

FACTORS AFFECTING THE COMMITMENT OF HIGH-QUALITY PERSONNEL AMONG VIETNAMESE RESORTS WHEN VIETNAM INTEGRATES THE ASEAN ECONOMIC COMMUNITY (AEC): A STUDY IN PHU QUOC ISLAND, VIETNAM

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Abstract

This study intended to analyze the factors affecting the commitment of high-quality personnel among Vietnamese resorts when Vietnam integrates the Asean Economic Community (AEC). The qualitative and quantitative research methods were used to carry out on 360 high quality personnels working in 14 resorts on Phu Quoc travel Island. The results showed that the factors affecting the commitment of high-quality personnel among Phu Quoc resorts is affected by the following 06 elements: (1) salary, (2) training opportunities and promotions (3) working environment, (4) welfare, (5) reward and (6) labor relations. Through the study results, solutions for commitment of high-quality personnel among Vietnamese resorts are proposed in the coming time. After analyzing the data, the the main objectives of this study are to: First, identify factors affecting commitment of high-quality personnel among Phu Quoc resorts; Second, determine the priority order of impact factors affecting commitment of high-quality personnel

among Phu Quoc resorts; Third, propose solutions to enhance commitment of high-quality personnel among Phu Quoc resorts in integrated trends of AEC.

Keywords: Commitment, loyalty, employee retention, training, remuneration, human resources management

INTRODUCTION

According to the World Tourism Association (01/2016), the staying service business in hotels and resorts in Asia in general is forecast and expected record growth, with the overall annual growth rate (Compounded Annual Growth Rate -CAGR) would reach 8-15% in 2016- 2020. Among them, hotels, resorts in Vietnam will lead the Asian region with CAGR reaching 15-20%. In parallel with the growth in the number of accommodation, scarcity of high-quality personnel in the resorts and movement of personnel among tourist destinations has been appearing. The shift of high-quality personnel among tourist destinations has led to change of human resources which have affected the quality of tourism services in Vietnam recently. Although hotels and resorts are considered the dormitory area of luxury resorts and beautiful but they are far from the major urban centers or far off inland with poor working conditions, lack of remuneration policy and no more promotion opportunities; therefore it is difficult to retain quality human resources, particularly personnel in important positions as managers, heads of department. ASEAN Economic Community (AEC) has taken effect from 2015 which means that will open up more opportunities for high-quality labor of Vietnam into the ASEAN countries with higher wages, and also creates the level of competition on high quality human resources in resorts of Phu Quoc in particular and Vietnam in general more aggressive. So, how to have a good, loyal and commitment and loyal staff is a huge challenge for these resorts in this beautiful island in particular and Vietnamese tourism in general in the future.

