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# AFFECTING FACTORS ON EMPLOYEE ENGAGEMENT OF GENERATION Z, THE CASE OF LABOR LAWS IN VIETNAM

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**ABSTRACT**

The study was carried out to identify affecting factors on engagement of gen Z employees with their organizations. The data was collected from 300 gen Z employees, which was cleaned, encoded and inserted to SPSS 20 software. Hypotheses from H1 to H6 were applied to test Cronbach's Alpha, EFA with SPSS 20 software. Confirmatory factor analysis CFA and structural equation modeling SEM were used with AMOS software. The research findings revealed the study's clarification of affecting factors on the engagement of employees belonging to gen Z. The survey results proved that job attractiveness, income and role of colleagues were the key factors having impact on organizational engagement of gen Z human resource.

*Keywords*: engagement, human resource, labor law, gen Z

# 1. INTRODUCTION

Gen Z is the term used to describe young people of Z generation, who were born from 1995 to 2012. There are about 2.6 billion people belonging to Generation Z in the world, accounting for ⅓ population. In Vietnam, Gen Z contributes to nearly 25%, equal to approximately 15 million people. Gen Z people suppose that competitineness is the driver to express themselves and make progress. They are familiar with working in a competitive environment. They want to show off their competencies to oppose others. Since being little children, they always make great efforts to achieve high score, which would satisfy themselves.

The study by Ncube & Steven (2012) concluded that employee engagement in an organization should be the key creating competitiveness of that organization. So, the organization needs to take advantage of different resources from its employees and improve their engagement with the organization. Currently, in the context of an intense market, competition in regard of human resource has always been a big challenge. Therefore, in order to attract more talented people, orgnizations continue completing their policies on human resource development and find different solutions to keep the human resource. As a result, salary and other remuneration policies receive special attention from business managers.

Gen Z always seeks for environment with co-operation of diversified human resource so that these young peole can acquire culture, skills and knowledge. They also highly appreciate balance in diversified human resource co-operation. The organization should accept that reality and be open in recruitment policy to make working environment become more interesting and attractive. All managers identify that they have to pay high price when the key employees and associates leave. When this happens, customers would also leave the organization and there might be a wave of leaving among other employees. It can be seen that in addition to employ high-quality human resource to develop their business, organizations

should know how to keep competent genZ workforce to avoid brain drain. This is a concerning issue of each organization in current context.

# 2. THEORETICAL BASIS AND RESEARCH MODEL

## 2.1. THEORETICAL BASIS

Kahn (1990) was the pioneer in studying employee engagement. When employees engage in their job, they would utilize their mental energy, knowledge and physical strength to carry out their tasks. The engagement is largely related to employees' attitude towards the organization. When they get involved in the organization, they would try their best to make the best use of their competencies in job completion. In addition, employees would feel secured and understand the meaning of their assigned job. Therefore, the organization should be responsible for developing the engagement. Britt (1999; 2003) defined employee engagement as personal responsibility and commitment to job completion. Only when employees are engaged in their job, they can concentrate on working.

Maslach and Leiter's (1997) researched the sense of exhaustion and proposed Burnout model with three components, namely overwhelming exhausion, depersonalization and reduced personal achievement. Overwhelming exhausion is typically expressed by tiredness at work, making employees distracted and porrly understand their job. The second factor is depersonalization, which makes employees unconcentrated, isolating themselves from other people with non-emotional sense about surrounding working environment. The final component reflects negativity tendency in evaluating job completion. Maslach and Leiter (1997) assumed that engagement would be completely opposed to exhausion state. Therefore, three components in the engagement model would be contrastive to the three factors in the model by Burnout, which should be comprised of energy sinh lực, commitment and personal achievements.

Schaufeli et, al. (2002) disapproved that job engagement would be opposing to exhausion state. In this new research model, job engagement was defined as the state of persistent, positive and motivated to complete the assigned job. According to Schaufeli, employees not suffering from exhausion would not automatically engage in their job. The study by Saks (2006) indicated that "employees' engagement is their positive attitude towards the value of an organization's operation". When employees receive adequate physical and mental values from the organization, they would feel their responsibility for the organization by serving as effectively as they can. Employees would tend to work more positively and have greater engagement when they receive benefits from the organization.

Ulrich (2007) stated that employees' contribution became a decisive factor in business. In fact, when the enterprise makes an effort in producing more output without increasing the number of employees, it would have no other choice than seeking for different measures to engage employees in both physical appearance at work and mental involvement. The study by Lui et, al. (2017) indicated that according to social exchange theory, when an organization provides resources for the employees to pursue and develop their career (e.g, rights, promotion, training courses and improvement), they would be more aware of their serving the organization to the best.

