  $> 0.7$ , which means all observed variables were meaningful.

#### 4.2.1.2. Evaluate the reliability of the scale

Evaluating the scale reliability of the factors affecting employee engagement at commercial enterprises in Hanoi on PLS-SEM through two main indexes being Cronbach's Alpha and Composite Reliability (CR).

**Table 4: Cronbach's Alpha and Composite Reliability of factors affecting employee engagement at commercial enterprises in Hanoi**

	Cronbach's Alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
DG	0.741	0.761	0.851	0.656
DT	0.892	0.897	0.920	0.697
MT	0.834	0.856	0.880	0.596
QH	0.879	0.899	0.911	0.672
SGB	0.864	0.877	0.907	0.711
TN	0.751	0.771	0.840	0.569

#### Resource: Research team's testing result

According to Table 4, testing the reliability of factors by Cronbach's Alpha were: 0.741 for "Job performance evaluation" (DG), 0.892 for "Training and advancement opportunities" (DT), 0.834 for "Working environment and conditions" (MT), 0.879 for "Workplace relationships" (QH), 0.751 for "Employee income" (TN) and 0.864 for "Engagement with enterprise" (SGB). Thus, all measurement scales satisfied the condition  $> 0.7$  (DeVellis, 2012) and did not violate any rules for eliminating variables, so no variables are eliminated and can be accepted in terms of reliability.

Composite Reliability of all observed variables were  $> 0.7$  (Bagozzi & Yi, 1988) (Table 2). Therefore, the scale was reliable, had analytical significance and was used in subsequent factor analysis.

#### 4.2.1.3. Convergence

According to Table 2, the Average Variance Extracted (AVE) of factor "Job performance evaluation" (DG) was 0.656, "Training and advancement opportunities" (DT) was 0.697, "Working environment and conditions" (MT) was 0.569, "Workplace relationships" (QH) was 0.672, "Employee income" (TN) was 0.569, and "Engagement with enterprise" (SGB) was 0.711. Thus, AVE of all variables  $> 0.5$  (Hock & Ringle, 2010), which shows that the methodology satisfied convergence conditions.

#### 4.2.1.4. Discriminant Validity and Assessing multicollinearity

The results in Table 3 of the Fornell-Larcker index of the methodology factors affecting employee engagement at commercial enterprises in Hanoi city show that the factors included in the model ensure discrimination because all AVE square root values on the diagonal are higher than their off-diagonal values.

**Table 5: Fornell-Larcker index of the methodology factors**

	DG	DT	MT	QH	SGB	TN
DG	0.810					
DT	0.169	0.835				
MT	0.217	0.278	0.772			
QH	0.139	0.287	0.275	0.820		
SGB	0.325	0.403	0.388	0.384	0.843	
TN	0.246	0.097	0.036	0.076	0.307	0.754

*Resource: Research team's testing result*

The testing result of the HTMT index in Table 6 also showed the HTMT value of methodology's factors all < 0.85. As a result, it can be concluded that factors included in the methodology ensured the discriminant (Clark & Watson, 1995; Kline, 2015).

**Table 6: HTMT index of methodology's factors**

	DG	DT	MT	QH	SGB
DT	0.198				
MT	0.269	0.312			
QH	0.160	0.326	0.274		
SGB	0.392	0.453	0.427	0.422	
TN	0.333	0.116	0.079	0.085	0.361

*Resource: Research team's testing result*

### Evaluate multicollinearity

The testing result showed that the Inner VIF index evaluating multicollinearity of latent variables was < 3, showing that there was no multicollinearity (Hair et al., 2019).