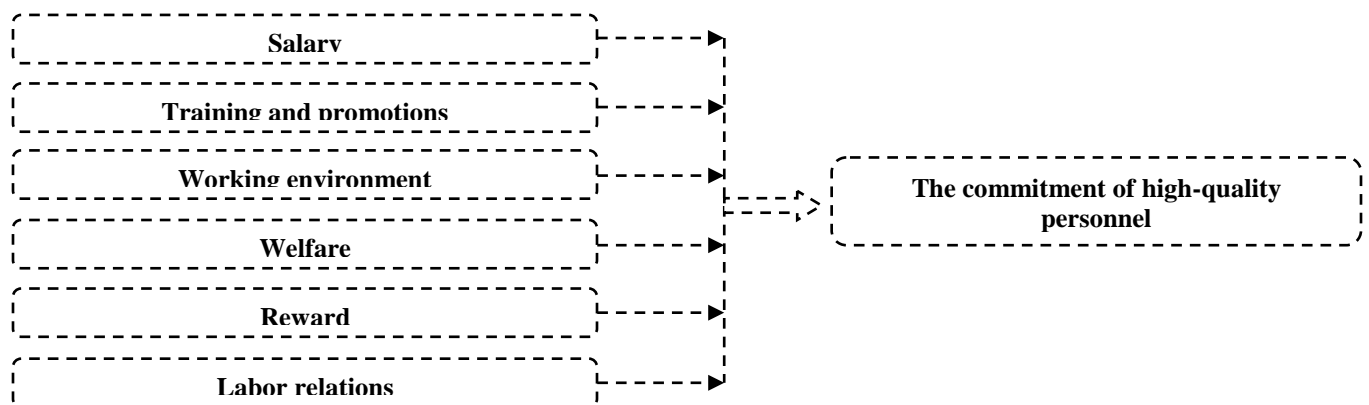
LITERATURE REVIEW

According to Adam Khoo (2013), "The commitment of employees to an organization is the relationship with the physical and mental issues based on the foundation of resonance from effect factors." In the studies of Kandampully, J. (2015), Lee, KC, (2014), Chang Yang, N et al., (2013), Lee, S. (2011), Allen et al., (2009), Konn et al., (2010) and Mayer (2010) agreed with this statement and emphasized that commitment and loyalty of employees to an organization derived from their true feelings, they can stick with the organization despite some organization can pay higher salaries with more promotion opportunities and better working conditions. These authors concluded that common factors affect commitment or loyalty of employees to an

organization including, salary, reward and benefits, labor relations, environment jobs, opportunities for training and promotion. According Mowday et al. (2011) and Steers (2010), they also suggested that “commitment is the intention or desire to maintain as a member of the organization”. These statements are similar to Aon Consulting Institute's point of views in the employees’ loyalty studies.

Sturm et al., (2011) had the same point of view, but also noted that personnel can stick with the organization because they do not have the opportunity to earn a better job. However, for the high quality labor force, this point can be removed. Jones, M.A. et al., (2012), Mothersbaugh et al., (2010) & A. Burnham, T.A. (2010) suggested that engagement of employees for organizations not only to the factors mentioned above but also to the moral standards that they pursue, especially for high-quality and knowledgable labor. They often prefer working in organizations with strong corporate culture. Steers and Porter L.C K.M (2015) suggested that high-quality personnel have the right to ask for high demands so that they can stick with the business in a competitive environment. These high-quality personnel often consider "wages" or income an important factor in their decisions, beside factors of "bonus"; "welfare"; “remuneration policy”, "working environment", "promotion opportunities" and “leaders with kindness and vision”. High-quality personnel want to show their abilities and intellectual to assert them. Many scholars believed that "commitment" should go with "dedication" because it is better that there is good and skilled personnel in three years rather than sticking with the bad personnel for lifetime. Thus, based on the theories, the above findings and the process of consultation with leading experts in human resource management in Vietnam, it can be identified the factors that affect the commitment of high-quality personnel among Phu Quoc resorts as follows: salary, reward, welfare, labor relations, working environment, training opportunities and promotions.

Figure 1. Conceptual Framework



Salary and the commitment of high-quality personnel

Salary refers to the account as remuneration, income, paying or called a salary, or base salary, income or minimum normal levels and benefits and other allowances paid directly or indirectly, in cash or in kind, which the employers pay for workers". (Adam Khoo, 2012). In Japan, "salary, regardless payment, wages or money divided from interest or any other names, all mention remuneration for workers that employers pay" (Kandampully. J, 2015).

Hypothesis H1: Is there a relationship between "Salary" and the commitment of high-quality personnel.

Training opportunities and promotions and the commitment of high-quality personnel

Opportunities for Training and promotion are an important progress in the process of implementing the objectives of the business organization (Cengz Basair Toraman and Cagatay, 2010). Opportunities for Training and promoting help staff complete their skills, knowledge and expertise to meet the strategic goals of the organization. The quality of employees has become a competitive advantage for all businesses. Focusing on training policies and providing opportunities for staff to develop their capabilities are key to business success. (Asalami, B.R.P, 2001, Loberto.L.D.A, 1980)

Hypothesis H2: Is there a relationship between "Training opportunities and promotions" and the commitment of high-quality personnel.

Working environment and the commitment of high-quality personnel

The working environment includes working conditions; infrastructure equipments and customer service and support operational staff; atmosphere where employees work (Asalami, B.R.P, 2001). The work environment is a collection of intangibles and tangibles positively or negatively impact on productivity or emotions such as working conditions, equipments, facilities, temperature, light, sound, noise and other environmental factors (Loberto.L.D.A. (1980)

Hypothesis H3: Is there a relationship between "Working environment" and the commitment of high-quality personnel.

