

**A STUDY OF FACTORS THAT INFLUENCE THE EMPLOYEE
ENGAGEMENT OF GENERATION Z IN VIETNAM**



PHUONG ANH TRAN

**A THEMATIC PAPER SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE OF MASTER OF MANAGEMENT
COLLEGE OF MANAGEMENT
MAHIDOL UNIVERSITY
2024**

COPYRIGHT OF MAHIDOL UNIVERSITY

Thematic paper
entitled
**A STUDY OF FACTORS THAT INFLUENCE THE EMPLOYEE
ENGAGEMENT OF GENERATION Z IN VIETNAM**

was submitted to the College of Management, Mahidol University
for the degree of Master of Management
on
12 December 2024



Ms. Phuong Anh Tran
Candidate



Assoc. Prof. Parisa Rungruang,
Ph.D.
Advisor



Assoc. Prof. Astrid Kainzbauer,
Ph.D.
Chairperson



Assoc. Prof. Prattana Punnakitikashem,
Ph.D.
Dean
College of Management
Mahidol University



Asst. Prof. Manjiri Kunte,
Ph.D.
Committee member

ACKNOWLEDGEMENTS

I would like to express my deepest gratitude to all those who have supported me throughout the journey of completing this thematic paper.

First and foremost, I extend my heartfelt thanks to my advisor, Assoc. Prof. Dr. Parisa Rungruang, for her invaluable guidance, insightful feedback, and unwavering support. I am equally grateful to Assoc. Prof. Dr. Astrid Kainzbauer, the Chairperson, and Asst. Prof. Dr. Manjiri Kunte, the Committee Member, for their expertise and constructive recommendations that enriched the quality of this study.

My sincere appreciation goes to the individuals who generously contributed their precious time to participate in my survey. Your insights and responses were fundamental to the success of this study.

To my friends and family, especially my grandmother, I owe an immeasurable debt of gratitude for their encouragement, patience, and strong belief in my ability to complete this work. Your support has been a source of strength and inspiration every step of the way. Thank you!

Phuong Anh Tran

A STUDY OF FACTORS THAT INFLUENCE THE EMPLOYEE ENGAGEMENT OF GENERATION Z IN VIETNAM

PHUONG ANH TRAN 6649026

M.M. (GENERAL MANAGEMENT)

THEMATIC PAPER ADVISORY COMMITTEE: ASSOC. PROF. DR. PARISA RUNGRUANG, Ph.D, ASSOC. PROF. DR. ASTRID KAINZBAUER, Ph.D, ASST. PROF. DR. MANJIRI KUNTE, Ph.D

ABSTRACT

Engaged human resource is one of the precious competitive advantages that all organizations are striving for. However, the global workforce is experiencing a restructuring with the increase of Gen Z. The downtrend of employee engagement in Gen Z is an alarm to the organizations about maintaining bonding with Gen Z workforce. This paper investigates the factors that influence Gen Z's employee engagement in Vietnam. The result of this research may help organizations to come up with effective solutions to engage this valuable workforce.

In this research, qualitative method was selected. An online survey was conducted among 248 Gen Z employees who are entry level and white-collar working in various industries, such as Manufacturing, Education, Banking and Finance, Retails and Supply Chain Management.

The paper reveals that there are 4 factors that influence the employee engagement of Gen Z in Vietnam. Ordered by the significance of impact, they are Transformational Leadership, Task Identity, Physical Work Environment and Autonomy. Based on that, there are recommendations for organizations to engage Gen Z workforce effectively.

KEY WORDS: Employee Engagement/ Gen Z/ Transformational Leadership/ Job Characteristics/ Work Environment

85 pages

CONTENTS

ACKNOWLEDGEMENTS	ii
ABSTRACT	iii
CONTENTS	iv
LIST OF TABLES	vi
LIST OF FIGURES	viii
CHAPTER 1 INTRODUCTION	1
1.1. Background	1
1.2. Problem Statement	4
1.3. Research Objective	5
1.4. Research Questions	5
1.5. Scope of the study	5
1.6. Expected Benefits	5
CHAPTER 2 LITERATURE REVIEW	6
2.1. Definition of employee engagement	6
2.1.1. Academic researchers	7
2.1.2. Management practitioners	8
2.1.3. Consulting firms	9
2.2. Theories of Employee Engagement	10
2.2.1. Kahn’s Theory of personal engagement	10
2.2.2. Job Demand – Resources Model	11
2.2.3. Social Exchange Theory	12
2.3. Antecedents of Employee engagement	13
2.4. Hypothesis Development	17
2.4.1. Job characteristics	17
2.4.2. Salary	18
2.4.3. Welfare and Benefits	18
2.4.4. Work environment	19

2.4.5. Transformational Leadership	20
2.4.6. Training and Development	21
2.5. Proposed Framework	22
CHAPTER 3 RESEARCH METHODOLOGY	23
3.1. Research Design	23
3.2. Population and Sample size	23
3.3. Data Collection	25
3.4. Data Analysis	30
3.4.1. Descriptive Statistics	30
3.4.2. Factor Analysis	30
3.4.3. Reliability Test with Cronbach's Alpha	30
3.4.4. Correlation Analysis	30
3.4.5. Multiple Linear Regression	31
CHAPTER 4 DATA ANALYSIS	32
4.1. Descriptive Statistics	32
4.1.1. Demographic Information	32
4.1.2. Research Questions	36
4.2. Exploratory Factor Analysis (EFA)	43
4.3. Reliability Test with Cronbach's Alpha	59
4.4. Correlation Analysis	62
4.5. Multiple linear regression analysis	64
CHAPTER 5 CONCLUSION AND RECOMMENDATION	68
5.1. Implications and Conclusions	68
5.2. Recommendations	71
5.3. Limitations	75
REFERENCE	76
BIOGRAPHY	85

LIST OF TABLES

2.1.	Summary of research on antecedents of employee engagement	14
3.1.	Questionnaire References	26
4.1.	Respondents' Year of Birth	32
4.2.	Respondents' Gender	33
4.3.	Respondents' Work Industry	33
4.4.	Respondents' Seniority	35
4.5.	Respondents' Job Title	36
4.6.	Mean and standard deviation of Employee Engagement	37
4.7.	Mean and standard deviation of Job Characteristics	37
4.8.	Mean and standard deviation and mean of Salary	39
4.9.	Mean and standard deviation and mean of Benefit	40
4.10.	Mean and standard deviation of Working Environment	40
4.11.	Mean and standard deviation and mean of Transformational Leadership	41
4.12.	Mean and standard deviation and mean of Training and Development	42
4.13.	KMO and Bartlett's Test of Group 1	45
4.14.	Rotated matrix of Group 1	45
4.15.	KMO and Bartlett's Test of Group 1 (2nd time)	46
4.16.	Rotated matrix of Group 1 (2nd time)	47
4.17.	KMO and Bartlett's Test of Group 1 (3rd time)	48
4.18.	Rotated matrix of Group 1 (3rd time)	48
4.19.	KMO and Bartlett's Test of Group 2	50
4.20.	Rotated matrix of Group 2	50
4.21.	KMO and Bartlett's Test of Group 2 (2nd time)	52
4.22.	Rotated matrix of Group 2 (2nd time)	52
4.23.	KMO and Bartlett's Test of Group 2 (3rd time)	54
4.24.	Rotated matrix of Group 2 (3rd time)	55

4.25. KMO and Bartlett's Test of Group 2 (4th time)	56
4.26. Rotated matrix of Group 2 (4th time)	57
4.27. EFA Result of Independent Variables	58
4.28. Summary of Correlated Item – Total Correlation and Cronbach's Alpha	59
4.29. Pearson Correlation Coefficients and p-values	62
4.30. ANOVA Table	64
4.31. Model Summary	64
4.32. Coefficients	65
4.33. Hypothesis Testing Result Summary	65
4.34. Coefficient & Mean of accepted variables	67



LIST OF FIGURES

2.1.	Kahn's Model of employee engagement	11
2.2	Conceptual Framework	22



CHAPTER 1

INTRODUCTION

1.1. Background

Competitive advantage is one of the essential factors contributing to the more outstanding and superior position of a company compared to its competitors. Once achieving this advantage, the company can create its strong foundation in the market and higher operational efficiency. The competitive advantage can be gained by having professional, active and engaged human resource. When all employees in the company are united and moving toward the same direction, company's goals can be obtained easily and rapidly. Therefore, employee retention plays an important role to achieve and maintain the competitive advantage of an organization.

In recent years, the worldwide workforce is facing a restructuring when the Generation Z start joining the labor market. Generation Z or Gen Z is a terminology indicating the group of people who were born between 1997 and 2013 (Dimock, 2019). This is the demographic cohort that succeeds Generation Millennials and precedes Generation Alpha. They have joined the labor workforce in the recent years and are considered as always connected, they are already influential, have evolving needs, have preferring to do-it-yourself ideas, aspire to career goals, have more entrepreneurial style, prefer in-person communication, and have respect and are apparently loyal (Mandelbaum, 2016).

Since they were born amid the explosive growth of digital technology, Gen Z are called by different terms: iGeneration, Homeland Generation, Net Gen, Digital Natives, Neo-Digital Natives, Pluralist Generation, Internet Generation, Centennials, Zoomer, Gen Wii, Gen-Tech. Early exposure to web, internet, Wi-fi connection, smart phones and other digital gadgets (Tulgan, 2013) has made Gen Z distinct from other generations.

Gen Z is the first generation to have widespread access to digital technologies such as Wi-Fi and smart phones (Bassiouni & Hackley, 2014). Unlike Generation Y, who primarily communicate through text, Gen Z utilize advancements in technology for social interactions via Skype, FaceTime, or even interactive video games, thereby enhancing their communication abilities (Dwidienawati & Gandasari, 2018).

On the other side, technologies have negative impacts on the generation. Time overspent online plus the societal crisis and economic downturns increase the mental health challenges of this 'loneliness generation'. Gen Z are observed to be easier to suffer mental illnesses, depression and insomnia. Therefore, Gen Z value their self-care and mental health more than other generations. One in three 18-to-24-year-old people now report symptoms indicating they have experienced a common mental health problem, such as depression or anxiety disorder, compared with one in four in 2000. This is the result of a three-year research program by the Resolution Foundation thinktank, funded by the Health Foundation charity (McCurdy & Murphy, 2024).

The early access to Internet has developed the global mindset in Gen Z. They seem to be more socially and environmentally responsible. According to Mihelich (2013), Gen Z are highly concerned about environmental issues and well aware of water scarcity and shortages, indicating their high sense of responsibility towards natural resources. In terms of social issues, Gen Z are the most politically progressive generation. They consider LGBTQ rights as a positive development. Gen Z believe the government should play a greater role in solving problems.

Gen Z is estimated to account for approximately 2.56 billion people in 2020 and 20% of the labor workforce (Dwidienawati & Gandasari, 2018). According to the Zurich Insurance report, Gen Z accounts for 30% of the world's population and is expected to contribute 27% of the workforce by next year (2025). The General Statistics Office of Vietnam reports that Vietnam is having a golden population structure at this moment, so Gen Z is accounting for a considerable amount (approximately 15 million people) equivalent to 25% of Vietnamese workforce.

Although Gen Z is accounting for higher and higher percentage in the labor workforce when time passed by, their employee engagement level is stagnated recently. According to the latest Gallup's data, the younger group of millennial and Gen Z employees have experienced a five-point decline in engagement, from 40% to 35%, while the percentage of actively disengaged employees has increased by one point, from 13% to 14%. This means that the younger millennials and Gen Z employees have seen their engagement ratio fall from 3.1 to 2.5 (Harter, 2024).

This situation seems to be an issue since engagement plays an important role in creating company's competitive advantage. When employees are engaged, they are emotionally committed to their company, which translates into real economic benefits. For instance, Kruse (2012) reported that companies with an engaged workforce experienced a 6% higher net profit margin than those whose employees were not. The creation of strong connections between members of separate departments positively impacts their work performance specifically and the company's goals in general (Anitha, 2014). Research by Markos and Sridevi (2010) also indicates that this engagement has obvious effects on all aspects of human resource management activities. The benefits of enhancing this engagement include employee loyalty, productivity, reliability, and increased profitability for the business itself. Especially for Gen Z, their preference for collaboration and purpose-driven work fosters adaptability and alignment with corporate social responsibility values, attracting both talent and customers (Anitha, 2014). By creating a supportive and engaging environment, companies can reduce turnover, improve efficiency, and sustain long-term market distinction.

Due to its importance, there are various studies have been conducted to understand the factors that may influence it. For instance, the connection to leadership is proved in research by Gangai & Agrawal (2017), which revealed that transformational leaders are more likely to increase employee engagement. Transformational leadership provides clear vision, timely recognition, individualized support, and an inclusive, empathetic environment making Gen Z feel valued, motivated, and more engaged, leading to higher job satisfaction and better performance. There are several other factors that are

proved to have impact on employee engagement such as job characteristics, salary, benefit, work environment, etcetera.

In Vietnam, maintaining high levels of performance and morale of employees is considered as achievable through the implementation of Employee Engagement, which is known as a suitable human resources strategy (Ehambaranathan, Samie, & Murugasu, 2015). While research on employee engagement has been popular topic from other contexts, research on employee engagement of generation Z in Vietnam is still limited. It is necessary to conduct a study to identify key factors affecting the employee engagement of Vietnamese generation Z. This will contribute to the theoretical base which Vietnamese businesses can refer to come up with effective strategies for the improvement of Gen Z engagement level.

1.2. Problem Statement

With these possible impacts of Gen Z's disengagement, it is high time for the organizations to take this matter into thorough consideration to maintain bonding with Gen Z workforce. However, Gen Z is considered possessing a wide range of differences from previous generations because they were born and grew up in the era of advanced technology. Therefore, what used to be applicable for Generation X and Millennials is not necessary to be applicable for Generation Z. The expectations, the perception about work and, thus, the factors that influence Gen Z's engagement level in the workplace might not be the same as other generations. Especially, after the embargo was lifted and the relation between United States and Vietnam was restored in 1995, Vietnam has been developing at a high growth rate since 2000s with a lot of changes in economy, society and technology so the generation gap is even wider than in other countries.

To solve this issue, a study about the factors affecting Gen Z's engagement with an organization should be conducted. With certain knowledge about this topic, each organization can come up with effective solutions to retain this valuable workforce, considering own culture and available resources.

1.3. Research Objective

The main purpose of this research is to explore the factors that influence Gen Z's employee engagement in Vietnam.

1.4. Research Questions

What are the factors that influence the employee engagement of Gen Z in Vietnam?

1.5. Scope of the study

In the research, a survey will be conducted among 248 Gen Z employees who are entry level and white-collar working in various industries, such as Manufacturing, Education, Banking and Finance, Retails and Supply Chain Management.

1.6. Expected Benefits

The objective of this research is to identify the factors that influence Gen Z's employee engagement in the Vietnamese context. This research will give more insights to the management of organizations in the Vietnamese market for young labor engagement. The research result can help the organizations to:

- Develop an engaged working environment with dedicated and diligent employees.
- Have suitable and effective solutions to engage young employees.
- Save time and efforts for new member hiring and training.
- Build a sustainable talent pipeline and succession plan.
- Improve productivity due to stable workforce and avoid the knowledge drain due to high turnover rate.
- Establish a distinct competitive advantage with “engaged” workforce.

Moreover, this research will contribute certain value to the current state of knowledge and research in the field of employee engagement and Generation Z behavior.