Gen Z and characteristics of Gen Z: Gen Z is the abbreviation of Generation Z. According to Oxford[2], Gen Z covers people born from the late years of 1990s to 2012. The common and widely accepted age range is within 1997-2012. The term Gen Z firstly appeared in September, 2000 in Ad age magazine (advertising magazine), which was later used as a popular term in marketing area. Gen Z is usually attached with prominent features like better understanding of technology and more excellent thinking in finance. They also dare to live in their own way, prefer adventure, be good at different skills and update good trends, etc. Among these characteristics, better understanding of technology, more engaging in social network sites are supposed to be the two highlighted features of gen Z.

Gen Z is determined to cover children born after the 1990s (Berkup, 2014). Unlike previous generations, they are born in technological era rather than getting acquainted to technology (Berkup, 2014). Addiction to technology and speed, freedom, individualism and dependence are special terms used to define gen Z (Berkup, 2014).

## 2.2. RESEARCH HYPOTHESES

## 2.2.1. JOB ATTRACTIVENESS

Job attractiveness synthesizes various attitudes employees have, which derive from different job aspects and enterprise's policies. When a person finds his/her job boring, he/she might not be excited with that current job. By contrast, a job that can bring about interest and great love with chances to express employee's capabilities would positively affect his/her loyalty (Martensen & Gronholdt, 2006). An interesting and challenging job would make employee like it, which might help in building up loyalty (Martensen & Gronholdt, 2006). Job characteritics should have positive relation with job participation and increase employee engagement with an organization (Saks, 2006). A job providing autonomy and requiring challenging skills of application would be the condition to encourage employee engagement (Kahn, 1990). Human resource of gen Z belongs to the group with huge ambition as well as great demand for personal development. Management of human resource gen Z would require propagandizing job purpose and inspiring job interest with long-term vision to help employees develop themselves (Hong Duyên, 2022). There are different reasons for a person to do a specific job, but it is the job attractiveness that would be one of the most important reasons to maintain employee engagement with the job and organization. So, the authors supposed that:

=> *Hypothesis H1: Job attractiveness has positive impact on gen Z's job engagement with an organization*

*2.2.2. Working conditions*

Working environment should be understood as the working place an employee is settling. In this study, working conditions refer to affecting factors on employees' health and convenience while they are working, which cover working time appropriate with comfort at work and sufficient equipment there (Bellingham, 2004). A working place being well-equipped and bringing about comfort would make employees feel happy and love the job. This would result in job engagement. Affecting factors on employee efficiency should be light at work (Boyce et. al, 2003), noise and distractions from colleagues, which would result in decrease in productivity and increase in working errors (Bruce, 2008).

*=> Hypothesis H2: Working conditions have positive impact on job engagement of employees.*

*2.2.3. Income of employees*

Employment income should be comprised of basic salary, allowances, commission and other benefits (Robbins & Judge, 2013). The appraisal and recognition of employees' achievement would have correlation with their satisfaction, laying the foundation for their engagement with the organization (Danish & Usman, 2010). Employees might be committed to the organization when they receive its benefits. Employee engagement should emphasize on voluntary and inspiration for devotion to effective working performance, which would be initiated from the organization (Robinson & Hayday, 2004). Motivating employees to achieve organization's target should also be attached with giving appraisal based on their performance (Sundaray, 2011). If employees feel inequality in treatment, they might leave the job (Robbins & Judge, 2013). Human resource of gen Z belongs to group of practicality, so, salary policy should be practical and competitive (Hong Duyen, 2022). So, the authors expected that:

*=> Hypothesis H3: Income of employees has positive impact on employee engagement.*

## *2.2.4.      INFLUENCE FROM LEADERS*

The role of senior leaders at high level is establishing and implementing strategies and policies of the company, which would be comprised of identifying vision, determining long-term objectives and using advantages to develop policy in the short term and long term. Behavior of direct leaders would also be a major factor affecting attitude at work of employees. The relationship between employees and direct managers would have positive impact on employee loyalty (Gronholdt, 2006; Abdullah et al, 2009). Direct managers would have impact on attitude and behavior of their employees (Heweit,2015). Employees would be more engaged if their managers are knowledgable, friendly; who give nice complements on employees' accomplishment, listen to their ideas and notice their benefits. If the relationship between direct managers and employees is good, employees would feel secured and trust in their managers, then, they would be more engaged in the organization and improve their efforts (Kahn, 1990; Saks,2006).