Welfare and the commitment of high-quality personnel

Welfare is an additional support of businesses to ensure life for employees and create favorable conditions for the reproduction of labor (Zeithaml & Berry, 2012). Welfare expressed the interest of businesses on the lives of workers, with encouragement impacting staff's loyalty, attaching to the business. Enterprises' benefits comprise social insurance, health insurance, pensions, holiday bonuses, allowances or benefits of businesses to their employees or employees' family as a gift on birthday, wedding, longevity etc (H.R.Bowen, 1993, Tran Kim Dung, 2003)

Hypothesis H4: Is there a relationship between "Welfare" and the commitment of high-quality personnel.

Reward and the commitment of high-quality personnel

Reward is the recognition, encouragement, praise, honor merit with material for an individual or collective having achievements in building and developing an organization (Z. Ismail, A. Yahya and A .Shabri, 2011). The reward is a very delicate issue requiring administrators that need clear public-private part; it must be clearly defined in an enterprise in order to create satisfaction for employees. Any form of reward that is converted into money, or the value of assets on will meet the workers' satisfaction. However, some kind of reward is not costly; it can impact powerfully incentive to employees. Therefore, the reward is an art creating good motivation for all employees in their business to devote their abilities for the development of enterprises. (Kandampully. J, 2015, Asalami, B. R. P, 2001, H.R.Bowen, 1993, Loberto. L. D. A, 1980)

Hypothesis H5: Is there a relationship between "Reward" and the commitment of high-quality personnel.

Labor relationship and the commitment of high-quality personnel

Labor relationship is relations between superiors and subordinates, among peers in a group, a collective of an organization. Labor relationship organizations impact positively or negatively on the work efficiency in the enterprise. (Hann L.D, 2010). Labor relationship is intangible expressing values of cultural organization. Good labor relationship will build up a close personnel system and easily implement plans that propose. A collective good labor relationship is a good team in the development of common goals, there will be no jealousy or mutual destruction that will be agents help increase high level of loyalty for each member in an organization. (H.R.Bowen, 1993, Loberto. L. D. A, 1980).

Hypothesis H6: Is there a relationship between "Labor relationship" and the commitment of high-quality personnel.

RESEARCH METHODOLOGY

The researcher focused on 02 major research methods as qualitative research and quantitative research, the specific research process undergone three stages as follows: Stage 1: Based on the review of relevant theories and results of scientific research regarding the research topic, the researcher used qualitative method for group discussing and consulting leading experts to select and variables observed into appropriate factors groups. Stage 2: Based on the grouping of factors affecting the commitment of high-quality personnel among Phu Quoc resorts, the researcher designed survey questionnaires to collect the opinions of 360 high quality

personnels working in 14 resorts on Phu Quoc travel Island. The research model included 06 scales, 28 observed variables (research questions), using Likert 5-point scale, Distance value = $(\text{Maximum} - \text{Minimum}) / n = (5 - 1) / 5 = 0.8$. Specifically: 1 = Completely disagree; 2 = Disagree; 3 = No opinion/Normal; 4 = Agree; 5 = Totally agree. Survey results are recorded using SPSS 20.0 and tested scale reliability using Cronbach's alpha coefficients. Stage 3: After testing the reliability by Cronbach's alpha coefficients, the researcher conducted Exploratory Factor Analysis (EFA) to “zoom out” and summarize the data of the scale (Hoang In Chu and Nguyen Mong Ngoc, 2005, "Quantitative Research SPSS"). This method is based on extraction ratio factor (Eigenvalue), under which only those factors extraction ratio or Eigen value are greater than 1 will be retained, while the smaller ones will not work for better information summarizes of the original variables; because after the original standardized variance, each variable equals 1. The method of extracting the main components (principal components) and original method of factor rotation (Varimax Procedure) were used to minimize the number of variables having multiple large coefficients at the same factor, which increases the ability to explain the factors. The results then were used to analyze multiple linear regression to test the assumptions of the model, which consider the impact of factors affecting the commitment of high-quality personnel among Phu Quoc resorts.