CHAPTER 2

LITERATURE REVIEW

Employees are considered one of the most valuable resources of an organization. It is a driving force for the sustainable success. As a result, employee engagement has been a preferred topic among psychologists, human resource management researchers and management practitioners all over the world and across the industries. Despite the increasing interest in this topic, there is no consistency in the concept, theory, influencing factors and outcomes of employee engagement. Moreover, due to the differences in cultural context, a concept which works in one country might fail in others. Up to now, there are various ways to understand this topic. This chapter will attempt to investigate and summarize the research results of the literatures in employee engagement.

2.1. Definition of employee engagement

Being evolved over time, engagement has been described in various ways and frequently inconsistent that many people find the term ambiguous. It is said to be difficult to find two researchers to define it in the same manner.

The concept of employee engagement was studied and defined for the first time by Kahn (1990). He defined employee engagement as “the harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves cognitively, emotionally and physically during role performances” (p.694). The cognitive aspect reflects employees’ beliefs about the organization, its leaders and working conditions. The emotional aspect reflects employees’ engagement or whether they have positive or negative attitudes toward the organization and its leaders. The physical aspect reflects the physical energies exerted by individuals to accomplish their roles. According to

Kahn, engagement means to be psychologically as well as physically present when occupying and performing an organizational role.

After the pioneer Kahn brought up employee engagement topic, a great deal of academic researchers, management practitioners and consulting firms started putting efforts to explore it.

2.1.1. Academic researchers

It is widely acknowledged and accepted by academic researchers that employee engagement is a multi-faceted construct, as previously suggested by Kahn (1990). Rothbard (2001) supported and expanded Kahn's definition to suggest that engagement also reflects being absorbed and intensely focused on one's work. Attention refers to "cognitive availability and the amount of time one spends thinking about a role" (p.656) while absorption "means being engrossed in a role and refers to the intensity of one's focus on a role" (p.656). This is consistent with the definition of Schaufeli et al. (2002) which reported vigor, dedication and absorption as being the core dimensions of engagement and that of Liu (2016) which stated that employee engagement of knowledge worker was composed of absorption and other four dimensions (organizational identity, dedication, vigor, pleasant harmony).

However, in other studies, the aspects identified by each researcher vary, resulting in differing interpretations of employee engagement across the research. Saks (2006) defined employee engagement as a "distinct and unique construct" (p.602) which is composed of cognitive, emotional and behavioral components. Macey and Schneider (2008) suggested to regard employee engagement as a wide-ranging term which was split into three dimensions: traits engagement, psychological state engagement, and behavioral engagement. Each dimension required distinct conceptualizations, such as proactive personality (traits engagement), involvement (psychological state engagement) and organizational citizenship behavior (behavioral engagement).

Generally speaking, academic researchers focused more on the psychological state of engagement when defining it. They described engaged employees as being so fully involved

and absorbed in their task and charged with energy that they lose track of time at work (Robertson-Smith & Markwick, 2009).

2.1.2. Management practitioners

Since the importance of engagement is playing a more and more important role to the success of the organizations, its concept and application are widely studied by several organizations in various industries in both public and private sectors. Based on their own definition, each organization will practice the most proper measures aligning with the corporate culture to enhance the employee engagement, then thus, enhance the organization's sustainability.

Johnson & Johnson – an American multinational pharmaceutical, biotechnology, and medical technologies corporation, defined employee engagement as “the degree to which employees are satisfied with their jobs, feel valued, and experience collaboration and trust. Engaged employees will stay with the company longer and continually find smarter, more effective ways to add value to the organization. The end result is a high performing company where people are flourishing and productivity is increased and sustained.” (Cattewu et al., 2007, p.152).

In telecommunication industry, Vodafone in England perceived employee engagement an outcome “measured or seen as a result of people being committed to something or someone in the business – a very best effort that is willingly given.” (Suff, 2008, p.5).

In public sector, The University of York defined that employee engagement is a combination of commitment to the organization and its values plus a willingness to help colleagues. Employee engagement goes beyond job satisfaction and is not simply motivation. (University of York, 2008).

The common point of management practitioners' viewpoint is that engagement is an outcome offered by the employees such as commitment, time, efforts and loyalty to the organization. Except Johnson & Johnson, the drawback of these definition is the over

focus on the outcome and oversight of the process, which fails to provide suggestions to the employers to boost the engagement.

2.1.3. Consulting firms

Understanding the rising demand of organizations in engagement improvements, consultancy firms have spent considerable effort to work on this topic.

Hewitt Organization (2001) referred to employee engagement as the extent employees are willing to stay in the company and work hard for the company, reflected in three aspects. Firstly, 'Say', employees use a positive language to describe their company, colleagues, and their jobs. Secondly, 'Stay', employees strongly hope to be a member of the company, want to stay in the company for a long time, instead of using existing jobs as a temporary transition. Thirdly, 'Strive', employees are willing to exert extra effort to work for the success of the company.

Towers Perrin published in its 2003 research that “engagement involves both rational and emotional factors relating to work and the overall work experience. The rational factors involve the relationship between the individual and the broader corporation, including the extent to which employees understand their role, and their unit’s role, relative to company objectives. The emotional factors tie to personal satisfaction, such as a strong sense of personal accomplishment and the sense of inspiration and affirmation they get from their work and from being part of the organization.” (p.4)

According to Mercer 2007, engagement is “a state of mind in which employees feel a vested interest in the company’s success and are both willing and motivated to perform to levels that exceed the stated job requirements. It is the result of how employees feel about the work experience – the organization, its leaders, the work and the work environment”.

Similar to academic researchers and management practitioners, consulting firms also define employee engagement as a psychological state together with its positive outcomes. However, the perspectives of these consulting firms are more advanced as they integrate the role of the organization in accelerating the engagement. They demonstrate a

number of factors helping bridge the gap between organizational objectives and individual performance, for instance, role clarity, sense of achievement, leader and work environment. This is the starting point to come up with suitable actions for employee engagement improvement.

2.2. Theories of Employee Engagement

There are several theories and frameworks to explain the concept and categorize the components of employee engagements, which may serve as important basis for improvement solutions. In the scope of this research, Kahn's theory, Job Demand – Resources (JDR) Model and Social Exchange Theory will be brought into consideration.

2.2.1. Kahn's Theory of personal engagement

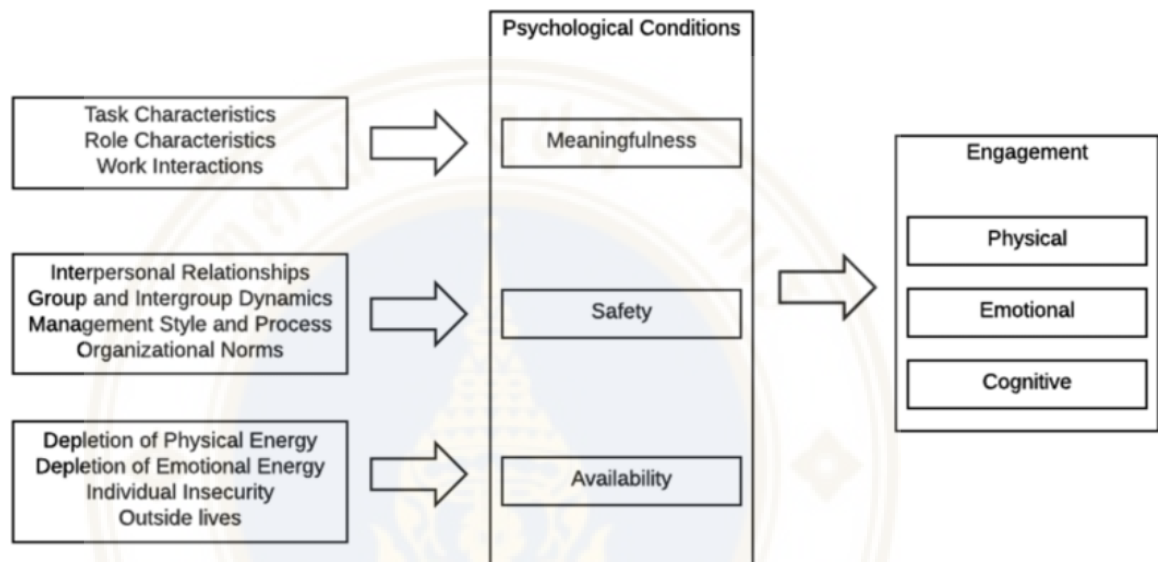
As aforementioned, Kahn (1990) is one of the original theorists of employee engagement. Through his qualitative study in 1990, Kahn defined that: "Personal engagement is the simultaneous employment and expression of a person's 'preferred self' in task behaviors that promote connections to work and to others, personal presence (physical, cognitive and emotional) and active full role performances" (p.700). According to Kahn, an employee is fully engaged at work once he/ she is physically involved, emotionally connected and cognitively committed. These conditions are associated with three psychological elements, including meaningfulness, safety, and availability:

- **Meaningfulness** refers to the meaning of work. An employee has a stronger engagement tendency if he/ she understands the benefits and meaning of their work. Meaningfulness is affected by the job characteristics such as task, role and work interactions.
- **Safety** refers to the employees' feeling both physically and psychologically safe in the workplace. The feeling mainly results from the treatments of managers and colleagues and organizational norms.
- **Availability** refers to the availability level for work of an employee. It involves an individual's belief that he/ she has the cognitive, physical and emotional resources

to personally engage with the organization. Availability is influenced by personal resources that employees are willing to bring to their roles such as physical energy and emotional energy.

Figure 2.1. Kahn's Model of employee engagement

Source: Meskelis, Simone. Kahn (1990) Model of Employee Engagement, 2017



In conclusion, Kahn (1990) explained how employees brought themselves in the roles for self-expression and self-employment, which focused on the relationship between engagement and job's characteristics. Therefore, it is considered as a new thinking way or the evolution of job motivation.

2.2.2. Job Demand – Resources Model

Developed by Bakker and Demerouti (2006), Job Demands – Resources (JD-R) Model is a theoretical framework explaining the relationship between employee well-being and performance. The model suggests strain is a response to the imbalance between the demands on an individual and the resources that the individual has to cope with those demands.

Job demands are defined as the “physical, social or organizational aspects of the job that require sustained physical and/or psychological (i.e., cognitive and emotional)

effort on the part of the employee and are therefore associated with certain physiological and/or psychological costs” (Demerouti et al., 2001, p.309). The job demands can be heavy workload, time pressure, role ambiguity, emotional breakdown or improper physical environment factors (light, noise, temperature).

Job resources are defined as the “physical, psychological, social and organizational aspects of the job that are either functional in achieving work goals, reduce job demands and the associated physiological and psychological costs, or stimulate personal growth, learning and development” (Bakker & Demerouti, 2007, p.341). The job resources can be good salary, support from colleagues, guidance from supervisors, autonomy, career development or sufficient supporting tools. The resources can be classified into workplace resources which are provided by the organization and personal resources which employees possess.

Job resources are considered as the driving force of engagement while Job demands are considered as the driving force of burnout.

2.2.3. Social Exchange Theory

Although Kahn’s theory (1990) has brought up the psychological elements impacting employee’s engagement level, it fails to explain why the individuals respond to these elements with varying levels of engagement. Social Exchange Theory (SET) can provide the rationale to concretely explain the employee engagement concept.

SET is a sociological and psychological theory that studies the interaction between two parties implementing the cost-benefit analysis. When the risk tends to outweigh the rewards, people will abandon the relationship to maximize the benefits and minimize the costs. It usually involves reciprocity rules where individuals receive economic and socioemotional resources from their organization, they feel obliged to respond in kind and repay the organization (Cropanzano & Mitchell, 2005). Over time, the relationship will evolve into trust, loyalty and mutual commitments, which contribute to engagement. Employees will bring themselves into the roles at varying levels depending on the level of resources they obtain from the organization.

In summary, Kahn's theory mentions that employee engagement is measured through the physical, cognitive, and emotional aspects and affected by the meaningfulness, safety and availability. The Job Demand – Resources Model states that the engagement can be enhanced when the Job Demand is reduced or/ and the Job Resource is increased. Lastly, the Social Exchange Theory says that employees feel more engaged and dedicated if they receive more benefits from the organization as an exchange. Combing the three theories, it can be inferred that the amount of physical, cognitive and emotional resources that employees devote in their work roles is in reciprocity to the resources received from the organization, which supports the employees' perceived *meaningfulness, safety and availability*.

2.3. Antecedents of Employee engagement

Since the 1990s until now, employee engagement has always been one of the top research topics due to its importance in the management field. Researchers have analyzed different aspects to see the linkage between employee engagement (dependent variable) and various factors (independent variables). Continuing Kahn's theories (1990), several studies have split the *meaningfulness, safety and availability* into specific factors: task characteristics (Robinson, 2007), job fit, job enrichment, skill variety (May et al., 2004) (meaningfulness), work environment (Glen, 2006), social relationship, compensations (Melcrum (2007), leadership (Kenexa, 2008 cited in WFC, 2008) (safety), self-consciousness (May et al., 2004) (availability).

Following Kahn's theory, several studies have continued researching about employee engagement by testing the influence of various antecedents on the engagement level. These antecedents can be categorized into three main aspects of Kahn: meaningfulness, safety and availability.

The result of some research is summarized into Table 2.1:

Table 2.1: Summary of research on antecedents of employee engagement

Author	Sample	Research Method	Antecedent	Kahn's Condition
Saks (2006)	102 employees in the US	Survey/ Questionnaires	Skill variety	Meaningfulness
Maslach (2001)	-	Meta analysis	Workload	Safety
			Control	
			Rewards and recognition	
			Community and social support	
			Perceived fairness	Meaningfulness
Medlin and Green (2014)	166 full-time employees in the southern United States	Survey/ Questionnaires	Management principles	Safety
			Management process	
Farndale and Murrer (2015)	19,260 employees of a large multinational financial services corporation in Mexico, the Netherlands, and the USA	Survey/ Questionnaires	Financial rewards	Safety
			Team climate	
			Participation in decision making	Meaningfulness

Author	Sample	Research Method	Antecedent	Kahn's Condition
Anitha (2014)	Random sampling of 700 employees from middle and lower managerial levels from small-scale organizations in India	Survey/ Questionnaires	Working environment	Safety
			Team and co-worker relationship	
			Well-being	
			Leadership	
Ibrahim et al. (2021)	300 questionnaires	Survey/ Questionnaires	Training and development	Safety
			Transformational Leadership	
Datch and Mukulu (2015)	252 civil servants from 18 top performing state corporations in Kenya	Survey/ Questionnaires	Transformational Leadership	Safety
Paek et al. (2015)	312 front-line staff from 15 five-star hotels in Seoul, Korea	Survey/ Questionnaires	Positive psychological capital	Availability

Each research has different number of samples and focuses on different industry or country. Some researchers even developed more ideas from the foundation of previous theories. For example, Maslach and associates (2001) introduced an alternative model of engagement known as burnout literature. It described job engagement as the positive antithesis of burnout. Others confirmed the earlier theories. Saks (2006)'s research indicated

that skill variety was the main job characteristic that predicts job engagement, which confirmed Kahn's (1990) and Maslach's (2001) theories. More advanced than other studies, Saks concluded that there was a distinction between job engagement and organization engagement. As a result, the psychological elements leading to job and organization engagement and their consequences are not the same.

Most of the studies on this topic used survey and questionnaires to collect data then used statistics to test the relationship of the antecedents (independent variables) and employee engagement (dependent variable). Common independent variables in the literature studying employee engagement are job characteristics, salary, benefits, work environment, leadership and development opportunities.

