

The Effects of Corporate Sustainability to the Employee Engagement: Research on Tourism Enterprises in South Central Coast, Vietnam

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Abstract: *Research an overview of the theoretical and review relevant studies on corporate sustainability and employee engagement. In particular, corporate sustainability is the approach of an organization that aims to create long-term value through the implementation of a strategy focusing on economic, ethical, social, cultural and environmental aspects when conducting business activities. Research results show that when businesses act for sustainable goals related to social, economic and aspects this will positively affect employee engagement with the business.*

Keywords: Tourism, sustainability, sustainable development, corporate sustainability, employee engagement

1. Introduction

Finding a competitive advantage is the top goal of many businesses to ensure their ability to create value in the long term amid the context of a complex global market. Organizations are constantly looking for fundamentals to differentiate themselves from competitors, since those factors can become resources that create long-term sustainable competitive advantage (Collins and Porras, 1994, Gladwin et al., 1995). The applications sustainability strategies by business allow them to outperform other businesses that do not implement these practices (Adams and Zutshi, 2004).

The appearance of the concept of sustainability shows a significant change in business perspective, prompting companies to rethink their business practices by incorporating five sustainability initiatives. A sustainable business is one that considers a long-term perspective on the impact of operations and adjusts its business strategies to achieve holistic development (Maria Victoria U. Sy, 2016). Moreover, the role of businesses in the 21st century has grown increasingly complex to motivate and retain employees (Idris, 2014). Globalization of the workforce through advances in computer and telecommunications technology has created more challenges for businesses because of their role in attracting talent and securing an environment where Employees who can contribute long-term assets to the organization (Singh and Gupta, 2015) are becoming increasingly difficult. In a fiercely competitive global environment, achieving competitive advantage through labor force participation is the desire of organizational leaders (Harter, Schmidt, and Hayes, 2002). Therefore, employee engagement is one of the most studied organizational concepts of the past three decades and continues to draw the attention of theoretical-experimental scholars and practitioners industrial (Biro, 2013; Saks and Gruman, 2014). In addition, research by Choi and Yu (2014) shows that workers' perceptions of the practices of sustainable practices have a positive impact on organizational commitment and their organizational behavior. Therefore, the sustainable implementation of the business will have a positive impact on employee

engagement.

Along with that, more and more Vietnamese tourism businesses are aware of the importance of their sustainable development strategy, considering it a vital element of their business. The orientation of sustainable operation is one of the options and strategic goals of businesses in general and tourism enterprises in particular in the current global economic integration. Therefore, studying the impact of corporate sustainability on employee engagement is an interesting and important approach in the current period.

1.1. Theoretical basis

1.1.1. Sustainable businesses

The concept of sustainability concerns the protection and maintenance of society and the environment for future generations while trying to meet the market capitalization goal (Fusun and Ebru, 2018). To achieve sustainable development in organizations, companies must integrate the three principles of sustainability in the organization's daily routines. Therefore, the definition of CS is applied from sustainable development and can be attributed to meeting the needs of shareholders and stakeholders of the business without affecting its ability to meet demand of future generations (Dyllick and Hockerts, 2002). As a multidisciplinary, strategic business approach, CS creates a long-term stock value and stakeholders for corporations (Dyllick and Muff, 2015). The benefits of sustainable practices and threats from unsustainable practices have been discussed in many documents (Azapagic, 2003; Haanaes et al., 2012; Kiron et al., 2013).

The concept of corporate sustainability is related to the concept of sustainable development, stakeholder theory, the concept of corporate accountability and especially CSR concept (Mel Wilson, 2003).

1.1.2. Employee engagement

Employee engagement studies have shown that employee engagement is a self-development process through an individual's attachment with the organization (Allen and Meyer, 1990, Meyer and Allen, 1991; Messner, 2013). It

may be based on different stages or degrees of attachment to the premises based on an individual's perceptions of loyalty. In addition, employee engagement with an organization is essential because it affects their participation in the organization and contributes to their retention (Allen and Meyer, 1996; Ghazzawi, 2008; Tuna et al., 2011). Employees are willing to invest in their work when they feel that the organization supports their psychological needs to feel safe and supported (Kahn, 1990; Maslow, 1958). Employees who are attached to the organization are also more aware of job satisfaction, which can be a predictor of engagement (Ghazzawi and Smith, 2009; Nelson and Quick, 2008; Toor and Ofori, 2009; Tuna et al., 2011). Staff attached to the organization have a sense of the organization's personal goals and goals (Tuna et al., 2011).

The three dimensions represent the different psychological states of an employee and can develop independent measures for each dimension (Meyer and Allen, 1997). The extent to which an employee is attached to the goals or visions of an organization. The different psychological states of an employee are considered to predict the employee's decision to stay or leave the organization (Meyer and Allen, 1997).

1.2 Building hypotheses and research models

1.2.1. Research theory

Organizations are increasingly inclined to incorporate social expectations into their activities and strategies, not only to respond to increasing pressure from various stakeholders, but also to consider opportunities to create given competitive advantage (Maria Victoria U. Sy, 2016). Therefore, the importance of the study of CS is undeniable. Many studies have looked at corporate sustainability practices that focus on businesses in developed economies, primarily the US, UK, Australia and New Zealand (Burritt and Schaltegger, 2010; Frost and et al, 2005; Gray, 2006; Gurvitsh and Sidorova, 2012; Ameer, 2009; Patten, 2002; Sahay, 2004), but recently there has been increasing interest in understanding the phenomenon in developing countries. This is especially the case when they experience growth and move towards a more capitalist orientation (Sumiani et al., 2007).