ANALYSIS AND RESULTS

Table 1. Cronbach's Alpha

Model	Code	Factors	Cronbach's Alpha
IDV	SA	Salary	0.785
	RE	Reward	0.806
	WE	Welfare	0.790
	EN	Working environment	0.867
	LR	Labor relations	0.812
	OP	Training opportunities and promotions	0.823
	DV	GT	The commitment of high-quality personnel

The test results scale shows that the scale has good accuracy with Cronbach's alpha coefficient > 0.7 and the correlation coefficients of the total variables of measurement variables meet the allowed standard (> 0.3), the scale will be accepted. The observed variables are used for factor analysis to discover in the next step.

Table 2. Exploratory Factor Analysis (EFA)

	Rotation Sums of Squared Loadings		
	<i>Total</i>	<i>% of Variance</i>	<i>Cumulative %</i>
1	3.492	12.934	12.934
2	3.102	11.488	24.422
3	3.094	11.459	35.881
4	2.092	10.749	46.630
5	2.583	9.567	56.197
6	1.969	7.294	63.491

The results of EFA (Exploratory Factor Analysis) shows the total variance extracted is 63.491% greater than 50%. This means that the withdrawing factors would explain 63.491% for model, 36.509% is explained by other factors. Extraction ratio factor (Eigenvalue) is greater than 01 that is kept.

Table 3. Factor Analysis - Rotated Component Matrix^a

Rotated Component Matrix^a		Component				
Code	Observed variables	1	2	3	4	5
EN5	Technology applications in system administration are good	.786				
EN1	Working environment is safe and friendly	.785				
EN4	Intensity of job is suitable	.737				
EN3	Equipments serving job are advanced, modern	.711				
EN2	Resorts is the ideal place for labor away from home	.602				
LR4	Leaders have vision and kindness		.750			
LR2	Colleagues are always willing to help each other		.764			
LR1	Colleagues are friendly and sociable		.731			
LR5	The boss are good, sociable listeners and respect staff		.713			
LR3	Colleagues are always enthusiastic working in collaboration		.592			
OP1	Always creating more promotion opportunities for employees			.737		
OP4	Bonus criteria are transparency and open			.681		
OP5	Resorts are always interested in the training personnel			.686		
OP2	Employees have opportunities to assert themselves			.672		
OP3	Working capacity is improved after being trained			.639		
RE3	Superiors assess employees' performance promptly				.752	
RE2	Superiors are always fair when evaluating employees				.740	
RE4	Commendation and reward forms are very flexible and unique				.717	
RE1	Superiors know how to reward deserved employees				.629	
WE3	Resorts have good allowances					.772
WE5	Skilled personnel are allowed to travel abroad annually					.702
WE1	Resorts have full insurance regime					.657
WE4	Resorts' welfare is ideal for employees					.636
WE2	Having health insurance regime especially for good employees					.606

SA2	Wage increases in proportion with the initiative	.746
SA4	Salary is commensurate with the results of work	.627
SA3	Salary structure is flexible and fair	.626
SA1	High salaries compared to the same levels resorts	.596
<i>Extraction Method: Principal Component Analysis</i>		
<i>Rotation Method: Varimax with Kaiser Normalization</i>		
<i>a. Rotation converged in 5 iterations</i>		

Based on the table of Rotated Component Matrix, 28 observed variables can be divided into six groups of factors, all variables have coefficients Loading Factor > 0.5. This shows that the data analyzed in this study is consistent and can conduct a multiple regression analysis with six groups of factors.

According to descriptive statistics results, the average variable "commitment of staff" is 3.64. This is the average rating. Factors "Welfare" (3.5325) and "reward" (3.5812) have the lowest average value (**Figure 2**). The research results are right with the status of reward policy and welfare conditions in Vietnamese tourism industry. The research results show that the resorts, the resorts need having more improvement in the future. According to the authors, if we increase investments in these factors, it will enhance commitment of high-quality personnel among Phu Quoc resorts.