The past papers covered plenty of possible antecedents of employee engagement. Most of research focus on one or two of the three factors of Kahn's theories (meaningfulness, safety and availability). Many hypotheses have been made based on JD-R and SET theories when assuming that the more resources offered by the company financially and non-financially, the higher engagement the employees tend to be to compensate for the resources they have received (Gifford & Young, 2021).

When taken into thorough consideration, the engagement is a psychological concept, so it depends much on the cultural context, generations, and other external factors (Macky et al, 2008; Byrne, 2014). Therefore, the results of antecedents have referential value only since each research was conducted with people from different countries with various backgrounds. While reviewing, it can be noticed that there is no precedent literature about Gen Z in Vietnam specifically. This research area has never been explored yet. Therefore, to conduct a deep investigation and give purposeful recommendations to solve the problem of Gen Z retention by engagement enhancement mentioned in chapter 1, this research will focus on the factors that significantly influence the engagement of Gen Z in Vietnam.

2.4. Hypothesis Development

This research will build on the results of previous studies by selecting established antecedents that have the most impact on employee engagement and testing the relationship of these antecedents with engagement level of Gen Z in Vietnam.

There are six factors that will be tested in this research, including: *(1) Job characteristics, (2) Salary, (3) Benefits, (4) Work environment, (5) Leadership and (6) Training and Development.*

2.4.1. Job characteristics

According to Kahn (1990), psychological meaningfulness can be realized by job characteristics. The jobs that are challenging and require variety of skills seem to be more exciting since they can stimulate creativity and foster employee interest. Besides, job characteristics represent the suitability of the task and reasonable job assignment. Clearly defined jobs that align with employees' capabilities enable them to understand their responsibilities and execute tasks effectively, thus, evoke the sense of accomplishment and engagement. Through a survey of 102 employees working in a variety of jobs and organizations in the US, Saks (2006) confirmed that skill variety is the main job characteristic that predicts job engagement.

Gen Z is considered as a generation desiring for personal growth and always striving to prove their capabilities. They value jobs that challenge them intellectually and offer opportunities for skill development and career advancement. They see challenging roles as a way to expand their knowledge and improve their skills. Moreover, Gen Z seems to express their social responsibility at the early stage of life. They tend to care about the meaningfulness of the jobs and its alignment with their own values (Brower, 2024).

According to Hackman (1976), there are 5 elements inside Job characteristics that contribute to employee's meaningful work experience which are Skill Variety, Task Identity, Task Significance, Autonomy and Feedback.

Therefore, for Job characteristics, we will have 5 hypotheses:

H1a: Skill Variety has a positive impact on Gen Z's engagement.

H1b: Task Identity has a positive impact on Gen Z's engagement.

H1c: Task Significance has a positive impact on Gen Z's engagement.

H1d: Autonomy has a positive impact on Gen Z's engagement.

H1e: Feedback has a positive impact on Gen Z's engagement.

2.4.2. Salary

According to Vietnam Labor Code 2019, salary is an amount the employer pays the employee under an agreement for a work performed by the latter. Salary equals (=) base salary plus (+) allowances and other additional amounts (Article 90, Vietnam Labor Code 2019). Salary can guarantee the basic conditions of employees and their families by covering the life expenses. Salary also reflects the performance and contribution of the employees to the organization. Therefore, employees always expect high salaries which match their efforts. An organization with fair income system and reasonable salary increment policy will motivate employees toward meeting the job requirements to receive suitable compensation. Meeting income expectation will enhance employee loyalty and dedication to the organization. Farndale (2015) found that suitable financial reward had a positive impact on employee engagement. Similarly, Saks (2006) concluded that incentive compensation might also be important for engagement.

Witnessing economic downturns and rapid changes, Gen Z becomes more pragmatic and cautious about the future than any other generations. They tend to value stability, financial security, and practicality in their career choices. Therefore, the second hypothesis is:

H2: Salary has a positive impact on Gen Z's engagement.

2.4.3. Welfare and Benefits

Besides salary, welfares and benefits are a part of the total remuneration that an organization offers to its employees. Benefits can be the separated into: Compulsory part complying to the Labor Code such as social insurance, health insurance, unemployment insurance, pension, paid leaves and maternity leaves; and Optional part voluntarily offered

by each organization such as meal allowances, company trip, transportation subsidies and gifts in kind. The welfare and benefit policy shows the organization's care for the employees. The organization with a diverse and extensive welfare policy tend to improve the quality of life and thus, employees' morale. From that, work motivation will be stimulated, productivity will be improved and employee engagement will be strengthened (ILO, 2016).

Since Gen Z is more independent and individualistic, they care much about the quality of life. In recent years, Gen Z has a tendency to prioritize benefits over the salary because the welfare and benefit policy can promote overall well-being, including physical health, mental health, and work-life balance (Deloitte 2024, Global Gen Z & Millennial Survey). Welfare and benefits are separated from salary in this research to further verify this matter. The third hypothesis is:

H3: Welfare and Benefits have a positive impact on Gen Z's engagement.

2.4.4. Work environment

It reflects the conditions serving the work completion. Work environment can be classified into physical environment such as clean and safe workplace with sufficient supporting equipment and psychological environment such as work atmosphere and low pressure. Although psychological environment is intangible, it has a great impact on employee's engagement. A positive, friendly and cohesive environment will make employees feel comfortable at work, stimulating creativity and thereby increasing productivity. The better the work environment, the stronger the bond employees will have with the company.

In a related research study, Anitha (2014) sent out 700 questionnaires to random samples who were employees from middle and lower managerial levels from small-scale organizations in India. The research result indicated that ***working environment and team and co-worker relationship*** are the most influential factors on employee engagement. Furthermore, Farndale (2015) said that team climate contributed to the employee engagement by providing a good psychological work environment.

Gen Z possesses certain characteristics that differentiate them from other generations. That is the reason why Gen X and Gen Y sometimes find it difficult to get along well with Gen Z at work. Therefore, finding a suitable work environment in which they fit in culturally and share common values with the colleagues and the organization is highly important. Gen Z will seek workplaces that promote diversity, inclusion, and respect (Francis & Hoefel, 2018). Besides, Gen Z employees are motivated by a supportive work environment and expect their supervisors to act as mentors rather than traditional managers (Chillakuri, 2020). The supervisors who actively support and share clear expectation to guide the employees can foster their motivation, thus, promote engagement.

For the fourth hypothesis, there are 2 hypotheses inside:

H4a: Physical Work Environment has a positive impact on Gen Z's engagement.

H4b: Emotional Work Environment has a positive impact on Gen Z's engagement.

2.4.5. Transformational Leadership

Leaders are the people who take responsibility for defining strategies, assigning tasks, developing employees and monitoring their work progress to ensure the whole team achieves the common goals. Leaders have an essential role in motivating employees. The skilled leader who can pay attention to the developmental needs of individuals, inspire and change employees' mindset about the issues by helping them see the old problems in new ways. Fair treatment, timely rewards, listening skills, and appropriate empowerment make employees feel respected; they will strive harder to meet the leader's expectations, thereby enhancing productivity and job effectiveness. This is called transformational leadership style.

In the past, there were certain studies focusing on the relationship between leadership and employee engagement. Anitha (2014) conducted the research and concluded that ***leadership*** has a positive impact on employee engagement. Instead of testing leadership in general, Evelyn and Mukulu (2015) used survey data collected from 252 civil servants from 18 top performing state corporations in Kenya to test the hypothesis and concluded that the ***transformational leadership*** positively and directly impact employee engagement.

Besides, the research of Ibrahim (2021) found that *transformational leadership* has an impact on engagement.

Gen Z value purpose-driven work and seek leaders who can ignite their enthusiasm. Besides, Gen Z is looking for continuous personal and professional improvement. Therefore, the transformational leadership style may resonate with the values and expectations of Gen Z. The fifth hypothesis is:

H5: Transformational Leadership style has a positive impact on Gen Z's engagement.

2.4.6. Training and Development

Training is the process which equips employees with knowledge and skills to enhance their professional expertise and competencies. This can help employees to perform their current jobs more effectively. On the other hand, development includes several activities aiming at providing sufficient knowledge and skills to support employees to surpass the requirements of current job. This can enable them to handle more complex and critical tasks which demand higher expertise. This allows them to adapt and keep pace with rapid changes of the market. Training focuses more on current situation while development focuses more on future direction which supports the employees to get career advancement and promotion to higher positions (AIHR, 2020).

Regarding the previous research, Ibrahim (2021) identified another factor that had a significant influence on employee engagement, which was *training and development*. These results were affirmed by a study by Afroz (2018) which revealed that most of the respondents had engaged regularly in training programs provided by their employer banks.

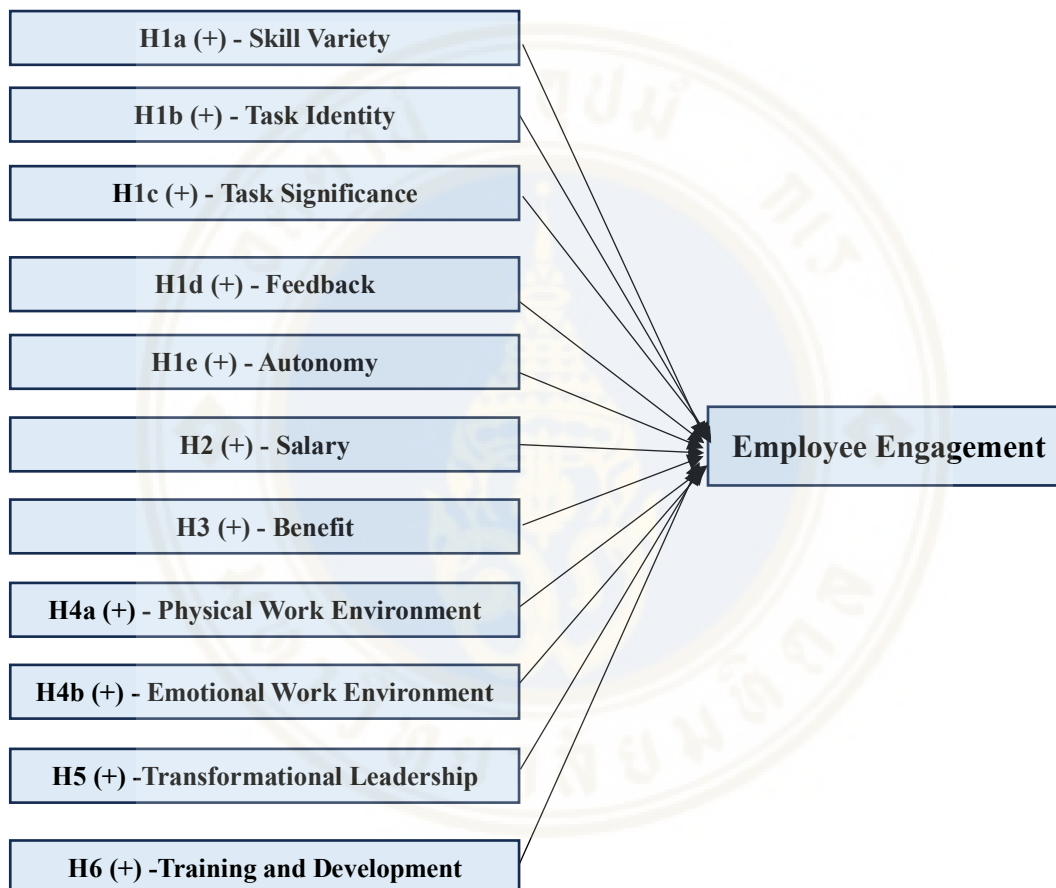
For Gen Z, skill enhancement and desire for personal growth is their top priorities of their early stage in life. Moreover, the meaningful career progression is one of their biggest interests as well. Effective training and development can equip them with necessary skills for future roles within the organization. As a result, effective training may foster the motivation and engagement level of Gen Z. The sixth hypothesis is:

H6: Training and Development have a positive impact on Gen Z's engagement.

2.5. Proposed Framework

Employee engagement is the dependent variable which might be affected by six independent variables. The six independent variables are Job Characteristics, Salary, Benefit, Work Environment, Transformational Leadership and Training & Development. The framework is illustrated in the figure below.

Figure 2.2. Conceptual Framework



CHAPTER 3

RESEARCH METHODOLOGY

This chapter focuses on the research structure design and processes to accomplish the objectives of this research.

3.1. Research Design

This research utilizes the quantitative method with an online survey to investigate the relationship between Employee Engagement and six other defined factors. Since this research is to come up with the answer for a whole generation in a country, the generalization and objectivity are highly important. According to Kothari (2004), researchers can extrapolate conclusions about larger populations from a subset of data by using representative samples and statistical methods. Moreover, the quantitative methodology is a suitable option to not only save cost and time but also increase the accuracy because it can involve a wide range of respondents. In the research of Carmines and Zeller (1979), it is said that researchers can enhance the reliability and accuracy of their findings since subjectivity and bias can be reduced by utilizing standardized procedures and numerical measurements in quantitative method.

3.2. Population and Sample size

This research aims at studying the factors that have impact on the employee engagement of Gen Z in Vietnam. According to the 2023 Demographics Report issued by the general Statistics Office of Vietnam, there are approximately 15 million Gen Z at working age which is 15 to 60 years old for females and 15 to 62 for males. However, the employee engagement factors may vary for people with different job nature and educational

background. This research will focus on examining the perceptions of Gen Z working as white-collar workers with college education level and above.

There is no official data about the number of Gen Z working as white-collar workers and having higher education so the population size of this research is unknown. Cochran formula is used to calculate the essential sample size for the required level of precision, confidence level and the estimated proportion of the attribute present in the population. Cochran formula is most suitable for a large population. (Nanjundeswaraswamy, 2021)

Cochran (1963) developed an equation to find the sample size for the large population proportion:

$$n_0 = \frac{z^2 * p * (1 - p)}{E^2}$$

Where n_0 = Sample size

z = Z-value corresponding to the desired confidence level (e.g., 1.96 for 95% confidence)

p = Estimated proportion of the population with the characteristic

E = Margin of error

Due to the lack of information, it would be assumed that 50% of Gen Z have college education and above background and belong to white-collar sector, which provides the largest variability. With the confidence of 95%, the value for z in the z -table is 1.96 and the margin of error is 5%. Therefore, the number of respondents is:

$$n_0 = \frac{1.96^2 * 0.5 * (1 - 0.5)}{0.05^2} \approx 384$$

In conclusion, at least 384 qualified survey respondents are required to develop a meaningful data analysis in this research.

3.3. Data Collection

An online questionnaire on Google platform is employed for this study due to its low cost and convenience. The questionnaire comprises of two parts. The first section is socio-demographics questions, including gender, age, industry, seniority in current company and job level.

The second section of the questionnaire is developed from several different theories and literature reviews. For the dependent variable – employee engagement, Utrecht Work Engagement Scale (UWES) developed by Schaufeli et al. (2002), is one of the most widely used instruments in engagement research (Vineeth, 2019). It is used to assess the relationship between engagement and burnout and examine the factorial structure of the Maslach-Burnout Inventory-General Survey (MBI-GS) based on the definition: ‘Engagement is a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption’. The short version of UWES has 9 items eventually categorized into vigor, dedication, and absorption.