Employees would be more engaged in the job if their managers could inspire them and notice their benefits (Sundaray, 2011). However, when they are provided with neither essential direction nor opportunities, they might become disappointed. Sometimes, they feel managers overcontrol them, then job engagement would decrease. So, the authors expected that:

=> *Hypothesis H4: Influence from managers has positive impact on employee engagement*

## *2.2.5.      Role of colleagues*

Colleagues are co-workers, who always talk and share with each other about the job. In most cases, co-working time is greater than interacting time with managers. So, similar to the relationship with managers, the relationship with

colleagues also has impact on employee engagement. Like the former relationship, the latter one would require support if necessary. Also, emloyees woud have demand for comfort and friendliness with colleagues (Hill, 2008). At the same time, when employees find their colleagues highly devoted to the job, they would try to obtain the best performance (Bellingham, 2004). Finally, colleagues should be the most reliable people. So, authors expected that:

=> *Hypothesis H5: The role of colleagues has positive impact on employee engagement.*

## 2.2.6. DEVELOPMENT TRAINING AND PROMOTION OPPORTUNITIES

Training courses refer to chances of acquiring essential skills to carry out a specific task. Training and development would be the process to provide employees with skills and targets at work. Training and development should play an important role in engaging employees in the organization (Bartlett 200, Ncube & Steven 2012). Employees would be highly engaged if the organization could provide them with opportunities to develop new skills, acauire specialized knowledge and improve themselves (Sundarary, 2011)

Promotion means changes upward to a more position in the company. Training often aims at the ultimate goal of promotion or improvement of working performance of employees. In addition, almost everyone has express and develop themselves. Therefore, employees should be provided with opportunities to improve their skills at work. A. Martensen and Grondoldt (2006) stated that job promotion should be a very important factor for employees, which showed their expression of themselves. Promotion would be related to the demand for self-expression. This would be factor creating job motivation and increasing employee engagement (Herzberg, 1959). So, authors expected that:

=> Hypothesis H6: Development training and promotion opportunities have positive impact on employee engagement.

Following hypotheses were given:

Hypothesis H1: Job attractiveness (HDCV) has positive impact on job engagement (GK)

Hypothesis H2: Working conditions (DKLV) have positive impact on job engagement (GK)

Hypothesis H3: Income of employees (TNHAP) has positive impact on employee engagement (GK).

Hypothesis H4: Influence from managers (AHLD) has positive impact on employee engagement (GK)

Hypothesis H5: The role of colleagues (DN) has positive impact on employee engagement (GK)

Hypothesis H6: Development training and promotion opportunities (DTTT) have positive impact on employee engagement (GK)

## 2.3. RESEARCH MODEL

Based on reseach hypotheses, authors proposed research model in the following diagram



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H4
(+)

H6 (+)
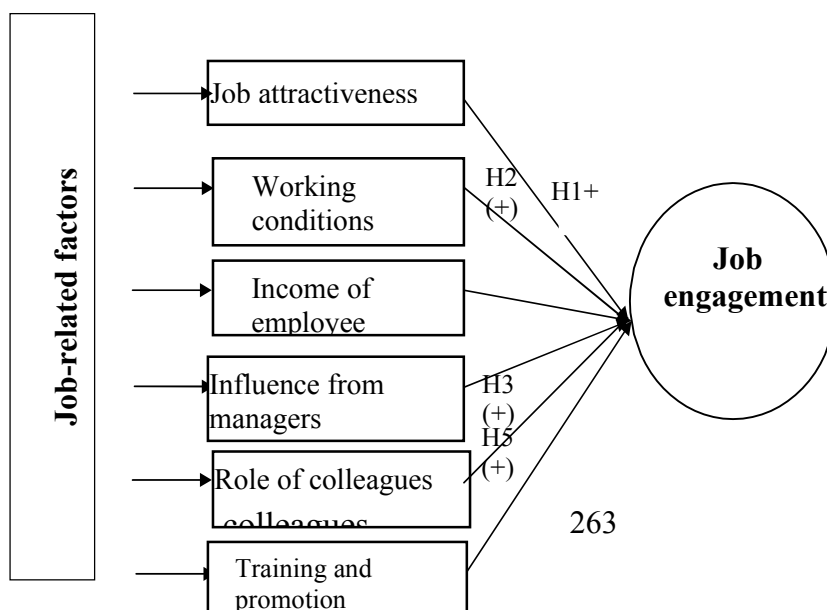
**Diagram 1:** HR Research theoretical model

