



## THE IMPACT OF CORPORATE CULTURE ON EMPLOYEE ENGAGEMENT IN HOTELS IN HANOI

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**Abstract:** With the aim of clarifying the influence of corporate culture on employee engagement in hotels in Hanoi, the author of the article conducted a survey using a questionnaire for 520 employees currently working in businesses in the Hanoi area. Through the quantitative research method of linear regression analysis using SPSS 20 software, the study identified four factors of corporate culture that influence employee engagement, including: (i) Adaptive cultural values (GTVH); (ii) Cultural standards (CMVH); (iii) Formal structure and leadership (CMVH); (iv) Outcome orientation (HTKQ). The variables GTVH, CMVH and TCVH had a positive relationship with long-term employee engagement, while the variable HTKQ had a negative relationship. The managerial implication is that hotels need to develop and establish cultural standards that are aligned with appropriate and advanced institutional arrangements and leadership styles, review outcome standards based on modern tools.

**Key words:** Corporate culture, hotel businesses, employee engagement.

### INTRODUCTION

For the hotel industry, customer satisfaction brings reputation, revenue, profit, and sustainable market development. For businesses, the core survival factor is still employees, so understanding employees directly affects the satisfaction or dissatisfaction of customers.

Currently, many hotels are still struggling to fill positions, especially senior management positions. The number of direct employees working in the hospitality industry in 2019 was over 125 million people, and this number is forecasted to increase to 154 million people by 2029. The total number of employees working in the industry in 2019 was over 318 million, and this number is forecasted to increase to 420 million by 2029. In Vietnam, there are currently over 4 million employees working in the industry, and this number is forecasted to increase to 4.57 million by 2029. In the next 10 years, Vietnam needs an additional 500,000 employees, equivalent to 50,000 employees per year. Although the number of graduates each year is quite large, the unemployment rate has also increased significantly. One of the weaknesses of the current workforce in the hotel industry is limited soft skills, leading to ineffective

customer service, affecting service quality. Moreover, limited language skills create barriers to advancement in management positions. In many well-known star-rated hotels, it often takes a long time to recruit suitable candidates for management positions. Meanwhile, for employee positions, it takes time to train and challenge new employees.

To cope with this shortage, hotels, in addition to investing in their employees, also pay attention to the development of hotel applications to increase the effectiveness of human resources, room reservation applications, IoT devices throughout the hotel to personalize the customer experience, hotel software, asset management solutions, revenue management, and employee management, etc., thereby optimizing the hotel workforce to meet current needs. In the long-term strategy, hotels need to first retain their current workforce as a foundation for building future workforce plans.

### 1. LITERATURE REVIEW AND PREVIOUS RESEARCH STUDIES

According to Hampden-Turner (1990), the corporate culture of a company reflects the work and activities they perform. Google's corporate culture is described as a culture of respect (Hampden-Turner, 1990). Amazon's corporate culture has been described as relentless. Corporate culture drives the organization and its actions. Corporate culture is sometimes likened to the "operating system" of an organization. Corporate culture guides how employees think, act, and perceive. Corporate culture is dynamic and flexible, and it is never static. Understanding and evaluating corporate culture can mean the difference between success and failure in a rapidly changing business environment. Corporate culture relates to nurturing and strengthening a supportive environment for employees. Corporate culture can be effective or ineffective depending on the context. Corporate culture refers to the shared values, attitudes, standards, and beliefs characteristic of members of an organization and defines its essence. The origin of corporate culture stems from an organization's goals, strategies, structure, and approach to labor, customers, investors, and the larger community.

According to Sarangi and colleagues (2012), studying employee engagement through corporate culture in banks, through a sample consisting of 247 executive directors drawn from this field (Sarangi & Srivastava, 2012). The result was that corporate culture is a tool for retaining long-term employees, and this study has practical significance for the banking industry, establishing a relationship between organizational culture, communication, and employee engagement.

According to Ortega Parra and colleagues (2013), corporate culture is manifested in better alignment between perceived values and stated values, which has a positive relationship with commitment. Specifically, values related to people-oriented and ethical behavior were the best predictors of emotional commitment (Ortega-Parra & Ángel Sastre-Castillo, 2013). The study also verified that appropriate human resource practices have a significant impact on the perception of values. The existing gap between agreed values and perceived values revealed that better alignment has a positive relationship with organizational commitment. The greater importance of the emotional aspect in organizational commitment, reinforced by ethical values and people orientation, clearly shows the need for companies to pay attention to these value sets beyond the simple formula in corporate culture. Therefore, companies should ensure the suitability of human resource practices and value statements.