The questions for Job Characteristics are developed from Hackman’s model in 1976 – Job Characteristics model, which discusses that there are 5 items that contribute to employee’s meaningful work experience: Skill Variety, Task Identity, Task Significance, Autonomy and Feedback. Regarding Salary, there are 5 items to investigate which is the same number for Benefit factors. For Work Environment, there are 8 items involved, naming physical environment and mental environment. The questions for Transformational Leadership come from the Transformation Leadership Theory (1985) by Bass which described Transformational Leadership with 4 components: Idealized Influence, Inspirational Motivation, Intellectual Simulation and Individualized Consideration. Next, 6 items of Training and Development were investigated to ensure the coverage of the opportunity and effectiveness of the training.

In this research, the 5-poin Likert scale indicating level of agreement (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree) and the 5-poin Likert scale indicating frequency (1 = Seldom, 2 = Sometimes, 3 = Regularly, 4 = Often, 5 = Always) are used.

Table 3.1. Questionnaire References

Factor	Questions	Reference	Measurement
Employee Engagement (9)	Vigor: At my work, I feel bursting with energy.	Schaufeli & Bakker (2003)	Frequency
	Vigor: At my job, I feel strong and vigorous.		
	Vigor: When I get up in the morning, I feel like going to work.		
	Dedication: I am enthusiastic about my job.		
	Dedication: I am proud of the work that I do.		
	Dedication: My job inspires me.		
	Absorption: I feel happy when I am working intensely.		
	Absorption: I am immersed in my work.		
Job Characteristics (15)	Skill Variety: The job requires me to perform a variety of tasks.	Idaszak & Drasgow (1987)	Level of agreement
	Skill Variety: The job requires me to do many different things, using a variety of my skills and talents		
	Skill Variety: The job requires me to use a number of complex or high- level skills.		
	Task Significance: The results of my work significantly affect the lives and well-being of other people.		
	Task Significance: The job is one where a lot of other people can be affected by how well the work gets done.		
	Task Significance: The job itself is very significant and important in the broader scheme of things.		
	Task Identity: The job is arranged so that I can do an entire piece of work from beginning to end.		
	Task Identity: The job provides me the chance to completely finish the piece of work I begin.		

Factor	Questions	Reference	Measurement
	<p>Task Identity: I do a “whole” and identifiable piece of work. It is not a small part of the overall piece of work, which is finished by other people or by automatic machines.</p> <p>Autonomy: I decide on my own how to go about doing the work.</p> <p>Autonomy: The job gives me a chance to use my personal initiative or judgment in carrying out the work.</p> <p>Autonomy: The job gives me considerable opportunity for independence and freedom in how I do the work.</p> <p>Feedback: After I finish a job, I know whether I performed well.</p> <p>Feedback: Just doing the work required by the job provides many chances for me to figure out how well I am doing.</p> <p>Feedback: The actual work itself provides clues about how well I am doing, aside from “feedback” co-workers or supervisors provide.</p>		
Salary (5)	<p>The salary and financial rewards I receive is commensurate to my work result.</p> <p>The enterprise’s salary is consistent with the market salary level.</p> <p>The income is enough to satisfy my basic needs in life.</p> <p>I am paid fairly, fully and on time</p> <p>The company has a regular salary increase policy for employees.</p>	Cuong (2020)	Level of agreement
Benefit (5)	<p>The allowances are very reasonable.</p> <p>The company does an excellent job of performing periodic health checks for employees.</p>	Cuong (2020)	Level of agreement

Factor	Questions	Reference	Measurement
	The company pays full insurance (health insurance, social insurance) for employees.		
	The company regularly organizes activities such as team building, travel, and so on.		
	The company offers a better welfare policy than others.		
Work Environment (8)	<p>There is sufficient light in the working space.</p> <p>The air temperature in the working space is cool and comfortable.</p> <p>The size of office provides the sufficient space to work comfortably.</p> <p>I get a sense of security in my job.</p> <p>I have a good relationship with co-workers.</p> <p>I trust my co-workers.</p> <p>My supervisor gives me adequate information about my job</p> <p>My supervisor has a reasonable expectation from my work.</p>	Nuraya & Pratiwi (2017)	Level of agreement
Transformational Leadership (7)	<p>My supervisor communicates a clear and positive vision of the future.</p> <p>My supervisor treats staff as individuals, supports, and encourages their development.</p> <p>My supervisor gives encouragement and recognition to staff.</p> <p>My supervisor fosters trust, involvement, and cooperation among team members.</p> <p>My supervisor encourages thinking about problems in new ways and questions assumptions.</p> <p>My supervisor is clear about his/her values and practices what he/she preaches.</p>	Carless, Wearing & Mann (2000)	Frequency

Factor	Questions	Reference	Measurement
	My supervisor instills pride and respect in others and inspires me by being highly competent.		
Training and Development (6)	The company is much concerned about my career development and growth opportunities for the future by performance management.	Siddiqui & Sahar (2019)	Level of agreement
	Training programs provided by the company are adequate for my development.		
	Staff training allows me to proactively identify future challenges.		
	In my company, employees adapt quickly to difficult situation due to training.		
	With training, I am completely focused on my work.		
	I am now more involved in my work and days goes by very quickly due to training.		

In the survey, the questions are shown in both languages (English and Vietnamese) side by side. The original questions are in English which are translated into Vietnamese by the author. After that, the Vietnamese translated questions are translated back into English by Grammarly application to check the translation accuracy.

As mentioned earlier, the questionnaire is designed on Google Docs. The link is sent to Gen Z who are working in Vietnam via emails and social networks (Facebook, Zalo, Instagram). It is distributed to Gen Z working in different industries such as Manufacturing, Retail, Finance and Banking, Consulting, etc. Besides, as per information provided in Research Design section, the focus of this research is white-collar workers with college education level and above.

The responses are coded, saved in an Excel file and analyzed with the Statistical Package for the Social Sciences (SPSS) software version 22.

3.4. Data Analysis

3.4.1. Descriptive Statistics

The frequency tables are used to describe the collected sample in terms of the items in the first section of the questionnaire which are gender, age, working industry, seniority in current company and job level. For each item, the mean and standard deviation are analyzed to assess the overall convergence and dispersion of the sample. From that, the generalization of the sample can be concluded.

3.4.2. Factor Analysis

Factor analysis is a statistical method used to uncover underlying dimensions, or factors, in a dataset. By examining patterns of correlation between variables, factor analysis helps to identify groups of variables that are highly interrelated and can be used to explain a common underlying theme (Gell, 2024). In this research, factor analysis is applied to reduce huge number of inter-correlated variables to a few representative factors that can be used for subsequent analysis.

3.4.3. Reliability Test with Cronbach's Alpha

Cronbach's Alpha is a statistical test to ensure the internal consistency of a scale, determining how well the items correlate with each other. It assesses the consistency of the instrument across different instances. The higher the alpha number the more reliable the scale is. According to Cortina (1993), Cronbach's alpha ranges from 0.8 to nearly 1, the measurement scale is considered excellent, and from 0.7 to nearly 0.8, it is acceptable. In this research, the Cronbach's number should be 0.7 and above to be considered as reliable.

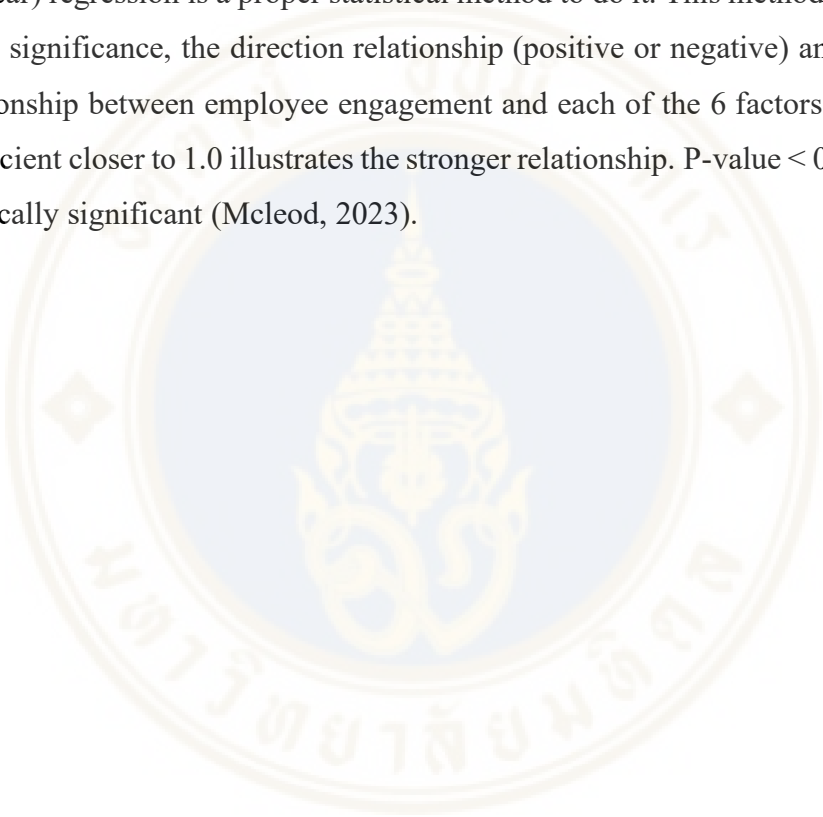
3.4.4. Correlation Analysis

The correlation analysis is conducted as data preparation for multilinear regression as it can examine the strength of relationship among independent variables. The analysis helps identify the patterns, predicts outcomes and thus, avoids the multicollinearity problem. In case two or more independent variables have a strong relationship, it decreases

the accuracy and prediction ability of the multilinear regression model later. We can eliminate the redundant variables from the model if there are any (Kyriazos & Poga, 2023).

3.4.5. Multiple Linear Regression

Since the research evaluates the relationship between one dependent variable (Employee Engagement) with six different independent variables, multiple linear (multilinear) regression is a proper statistical method to do it. This method allows to see the statistical significance, the direction relationship (positive or negative) and the strength of the relationship between employee engagement and each of the 6 factors. The absolute of the coefficient closer to 1.0 illustrates the stronger relationship. P-value < 0.05 is considered as statistically significant (McLeod, 2023).



CHAPTER 4

DATA ANALYSIS

The online questionnaire on Google was distributed to Gen Z people via Facebook, Instagram and email. After 16 days of data collection, 248 responses were received. All responses were qualified because the respondents were people born from 1997 to 2006 and all questions are completed with answers.

4.1. Descriptive Statistics

The questionnaire investigates the year of birth, gender, working field, seniority in current organization and their job title in the first part. In the second part, the questionnaire investigates the opinions of respondents about 7 aspects including Engagement, Job Characteristics, Salary, Benefit, Working Environment, Transformational Leadership and Training and Development.

4.1.1. Demographic Information

4.1.1.1. Year of Birth

Table 4.1. Respondents' Year of Birth

Year of Birth	Frequency	Percentage
1997	39	16.7%
1998	33	13.3%
1999	19	7.7%
2000	56	22.6%
2001	38	15.3%
2002	28	11.3%
2003	23	9.3%

Year of Birth	Frequency	Percentage
2004	7	2.8%
2005	4	1.6%
2006	1	0.4%
Total	248	100%

The year of birth of respondents varies from 1997 to 2006 which means the age range is between 18 and 27. 75% of the respondents were born from 1997 to 2001 so they are the groups that already completed the higher education and officially join the labor market with full-time jobs.

4.1.1.2. Gender

Table 4.2. Respondents' Gender

Gender	Frequency	Percentage
Female	131	52.8%
Male	116	46.8%
Not disclosed	1	0.4%
Total	248	100%

Among 248 people participating in the survey, 52.8% are female, 46.8% are male and 0.5% prefer not to disclose their gender. The ratio of female and male is quite balanced which may help eliminate gender biased results.

4.1.1.3. Work Industry

Table 4.3. Respondents' Work Industry

Work Industry	Frequency	Percentage
Education	27	10.9%
Automobile & Part manufacturing	27	10.9%

Work Industry	Frequency	Percentage
E-commerce	17	6.9%
Financial Services: Investment, Auditing, Securities	15	6.0%
Retail/ Wholesale/ Commerce	14	5.6%
Information Technology	13	5.2%
Advertising/ Media	12	4.8%
F&B & Hospitality	11	4.4%
Mechanical/ Machinery/ Automation	10	4.0%
Consulting	10	4.0%
Constructing/ Architecture	10	4.0%
Real estate	8	3.2%
Travel/ Aviation	7	2.8%
Transportation/ Logistics	7	2.8%
Consuming goods: food & beverage	7	2.8%
Banking & Insurance	7	2.8%
Telecommunication	7	2.8%
NGO/NPO	6	2.4%
Production of chemicals & chemical products	6	2.4%
Medical/ Healthcare	5	2.0%
Petroleum/ Energy	4	1.6%
Household goods & Personal Care	4	1.6%
Pharmaceutical/Biotechnology	3	1.2%
Construction & industrial materials	3	1.2%
Importing & Exporting	3	1.2%
Arts	2	0.8%

Work Industry	Frequency	Percentage
Others	3	1.2%
Total	248	100%

The respondents of this survey come from 27 different industries and they are distributed quite evenly. The industries that have the most respondents are Education and Automobile & Part manufacturing with 10.9% each. 6.9% are working at E-commerce companies and 6% are from Financial Services industry. Other respondents are distributed to the remaining industries with ratio ranges from 0.8% to 5.6%.

4.1.1.4. Seniority

Table 4.4. Respondents' Seniority

Seniority	Frequency	Percentage
Less than 6 months	48	19.4%
6 months to 1 year	57	23.0%
1 to 3 years	100	40.3%
More than 3 years	43	17.3%
Total	248	100%

The seniority of respondents is divided into 4 groups. The biggest group is 1 to 3 years of seniority with 40.3%, which is followed by 6-month-to-1-year experience with 23%. The 3rd biggest group is less than 6 months with 19.4% and only 17.3% have more than 3 years together with their current organization. Almost 80% of the respondents have at least 6 months experience in their job and Company's culture, which is long enough to shape their perception and feeling about them.

4.1.1.5. Job Title

Table 4.5. Respondents' Job Title

Job Title	Frequency	Percentage
Intern	32	12.9%
Staff	183	73.8%
Leader	28	11.3%
Manager	5	2.0%
Total	248	100%

Nearly three-quarter (73.8%) of the respondents are staff level. There are 12.9% are Interns and 11.3% are Leaders. Only 2% of the respondents, equivalent to 5 people, have reached management level. This information is quite consistent with the age. Since most of the respondents are at the age of 22 to 27, they are at the early stage of their career journey for knowledge and experience accumulation.

4.1.2. Research Questions

Along 65 questions, the 5-point Likert scale is applied consistently. However, there are two legends of 5-point Likert:

- Level of agreement for: Job Characteristics, Salary, Benefit, Work Environment, Training and Development and Turnover Intention
- Frequency for: Employee Engagement, Transformation Leadership and Task Performance.

Following the mathematics rounding rule for decimals, the intervals of value are demonstrated as below:

- 1.00 to 1.49 (Round to 1): Strongly Disagree or Seldom
- 1.50 to 2.49 (Round to 2): Disagree or Sometimes
- 2.50 to 3.49 (Round to 3): Neutral or Regularly
- 3.50 to 4.49 (Round to 4): Agree or Often

- 4.50 to 5.0 (Round to 5): Strongly Agree or Always

With this basis, the assumption can be drawn from descriptive statistics of each research question.