## 3. RESEARCH METHODS

This study used the Likert 5 measurement scale from 1 – "extremely disagree" to 5 – "extremely agree" (Weijters et al., 2010) as well as SEM model to clarify the connection of variables suitable with the theoretical model (Hair et al., 2010). AMOS and SPSS 20 were applied to analyze the data and statistical model. The employment of measurement scale and model variables resulted from consultancy of previous studies, as presented in table 1

**Table 1. Variables and measurement scales**

| No | Abbreviation | Description | Source |
|----|--------------|-------------|--------|
|    |              | *Job attractiveness (HDCV)* |  |
| 1  | HDCV1 | My current job is interesting |  |
| 2  | HDCV2 | My current job does not put me under great pressure |  |
| 3  | HDCV3 | My current job helps showing my personal development demand | Boyce et. al, (2003); Bruce (2008) |
| 4  | HDCV4 | My current job shows my activeness |  |
| 5  | HDCV5 | My current job helps me balance work, life and personal happiness |  |

| | | *Working conditions (DKLV)* | |
|---|---|---|---|
| 6 | DKLV1 | Working place is well-equipped and safe | Litwin et. al, (1978). Alex (2001) |
| 7 | DKLV2 | There are sufficient working tools and equipment | |
| 8 | DKLV3 | Working atmostphere is comfortable and friendly | |
| 9 | DKLV4 | The assigned tasks are flexible | |
| 10 | DKLV5 | There is clear instruction and specification of job objectives | |
| | | *Income of employee (TNHAP)* | |
| 11 | TNHAP1 | Salary is compatiable with working performance | Heweit (2015); Robinson et. al, (2004); |
| 12 | TNHAP2 | Salary is equal among employees | |
| 13 | TNHAP3 | Salary is fully paid as scheduled | |
| 14 | TNHAP4 | I am satisfied with current income | |
| | | *Influence from managers (AHLD)* | |
| 15 | AHLD1 | Always taking care and support employees | Heweit (2015); Saks (2006) Snowden & MacArthur (2014) |
| 16 | AHLD2 | Respecting competence and talents of employees | |
| 17 | AHLD3 | Having equal treatment within | |

| | | employees | |
|---|---|---|---|
| 18 | AHLD4 | Having good specialized knowledge and learship skills | |
| 19 | AHLD5 | Being inspirational leaders | |
| 20 | AHLD6 | Showing long term vision for employees to develop themselves | |
| | | *Role of colleagues (DN)* | |
| 21 | DN1 | Being friendly and close | |
| 22 | DN2 | Effectively co-operating in job implementation | |
| 23 | DN3 | Having specialized knowledge improved thanks to collaboration with colleagues | Heweit (2015); |
| 24 | DN4 | Always paying attention to getting on well with colleagues | |
| | | *Training and promotion (DTTT)* | |
| 25 | DTTT1 | Being trained for job purpose and job development | |
| 26 | DTTT2 | Gaining practical knowledge for more effective working performance | Robinson et. al, (2004); |
| 27 | DTTT3 | Creating promotion opportunities for competent employees | |
| 28 | DTTT4 | Having equal and transparent | |

| | | policies on promotion | |
|---|---|---|---|
| | | ***Job engagement (GK)*** | |
| 29 | GK1 | Being voluntary to make efforts to improve skills for greater devotation | Robinson et. al, (2004); Saks(2006) |
| 30 | GK2 | Being proud of working at the company | |
| 31 | GK3 | Being loyal to the company | |
| 32 | GK4 | Expanding culture of the enterprise | |

According to Hair et. al, (2006), sample size would be determined based on: (1) Minimum number and (2) Number of variables in the model. Min would be 50. The number of observations per 1 variable (k) is 5/1 or 10/1. In this analysis, the authors chose k = 5. Sample size was determined as the following:

$$N = k \sum_{j=1}^{m} P_j = 5 * 32 = 160 \text{ samples}$$

So, it was essential to choose at least 160 observations for the study

In order to carry out the quantitative method, the authors conducted a convenient and random survey with employees at different organizations and enterprises. The number of released questionnaire was 326, the number of returned valid responses was 300, which was bigger than 160, so the sample size was accepted.

In order to test research hypotheses, the authors used the approach to variables of HDCV, DKLV, TNHAP, AHLD, DN, DTTT to measure variable GK. The total number of released questionnaires was 335 and 326 returned ones.