Figure 2. Assessing the factors affecting the "General commitment"

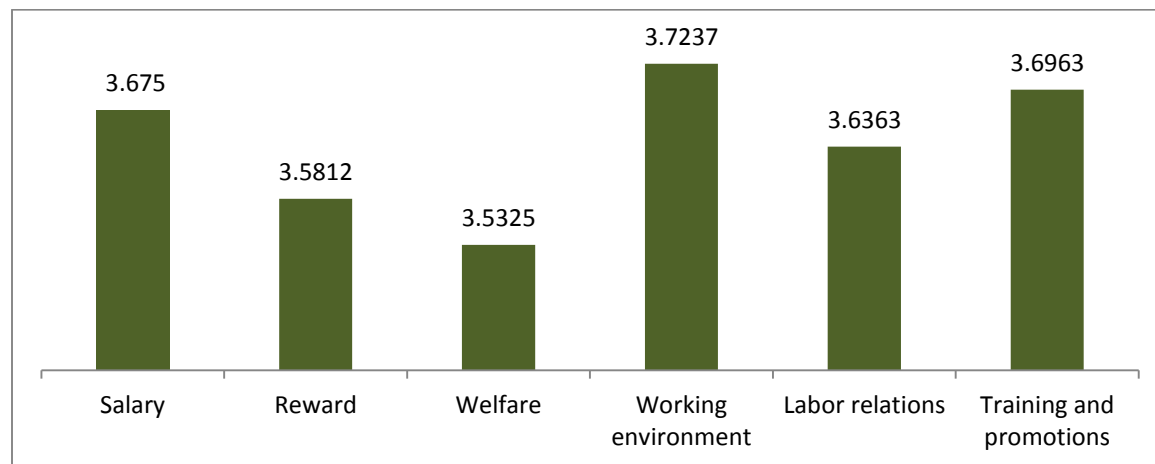


Table 4. Analysis of multiple linear regressions

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.874 ^a	.764	.755	.298	.764	82.769	6	353	.000	1.768

The above result shows the correlation coefficient adjustment: $R^2 = 0.755$ (verification F, sig. < 0.05); which means 75.5 % of the variable Y shift is explained by the six independent variables (X_i). Coefficient Durbin - Watson (d) = 1.768; some observers $n = 360$, parameter $k = 6$, the level of significance of 0.01 (99%), in the statistical tables Durbin - Watson, d_L (less statistical value) = 1.623 and d_U (statistical value over) = 1.725. So ($d_L = 1.623$) $<$ ($d = 1.768$) $<$ [$4 - (d_U = 1.725) = 2.275$] proved that the model has no autocorrelation.

Table 5. ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	44.000	6	7.333	82.769	.000 ^b
	Residual	13.556	353	.099		
	Total	57.556	359			

Accreditation ANOVA is to assess the relevance of the theoretical regression model. The test results $F = 82.769$ value and $Sig. = 0.000 < 0.05$ shows the building model is consistent with the data set and the variables included in the model are related to the dependent variable. Generally, regression analysis is 99% reliability, corresponding to the selected variables with statistically significant at the $P < 0.01$; the results also show that all variables satisfy the demand. Verification of conformity of the model show that multicollinearity phenomenon does not violate ($VIF < 10$).

Table 6. Factors affecting the commitment of high-quality personnel resorts

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1.517	.247		-6.150	.000		
	X1	.230	.062	.195	3.688	.000	.552	1.811
	X2	.155	.058	.122	2.682	.008	.748	1.338
	X3	.306	.071	.225	4.312	.000	.565	1.768
	X4	.179	.062	.147	2.909	.004	.604	1.657
	X5	.201	.061	.161	3.284	.001	.639	1.566
	X6	.349	.059	.318	5.954	.000	.541	1.847

a. Dependent Variable: Y

The results of regression analysis showed the factors affecting factors affecting the commitment of high-quality personnel among Phu Quoc resorts and expressed the following impact levels: (1) salary: $\beta = 0.318$; (2) "Training opportunities and promotions": $\beta = 0.225$; (3) "working environment": $\beta = 0.195$; (4) "welfare": $\beta = 0.161$; (5) "reward": $\beta = 0.147$ và (6) "labor relations":

$\beta = 0.122$. The regression equation is: $Y = 0.195*X1 + 0.122*X2 + 0.225*X3 + 0.147*X4 + 0.161*X5 + 0.318*X6$. Of all the important factors, “salary” ($\beta = 0.318$) proved to have highest impact. Consequently, when the resorts increase investing for these factors, it will lead to the enhancing engagement of high quality personnel at the resorts. Therefore, the resorts should invest more effort in enhancing the factor in order to enhance the commitment of high-quality personnel among Phu Quoc resorts. This finding is the basis for proposing solutions to improve strategies for the resorts.