4.1.2.1. Employee Engagement

Table 4.6. Mean and standard deviation of Employee Engagement

Code	Question	Mean	Standard Deviation	Mean of Group
EE1	Vigor: At my work, I feel bursting with energy.	2.94	0.99	3.12
EE2	Vigor: At my job, I feel strong and vigorous.	2.93	1.01	
EE3	Vigor: When I get up in the morning, I feel like going to work.	2.60	1.06	
EE4	Dedication: I am enthusiastic about my job.	3.34	1.09	
EE5	Dedication: I am proud of the work that I do.	3.80	0.99	
EE6	Dedication: My job inspires me.	3.26	1.12	
EE7	Absorption: I feel happy when I am working intensely.	2.85	1.24	
EE8	Absorption: I am immersed in my work.	3.03	1.16	
EE9	Absorption: I get carried away when I'm working	3.34	1.14	

The mean of employee engagement is 3.12, falling in “Regularly” range. All of the questions in EE belong to this group, too, except EE5 – ‘I am proud of the work that I do’, which happens more frequently than other statements in the same group.

4.1.2.2. Job Characteristics

Table 4.7. Mean and standard deviation of Job Characteristics

Code	Question	Mean	Standard Deviation	Mean of subgroup	Mean of Group
JC_SV1	Skill Variety: The job requires me to perform a variety of tasks.	3.96	0.77	3.74	3.60

Code	Question	Mean	Standard Deviation	Mean of subgroup	Mean of Group
JC_SV2	Skill Variety: The job requires me to do many different things, using a variety of my skills and talents	3.82	0.76		
JC_SV3	Skill Variety: The job requires me to use a number of complex or high- level skills.	3.44	0.94		
JC_TS1	Task Significance: The results of my work significantly affect the lives and well-being of other people.	3.29	1.04	3.48	
JC_TS2	Task Significance: The job is one where a lot of other people can be affected by how well the work gets done.	3.66	0.91		
JC_TS3	Task Significance: The job itself is very significant and important in the broader scheme of things.	3.48	0.96		
JC_TI1	Task Identity: The job is arranged so that I can do an entire piece of work from beginning to end.	3.36	0.83	3.46	
JC_TI2	Task Identity: The job provides me the chance to completely finish the piece of work I begin.	3.56	0.84		
JC_TI3	Task Identity: I do a “whole” and identifiable piece of work. It is not a small part of the overall piece of work, which is finished by other people or by automatic machines.	3.46	0.89		
JC_AU1	Autonomy: I decide on my own how to go about doing the work.	3.48	0.93	3.49	
JC_AU2	Autonomy: The job gives me a chance to use my personal initiative or judgment in carrying out the work.	3.56	0.99		

Code	Question	Mean	Standard Deviation	Mean of subgroup	Mean of Group
JC_AU3	Autonomy: The job gives me considerable opportunity for independence and freedom in how I do the work.	3.44	1.04	3.83	
JC_FB1	Feedback: After I finish a job, I know whether I performed well.	3.98	.85		
JC_FB2	Feedback: Just doing the work required by the job provides many chances for me to figure out how well I am doing.	3.60	0.91		
JC_FB3	Feedback: The actual work itself provides clues about how well I am doing, aside from “feedback” co-workers or supervisors provide.	3.89	0.92		

The mean of Job Characteristics is 3.60 which is towards “Agree” group. In Job Characteristics, there are 5 sub-groups in which Feedback has the highest score which is followed by Skill Variety. The means of Autonomy, Task Significance and Task Identity are relatively similar.

4.1.2.3. Salary

Table 4.8. Mean and standard deviation and mean of Salary

Code	Question	Mean	Standard Deviation	Mean of Group
SAL1	The salary and financial rewards I receive is commensurate to my work result.	3.26	0.89	3.63
SAL2	The enterprise’s salary is consistent with the market salary level.	3.43	0.88	
SAL3	The income is enough to satisfy my basic needs in life.	3.54	0.92	
SAL4	I am paid fairly, fully and on time	4.16	0.94	

Code	Question	Mean	Standard Deviation	Mean of Group
SAL5	The company has a regular salary increase policy for employees.	3.73	1.03	

In terms of Salary, the mean is 3.63 which belongs to “Agree” group. The highest mean in this group is the fair and timely salary payment.

4.1.2.4. Benefit

Table 4.9. Mean and standard deviation and mean of Benefit

Code	Question	Mean	Standard Deviation	Mean of Group
BEN1	The allowances are very reasonable.	3.38	0.95	3.61
BEN2	The company does an excellent job of performing periodic health checks for employees.	3.49	1.12	
BEN3	The company pays full insurance (health insurance, social insurance) for employees.	4.17	0.82	
BEN4	The company regularly organizes activities such as team building, travel, and so on.	3.61	0.96	
BEN5	The company offers a better welfare policy than others.	3.42	1.07	

Similar to Job Characteristics and Salary, respondents seem to agree with the items in Benefit, too, whose mean is 3.61. Full insurance payment gains the highest agreement from respondents in terms of benefit and welfare.

4.1.2.5. Working Environment

Table 4.10. Mean and standard deviation of Working Environment

Code	Question	Mean	Standard Deviation	Mean of subgroup	Mean of Group
WE_PHY1	There is sufficient light in the working space.	3.96	0.77	4.08	3.93

Code	Question	Mean	Standard Deviation	Mean of subgroup	Mean of Group
WE_PHY2	The air temperature in the working space is cool and comfortable.	3.82	0.76		
WE_PHY3	The size of office provides the sufficient space to work comfortably.	3.44	0.94		
WE_PHY4	I get a sense of security in my job.	3.29	1.04		
WE_EMO1	I have a good relationship with co-workers.	3.66	0.91	3.78	
WE_EMO2	I trust my co-workers.	3.48	0.96		
WE_EMO3	My supervisor gives me adequate information about my job	3.36	0.83		
WE_EMO4	My supervisor has a reasonable expectation from my work.	3.56	0.84		

Working Environment is comprised of 2 sub-groups: Physical and Emotional. Compared to all the factors in the survey, Working Environment has the highest level of agreement from the respondents, especially the Physical Working Environment.

4.1.2.6. Transformational Leadership

Table 4.11. Mean and standard deviation and mean of Transformational Leadership

Code	Question	Mean	Standard Deviation	Mean of Group
TL1	My supervisor communicates a clear and positive vision of the future.	3.13	1.22	3.40
TL2	My supervisor treats staff as individuals, supports, and encourages their development.	3.53	1.14	
TL3	My supervisor gives encouragement and recognition to staff.	3.38	1.15	
TL4	My supervisor fosters trust, involvement, and cooperation among team members.	3.40	1.07	

Code	Question	Mean	Standard Deviation	Mean of Group
TL5	My supervisor encourages thinking about problems in new ways and questions assumptions.	3.52	1.05	
TL6	My supervisor is clear about his/her values and practices what he/she preaches.	3.45	1.09	
TL7	My supervisor instills pride and respect in others and inspires me by being highly competent.	3.38	1.14	

The frequency of the respondents' supervisor to practice the transformational leadership is regularly. The mean of the items in this factor minimally varies from 3.13 to 3.53. However, the standard deviation of this factor seems to be higher than other factors, which means a larger dispersion of each response compared to the mean.

4.1.2.7. Training and Development

Table 4.12. Mean and standard deviation and mean of Training and Development

Code	Question	Mean	Standard Deviation	Mean of Group
TD1	The company is much concerned about my career development and growth opportunities for the future by performance management.	3.15	0.90	3.13
TD2	Training programs provided by the company are adequate for my development.	3.07	0.93	
TD3	Staff training allows me to proactively identify future challenges.	3.15	1.00	
TD4	In my company, employees adapt quickly to difficult situation due to training.	3.20	0.87	
TD5	With training, I am completely focused on my work.	3.15	0.96	
TD6	I am now more involved in my work and days goes by very quickly due to training.	3.06	0.96	

Contrast to Working Environment, Training and Development has the lowest mean of all factors whose mean is 3.13 belonging to the Neutral group. The range of each item's mean is quite small so it can be concluded that the perception of each question is quite consistent.

4.2. Exploratory Factor Analysis (EFA)

Factor analysis is a significant instrument which is utilized in development, refinement, and evaluation of tests, scales, and measures (Williams, Brown et al. 2010). Among the two types of Factor Analysis, Exploratory Factor Analysis suggests that the investigator explores the main variables to create a theory, or model from a relatively large set of latent dimensions often represented by a set of items (Pett, Lackey et al. 2003; Swisher, Beckstead et al. 2004; Thompson 2004; Henson and Roberts 2006). It helps to reduce a large number of variables (factors) into a smaller set. Furthermore, it establishes underlying dimensions between measured factors and latent constructs, thereby allowing the formation and refinement of theory. Moreover, it provides construct validity evidence of self-reporting scales (Gorsuch 1983; Hair, Anderson et al. 1995a; Tabachnick and Fidell 2001; Thompson 2004). In this research, EFA is used to establish the groups of interrelated variables for more meaningful factors.

There are certain indexes that need to be considered to ensure the effective EFA:

- **Kaiser-Meyer-Olkin (KMO):** This index assesses the sampling adequacy (Kaiser 1970). It ranges from 0 to 1, while according to Hair et al. (1995), 0.50 considered suitable for Factor Analysis.
- **Barlette's test:** It indicates the matrix is not an identity matrix and accordingly it should be significant ($p < 0.05$) for factor analysis to be suitable (Hair, Anderson et al. 1995a; Tabachnick and Fidell 2001).
- **Eigenvalue:** According to the K1 – Kaiser's (Kaiser 1960) method, only constructs which has the eigenvalues greater than 1 should be retained for interpretation.

- **Total Variance Explained:** To conduct factor analysis, the total extracted variance must be $\geq 50\%$ (Gerbing & Anderson, 1988).
- **Loading Factor:** In Multivariate Data Analysis, Hair et al. (2010) suggested that factor loading should be at least 0.5 to be accepted.

When doing exploratory factor analysis, the sample-to-item ratio is used to decide sample size based on the number of items in a study. There are $24+31=55$ variables in total to be analyzed while the number of collected qualified responses is 248. According to the conclusions of previous researchers Gorsuch, 1983; Hatcher, 1994; Suhr, 2006, the sample-to-item ratio should not be less than 5-to-1, which means at least 275 responses are required to conduct EFA for 55 variables together. There is another widely cited rule of thumb from Nunnally, 1978 and other researchers (David Garson, 2008; Everitt, 1975) that the subject to item ratio for exploratory factor analysis should be at least 10-to-1. As a result, the ratio between 5-to-1 to 10-to-1 is acceptable. 55 variables should be divided into at least two groups. The first group can be Employee Engagement and Job Characteristics because they are two well-established items, and they comprise of 24 variables which result in the ratio of approximately 10-to-1. The second group is the combination of remaining variable, including Transformational Leadership, Salary, Benefit, Training and Development, Physical Working Environment and Emotional Working Environment. The sample-to-item ratio of the second group is 8-to-1 which is suitable.

When conducting EFA for the first group including EE (Employee Engagement) and JC (job Characteristic), the KMO is 0.787 (between 0 and 1) and significance Barlette's test is 0.000 (less than 0.05) so the EFA methodology is accepted. The Eigen value suggests that 24 independent variables can be compressed into 5 factors whose Eigenvalues are greater than 1 with the Total Variance Explained is 64.7%.

Table 4.13. KMO and Bartlett's Test of Group 1

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.787
Bartlett's Test of Sphericity	Approx. Chi-Square	3650.303
	df	276
	Sig.	.000

The rotated component matrix below illustrates the factor loading and grouping of 5 factors.

Table 4.14. Rotated matrix of Group 1

	Component				
	1	2	3	4	5
EE8	.821				
EE4	.785				
EE6	.771				
EE1	.753				
EE2	.749				
EE9	.733				
EE7	.733				
EE5	.720				
EE3	.542				
JC_TS1		.752			
JC_TS2		.727			
JC_SV3		.714			
JC_TS3		.680			
JC_SV2					

	Component				
	1	2	3	4	5
JC_FB1			.855		
JC_FB3			.821		
JC_FB2			.697		
JC_TI3				.681	
JC_TI1				.625	
JC_TI2				.591	
JC_SV1				-.539	
JC_AU1					
JC_AU3					.823
JC_AU2					.743

Among all variables, JC_SV2 and JC_AU1 have factor loadings lower than the standard (0.5). Therefore, it seems to be irrelevant to the 5 factors and they are considered to be eliminated. Besides, JC_SV1 shows the negative factor loading which is not suitable for the model.

In the second time of analysis, 21 variables will be analyzed in which JC_SV1, JC_SV2 and JC_AU1 are removed.

Table 4.15. KMO and Bartlett's Test of Group 1 (2nd time)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.811
Bartlett's Test of Sphericity	Approx. Chi-Square	3108.886
	df	210
	Sig.	.000

The KMO is 0.811 (between 0 and 1) and significance Barlette's test is 0.000 (less than 0.05) so the EFA methodology is accepted. 5 factors still have accepted Eigenvalues and Total Variance Explained slightly increases to 67.3%. It means that 5 extracted factors explain 67.3% of the variation of the observed data.

The rotated component matrix of the second time is illustrated as below:

Table 4.16. Rotated matrix of Group 1 (2nd time)

	Component				
	1	2	3	4	5
EE8	.811				
EE4	.796				
EE6	.780				
EE2	.752				
EE1	.747				
EE5	.734				
EE7	.716				
EE9	.713				
EE3	.514				
JC_TS1		.765			
JC_TS2		.743			
JC_TS3		.719			
JC_SV3		.658			
JC_FB1			.862		
JC_FB3			.816		
JC_FB2			.728		
JC_TI1				.783	

	Component				
	1	2	3	4	5
JC_TI3				.738	
JC_TI2				.619	
JC_AU3					.834
JC_AU2					.740

In the 2nd analysis, 21 variables are distributed into 5 factors. In factor 2, there is a mix between Task Significance and Skill Variety. The question of JC_SV3 is “The job requires me to use a number of complex or high-level skills”. The Task Significance group refers to the meaning associated with task which has remarkable effect on the well-being of others. JC_SV3 is purely about the skill requirements without any relation with the meaning of task. It can be concluded that JC_SV3 is not supposed to belong to factor 2.

In the third time of analysis, 20 variables will be analyzed in which JC_SV3 is removed.

Table 4.17. KMO and Bartlett’s Test of Group 1 (3rd time)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.818
Bartlett’s Test of Sphericity	Approx. Chi-Square	2959.514
	df	190
	Sig.	.000

The KMO, significance Barlette’s test and Eigenvalues are all accepted. The Total Explained Variance has slightly increased to 68.4%

Table 4.18. Rotated matrix of Group 1 (3rd time)

	Component				
	1	2	3	4	5
EE8	.810				
EE4	.797				

	Component				
	1	2	3	4	5
EE6	.777				
EE2	.752				
EE1	.748				
EE5	.732				
EE9	.711				
EE7	.707				
EE3	.529				
JC_FB1		.868			
JC_FB3		.810			
JC_FB2		.730			
JC_TI1			.796		
JC_TI3			.744		
JC_TI2			.616		
JC_TS1				.782	
JC_TS2				.753	
JC_TS3				.725	
JC_AU3					.846
JC_AU2					.778

In the 3rd time of EFA, 20 variables have been properly placed into 5 factors: EE, JC_FB, JC_TI, JC_TS and JC_AU. After 3 times of conducting EFA, the Skill variety group is completely removed from the analysis.

Coming to the second group of 31 variables, the EFA will be continued to explore the suitable variable grouping.