**Table 7: Inner VIF of methodology's factors**

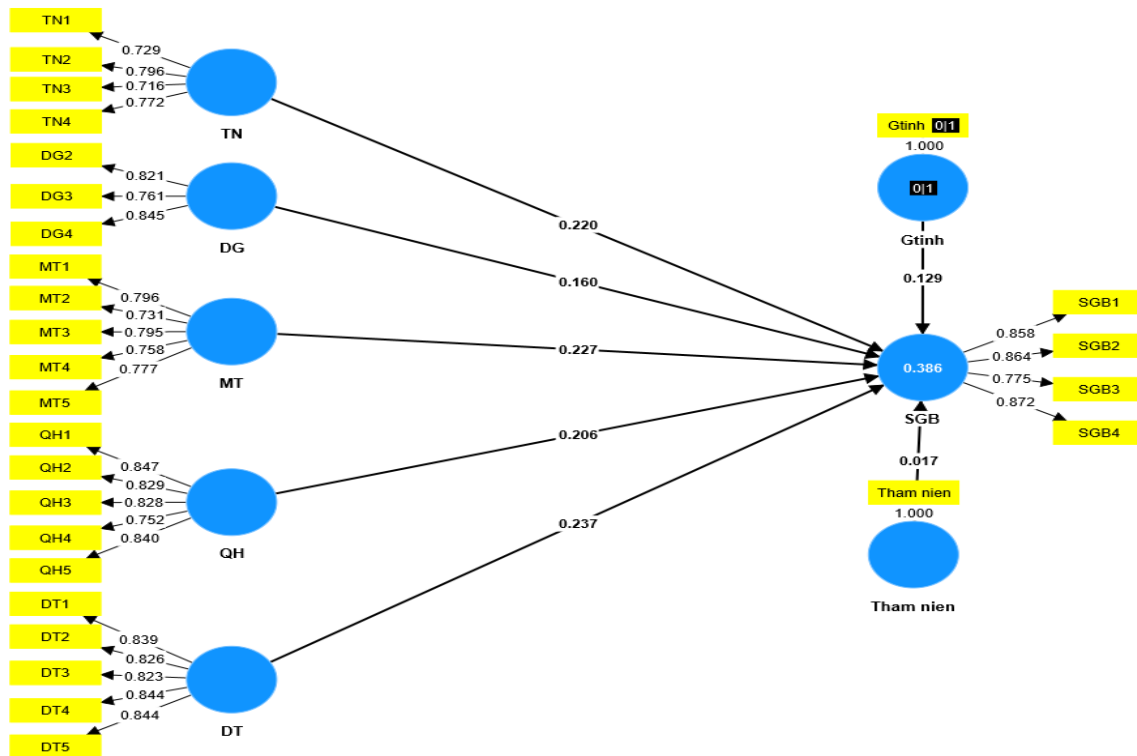
	VIF
DG → SGB	1.130
DT → SGB	1.158
MT → SGB	1.168
QH → SGB	1.147
TN → SGB	1.071

*Resource: Research team's testing result*

## 4.2.2. Results of assessing the level of influence using the structural model

### 4.2.2.1. Evaluate influence relationships

The relationship and level of influence of factors affecting employee engagement at commercial enterprises in Hanoi city on SMARTPLS is shown by Figure 2



**Figure 2: Factors affecting employee engagement at commercial enterprises in Hanoi**

*Resource: Research team’s testing result by SMARTPLS*

The results of Bootstrap analysis to evaluate the influencing relationships are shown in Table 8. Accordingly, the factors included in the methodology all have a relationship with the same direction of impact on the dependent factor: employee engagement at commercial enterprises in Hanoi. Specifically:

Job performance evaluation has a positively correlated influence on employee engagement at commercial enterprises ( $t = 2.380$ ;  $p < 0.05$ ) with an impact level of 0.153; Hypothesis H5 is accepted.

Training and promotion opportunities have a positively correlated influence on employee engagement at commercial enterprises ( $t = 2.858$ ;  $p < 0.05$ ) with an impact level of 0.231; Hypothesis H4 is accepted.

The environment and working conditions have a positively correlated influence on the commitment of employees at commercial enterprises ( $t = 4.384$ ;  $p < 0.05$ ) with an impact level of 0.222; Hypothesis H2 is accepted. Relationships at work have a positively correlated influence on employee engagement at commercial enterprises ( $t = 4.442$ ;  $p < 0.05$ ) with an impact level of 0.218; Hypothesis H3 is accepted. Employee income has a positively correlated influence on employee engagement at commercial enterprises ( $t = 6.003$ ;  $p < 0.05$ ) with an impact level of 0.222; Hypothesis H1 is accepted.

**Table 8: Path Coefficient**

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
DG → SGB	0.153	0.160	0.064	2.380	0.017
DT → SGB	0.231	0.240	0.081	2.858	0.004
MT → SGB	0.222	0.226	0.051	4.384	0.000
QH → SGB	0.218	0.221	0.049	4.442	0.000
TN → SGB	0.222	0.231	0.037	6.003	0.000

*Resource: Research team’s testing result by SMARTPLS*

The test results in Table 8 show that with 95% reliability, the factor “Training and advancement opportunities” has the strongest influence on employee engagement with the enterprise with an influence of 0.231; continued followed by the factor “Working environment and conditions” and the factor “Employee income” with the same impact level of 0.222.