According to Guiso and colleagues (2015), corporate culture represents the unspoken communication rules between members of an organization. Management literature focuses on the concept of culture as "a set of widely shared norms and values that are strongly held throughout the organization" (Guiso, Sapienza, & Zingales, 2015).

According to Al Shehri and colleagues (2017), employee engagement with the organization helps banks manage their business operations and business development. Through a qualitative approach, the method used was grounded theory (Al Shehri, McLaughlin, Al-Ashaab, & Hamad, 2017). The data collection included interviews with bank management, subordinates. The results showed that activating factors contribute to most factors that promote employee engagement are training and development, organizational communication, rewards and recognition. Particularly, this influence is reflected in non-

interest transactions and gender discrimination rules.

According to Fidyah and colleagues (2020), the study aims to investigate the influence of organizational culture (OC) on job satisfaction (JS) and employee performance (EP). It also examines the impact of employee engagement (EE) on JS and EP, the effect of JS on EP, and the influence of OC and EE on JS and EP. Additionally, the study explores the mediating effects of JS on the relationship between OC and EP and between EE and EP. The results indicate that OC has a positive and significant influence on JS and EP, while EE has a positive and significant impact on JS and EP. JS has a positive and significant effect on EP, and both OC and EE positively and significantly influence JS and EP. Furthermore, JS mediates the relationship between OC and EP and between EE and EP (Fidyah & Setiawati, 2020).

Bhardwaj and colleagues (2021) suggest that variables related to employee engagement, such as vitality, dedication, and absorption, contribute to performance within the contextual framework. Vitality and absorption affect task performance, with vitality being the primary contributor when contextual performance is maximized, followed by absorption and dedication. Additional factors such as organizational culture variables of experimentation, autonomy, and trust have become significant predictors for improving contextual performance and employee task performance (Bhardwaj & Kalia, 2021). The authors argue that psychological ownership, along with trust in top management, can create a rich work culture that impacts both task performance and the context of employees. The findings of the study can be utilized by governments and private organizations in practice to enhance the performance of the workforce in the hospitality industry.

Graham and colleagues (2022) assert that corporate culture is a significant driver of enterprise value. They identify seven cultural values: adaptability, collaboration, community, customer orientation, detail orientation, integrity, and outcome orientation (Graham, Grennan, Harvey, & Rajgopal, 2022). Each cultural value is assigned a value of 1 when operationalized by the following descriptions: Adaptability: willingness to experiment, agility, seizing opportunities, proactiveness; Collaboration: team-oriented, supportive, non-coercive, low conflict; Community: respect for diversity, community and environment, inclusiveness, caring and open; Customer Orientation: listening to customers, brand orientation, service pride; Detail Orientation: attention to detail, accuracy, emphasizing quality and safety, analysis; Integrity: high ethical standards, honesty, transparency; Outcome Orientation: high performance expectations, achievement focus, competitiveness, demanding. The measurement scales for corporate culture include the Adaptability Cultural Value Scale (Adaptability, Collaboration, Community, Customer Orientation, Detail Orientation, Integrity, Outcome Orientation); the Cultural Norms Scale (Agreement on goals and values, Consistency, Employee Coordination, Long-term decision-making, Comfort with dissent, Idea generation, Employee trust, Willingness to report deviant behavior); the Formalization and Leadership Scale (Corporate governance, Financial function, Hiring, firing, and promotions); the Culture for Outcomes Scale (Compliance; financial business data quality, employee creativity). According to the authors, the detailed information about how culture is perceived, the constituents of culture (values and norms), the perceived financial value of culture, how culture affects employee decisions, and the workforce working for and against an enhancing culture can be helpful for governments and organizations to enhance value.

## 2. METHODOLOGY AND PROPOSED MODEL

The study primarily utilizes a quantitative research method.

\* Objectives of the quantitative research: Testing the model of factors influencing the employee engagement through organizational culture in hotel businesses in Hanoi. The research is conducted using SPSS 20 software.

\* The research involves the following tests: assessing the reliability of measurement scales using Cronbach's alpha coefficient, conducting exploratory factor analysis (EFA), performing multiple regression analysis, and analyzing the ANOVA of factors influencing employee engagement through

organizational culture. Finally, the study presents conclusions, managerial implications, limitations of the topic, and suggestions for further research directions for future researchers.