Table 4.19. KMO and Bartlett's Test of Group 2

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.809
Bartlett's Test of Sphericity	Approx. Chi-Square	7113.023
	df	465
	Sig.	.000

The KMO is 0.809 (between 0 and 1) and significance Barlette's test is 0.000 (less than 0.05) so the EFA methodology is accepted. The Eigen value suggests that 31 independent variables can be compressed into 6 factors whose Eigenvalues are greater than 1 with the Total Variance Explained is 73.8%.

Table 4.20. Rotated matrix of Group 2

	Component					
	1	2	3	4	5	6
TL7	.857					
TL6	.850					
TL5	.838					
TL4	.825					
TL1	.809					
TL3	.798					
TL2	.783					
WE_EMO3	.606					
WE_EMO4	.593					.556
TD6		.855				
TD5		.805				

	Component					
	1	2	3	4	5	6
TD3		.790				
TD2		.787				
TD4		.759				
TD1		.580				
BEN4			.797			
BEN2			.761			
BEN5			.725			
SAL5			.657			
BEN3			.598			
BEN1			.575			
SAL2				.837		
SAL3				.812		
SAL1				.751		
SAL4				.526		
WE_PHY3					.854	
WE_PHY2					.834	
WE_PHY1					.796	
WE_PHY4					.647	
WE_EMO2						.735
WE_EMO1						.726

Among all variables, WE_EMO4 has good factor loadings in both factor 1 and factor 6. The difference of the loadings is 0.037. According to Nguyen Dinh Tho in Phuong

pháp nghiên cứu khoa học trong kinh doanh (2010) (Scientific research methods in business), when an observing variable has factor loadings in 2 factors and the difference is less than 0.2, it should be eliminated from the analysis.

In the second time of analysis, 30 variables will be analyzed in which WE_EMO4 is removed.

Table 4.21. KMO and Bartlett's Test of Group 2 (2nd time)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.801
Bartlett's Test of Sphericity	Approx. Chi-Square	6658.455
	df	435
	Sig.	.000

The KMO and significance Barlette's test are 0.801 and 0.000 respectively, which means EFA is relevant. Eigenvalues is higher than 1 when Total Variance Explained remains almost the same at 73.7%. The rotated component matrix of the second time displayed in the following table:

Table 4.22. Rotated matrix of Group 2 (2nd time)

	Component					
	1	2	3	4	5	6
TL7	.859					
TL6	.856					
TL5	.840					
TL4	.828					
TL1	.807					
TL3	.799					
TL2	.787					

	Component					
	1	2	3	4	5	6
WE_EMO3	.609					
TD6		.855				
TD5		.807				
TD3		.790				
TD2		.790				
TD4		.757				
TD1		.581				
BEN4			.797			
BEN2			.772			
BEN5			.730			
SAL5			.646			
BEN3			.580			
BEN1			.573			
SAL2				.834		
SAL3				.817		
SAL1				.754		
SAL4				.533		
WE_PHY3					.854	
WE_PHY2					.836	
WE_PHY1					.796	
WE_PHY4					.651	

	Component					
	1	2	3	4	5	6
WE_EMO1						.738
WE_EMO2						.715

The result reveals that WE_EMO3 is grouped with Transformational Leadership items. The question of WE_EMO3 is “My supervisor gives me adequate information about my job”, which is about the role of the supervisor, too. However, it does not apparently show the connection with any of the 4 Transformation Leadership factors: idealized influence, inspirational motivation, intellectual stimulation, and individual consideration.

Similarly, SAL5 is mixed with Benefit group, too. SAL is about salary increment (The company has a regular salary increase policy for employees). Since Benefit questions are describing the welfare of employees such as allowance, health check-up and insurance. It will be quite confusing if SAL5 is kept in the Benefit group.

For a better and clearer scale, WE_EMO3 and SAL 5 should be removed from the model in the 3rd EFA.

Table 4.23. KMO and Bartlett’s Test of Group 2 (3rd time)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.826
Bartlett’s Test of Sphericity	Approx. Chi-Square	5918.857
	df	378
	Sig.	.000

The KMO, significance Barlette’s test and Eigenvalues are all accepted. 6 extracted factors explain 74.4% of the variation of the observed data.

Table 4.24. Rotated matrix of Group 2 (3rd time)

	Component					
	1	2	3	4	5	6
TL7	.854					
TL6	.852					
TL4	.849					
TL5	.835					
TL1	.804					
TL3	.798					
TL2	.789					
TD6		.854				
TD5		.813				
TD2		.790				
TD3		.789				
TD4		.762				
TD1		.579				
BEN4			.796			
BEN2			.793			
BEN5			.770			
BEN3			.572			.538
BEN1			.561			
WE_PHY3				.857		
WE_PHY2				.853		

	Component					
	1	2	3	4	5	6
WE_PHY1				.779		
WE_PHY4				.675		
SAL2					.835	
SAL3					.828	
SAL1					.757	
SAL4					.559	
WE_EMO1						.756
WE_EMO2						.733

The same issue of WE_EMO4 in the earlier test happens to BEN3 whose factor loadings seem to be significant is both factor 3 and 6. Similar to WE_EMO4, BEN3 will be eliminated and the EFA of group 2 should be continued.

Table 4.25. KMO and Bartlett's Test of Group 2 (4th time)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.837
Bartlett's Test of Sphericity	Approx. Chi-Square	5671.778
	df	351
	Sig.	.000

The KMO, significance Bartlett's test and Eigenvalues are all accepted. The Total Explained Variance has minimally risen to 75.3%

Table 4.26. Rotated matrix of Group 2 (4th time)

	Component					
	1	2	3	4	5	6
TL6	.855					
TL7	.850					
TL4	.842					
TL5	.839					
TL1	.801					
TL3	.797					
TL2	.786					
TD6		.853				
TD5		.816				
TD3		.787				
TD2		.778				
TD4		.774				
TD1		.567				
BEN2			.803			
BEN4			.779			
BEN5			.771			
BEN1			.628			
WE_PHY2				.856		
WE_PHY3				.853		
WE_PHY1				.782		

	Component					
	1	2	3	4	5	6
WE_PHY4				.671		
SAL2					.835	
SAL3					.835	
SAL1					.772	
SAL4					.519	
WE_EMO2						.770
WE_EMO1						.720

In this 4th time, 27 variables of Group 2 have been grouped into 6 factors reasonably, including TL, TD, BEN, WE_PHY, SAL, WE_EMO.

Table 4.27. EFA Result of Independent Variables

Factor	Variable	Factor's Name
1	EE1, EE2, EE3, EE4, EE5, EE6, EE7, EE8, EE9 (9)	Employee Engagement
2	JC_FB1, JC_FB2, JC_FB3 (3)	Feedback
3	JC_TI1, JC_TI2, JC_TI3 (3)	Task Identity
4	JC_TS1, JC_TS2, JC_TS3 (3)	Task Significance
5	JC_AU2, JC_AU3 (2)	Autonomy
6	TL1, TL2, TL3, TL4, TL5, TL6, TL7 (7)	Transformational Leadership
7	TD1, TD2, TD3, TD4, TD5, TD6 (6)	Training and Development
8	BEN1, BEN2, BEN4, BEN 5 (4)	Benefit
9	WE_PHY1, WE_PHY2, WE_PHY3, WE_PHY4 (4)	Physical Working Environment

Factor	Variable	Factor's Name
10	SAL1, SAL2, SAL3, SAL4 (4)	Salary
11	WE_EMO1, WE_EMO2 (2)	Emotional Working Environment

4.3. Reliability Test with Cronbach's Alpha

After conducting EFA, the scale has been changed, so Cronbach's Alpha will support to reconfirm the consistency of the newly established scale. Cronbach's Alpha will review the correlation of items in each factor and the number should be 0.7 and above to be considered as reliable (Cortina, 1993).

Another index which is important is Correlated Item – Total Correlation. Its value shows the correlation between observed variable with remaining variables in the scale. The higher the Correlated Item – Total Correlation is, the better the observed variable is. A scale is considered to be acceptable if all observed variables have Correlated Item – Total Correlation is at least 0.3 (Cristobal et al., 2007).

Table 4.28. Summary of Correlated Item – Total Correlation and Cronbach's Alpha

Factor	Variable	Correlated Item – Total Correlation	Cronbach's Alpha
Employee Engagement (EE)	EE1	0.737	0.912
	EE2	0.741	
	EE3	0.522	
	EE4	0.718	
	EE5	0.689	
	EE6	0.750	
	EE7	0.651	
	EE8	0.813	
	EE9	0.657	

Factor	Variable	Correlated Item – Total Correlation	Cronbach's Alpha
Feedback (JC_FB)	JC_FB1	0.756	0.796
	JC_FB2	0.499	
	JC_FB3	0.681	
Task Identity (JC_TI)	JC_TI1	0.592	0.715
	JC_TI2	0.499	
	JC_TI3	0.513	
Task Significance (JC_TS)	JC_TS1	0.540	0.708
	JC_TS2	0.550	
	JC_TS3	0.492	
Autonomy (JC_AU)	JC_AU2	0.753	0.859
	JC_AU3	0.753	
Transformational Leadership (TL)	TL1	0.872	0.954
	TL2	0.839	
	TL3	0.826	
	TL4	0.826	
	TL5	0.778	
	TL6	0.845	
	TL7	0.905	
Training and Development (TD)	TD1	0.633	0.922
	TD2	0.812	
	TD3	0.824	

Factor	Variable	Correlated Item – Total Correlation	Cronbach's Alpha
	TD4	0.746	
	TD5	0.837	
	TD6	0.807	
Benefit and Policy (BEN)	BEN1	0.607	0.826
	BEN2	0.609	
	BEN4	0.677	
	BEN5	0.728	
Physical Working Environment (WE_PHY)	WE_PHY1	0.689	0.857
	WE_PHY2	0.747	
	WE_PHY3	0.724	
	WE_PHY4	0.657	
Salary (SAL)	SAL1	0.653	0.825
	SAL2	0.710	
	SAL3	0.709	
	SAL4	0.535	
Emotional Working Environment (WE_EMO)	WE_EMO1	0.548	0.689
	WE_EMO2	0.548	

Based on the above result, since all Correlated Item – Total Correlation numbers are above 0.3 and all Cronbach's Alpha numbers are above 0.7, except WE_EMO (Emotional Working Environment). According to Cortina (1993), the Cronbach's Alpha

		EE	JC_FB	JC_TI	JC_TS	JC_AU	TL	TD	BEN	WE_PHY	SAL
JC_TI	Coeff.			1	.376**	.288**	.227**	.223**	.011	.102	.277**
	Sig.				.000	.000	.000	.000	.861	.110	.000
JC_TS	Coeff.				1	.244**	.284**	.139*	-.055	-.018	.075
	Sig.					.000	.000	.029	.388	.776	.242
JC_AU	Coeff.					1	.299**	.315**	.166**	.194**	.146*
	Sig.						.000	.000	.009	.002	.022
TL	Coeff.						1	.605**	.372**	.251**	.372**
	Sig.							.000	.000	.000	.000
TD	Coeff.							1	.432**	.339**	.387**
	Sig.								.000	.000	.000
BEN	Coeff.								1	.382**	.430**
	Sig.									.000	.000
	N									248	248
WE_PHY	Coeff.									1	.394**
	Sig.										.000
SAL	Coeff.										1
	Sig.										

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

When considering the relationship between dependent variables and independent variables, all variables except benefit have p-values less than 0.05, which means they have the linear correlation with Employee Engagement. The p-value of coefficient between BEN and EE is 0.295, higher than 0.05 so there might be no linear relationship between these 2 variables. As a result, BEN will be removed in the multiple linear regression model.

When considering the relationship among independent variables, to avoid the multicollinearity, they should have no strong or moderate linear relationship, which means

p-value should be higher than 0.05 and coefficient should be less than 0.5 (low or negligible correlation). According to Table 4.6.1, the p-value of almost all variables are higher than 0.05 which confirms the linear relationship among independent variables. However, the relationship is quite low, except the relationships between TL and TD. These 2 factors will be taken into consideration when testing VIF in the multiple linear regression.

4.5. Multiple linear regression analysis

The multiple linear regression model is the most applied statistical technique for relating a set of two or more variables. (Tranmer 2008). This measures the relationships and impacts of the variables on Employee Engagement. The absolute of the coefficient closer to 1.0 illustrates the stronger relationship. P-value < 0.05 will be considered as statistically significant (McLeod, 2023).

Table 4.30. ANOVA Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	83.216	8	10.402	27.911	.000 ^b
	Residual	89.072	239	0.373		
	Total	172.287	247			

The p-value of F-test is 0.000 and less than 0.05 so it can be concluded that this model is statistically significant and acceptable.

Table 4.31. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.695a	0.483	0.466	0.61048

R-Squared (R^2 or the coefficient of determination) determines the proportion of variance in the dependent variable that can be explained by the independent variable. In other words, R-squared shows how well the data fit the regression model. In this case, the adjusted R squared is 46.6%, which means 8 independent variables can explain 46.6% employee engagement in this model.

Table 4.32. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	-1.056	.327		-3.229	.001		
TL	.274	.056	.312	4.869	.000	.525	1.903
TD	.009	.065	.009	.138	.890	.564	1.773
JC_FB	-.012	.063	-.011	-.196	.845	.666	1.501
JC_TI	.312	.066	.254	4.731	.000	.749	1.335
JC_TS	.109	.057	.101	1.922	.056	.783	1.278
JC_AU	.146	.047	.166	3.126	.002	.768	1.302
WE_PHY	.228	.062	.194	3.683	.000	.782	1.279
SAL	.098	.063	.086	1.544	.124	.694	1.441

The coefficients of variance exaggeration VIF of the variables are from 1.279 to 1.903 which are less than 10, proving that the regression model does not have multicollinearity (Hoang Trong & Chu Nguyen Mong Ngoc, 2005). The model has statistical significance. The p-value (sig) is required to be less than 0.05 to make the relationship statistically significant. In this test, it can be concluded that TD, JC_FB, JC_TS and SAL do not have relationship with EE since their sig. coefficients are 0.890, 0.845, 0.056 and 0.124 respectively, all of which are higher than 0.05.

Table 4.33. Hypothesis Testing Result Summary

Hypothesis			Correlation	Result
1a	Skill variety has a positive impact on employee engagement	JC_SV	(+)	Not Tested

Hypothesis			Correlation	Result
1b	Task Significance has a positive impact on employee engagement	JC_TS	(-)	Not Supported
1c	Task Identity has a positive impact on employee engagement	JC_TI	(+)	Supported
1d	Feedback has a positive impact on employee engagement	JC_FB	(+)	Not Supported
1e	Autonomy has a positive impact on employee engagement	JC_AU	(+)	Supported
2	Salary has a positive impact on employee engagement	SAL	(+)	Not Supported
3	Benefit has a positive impact on employee engagement	BEN	N/A	Not Tested
4a	Physical working environment has a positive impact on employee engagement	WE_PHY	(+)	Supported
4b	Emotional working environment has a positive impact on employee engagement	WE_EMO	(+)	Not Tested
5	Transformational Leadership has a positive impact on employee engagement	TL	(+)	Supported
6	Training & Development has a positive impact on employee engagement	TD	(-)	Not Supported

The multiple regression equation is stated as follow:

$$EE = -1.056 + 0.312*JC_TI + 0.274*TL + 0.228*WE_PHY + 0.146*JC_AU + \varepsilon$$

Among 4 variables, Job Characteristic – Task Identity has the strongest impact on Employee Engagement whose coefficient is 0.312. Every 1-unit increase in JC_TI will cause EE to increase by 0.312 unit. The level of impact of the remaining factors are Transformational Leadership, Physical Working Environment and Job Characteristics – Autonomy respectively. Every 1-unit increase in TL, WE_PHY or JC_AU will cause EE to increase by 0.274, 0.228 and 0.146 orderly.