The last factor is “Job performance evaluation” with an impact level of 0.153

From the test results, the regression equation is presented as follows:

$$\text{SGB} = 0.153 \cdot \text{DG} + 0.231 \cdot \text{DT} + 0.222 \cdot \text{MT} + 0.218 \cdot \text{QH} + 0.222 \cdot \text{TN}$$

#### 4.2.2.2. Evaluate the overall coefficient to determine R<sup>2</sup> (R square)

The results of PLS Algorithm analysis give the R<sup>2</sup> value, reflecting the level of explanation of the independent variable for the dependent variable.

The R<sup>2</sup> index measures the overall coefficient of determination (R-square value), which is an index to measure the degree of model fit of the data (the model's explanatory ability). According to Hair et al. (2017), R-square values are suggested at 0.75, 0.50 or 0.25.

**Table 9: R<sup>2</sup> value summary**

	R-square	R-square adjusted
YD	0.381	0.368

*Resource: Research team’s testing result*

The data in Table 9 shows that the adjusted R<sup>2</sup> for the representative factor “Employee engagement at commercial enterprises” is 0.368, so the independent variables have explained 36.8% of the variation (variance) of the dependent variable “Employee engagement at commercial enterprises”, the remaining 63.2% comes from systematic errors and other factors.

#### 4.2.3. Evaluate differential impact of qualitative factors

##### 4.2.3.1. Evaluate differential effects by gender

The gender variable had 2 values, so the team used the Independence-Sample T-test to examine the average impact between the two groups. The results are shown in Table 10.

**Table 10: Test differential impact of gender result**

		Independent Samples Test									
		Levene's Test for Equality of Variances		t-test for Equality of Means							
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
										Lower	Upper
SGB	Equal variances assumed	1.596	.208	-.969	235	.334	-.06537	.06745	-.19826	.06752	
	Equal variances not assumed			-.896	146.477	.372	-.06537	.07298	-.20960	.07886	

*Resource: Research team's testing result*

The test results showed that: Sig value at Levene's Test = 0.208 > 0.05 showed that the variance between the two genders, Male and Female, was identical, the T-Test sig value can be used in the Equal variances assumed row. In the row Equal variances assumed, the value of Sig = 0.334 > 0.05 can be concluded: There was no statistically significant difference in employee engagement between male and female; Hypothesis H6 was rejected.

#### 4.2.3.2. Evaluate differential effects by seniority

The seniority variable had 4 values, so the research team used the One-Way ANOVA test to consider the average impact between groups. The results are shown in Table 11.

**Table 11: Test differential impact of grade result**

Test of Homogeneity of Variances			
SGB			
Levene Statistic	df1	df2	Sig.
1.494	3	233	.217

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.879	3	.293	1.147	.331
Within Groups	59.545	233	.256		
Total	60.425	236			

*Resource: Research team's testing result by SPSS 20*

According to the test results in Table 9, the Sig value of Test of Homogeneity of Variances is 0.217 > 0.05, proving that there is no statistically significant difference in variance between groups of values. Continuing to use the F test in the Anova table, the Sig value of the F test is 0.331 > 0.05, so it can be determined that there is no statistically significant average difference between the value groups. In other words, there is no statistically significant difference in employee engagement with enterprises between workers having different seniority at commercial enterprises in Hanoi. Hypothesis H7 was rejected.

## 5. DISCUSSION AND SUGGESTION

### 5.1. Discuss research results

Research results show that the engagement to the enterprise of employees at commercial enterprises is influenced by 5 factors including: (1) Job performance evaluation, (2). Training and advancement opportunities, (3) Working environment and conditions, (3) Workplace relationships, (5) Employees' income

The factor Job Performance Evaluation has a positive impact on the employee engagement to the business with an impact level of +0.153. When job performance evaluation changes by 1 unit, the employee engagement to the business will change in the same direction by 0.153 units. This result is consistent with research by Nguyen (2021) that organisational recognition of employee work results has a positive impact on employee engagement behaviour. Through discussions and interviews, some employees also said that they will be satisfied and feel secure in their work when the results of their work performance are evaluated in a fair, democratic, and objective manner.

Training and advancement opportunities factors have a positively correlated impact on the employee engagement to the enterprise with an impact level of +0.231. This result is consistent with the research of Pham and Nguyen (2013) that career development opportunities are a factor that strongly impacts employee engagement to the enterprise. At commercial enterprises, employees are under pressure about revenue and profits, and they really want the opportunities to develop their careers. Some interviewed employees also expressed this opinion.