The model is in the following form:  $GKNV = \beta_0 + \beta_1*GTVH + \beta_2*CMVH + \beta_3*TCVH + \beta_4*HTKQ$

**In which:**

- Employee engagement: GKNV
- Adaptive organizational culture: GTVH
- The cultural standards associated with the environment and society: CMVH
- Formal Governance and Leadership Structure: TCVH
- Result orientation: HTKQ

**Research data:** The study conducted a survey with 520 questionnaires distributed to employees and managers working in small hotels in Hanoi. The survey was conducted in three rounds, and the collected data were suitable for running the quantitative model.

**Sample composition:** The survey results included 350 questionnaires from male employees, accounting for 67.31%. There were 170 questionnaires from female employees, accounting for 32.69%.

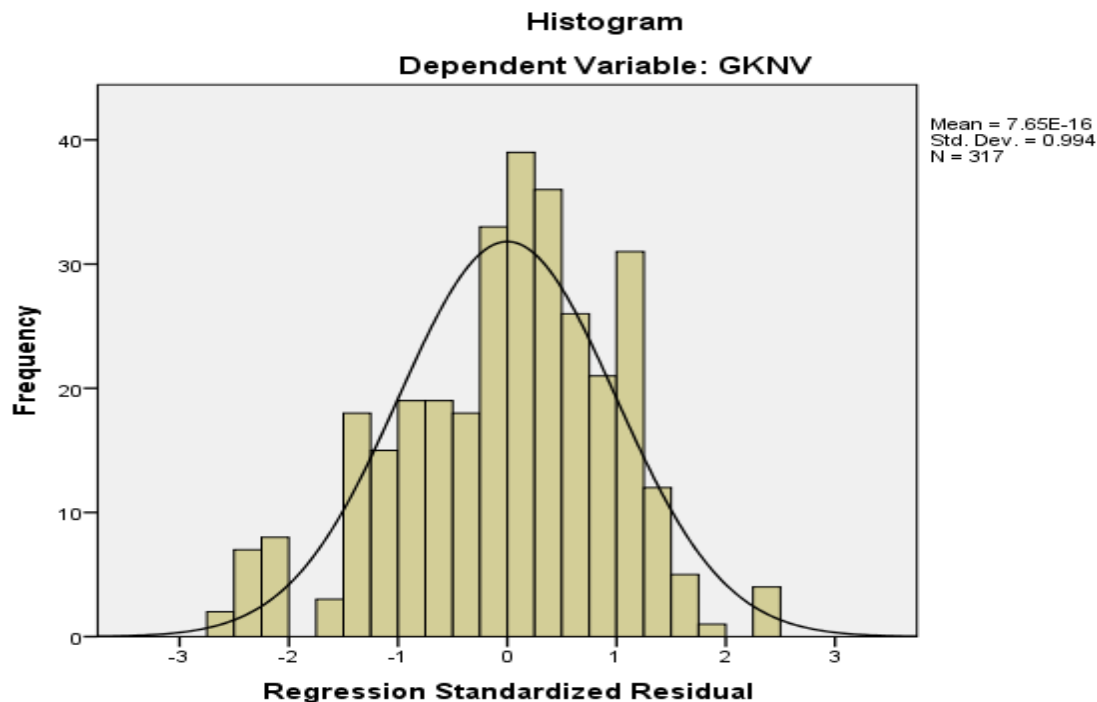
**Table 1. Composition of the survey sample**

Survey Sample	Number of Questionnaires	Percentage
Female	350	67,31%
Male	170	32,69%
Age	- Under 25 years old - From 25 to under 30 years old - 30 years old and above	- 57,69% - 38,46% - 3,85%
Education level	- Unskilled labor - Intermediate, College - University and above	- 34,62% - 38,46% - 26,92%
Income	- Below 8 million VND - From 8-15 million VND - Above 15 million VND	- 48,08% - 9,62% - 42,31%
Job position	- Receptionist - Cashier - Housekeeping staff - Head chef - Bartender - Waitstaff - Corporate sales staff - Room director - Food department director	- 1,54% - 0,58% - 90,58% - 0,58% - 1,35% - 1,92% - 0,96% - 1,54% - 0,96%

*Source: Compiled from the survey process*

Table 1 demonstrates that the survey sample size is relatively evenly distributed, reflecting the reality accurately.

Figure 1. Data dispersion of the survey.



Source: Compiled from the survey process

The collected survey data has been cleaned and is relatively homogeneous, ensuring a relatively good quality dataset for regression model testing.

Table 2. Measurement scales of variables in the multiple regression model.