After being filtered, the valid responses accounted for 300 (Table 2). The authors inserted the data to the excel file with code as presented in table 3.

**Table 3: Data descriptive statistics**

| Indicator | | Frequency | Percentage |
|---|---|---|---|
| Academic background | College diplom | 68 | 22.67 |
| | Bachelor degree | 213 | 71.00 |
| | Post-graduate degree | 19 | 6.33 |
| Gender | Male | 132 | 44.00 |
| | Female | 168 | 56.00 |
| Position | Student – Intern | 47 | 15.67 |
| | Staff | 204 | 68.00 |
| | Leader/Associate team leader | 49 | 16.33 |
| N = 300 | | | |

*Source: Processed data from SPSS 20*

After being collected, the data was cleaned, encoded and inserted with SPSS 20. Hypotheses from H1 to H6 were tested with Cronbach's Alpha, EFA by SPSS 20 and analyzed with confirmatory analysis CFA and structural equation modeling

by AMOS. In order to process the research data, the authors carried out the following steps:

## *First, Cronbach's Alpha reliability test*

Cronbach's Alpha is the statistical test of validity (possibility to explain a research concept) showing items in the measurement scale is relevant with each other. In other words, Cronbach's Alpha reveals whether the measurements are connected with one another or not. Many researchers agreed that when Cronbach's Alpha is equal from 0,8 to approximately 1,0, the measurement scale is good; from 0,7 to nearly 0,8, the scale is useable. Other researchers proposed that Cronbach's Alpha from 0,6 and above could be used in the case of a new researched concept or a concept new to respondents (Hoàng Trọng and Chu Nguyễn Mộng Ngọc, 2008). Therefore, in this current study, the authors applied Cronbach's Alpha from 0,6 and above. If a value of Cronbach's Alpha was too big ($\alpha > 0,95$), it would mean that many variables in the scale were the same, which measured a specific content of the researched concept (Nguyễn Đình Thọ, 2011)

## *Second, exploratory factor analysis EFA*

EFA should be responsible for exploring the structure of measurement scale for factors of the research model. EFA can be used in the following cases:

- Identifying aspects or factors that can explain correlations in a set of variables.

- Identifying a set of new variables relatively correlated with each other to replace the initial set of correlated variables in order to carry out the next multi-variables analysis.

- Identifying a set of a few prominent variables extracted from a set of multi-variables to carry out the next multi-variables analysis.

There are some points taken into consideration in EFA:

- Value of KMO is big (0.5 to 1), which is the condition to analyze suitable factor. Barlett test has significance when (Sig < 0.05).

- Eigenvalue > 1 and total variance explained > 50%.

- Factor loading < 0.5 will be removed.

After the EFA has been strictly followed, new factors will be tested to clean the data.

## *Third, confirmatory factor analysis CFA*

After carrying out exploratory factor analysis EFA, the authors continued with confirmatory factor analysis CFA to measure the compatibility of the model with market data. Common indicators include Chi-square (CMIN), Chi – square (CMIN/df), CFI Comparative Fit Index, Tucker Lewis (TLI_Tucker and Lewis Index), RMSEA (Root Mean Square Error Approximation). Followings are some essential points to be considered regarding CFA:

✓ The model is suitable with market data when Chi – square has P-value < 0,05 (5%).

✓ Chi – square/df smaller than 3 is good and bigger than 5 is acceptable

✓ Model with values of GFI, CFI, TLI bigger than 0,95 is very good, bigger than 0,9 is bigger and bigger than 0,8 is acceptable.

✓ RMSEA smaller than 0,05 is very good, from 0,05 to 0,1 is good and bigger than 0,1 is bad

### *Forth, structural equation modeling SEM and hypotheses test*

SEM reflects the relationship between variables/factors. In order to measure the suitability of the model with market data, researchers often notice the following points:

✓ The model is suitable with market data when Chi – square has P-value < 0,05 (5%).

✓ Chi – square/df smaller than 3 is good and smaller than 5 is acceptable

✓ Model with values of GFI, CFI, TLI bigger than 0,95 is very good, bigger than 0,9 is good and bigger than 0,8 is acceptable.