Environmental and working conditions factors have a positively correlated impact on the employee engagement to the enterprise with an impact level of +0.222. When the environment and working conditions change by 1 unit, the employee's commitment will change in the same direction by 0.222 units. This result is consistent with the research results Nguyen (2021) that the environment and working conditions have the strongest impact among the factors on employee engagement behaviour. With the characteristics of commercial enterprises, employees must regularly meet and interact with customers outside the business. Equipping facilities and tools for employees to work both in the office and when going to the market is absolutely necessary. Many employees' interview responses agreed with this point of view.

The factor of Workplace relationships has a positively correlated impact on the employee engagement to the business with an impact level of +0.218. When workplace relationships improve by 1 unit, employee engagement will change in the same direction by 0.218 units. This result is consistent with the research of Bui and Pham (2020), the relationship with the direct manager and with colleagues is a factor that affects the employee engagement to the enterprise. Through interviews with some employees, it also shows that relationships with superiors and colleagues have a certain influence on the psychology and work motivation of employees.

The factor Employee income has a positively correlated impact on commitment to the business with an impact level of +0.222. When a worker's income changes by 1 unit, the

worker's commitment will change in the same direction by 0.222 units. This result is consistent with the research of Bui and Pham (2020), income is the factor that has the strongest impact on employee engagement to the enterprise. Interviews with some employees also showed that they are very concerned about income issues, they will stick with the business for a long time if they have a high and stable income.

## **5.2. Suggestion**

First, regarding work performance evaluation activities, with the characteristics of buying and selling commercial business, not organising production, employee performance results are mainly reflected in revenue and profit. However, for each department or job position, it is necessary to develop KPIs with clear, fair and accurate evaluation standards. At the same time, employees can also participate in self-assessment and the evaluation process of their own work performance so that they can fully and accurately perceive their own labour results.

Second, regarding training activities and advancement opportunities, with the characteristics of commercial business, employees need to be regularly updated and equipped with timely knowledge according to market fluctuations, so the problem is: Training needs to be regularly organised by business leaders in many different forms. In addition, advancement and advancement policies also need to be transparent, clear and reasonable, ensuring fairness among capable and dedicated employees.

Third, in terms of working environment and conditions, at commercial enterprises, employees not only sit in the office but also have to regularly meet and interact with customers outside the enterprise. In order for them to perform their jobs well no matter where they are, businesses need to provide transportation and tools such as phones, laptops, and uniforms for employees working both in the office and when going to market.

Fourth, regarding workplace relationships, the company needs to build and implement corporate culture, with specific regulations on coordination mechanisms between superiors and individuals, thereby enhancing exchange information so that employees can easily share, promptly report and receive attention and support from superiors to solve tasks quickly and without difficulty in communicating and exchanging with superiors. Building a friendly and cooperative working atmosphere between individual employees. Regularly organise cultural, artistic and sports exchanges between units and departments, thereby strengthening engagement among employees while bringing a refreshing spirit, better physical health for employees.

Fifth, in terms of wages and compensation, businesses need to arrange and use employees appropriately, clearly identify worker levels and the complexity of the job to assign the right people to the right jobs, for evaluating work performance and paying salaries accurately and fairly according to labour results. At the same time, good implement policies related to employee welfare.



## 6. CONCLUSION

The research evaluated the influence of 5 factors including: Employee income; Working environment and conditions; Workplace relationships; Evaluating job performance on employee engagement with the enterprise at commercial enterprises in Hanoi. Research results showed that all five factors have an impact on employee engagement with the enterprise, but the level of influence of the factors is different. Factors such as gender and seniority do not make a difference in the employee engagement to the enterprise. However, because the sample size is limited and businesses operating in different industries or product groups cannot be distinguished, the level of explanation from the independent variables to the dependent variable is still low. This is a limitation in this study and also a suggestion for future research. Hopefully in the future there will be more extensive research on the scope and subjects of research, thereby resolving the limitations of this study.