No.	Encoding	Content of Survey Questionnaire Categories	Quotation
I	Employee engagement: GKNV		
1	GKNV1	Employees with work experience of over 60 months	Author's suggestion
2	GKNV2	Employees with work experience ranging from 12-60 months	
3	GKNV3	Employees with work experience of less than 12 months	
II	Adaptive organizational culture: GTVH		
1	GTVH1	The hotel is always ready to experiment with new things (e.g., implementing new work processes, new management systems, or new customer approaches, etc.).	Al Shehri and colleagues (2017), Fidyah and colleagues (2020), Bhardwaj and colleagues (2021), Graham and colleagues (2022)
2	GTVH2	The hotel views failures as opportunities for learning and improvement.	
3	GTVH3	The hotel consistently seizes business opportunities in the market with agility.	
III	The cultural standards associated with the environment and society: CMVH		
1	CMVH1	During the process of developing its business strategy, the company takes into consideration both environmental and social issues.	Fidyah and colleagues (2020), Bhardwaj and colleagues (2021), Graham and colleagues (2022)



No.	Encoding	Content of Survey Questionnaire Categories	Quotation
2	CMVH2	The hotel values both economic benefits and social benefits.	
3	CMVH3	The hotel actively seeks solutions to minimize impacts on the environment and society while delivering services to its customers.	
IV	Formal Governance and Leadership Structure: TCVH		
1	TCVH1	The hotel has a well-structured organizational framework.	Guiso and colleagues (2015), Al Shehri and colleagues (2017)
2	TCVH2	The hotel has strict dress code standards for employees.	
3	TCVH3	The hotel has clear regulations in place for job responsibilities that employees must adhere to.	
V	Result orientation: HTKQ		
1	HTKQ1	The hotel consistently recognizes and appreciates employees who contribute to achieving shared goals.	Fidyah and colleagues (2020), Bhardwaj and colleagues (2021), Graham and colleagues (2022)
2	HTKQ2	The hotel places importance on the job performance achievements of employees when considering salary increases or promotions for individuals.	
3	HTKQ3	The hotel sets high expectations for the work outcomes of each department and individual.	

(Source: Synthesized from theoretical foundations)

#### 4. DISCUSSION

The reliability testing of each measurement scale indicates that the Cronbach's alpha coefficient for each scale is greater than 0.7, indicating good measurement scales.

**Table 3. Results of the measurement scale analysis for variables in the model.**

Item-Total Statistics					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation		Cronbach's Alpha if Item Deleted
GKNV1	7.60	2.974	.652		.744
GKNV2	7.39	3.233	.572		.824
GKNV3	7.45	2.875	.756		.736
Cronbach's Alpha =0,809					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation		Cronbach's Alpha if Item Deleted
GTVH1	7.08	1.886	.688		.702
GTVH2	6.81	2.643	.530		.846
GTVH3	6.87	2.212	.765		.821
Cronbach's Alpha =0,804					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation		Cronbach's Alpha if Item Deleted

CMVH1	5.07	1.843	.669	.710
CMVH2	4.76	2.145	.731	.745
CMVH3	5.03	2.407	.557	.814
Cronbach's Alpha =0,80				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
TCVH1	5.43	3.252	.606	.777
TCVH2	5.55	3.388	.610	.771
TCVH3	5.67	3.748	.582	.704
Cronbach's Alpha =0,765				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
HTKQ1	7.12	2.707	.660	.756
HTKQ2	7.25	3.015	.724	.677
HTKQ3	6.89	3.542	.621	.785
Cronbach's Alpha =0,811				

(Source: Report extracted from SPSS 20 software)

Correlation coefficient matrix. The article examines the Pearson correlation coefficients with a significance level of less than 5% (Sig<5%). Table 4 shows that all variables, including the dependent variable, meet the regression assumptions.