✓ RMSEA smaller than 0,05 is good, from 0,05 to 0,1 is good and bigger than 0,1 is bad

# 4. RESEARCH RESULTS

## *4.1. RELIABILITY TEST OF MEASUREMENT SCALE (CRONBACH'S ALPHA)*

Table 3 showed that independent variables (after controlled variables were excluded with correlation coefficient smaller than 0,3) had Cronbach's Alpha from 0,771 and above (>0,6) and smallest correlation coefficient of 0,475 (> 0,3) showed that independent and dependent variables in the model were applicable

**Table 4: Cronbach's Alpha of variables in the model**

| No | Variable | Cronbach's Alpha |
|----|----------|------------------|
| 1 | Job attractiveness (HDCV) | 0.865 |
| 2 | Working conditions (DKLV) | 0.852 |
| 3 | Income of employees (TNHAP) | 0.825 |
| 4 | Influence of managers (AHLD) | 0.906 |
| 5 | Role of colleagues (DN) | 0.825 |
| 6 | Training and promotion (DTTT) | 0.929 |
| 7 | Job engagement (GK) | 0.793 |

*Source: SPSS 20*

## 4.2. EXPLORATORY FACTOR ANALYSIS EFA

There was EFA into independent and dependent variables of the model. The authors used principal component analysis, rotation promax to give seven factors with 24 observed variables (table 4), KMO = 0.806 (>0.5) with Sig = 0.000, total variance explained was 68.883% (>50%) and Eigenvalue was 1.2545 (>1). Loading factor was bigger than 0.5, so, it could be concluded that measurement scale of factors was satisfying (Giao & Vuong, 2019).

**Table 5: Final rotated component matrix EFA**

**Pattern Matrix<sup>a</sup>**

Pattern Matrix[a]

| | Component | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| AHLD6 | .916 | | | | | | |
| AHLD4 | .909 | | | | | | |
| AHLD3 | .862 | | | | | | |
| AHLD5 | .833 | | | | | | |
| AHLD1 | .725 | | | | | | |
| AHLD2 | .620 | | | | | | |
| HDCV1 | | .844 | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| HDCV4 | .799 | | | | | |
| HDCV3 | .784 | | | | | |
| HDCV2 | .775 | | | | | |
| HDCV5 | .744 | | | | | |
| DKLV5 | | .868 | | | | |
| DKLV2 | | .795 | | | | |
| DKLV1 | | .759 | | | | |
| DKLV4 | | .750 | | | | |
| DKLV3 | | .716 | | | | |
| DTTT2 | | | .949 | | | |
| DTTT3 | | | .930 | | | |
| DTTT4 | | | .895 | | | |
| DTTT1 | | | .809 | | | |
| DN1 | | | | .903 | | |
| DN2 | | | | .887 | | |
| DN3 | | | | .858 | | |
| DN4 | | | | .564 | | |
| TNHAP1 | | | | | .885 | |
| TNHAP4 | | | | | .821 | |
| TNHAP3 | | | | | .800 | |
| TNHAP2 | | | | | .702 | |
| GK3 | | | | | | .930 |
| GK2 | | | | | | .862 |

| GK4 | | | | | | | .702 |
|-----|--|--|--|--|--|--|------|
| GK1 | | | | | | | .538 |

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser Normalization.

a. Rotation converged in 7 iterations.

## 4.3 CONFIRMATORY FACTOR ANALYSIS CFA

After carrying out EFA, the study used confirmatory analysis CFA to measure the suitability of the model with market data. The authors used AMOS software to test the impact of job attractiveness (HDCV); working conditions (DKLV); income of employees (TNHAP); influence of managers (AHLD); role of colleagues (DN); training and promotion (DTTT) and job engagement (GK) on each other. In order to carry out CFA, the study used result of EFA with 7 main factors and 32 observed variables. After the analysis, the results were presented in Table 6

**Table 6: Criteria to evaluate results of CFA based on standardized coefficient**

| No | Criteria | Value |
|----|----------|-------|
| 1 | Chi-square/df | 1.586 |
| 2 | P-value của Chi-square | 0.000 |
| 3 | GFI | 0.873 |
| 4 | TLI | 0.946 |
| 5 | CFI | 0.952 |
| 6 | RMSEA | 0.044 |

*Source: AMOS*

Chi-square/df was 1.586, smaller than 3 with Sig. (P-value) of 0.000 smaller than 0.05 (smaller than 5 %). This number had statistical significance. Values of GFI was 0.873, smaller than 0.8; TLI was 0.946, bigger than 0.9, CFI was 0.952, bigger than 0.95 and RMSEA was 0.044, smaller than 0.1. So, the model was suitable with market data.