However, the unit of each variable is different. Therefore, all variables should be converted to a common scale by subtracting the mean and dividing by the standard deviation.

And the standardized regression equation is stated as follow:

$$EE = 0.312*TL + 0.254*JC_TI + 0.194*WE_PHY + 0.166*JC_AU + \varepsilon$$

After standardizing, the ranking of impact has been changed. Transformation Leadership becomes the most impactful variable with the coefficient of 0.312. Job Characteristic – Task Identity, Physical Working Environment and Job Characteristics – Autonomy follows. Their coefficients of these variables are 0.312, 0.254, 0.194 and 0.166.

Table 4.34. Coefficient & Mean of accepted variables

Variable	Coefficient	Mean
TL	0.312	3.40
JC_TI	0.254	3.46
WE_PHY	0.194	4.08
JC_AU	0.166	3.50

TL has the strongest impact but the mean is the lowest. On the contrary, JC_AU has the weakest impact but the mean is the second highest among all. It is possible that the Companies of the respondents may have improper HR policies to increase the engagement of their employees. Based on the result of this research, certain recommendations can be given to improve the employee engagement in a more effective way.

CHAPTER 5

CONCLUSION AND RECOMMENDATION

This chapter summarizes the key findings of the research and proposes recommendations accordingly to maximize the engagement of the Gen Z employees, thus, retain the young labor workforce and maintain the manpower stability.

5.1. Implications and Conclusions

To verify the hypothesis of employee engagement, a survey has been conducted for Gen Z who are working in Vietnam. There are 248 respondents whose year of birth is mostly from 1997 to 2003. 248 respondents are distributed evenly in male & female groups (46.8% versus 52.8%) and come from 27 different industries, ensuring the diversity of the sample. Due to the young age, 82.7% of the respondents have less than 3 years of seniority and 86.7% are either staff or intern level. Generally speaking, the information collected through this survey showcase the opinions of entry-level employees in organizations across different industries.

Through literature review, 11 factors have been chosen to be tested for their relationship with employee engagement factor. After conducting the analysis using SPSS (EFA and Reliability Test), only **4 factors are confirmed to have positive relationship with Employee Engagement.**

The first factor which has the strongest impact on engagement is Transformational Leadership ($\beta = 0.312$). For the young employees who have recently joined the organization, leaders play a significant role in supporting them to get familiar with the working environment and the work itself. Since most of them have little working experience, no established working style or unclear career path, the leader is the person who directs and guides them toward organizational and personal goals. Compared to other

leadership styles, Transformational Leadership focuses on inspiring and motivating followers to achieve their highest potential, which is highly important for the youth who are full of enthusiasm and energy. The result about positive relationship of Transformational Leadership and Employee Engagement of this research confirms the findings of Tims, Bakker, and Xanthopoulou (2011); Breevaart et al. (2014); Mukulu (2015) and Ibrahim (2021).

The second most Impactful factor is Task Identity in the Job Characteristics group ($\beta = 0.254$). Task identity refers to the degree to which a job allows an employee to complete a whole, identifiable piece of work from start to finish, rather than contributing a small part. When employees can see a project or task through its entirety, it provides a sense of accomplishment and purpose. Gen Z is known as the generation who is ambitious and has a thirst for self-actualization. Therefore, they may want to seek their own values at work and see the tangible result of their contribution. Gen Z values autonomy and ownership in their roles, and task identity supports this by allowing them to oversee and manage a task from beginning to end. And this implication can be driven from another result of this research that Autonomy ($\beta = 0.166$) has positive relationship with Employee Engagement. Both Task Identity and Autonomy are sub-sets of Job Characteristics. The positive influence of these two factors on Employee Engagement is consistent with previous researches of Hackman and Oldham (1976); Salanova, Agut, and Peiró (2005); Saks (2006); Parker and Parker and Ohly (2008).

Last but not least, Physical Working Environment has established a positive relationship with Employee Engagement ($\beta = 0.194$). The physical environment in this research includes the lighting, air, temperature, working space and security. The employees spend half of their day at the workplace, so it is apparent that the working environment has considerable impact on their engagement. Once employees secured and comfortable, can they enjoy the atmosphere and focus on work. The conclusion of Sundstrom, Town, Rice, Osborn and Brill (1994); McCoy and Evans (2005); Haynes (2008) has been supported by this research.

Besides 4 accepted factors, during the Reliability test, *4 factors have been rejected* due to their statistical non-significance namely Task Significance, Feedback, Salary, Training & Development.

Regarding the Task Significance, the finding of this paper is contrast in with those of Saks (2006) and Bailey, Madden, Alfes and Fletcher (2017). According to those studies, when employees perceive their jobs as having a significant purpose, they are more likely to feel emotionally connected to their work, leading to greater engagement. Employee engagement, in turn, was associated with positive outcomes such as job satisfaction, organizational commitment, better job performance, higher productivity and lower turnover intentions. While this research focuses on Generation Z, the 3 above studies do not specifically target any one generation. The perception of people at different stages of their life may vary. Therefore, this study concludes that the Task Significance at the early stage of the career does not seem to drive their engagement considerably.

According to Gallup Q12 meta-analysis by Harter et al. (2009), regular and constructive feedback was found to be critical in fostering engagement. Employees who receive meaningful feedback are more likely to feel valued and connected to their roles. This research yields a different conclusion since Gallup is comprehensive research with data integrated from 456 studies, covering 276 organizations, 112,312 business units, and over 2.7 million employees. Due to the huge sample, the result of Gallup Q12 may be more generalizable for all employees all over the world, not specifically the small-scope survey focusing on a specific group in Vietnam with more than 200 respondents.

Different from the non-significant impact of Salary, the study by Farndale and Murrer (2015) concluded that financial reward had a positive impact on employee engagement across Mexico, the Netherlands, and the USA. Zafar et al. (2020) and Mansoor et al. (2015) confirmed the positive influence of pay on employee engagement. However, these studies were conducted for people from Mexico, Netherlands, USA and Pakistan who have completely different culture, social and political context different from people in Vietnam. That is the possible reason for the different perception about the impact of salary.

The conclusion about Training & Development factor in this paper runs contrary to a part of the findings in Ibrahim (2021) which stated that integrated with supportive leadership and well-being strategies, Training & Development plays a critical role in fostering sustained engagement. Besides, Afroz (2018) also demonstrated that employee training significantly enhances engagement, motivation, and job satisfaction, which collectively improve overall employee performance. However, the research subjects of these 2 studies have different characteristics from this study's subject. Ibrahim (2021) studied about Malaysian people in the context of COVID-19 when it was the best time for self-reflection and up-skilling since there are more time and opportunities available world-wide. Afroz (2018)'s key focus is banking sector in Bangladesh which certainly possess the characteristics of finance industry. This study on the other hand is collecting the opinions of young people in Vietnam from various industries at normal social context when COVID-19 is over.

5.2. Recommendations

When investigating the collected data, it can be inferred that the engagement of Gen Z working in Vietnam is at average level only (3.19/5.00) which leaves significant room to be improved. The current policies that the organizations are applying seem to be not fully effective. Transformational Leadership is the most impactful factor but the frequency is the lowest among 4 factors (3.40), which means the supervisors seem not to often perform the traditional leadership at work. On the other hand, the employees' agreement of physical working environment whose impact ranking is 3 out of 4 is the highest, which means employees perceive their office as safe and well-equipped to work. To effectively improve the engagement of employees then optimize the resources, the Management Board of each organization should prioritize and invest in the right factors with suitable policies.

As the result of regression analysis on SPSS, Transformational Leadership should be the top priority of the organizations. Moreover, Gen Z values meaning in their work and tends to engage with leaders who inspire them to contribute to a greater cause. To

promote this, *the vision-driven culture needs to be fostered* as the core of transformational leadership is motivation and inspiration with shared purposes. As mentioned in the earlier chapter, Gen Z are aspired to career goal and prefer in-person communication, the leaders should have direct meetings to share company's vision with personal stories aligning with company's values to inspire authenticity as well as highlight how individual roles connect to broader societal impact.

Besides, the management team is required to possess the traits of a transformational leader. Therefore, transformational leadership should be added into the List of Management's Competency and reflected into HR activities, including Promotion, Evaluation and Development. This trait should be one of the *criteria of promotion assessment*. A person is considered ready for promotion to management level when he can communicate about the vision and be a role model and influence his subordinates. In terms of year-end evaluation, transformational leadership is a criterion to gauge *the management performance*, too. A *360-degree feedback* can be conducted to determine whether the managers effectively apply the transformational leadership at the workplace from the viewpoints of his manager, peers and subordinates. Regarding Development, *Leadership Development Programs* for management team should be invested intensively. Courses equipping transformational leadership skills, such as effective communication, emotional intelligence, vision-building, and motivational techniques should be offered to the managers. Regular workshops or mentorship programs with experienced leaders can provide emerging leaders with practical insights and confidence. Gen Z value skill enhancement and desire for personal growth is their top priorities of their early stage in life. Therefore, the transformational leaders should be trained to be coaches to provide continuous support and development.

As employees with limited experience, the employees can recognize the task identity when they are *clearly informed about their own roles and their connection with other functions* in the company or other members in the project. The role must be *broken down into well-defined tasks* which contribute to the company's goal. Whenever possible, it is encouraged to *assign the tasks that allow employees to supervise the entire process*

rather than only specific parts, which reinforces the sense of achievement and meaningful contribution. Gen Z are striving to prove their capabilities and value the jobs that offer opportunities for skill development. For this Gen-tech, the organizations can use the platforms that make the contribution visible. For example, dashboards or real-time reports showcasing how the result of individuals contributes to key metrics of the teams and how the result of the team contributes to the goal of the whole company.

The third ranked factor affecting the employee engagement is physical working environment. The companies seem to be doing quite well since the level of agreement about this item is among the highest. The reason might come from the requirement of the Law which protects the labor from any possible occupational accidents. Each organization is required to meet the minimum standard set by the Ministry of Labor Invalids and Social Affairs (MOLISA), which creates the sense of security for the employees at the workplace. However, the better physical working environment can increase the engagement accordingly. Apart from working space, other areas can be taken into consideration such as smoking area, pantry, refreshing corner with entertainment tools. For the work which demands innovation and creativity, the office design and layout matter. ***The design and arrangement of the workplace should be suitable for the job requirements and characteristics*** to bring the highest efficiency. Since Gen Z are social and environmental responsible, the workplace should be designed in an eco-friendly way such as natural lightning, sustainable material and recycled furniture. To satisfy the needs for social interaction of Gen Z, collaborative corners, including informal meeting areas for quick discussions, writable walls or digital boards for brainstorming or coffee bars for chit chat during break time. As iGeneration, gen Z may expect modern technology to support productivity and connectivity. The workplace should provide them with sufficient equipment and system to work effectively: the meeting room with conference tools to connect with business partners and colleagues anywhere at any time; the system to reduce manual and administrative work; collaborative platforms like MS Teams, Workplace or Zoom to enhance transparent and convenient communication.

Similar to task identity, autonomy can be improved through the *vision-driven culture*. The achieved values are the ultimate goals rather than micro business results. Granting employees the right to determine the best way to achieve their goals emphasizes results over rigid procedures, reinforcing their independence and confidence in managing their work. As Gen Z value independence and always want to prove their abilities, the organizations can create innovation labs or hackathons where the young can generate creative solutions and have a chance to present their ideas to management team. At the same time, each organization should *establish a clear authorization rule* in which the responsibility and rights are clearly defined. The employees are empowered to make decision within their areas of responsibility and make choices on smaller decisions, building their confidence and reducing the burden for managers while promoting a culture of trust. To fully take responsibility and autonomy at work, the employees need to be provided with *sufficient skills and knowledge via training courses and mentoring*. To be suitable with Gen Z trainees, the training is required to be interactive and incorporate new trends and cutting-edge technology. The training can be a combination between online and onsite. The online should be better utilized more as it can reach larger group and suitable for the digital natives. The courses can be set up on e-learning system or virtual via platforms. The employees should be entitled to choose the courses that are most relevant to their career growth under the guidance and suggestion of HR and leaders. This approach demonstrates trust in their ability to guide their own professional development, leading to increased engagement and satisfaction.

Considering the Company culture, industry practice and available resources, each company can set priority for aforementioned recommended actions to gradually foster the employee engagement in the mid to long term.

Since all organizations have limited resources, they should be invested in the most relevant items to bring the best result. The results of this study suggest that resources should be allocated for enhancing Transformational Leadership, Task Identity, Physical Working Environment and Autonomy first. According to this study, Task Significance, Feedback, Salary and Training & Development are less significant for employee engagement.

5.3. Limitations

According to the calculation in Chapter 3, the required number of respondents is 384. However, there are only 248 qualified responses which have been recorded, equivalent to 65% of the requirement only. The insufficient number of respondents may limit the representativeness of the data set for the whole population of Gen Z working in Vietnam. Therefore, in the next research, the scope of data collection should be wider to collect more data, securing the generalization of the sample.

This research focuses on the impact of 11 factors on employee engagement, namely Skill Variety, Task Significance, Task Identity, Feedback, Autonomy, Salary, Benefit, etc. However, there are many other factors, such as company branding (Monteiro B. et al., 2020; B.H. Nanwani et al., 2022), nature of work (Katili et al., 2021), company culture (Denison, D. R. and Mishra, A. K., 1995; Cheng, M. Y. and Lee, P. C., 2022), work – life balance (Wijayanto, G., Surjandari, I. and Oetomo, D. S., 2020; Bandekar, D. and Krishna, M., 2020), reward and recognition (Sadilla, V. and Wahyuningtyas, R., 2023) and other factors, have not been considered yet. In the subsequent research, other factors can be investigated and combined to demonstrate a comprehensive picture of employee engagement.

The sample of this study is Generation Z in Vietnam so the generalization of the findings in this study is not possible. It cannot imply the opinions of Gen Y, Gen X, Baby boomers. Further studies can be conducted for other specific generation or a group of samples including all generations.

In this study, the dependent and independent variables are collected at the same time. Due to the cross-sectional nature of this study, causality of independent variables and employee engagement cannot be inferred. Therefore, in future research, a longitudinal design to explore potential causal relationships should be applied. This means the data collection of independent variables should be launched first. After a certain period, the data about employee engagement should be collected to ensure the accuracy of the causality – effect relationship.

REFERENCE

- Afroz, N. N. (2018). Effects of training on employee performance: A study on banking sector, Tangail Bangladesh. (5977)427 , □
- Anitha, J. (2014). Determinants of employee engagement and their impact on employee performance. *International journal of productivity and performance management*, 63(3), 308-323.
- Anphabe. (2024). Khao sat Xu huong nguoi di lam 2024 [Review of Khảo sát Xu hướng người đi làm 2024]. Retrieved 2024, from <https://insights.anphabe.com/>
- Anphabe. (2024). *Khảo sát Xu hướng sinh viên 2024* [Review of *Khảo sát Xu hướng sinh viên 2024*]. <https://employerofchoice.vn/index.html>
- Bailey, C., Madden, A., Alfes, K., & Fletcher, L. (2017). The meaning, antecedents and outcomes of employee engagement: A narrative synthesis. *International journal of management reviews*, 19(1), 31-53.
- Bakker, A. B., & Demerouti, E. (2007). The job demands-resources model: State of the art. *Journal of managerial psychology*, 22(3), 309-328.
- Balakrishnan, C., Masthan, D., & Chandra, V. (2013). Employee retention through employee engagement-A study at an Indian international airport. *International Journal of Business and Management Invention*, 2(8), 9-16.
- Bandekar, D., & Krishna, M. (2020). Work-family Balance and Employee Engagement in Slovenia.
- Bass, B. M., & Bass Bernard, M. (1985). Leadership and performance beyond expectations.
- Bassiouni, D. H., & Hackley, C. (2014). 'Generation 'childre's adaptation to digital consumer culture: A critical literature review. *Journal of Customer Behaviour*, 13(2), 113-133.
- Breevaart, K., Bakker, A., Hetland, J., Demerouti, E., Olsen, O. K., & Espevik, R. (2014). Daily transactional and transformational leadership and daily employee engagement. *Journal of occupational and organizational psychology*, 87(1), 138-157.