CONCLUSIONS

This study shows that there are six factors the commitment of high-quality personnel among Phu Quoc resorts, each element is different. According to the analysis, six factors have impact positively correlated to the commitment of high-quality personnel among Phu Quoc resorts in order respectively: salary, training opportunities and promotions, working environment, welfare, reward and labor relations. This is an important basis for proposing solutions to enhance the commitment of high-quality personnel among Phu Quoc resorts when Vietnam integrates the Asean Economic Community (AEC). The results of this study conclude as following.

There is a positive relationship between “Salary” and enhance the commitment of high-quality personnel among Phu Quoc resorts with significance level 5%.

There is a positive relationship between “Training opportunities and promotions” and enhance the commitment of high-quality personnel among Phu Quoc resorts with significance level 5%.

There is a positive relationship between “Working environment” and enhance the commitment of high-quality personnel among Phu Quoc resorts with significance level 5%.

There is a positive relationship between “Welfare” and enhance the commitment of high-quality personnel among Phu Quoc resorts with significance level 5%.

There is a positive relationship between “reward” and enhance the commitment of high-quality personnel among Phu Quoc resorts with significance level 5%.

There is a positive relationship between “labor relations” and enhance the commitment of high-quality personnel among Phu Quoc resorts with significance level 5%.

RECOMMENDATIONS

Solution for "salary" factor

To ensure high-quality personnel to work for a long term, enterprises must have appropriate and flexible salary policies for each personnel position and their dedication. The resorts need having policies and forms such as increasing, salary increases ahead of time or irregular salary increase for outstanding initiatives in order to maximize the capacity and wisdom of this work

force. If wage policy is good, it will have positive effects to retain high-quality personnel; however, if policies are poor, it will not make personnel commitment and loyal.

Solution for "Training and promotion opportunities" factor

High-quality employees who have the intellectual capacity and they always have more ambition, longing, desire, and the spirit of continuous learning. Therefore, the resorts need maintaining investment in training so they have the opportunity to learn, exchange and update their knowledge in order to improve the level compared to domestic colleagues, in Asean and the world. Besides, resorts need creating more promotion opportunities so that they are motivated to devote all possibilities and talents. Good employees do not stick with the business when they do not realize that there is an opportunity to develop their abilities, opportunities for professional development and promotion opportunities.

Solution for "Working environment" factor

These high-quality personnel choice to attach with agencies that do not only ask for usual criteria such as clean, sanitary, cool, safety, security, tidy, polite work environment, but they are also paying special attention to factors for example friendliness, modernity, civilization and culture of the organization. Working environment at resorts in tourist islands is also living space, rest, recreation and experience in their lifetime. Working environment is a friendly, fun, warm place where everyone get along, cooperate, unite and share experiences, knowledge working together, but it is not merely equipped with machinery and technology supporting operations.

Group solution to factor group "Welfare" factor

The excellent quality personnel required higher than minimum regulations on health insurance, social security, hazardous allowance, support for workers in the field of maternity, avoiding discrimination etc. The resortS should organize meetings, festivals, sightseeing, tour, or a picnic periodically to create friendly and harmony atmosphere, among employees. Through these activities, opportunities to improve health, enhance teamwork and coordination in the work are provided. The resorts should maintain sport events, teambuilding, internal cooking contests to exchange skills, organizational skills or musical performances on occasions such internal resort anniversaries, 8/3 for them to interact, learn and entertain to create a collective attachment to those who often live far from their families.

Solution for "Reward" factor

Resorts need developing mechanisms and policies to reward for each job and the location of each position in line with practices in order to maximize capacity and their wisdom. If reward

mechanisms and policies are inconsistent, it will not convince and retain talents. The assessment and recognition of employees' performance must be accurate, timely, clear, transparent, open and fair.

Solution for "labor relations" factor

Resorts need building corporate culture to raise awareness for all personnel about teamwork, sharing and solidarity. A collective labor in which people experience happiness, sharing, actively cooperate, help each other make common tasks to complete quickly and effectively. If leaders are good listeners, learn the aspirations, know how to motivate and deal fairly with them, they will commit.

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