The authors calculated composite reliability and total variance explained of the scales. The results showed that values of composite reliability and total variance explained of the factors were bigger than 0.5, meaning that they were reliable for analysis (Table 6)

**Table 7: Composite reliability and total variance explained**

| No | Factor | Composite reliability | Total variance explained |
|----|--------|-----------------------|--------------------------|
| 1 | Job attractiveness (HDCV) | 0.867 | 0.568 |
| 2 | Working conditions (DKLV) | 0.824 | 0.539 |
| 3 | Income of employees (TNHAP) | 0.828 | 0.547 |
| 4 | Influence from managers (AHLD) | 0.902 | 0.610 |
| 5 | Role of colleagues (DN) | 0.844 | 0.579 |
| 6 | Training and promotion (DTTT) | 0.927 | 0.719 |
| 7 | Job engagement (GK) | 0.802 | 0.508 |

*Source: Calculation by authors*

In addition, the calculation of P-value of coefficients of each pair showed that P-value was smaller than 0,05 (5%) (Table 7), so pair correlation of given

concepts was different from 1 with reliability of 95%. So, the given concepts got distinguishing value

**Table 8: Calculation of P-value of pair correlation**

| No | Correlation | | | Estimate | SE | CR | P |
|----|------|------|-------|----------|-------|--------|------|
| 1 | AHLD | <-> | DTTT | 0.49 | 0.050 | 10.100 | **0.00** |
| 2 | AHLD | <-> | DN | -0.021 | 0.058 | 17.629 | **0.00** |
| 3 | AHLD | <-> | TNHAP | -0.048 | 0.058 | 18.112 | **0.00** |
| 4 | AHLD | <-> | DK | -0.027 | 0.058 | 17.735 | **0.00** |
| 5 | HDCV | <-> | DKLV | 0.589 | 0.047 | 8.779 | **0.00** |
| 6 | HDCV | <-> | DTTT | -0.005 | 0.058 | 17.349 | **0.00** |
| 7 | HDCV | <-> | DN | 0.399 | 0.053 | 11.315 | **0.00** |
| 8 | HDCV | <-> | TNHAP | 0.513 | 0.050 | 9.794 | **0.00** |
| 9 | HDCV | <-> | DK | 0.483 | 0.051 | 10.193 | **0.00** |
| 10 | DKLV | <-> | DTTT | -0.061 | 0.058 | 18.350 | **0.00** |
| 11 | DKLV | <- | DN | 0.387 | 0.053 | 11.476 | **0.00** |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | -> | | | | |
| 12 | DKLV | <-> | TNHAP | 0.515 | 0.050 | 9.767 | **0.00** |
| 13 | DKLV | <-> | DK | 0.334 | 0.055 | 12.197 | **0.00** |
| 14 | DTTT | <-> | DN | 0.007 | 0.058 | 17.142 | **0.00** |
| 15 | DTTT | <-> | TNHAP | -0.04 | 0.058 | 17.968 | **0.00** |
| 16 | DTTT | <-> | DK | -0.041 | 0.058 | 17.986 | **0.00** |
| 17 | DN | <-> | TNHAP | 0.346 | 0.054 | 12.033 | **0.00** |
| 18 | DN | <-> | DK | 0.331 | 0.055 | 12.239 | **0.00** |
| 19 | TNHAP | <-> | DK | 0.433 | 0.052 | 10.859 | **0.00** |

*Source: Calculation by authors, i n=300, n-2 = 398*

Như vậy, qua kết quả phân tích CFA cho thấy, mô hình phù hợp với dữ liệu thị trường, các thang đo đảm bảo độ tin cậy và các khái niệm đạt được giá trị phân biệt, đảm bảo cho việc phân tích mô hình cấu trúc tuyến tính SEM.

## 4.4. STRUCTURAL EQUATION MODELING SEM AND TEST OF MODEL HYPOTHESES

In order to carry out SEM which would show the relationship within các nhóm yếu tố ảnh hưởng đến gắn kết nhân sự gen Z, the authors transformed the model based on CFA to the model based on SEM. The result is presented in diagram 2
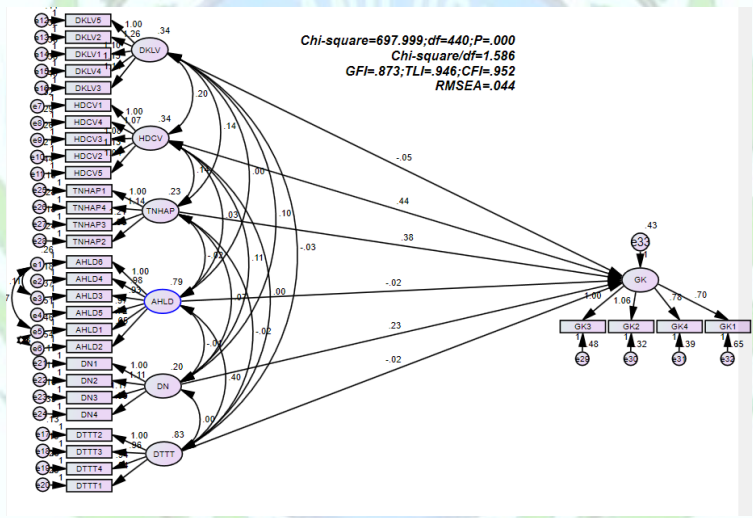