## References

- 1) Adams, J. S. (1963). *Toward an understanding of inequity*. Journal of Abnormal and Social Psychology, 67, 422–436.
- 2) Bagozzi, R. and Yi, Y. (1988). *On the Evaluation of Structural Equation Models*. Journal of the Academy of Marketing Sciences, 16, 74-94. <http://dx.doi.org/10.1007/BF02723327>.
- 3) Bui, N. V. & Nguyen, T. N. C. (2020). *Improving staff engagement with the organization, conducting experimental research at Hung Ca Co., Ltd.* [Nâng cao sự gắn kết của viên với tổ chức, nghiên cứu thực nghiệm tại Công ty TNHH Hùng cá] Van Hien University Science Magazine, No. 7 (2), 2020
- 4) Clark, L. A., & Watson, D. (1995). *Constructing validity: Basic issues in objective scale development*. Psychological Assessment, 7(3), 309–319. "<https://doi.org/10.1037/1040-3590.7.3.309>"
- 5) Comrey, A. L., & Lee, H. B. (1992). *A First Course in Factor Analysis (2nd ed.)*. Hillsdale, NJ: Lawrence Erlbaum.
- 6) Devellis, R (2012). *Scale Development Theory and Applications*. Sage Publications, New York.
- 7) Doan, T. T. H. (2012). *Factors affecting the attachment of officials and employees to Nha Trang College of Culture, Arts and Tourism*. [Các nhân tố ảnh hưởng đến sự gắn bó của cán bộ công nhân viên đối với Trường Cao đẳng Văn hóa nghệ thuật và Du lịch Nha Trang]. Nha Trang University.
- 8) Fornell, C., & Larcker, D. F. (1981). *Evaluating structural equation models with unobservable variables and measurement error*. Journal of Marketing Research, 18(1), 39–50. "<https://doi.org/10.2307/3151312>"
- 9) Hair et al. (2010), *Multivariate Data Analysis*, 7th edition
- 10) Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2016). *A primer on Partial Least Squares Structural Equation Modeling (PLS-SEM) (1st ed.)*. Thousand Oaks, CA: Sage publications.
- 11) Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European business review*, 31(1), 2-24.
- 12) Hair, J., Hult, T., Ringle, C., & Sarstedt, M. (2017). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. Thousand Oaks, CA: Sage Publications, Inc.
- 13) Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the academy of marketing science*, 43, 115-135.

- 14) Hoang, T. & Chu, N. M. N. (2008). *Analyzing research data with SPSS – 2 volumes*. [Phân tích dữ liệu nghiên cứu với SPSS – 2 tập]. Hong Duc Publishing House, Ho Chi Minh City.
- 15) Hock, C., Ringle, C.M., & Sarstedt, M (2010). *Management of multi-purpose stadiums: Importance and performance measurement of service interfaces*. International Journal of Services Technology and Management, 14(2-3)
- 16) Kline, R. B. (2015). *Principles and Practice of Structural Equation Modeling*. Guilford Press.
- 17) Nguyen, H. N. T. (2015). *The influence of job satisfaction on organizational commitment of pharmaceutical representatives at foreign pharmaceutical enterprises in Ho Chi Minh City*. [Ảnh hưởng của sự hài lòng trong công việc đến sự gắn kết với tổ chức của Trình dược viên ở các doanh nghiệp dược phẩm nước ngoài tại TP. Hồ Chí Minh]. Master's thesis, University of Economics, City. Ho Chi Minh, Ho Chi Minh City.
- 18) Nguyen, T. K. H. (2021). *Factors affecting the engagement of workers with businesses in Dong Nai*. [Các yếu tố tác động đến sự gắn kết của người lao động với doanh nghiệp tại Đồng Nai]. Online Industry and Trade Magazine, published on April 11, 2021.
- 19) Pham, T. A. & Nguyen, T. H. D. (2013). *Human resource management and employee engagement with the business*. [Quản trị nguồn nhân lực và sự gắn kết của người lao động với doanh nghiệp]. VNU Science Magazine, Economics and Business, Volume 29, Number 4 (2013) 24-34.
- 20) Porter, L. W., Steers, R. M., Mowday, R. T. And Boulian, P. V. (1974). *Organizational commitment, job satisfaction, and turnover among psychiatric technicians*. Journal of Applied Psychology, 59 (5), 603-609.
- 21) Quan, M. N. & Dang, T. D. T. (2015). *Factors affecting the attachment of workers with university degrees or higher in businesses in Can Tho city*. [Nhân tố ảnh hưởng đến sự gắn bó của người lao động có trình độ từ đại học trở lên trong các doanh nghiệp ở thành phố Cần Thơ]. Can Tho University Science Magazine, part D: Political Science, Economics and Law: 38, 1-9.
- 22) R. T. Mowday, R. M. Steers, L. W. Porter (1979). *The Measurement of Organizational Commitment*. Vocational Behavior 14, 224
- 23) Robbins, S. P. (2015). *Organizational Behaviour* (16th Ed.). Englewood Cliffs, New Jersey: Prentice-Hall.
- 24) Schaufeli, W. B., Salanova, M., González-Romá, V., & Bakker, A. B. (2002), “*The measurement of engagement and burnout*”