**Table 4. Pearson correlation coefficient matrix among variables in the model.**

Correlations			GKNV	GTVH	CMVH	HTKQ	TCVH
Kendall's tau_b	GKNV	Correlation Coefficient	1.000	.055	.343**	.068	-.064
		Sig. (2-tailed)	.	.000	.000	.000	.000
		N	520	520	520	520	520
	GTVH	Correlation Coefficient	.055	1.000	.001	.132**	.141**
		Sig. (2-tailed)	.198	.	.975	.002	.001
		N	520	520	520	520	520
	CMVH	Correlation Coefficient	.343**	.001	1.000	.024	.002
		Sig. (2-tailed)	.000	.975	.	.583	.960
		N	520	520	520	520	520
	HTKQ	Correlation Coefficient	.068	.132**	.024	1.000	.200**
		Sig. (2-tailed)	.115	.002	.583	.	.000
		N	520	520	520	520	520
	TCVH	Correlation Coefficient	-.064	.141**	.002	.200**	1.000
		Sig. (2-tailed)	.131	.001	.960	.000	.
		N	520	520	520	520	520

Spearman's rho	GKNV	Correlation Coefficient	1.000	.071	.427**	.087	-.085
		Sig. (2-tailed)	.	.206	.000	.121	.132
		N	520	520	520	520	520
	GTVH	Correlation Coefficient	.071	1.000	.002	.167**	.194**
		Sig. (2-tailed)	.206	.	.967	.003	.001
		N	520	520	520	520	520
	CMVH	Correlation Coefficient	.427**	.002	1.000	.030	.005
		Sig. (2-tailed)	.000	.967	.	.598	.924
		N	520	520	520	520	520
	HTKQ	Correlation Coefficient	.087	.167**	.030	1.000	.246**
		Sig. (2-tailed)	.121	.003	.598	.	.000
		N	520	520	520	520	520
	TCVH	Correlation Coefficient	-.085	.194**	.005	.246**	1.000
		Sig. (2-tailed)	.132	.001	.924	.000	.
		N	520	520	520	520	520

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

(Source: Report extracted from SPSS 20 software)

Based on the collected sample data from the survey of the regression model parameters, the adequacy of the model was examined, and the results are presented in Table 5.

**Table 5. Results of the model testing on the factors influencing the employee engagement of hotel businesses in Hanoi.**

Model Summary <sup>b</sup>										
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	.565 <sup>a</sup>	.516	.506	.75174	.516	21.465	4	312	.000	1.965
a. Predictors: (Constant), TCVH, CMVH, HTKQ, GTVH										
b. Dependent Variable: GKNV										

(Source: Data obtained from SPSS 20 software)

According to Table 5, we can observe that the values of R Square ( $R^2$ ) and Adjusted R Square (Adjusted  $R^2$ ) are 0.516 and 0.506, respectively, both greater than 0.5. The statistical value of F, calculated from the  $R^2$  value of the full model with a significance level (Sig value = 0.000) smaller than 5%, indicates that the multiple linear regression model is suitable for the database.



**Table 6. Results of the regression analysis on the factors influencing the employee engagement of hotel enterprises in Hanoi.**

Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.955	.371		2.575	.010		
	GTVH	.155	.063	.129	2.465	.014	.913	1.095
	CMVH	.543	.062	.441	8.764	.000	.994	1.006
	TCVH	.054	.052	.054	1.032	.303	.924	1.082
	HTKQ	-.068	.054	-.067	-1.252	.211	.874	1.144
a. Dependent Variable: GKNV								

(Source: Statistics conducted using SPSS 20 software)

According to Table 6, the regression results can be written as follows: **GKNV = 0.155\*GTVH + 0.543\*CMVH + 0.054\*TCVH – 0.068\* HTKQ**

In the table, all remaining independent variables satisfy the condition of having a sig value smaller than or equal to 0.05, indicating statistical significance.

## 5. CONCLUSION AND SUGGESTED SOLUTIONS

Based on the results of the regression model, the author proposes the following methods to enhance employee engagement in the hotel:

Firstly, enhance the value of adaptive culture. Implement periodic rotations of employees to experience and adapt to new experiments (e.g., applying new work processes, new management systems, or new customer approaches).

Secondly, improve cultural norms. Hotels are places where daily communication activities take place. Communication in hotels and restaurants also needs to adhere to cultural norms. Communication culture should reflect maturity, humility, active listening, and appropriate attitudes. The communication attitudes of hotel employees should also align with the ethical standards of the country and the nation.

Thirdly, refine formalization and leadership. Hotel leaders need to create a friendly working environment, provide adequate working conditions, and foster an open psychological atmosphere, using flexible and appropriate leadership styles.

Fourthly, align with outcome-oriented goals. Use historical data to monitor revenue fluctuations, room bookings, and predict future trends. Consider fixed events such as holidays, New Year, Christmas, which can be predicted. Monitor market trends and specific areas, such as the emergence of new homestays or newly opened tourist areas. Work with experts to obtain professional insights and forecasts relevant to the work being carried out. Managers collect and synthesize information to ensure their forecasts align more closely with reality.

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