**Diagram 2**: Results of structural equation modeling with standardized coefficient

*Source: AMOS*

Based on CFA, it was apparent that the results of the model was compatible with market data. This was proved by Chi-square/df of 1.586 smaller than 3, Sig. (P-value) of 0.000 smaller than 0.05 (smaller than 5 %)-ensuring statistical significance, GFI of 0.873 bigger than 0.8, TLI of 0.946 bigger than 0.9, CFI of 0.952 bigger than 0.9 and RMSEA of 0.044 smaller than 0.1.

**Table 8. Test of model hypotheses**

|  |  |  | Estimate | S.E. | C.R. | P | Conclusion |
|---|---|---|---|---|---|---|---|
| GK | <--- | HDCV | .441 | .119 | 3.698 | *** | H1 accepted |

| GK | <--- | DKLV | -.046 | .116 | -.396 | .692 | H2 rejected |
|----|------|------|-------|------|-------|------|-------------|
| GK | <--- | TNHAP | .382 | .135 | 2.820 | .005 | H3 accepted |
| GK | <--- | AHLD | -.015 | .061 | -.254 | .799 | H4 rejected |
| GK | <--- | DN | .226 | .122 | 1.853 | .064 | H5 accepted at significance of 0,1 (10%) |
| GK | <--- | DTTT | -.021 | .059 | -.353 | .724 | H6 denied |

*Source: AMOS*

Based on the above diagram of SEM, following conclusions were given:

- Variable of job attractiveness (HDCV) had stroger impact on job engagement of Gen Z with coefficient of 0.44. Variable Income (TNHAP) had an impact on job engagement with coefficient of 0.38; variable of role of colleagues (DN) had an impact on job engagement with coefficient of 0.23.

- Working conditions (DKLV), influence from managers (AHLD) and training and promotion (DTTT) did not have postitive impact on job engagement of Gen Z.

# 5. DISCUSSION AND RECOMMENDATIONS:

In regard of theoretical aspect, the study clarified affecting factors on employee engagement of human resource belonging to gen Z. The survey result proved that job attractiveness, income and the role of colleagues were key affecting factors on engagement of gen Z human resource.

In reality, managers might apply the findings in this study to propose certain solutions to engage human resource of gen Z with the orgnizations:

Firstly, the organizational factor that Gen Z is interested in is their income. It is highly encouraging for Gen Z to show their identity in asking for reasonable benefits in any business context. In fact, any labor categories, including Gen Z require employers to appreciate transparency, recognition for labors' capability and benefits in appropriate with their knowledge dedication. So, instead of suffering from poor policies like overtime work, salary deduction, etc as previous generations, Gen Z always seek for equality for themselves. Then, it is essential to give recommendations related to changes in legislation such as forcing companies to provide official labor contract and allowing employees to claim their disputes at the court.

Secondly, generation gap is the result of changes. When the society and *technology* has been advancing and developing, there are differences in terms of vision, perspectives and job opportunities for Gen Z. Managers should build up appropriate culture, flexible working environment and more challenges in working place. They should notice the increase in applying in information technology to closely follow up trend at work in order to satisfy the desire to be challenge among gen Z employees. Managers might implement policies on flexible working time, distance management and respect for personal schedule, which are important requirements of Gen Z. They should always give challenges for genZ human resource. In fact, when Gen Z people realize that they have won a challenge at work, they will soon leave that working place to seek for others with more challenges for themselves.

Thirdly, managers should build up and developing business culture with focus on equality and communication at work. Gen Z always try to achieve equality. They want to develop equal relationship rather than hierarchy. They want to eliminate the gap between "senior-inferior". Gen Z highly appreciates the effectiveness of communication because it is supposed that all problems can be solved with direct interaction. They want to be directly connected with colleagues rather than social network site. At the same time, they expect responses from others. Contributive

ideas help them better deal with their assigned jobs and understand that they are going on the right track.

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