REFERENCE (Cont.)

- Brower, Tracy. "The Gen Z Effect—and How the Youngest Employees Are Shaping the Future." *Forbes*, 9 Apr. 2024, www.forbes.com/sites/tracybrower/2024/04/09/the-gen-z-effect/.
- Byrne, Z. S. (2014). Understanding Employee Disengagement and the Role of Generational and Cultural Influences.
- Carless, S. A., Wearing, A. J., & Mann, L. (2000). A short measure of transformational leadership. *Journal of business and psychology*, 14, 389-405.
- Carmines, E. G., & Zeller, R. A. (1979). Reliability and validity assessment. Sage Publications.
- Catteeuw F, Flynn E, Vonderhorst J (2007), 'Employee engagement: boosting productivity in turbulent times', *Organization Development Journal*, 25 (2), 151–157
- Cheng, M. Y., & Lee, P. C. (2022). Organizational culture and employee engagement: The moderating role of leadership
- Chillakuri, B. (2020). Understanding Generation Z expectations for effective onboarding. *Journal of Organizational Change Management*, 33(7), 1277-1296.
- Chopde, P. T., Singh, V., & Pande, M. (2019). Factors Influencing Employee Engagement in Telecom Organisations. *Journal of Emerging Technologies and Innovative Research*, 6(6), 1-4.
- Cortina, J. M. (1993). What is coefficient alpha? An examination of theory and applications. *Journal of applied psychology*, 78(1), 98.
- Cropanzano, R., & Mitchell, M. S. (2005). Social exchange theory: An interdisciplinary review. *Journal of management*, 31(6), 874-900.
- Cuong, N. Q., Uyen, V. T., & Nhan, N. T. T. (2022). Factors affecting employee commitment of office staff in Ho Chi Minh City. *HO CHI MINH CITY OPEN UNIVERSITY JOURNAL OF SCIENCE-ECONOMICS AND BUSINESS ADMINISTRATION*, 12(1), 51-66.

REFERENCE (Cont.)

- Datche, A. E., & Mukulu, E. (2015). The effects of transformational leadership on employee engagement: A survey of civil service in Kenya. *Journal issues ISSN, 2350, 157X*.
- Deloitte. (2024). Global 2024 Gen Z and Millennial Survey. Deloitte.
- Demerouti, E., Bakker, A. B., Nachreiner, F., & Schaufeli, W. B. (2001). The job demands-resources model of burnout. *Journal of Applied psychology, 86(3)*, 499.
- Denison, D. R., & Mishra, A. K. (1995). Toward a theory of organizational culture and effectiveness. *Organization science, 6(2)*, 204-223.
- Dimock, M. (2019). Defining generations: Where Millennials end and Generation Z begins. Pew Research Center, 17(1), 1-7.
- Dung, T. K. (2005). Đo lường mức độ thỏa mãn đối với công việc trong điều kiện của Việt Nam. *Tạp chí Phát triển Khoa học, 8(1)*, 1-9.
- Dwidienawati, D., & Gandasari, D. (2018). Understanding Indonesia's generation Z. *International Journal of Engineering & Technology, 7(3)*, 245-253.
- Ehambaranathan, E., Samie, A., & Murugasu, S. (2015). The recent challenges of globalization and the role of employee engagement-The case of Vietnam. *International Journal of Human Resource Studies, 5(1)*, 69.
- Engidaw, A. E. (2021). The effect of motivation on employee engagement in public sectors: in the case of North Wollo zone. *Journal of Innovation and Entrepreneurship, 10(1)*, 43.
- Farndale, E., & Murrer, I. (2015). Job resources and employee engagement: A cross-national study. *Journal of managerial psychology, 30(5)*, 610-626.
- Francis, T., & Hoefel, F. (2018). True Gen': Generation Z and its implications for companies. *McKinsey & Company, 12(2)*.
- Gangai, K. N., & Agrawal, S. (2017). Relationship between perceived leadership style and employee engagement in service sector: An empirical study. *Journal of Organisation and Human Behaviour, 6(4)*, 1.

REFERENCE (Cont.)

- Gell, T. (2024) *Factor Analysis: Definition, Types, and Examples*.
<https://www.driveresearch.com/market-research-company-blog/factor-analysis-definition-types-and-examples/>
- Ghauri, Pervez and Grønhaug, Kjell (2005) *Research Methods in Business Studies*, A
- Gifford, J., & Young, J. (2021). *Employee Engagement: An Evidence Review*. Chartered Institute of Personnel and Development (CIPD).
- Glen C (2006), 'Key skills retention and motivation: the war for talent still rages and retention is the high ground', *Industrial and Commercial Training*, 38(1), 37–45
- Hackman, J. R., & Oldham, G. R. (1976). Motivation through the design of work: Test of a theory. *Organizational behavior and human performance*, 16(2), 250-279.
- Harter, J. K., Schmidt, F. L., Killham, E. A., & Agrawal, S. (2009). Q12 meta-analysis: The relationship between engagement at work and organizational outcomes. *Omaha, NE: Gallup*.
- Hassan, M. M., Jambulingam, M., Alagas, E. N., Uzir, M. U. H., & Halbusi, H. A. (2023). Necessities and ways of combating dissatisfactions at workplaces against the Job-Hopping Generation Y employees. *Global Business Review*, 24(6), 1276-1301.
- Haynes, B. P. (2008). The impact of office layout on productivity. *Journal of facilities Management*, 6(3), 189-201.
- Ibrahim, H., Rodzi, M. H. A. M., & Zin, M. L. M. (2021). Factors influencing employee engagement in a financial institution. *Annals of Contemporary Developments in Management & HR (ACDMHR)*, 3(1), 33-42.
- Idaszak, J. R., & Drasgow, F. (1987). A revision of the Job Diagnostic Survey: Elimination of a measurement artifact. *Journal of applied psychology*, 72(1), 69.
- International Labour Organization (ILO). (2016). *Promoting diversity and inclusion through workplace adjustments: A practical guide*.

REFERENCE (Cont.)

- Jim Harter (2024, February 27). The New Challenge of Engaging Younger Workers. Gallup.com. <https://www.gallup.com/workplace/610856/new-challenge-engaging-younger-workers.aspx>
- Katili, P. B., Wibowo, W., & Akbar, M. (2021). The effects of leaderships styles, work-life balance, and employee engagement on employee performance. *Quantitative Economics and Management Studies*, 2(3), 199-205.
- Kenexa (2008), *Engaging The Employee: A Kenexa Research Institute World Trends Report.*, Kenexa Research Institute
- Koopmans, L., Bernaards, C., Hildebrandt, Buuren, S., Van der Beek, A. J., & De Vet, H. C. (2012). Development of an individual work performance questionnaire. *International journal of productivity and performance management*, 62(1), 6-28.
- Kothari, C. R. (2004). *Research methodology: Methods and techniques.* New Age International.
- Kupczyk, T., Rupa, P., Gross-Golacka, E., Urbanska, K., & Parkitna, A. (2021). Expectations and requirements of Generation Z towards salary.
- Kyriazos, T., & Poga, M. (2023). Dealing with multicollinearity in factor analysis: the problem, detections, and solutions. *Open Journal of Statistics*, 13(3), 404-424.
- Liu, Z. A. (2016). Study on the development of structure model of engagement for knowledge employee. *Business management*, 11, 65-69.
- Macey, W. H., & Schneider, B. (2008). The meaning of employee engagement. *Industrial and organizational psychology*, 1(1), 3-30. <https://doi.org/10.1111/j.1754>
- Macky, K., Gardner, D., & Forsyth, S. (2008). Generational differences at work: Introduction and overview. *Journal of managerial psychology*, 23(8), 857-861.
- Mandelbaum, A. (2016). What Should Your Hotel Know About Generation Z? [Online] Available at: <https://lodgingmagazine.com/what-should-your-hotel-know-about-generation-z/>

REFERENCE (Cont.)

- Mansoor et al. (2015). The Impact of Pay on Job Satisfaction and Employee Loyalty
- Markos, S., & Sridevi, M. S. (2010). Employee engagement: The key to improving performance. *International journal of business and management*, 5(12), 89.
- Maslach, C., & Leiter, M. P. (2008). Early predictors of job burnout and engagement. *Journal of applied psychology*, 93(3), 498.
- Maslach, C., Schaufeli, W. B., & Leiter, M. P. (2001). Job burnout. *Annual review of psychology*, 52(1), 397-422.
- May DR, Gilson RL, Harter LM (2004), 'The psychological conditions of meaningfulness, safety and availability and the engagement of the human spirit at work', *Journal of Occupational and Organisational Psychology*, 77, 11–37
- McCoy, J. M., & Evans, G. W. (2005). Physical work environment. *Handbook of work stress*, 219-245.
- McCurdy, C., & Murphy, L. (2024). (rep.). *We've only just begun: Action to improve young people's mental health, education and employment*. London: Resolution Foundation. Retrieved from <https://www.resolutionfoundation.org/app/uploads/2024/02/Weve-only-just-begun.pdf>.
- Mcleod, S. (2023). P-Value And Statistical Significance: What It Is & Why It Matters. *Simply Psychology*.
- Medlin, B., & Green Jr, K. W. (2014). Impact of management basics on employee engagement. *Academy of Strategic Management Journal*, 13(2), 21.
- Melcrum (2007), *The Practitioner's Guide to: essential techniques for employee engagement*, Melcrum Publishing Limited
- Mercer (2007), *Exploring the Global Drivers of Employee Engagement*, www.mercer.com/referencecontent.htm?idContent=1281670
- Meskelis, S. (2017). *An investigation of the relationship among honesty-humility, authentic leadership and employee engagement* (Doctoral dissertation).

REFERENCE (Cont.)

- Mihelich, M. (2013). Worker centers are center of attention. *Workforce*, 92(11), 24-26.
- Monteiro, B., Santos, V., Reis, I., Sampaio, M. C., Sousa, B., Martinho, F., ... & Au-Yong-Oliveira, M. (2020). Employer branding applied to SMEs: A pioneering model proposal for attracting and retaining talent. *Information*, 11(12), 574.
- Nanwani, B. H., & Mulani, S. (2022). A Study on Impact of Employer Branding on Employee Engagement and Employee Satisfaction. *NeuroQuantology*, 20(19), 4645.
- Nuraya, A. S., & Pratiwi, D. (2017). The effect of work environment and salary on motivation and the impact on employee job satisfaction in Indonesia Tourism Development Corporation (Persero). *Jurnal Ilmu Manajemen & Ekonomika*, 9(2), 122-132.
- Paek, S., Schuckert, M., Kim, T. T., & Lee, G. (2015). Why is hospitality employees' psychological capital important? The effects of psychological capital on work engagement and employee morale. *International journal of hospitality management*, 50, 9-26.
- Parker, S. K., & Ohly, S. (2008). Designing motivating jobs: An expanded framework for linking work characteristics and motivation. In *Work Motivation* (pp. 260-311). Routledge. Practical Guide, Prentice Hall, England ISBN: 0-273-68156-7
- PwC. (2023). Global Workforce Hopes and Fears Survey [Review of Global Workforce Hopes and Fears Survey.
- Robertson-Smith, G., & Markwick, C. (2009). *Employee engagement: A review of current thinking*. Brighton: Institute for Employment Studies.
- Robinson D (2007), 'Engagement is marriage of various factors at work', *Thought Leaders*
- Rothbard, N. P. (2001). Enriching or depleting? The dynamics of engagement in work and family roles. *Administrative science quarterly*, 46(4), 655-684.

REFERENCE (Cont.)

- Sadilla, V., & Wahyuningtyas, R. (2023). The Effect of Reward and Recognition on Employee Engagement (Case Study at Pt. X Part Directorate H). *International Journal of Engineering Technologies and Management Research*, 10(8), 19-32.
- Saks, A. M. (2006). Antecedents and consequences of employee engagement. *Journal of managerial psychology*, 21(7), 600-619.
- Salanova, M., Agut, S., & Peiró, J. M. (2005). Linking organizational resources and work engagement to employee performance and customer loyalty: the mediation of service climate. *Journal of applied Psychology*, 90(6), 1217.
- Schaufeli WB, Salanova M, Gonzalez-Roma V, Bakker AB (2002), 'The measurement of engagement and burnout: a two sample confirmatory factor analytic approach', *Journal of Happiness Studies*, 3, 71–92
- Schaufeli, W. B., Bakker, A. B., & Salanova, M. (2003). Utrecht work engagement scale-9. *Educational and Psychological Measurement*.
- Siddiqui, D. A., & Sahar, N. (2019). The impact of training & development and communication on employee engagement—A study of banking sector. *Sahar, N. and Siddiqui, DA (2019). The Impact of Training & Development and Communication on Employee Engagement—A Study of Banking Sector. Business Management and Strategy*, 10(1), 23-40.
- Suff R (2008), 'Vodafone's entertaining employee-engagement strategy', *IRS Employment Review*, 896
- Sun, L., & Bunchapattanasakda, C. (2019). Employee engagement: A literature review. *International Journal of Human Resource Studies*, 9(1), 63-80.
- Sundstrom, E., Town, J. P., Rice, R. W., Osborn, D. P., & Brill, M. (1994). Office noise, satisfaction, and performance. *Environment and behavior*, 26(2), 195-222.
- Tims, M., Bakker, A. B., & Xanthopoulou, D. (2011). Do transformational leaders enhance their followers' daily work engagement?. *The leadership quarterly*, 22(1), 121-131.

REFERENCE (Cont.)

- Top CV. (2023). Báo cáo thị trường tuyển dụng 2022 và Nhu cầu tuyển dụng 2023 [Review of Báo cáo thị trường tuyển dụng 2022 và Nhu cầu tuyển dụng 2023]. <https://insights.topcv.vn/recruitment-report-2022-2023>
- Towers Perrin (2003), *Working Today: Understanding What Drives Employee Engagement*, Towers Perrin HR Services
- Tulgan, B. (2013). Meet Generation Z: The second generation within the giant "Millennial" cohort. *Rainmaker Thinking*, 125(1), 1-13.
- University of York (2008), *Employee Engagement*, www.york.ac.uk/admin/hr/abouthr/strategy/employee_engagement.htm
- Vulpen, Erik Van. "Learning and Development: A Comprehensive Guide." AIHR, 22 Jan. 2020, www.aihr.com/blog/learning-and-development/.
- Wijayanto, G., Surjandari, I., & Oetomo, D. S. (2020). The Impact of Work-Life Balance on Employee Engagement in Generation Z
- Zafar, M., Sarwar, A., Zafar, A., & Sheeraz, A. (2021). Impact of compensation practices on employee job performance: An empirical study. In *Proceedings of the Fourteenth International Conference on Management Science and Engineering Management: Volume 2* (pp. 315-324). Springer International Publishing.