Sustainable practices that businesses develop will facilitate the establishment of better internal control, decision-making and cost-saving systems (Adams, 2002). Through effective resource management, businesses will be able to gain long-term sustainable competitive advantage (Dyllick & Hockerts, 2002). The concept of sustainability provides the context in which researchers can study the practices used to create value. Value formation refers to both achieving sufficient profits and meeting the requirements of a diverse group of stakeholders (Lopez et al., 2007). CS activities that create image and reputation for businesses will be more appreciated by employees (Dowling, 1997), thereby positively affecting employee engagement. The relationship between sustainability and employee engagement will surely have a profound impact on a sustainable business (Simon

and Zhou, 2018).

The relationship between environment, society and economic performance is always the core of the enterprise's sustainability research (Menguc et al., 2010). Besides, as suggested by Tamajon and Aulet (2013), research on enterprise sustainability for small and medium-sized businesses can focus on employee motivation. Therefore, it is necessary to clarify the relationship between the firm's sustainable practices and employee engagement, the author proposes the following hypothesis:

Hypothesis H1: The implementation of business activities takes into account the social factors that have the same directional impact on employee engagement.

Hypothesis H2: The performance of firm's business considers economic factors that have a positive impact on employee engagement.

Hypothesis H3: The performance of business activities takes into consideration the natural factors that have the same directional impact on employee engagement.

1.2.2. Research models

From the research overview and the theoretical basis and based on the above analysis, the research model on the relationship between firm sustainability and employee engagement is proposed as shown in Figure 1.

Figure 1: The proposed research model

2. Research content

2.1 Samples, sampling methods and measurement scale

Research data is directly surveyed via detailed questionnaire with 5-point Likert scale (from 1: Strongly disagree to 5: Strongly agree).

Research Sample

This study uses a direct interview technique using a detailed questionnaire sent to the management of tourism businesses operating in eight provinces and cities in South Central Coast region of Vietnam. The survey has been conducted since 2019. The minimum sample size for the convenient method according to the observation ratio principle is 5: 1 (Nguyen Dinh Tho, 2013), meaning that a measurement variable needs to be at least 5 observe. Therefore, the minimum sample size for this method is 17 observed variables \times 5 = 85 observed samples. However, for SEM linear structure model analysis, the sample needs to be larger than 200 (Hoelter, 1983). Therefore, the study has issued 300 surveys and 235 survey results, of which 9 are invalid, so the official sample is 226. The author uses SPSS 24 software to process data.

The scale of observed variables representing the concepts in the research model was developed based on the original scale of previous studies. The model has 4 research concepts with 17 observed variables presented in Table 1.

Table 1: Scale scales of concepts in the model and origin of scales

The scale		Source
Corporate sustainability		
<i>Social aspect</i>		
XH1	Improving the health and safety of employees	Bansal (2005), Chow and Chen (2011)
XH2	Training to improve professional qualifications for employees	
XH3	Following to the health and safety of the community	
XH4	Sponsoring local community related initiatives	
XH5	Communicating environmental impacts and risks to the public	
<i>Economic aspect</i>		
KT1	Implement activities to reduce input costs	Bansal (2005), Chow and Chen (2011)
KT2	Carry out environmental and social impact assessments	
KT3	Ensuring customer satisfaction	
KT4	Design products that are safe, quality and environmentally friendly	
<i>Natural aspect</i>		
TN1	Reducing energy consumption	Bansal (2005), Chow and Chen (2011)
TN2	Reducing waste and emissions from operations	
TN3	Reducing impacts on animals and natural habitats	
TN4	Performing voluntary actions to protect the environment	
TN5	Our company has implemented environmental audits, public disclosure, staff training and exemptions	
<i>Employee engagement</i>		
GB1	Employees have strong belief in the company's goals and values	Yongrok Choi and Yanni Yu (2014)
GB2	Employees desire to remain in the business	
GB3	Employees feel ethically obligated to the company	

2.2. Research results

2.2.2. Results of exploratory factor analysis (EFA)

2.2.1. Cronbach's Alpha test results

Table 2: Confidence test results by Cronbach's Alpha coefficient

Observed variables	Average scale if variable type	Variance of scales if variable type	Correlated total variable	Cronbach's Alpha if this variable
<i>Social aspect: Cronbach's Alpha = 0,863</i>				
XH1	16,3186	5,889	0,628	0,847
XH2	16,2920	5,372	0,760	0,813
XH3	16,2832	5,768	0,680	0,835
XH4	16,2743	5,667	0,700	0,829
XH5	16,1947	5,882	0,642	0,844
<i>Economic aspect: Cronbach's Alpha = 0,843</i>				
KT1	11,6150	2,611	0,732	0,777
KT2	11,6106	2,710	0,700	0,791
KT3	11,6770	2,682	0,675	0,802
KT3	11,6637	2,820	0,606	0,831
<i>Natural aspect: Cronbach's Alpha = 0,789</i>				
TN1	15,6106	3,510	0,613	0,737
TN2	15,7168	3,199	0,635	0,726
TN3	15,6637	3,566	0,490	0,773
TN4	15,8805	3,332	0,558	0,752
TN5	15,6947	3,431	0,547	0,756
<i>Employee engagement: Cronbach's Alpha = 0,899</i>				
GB1	8,0088	1,253	0,832	0,828
GB2	7,9823	1,289	0,814	0,844
GB3	8,0619	1,392	0,756	0,892

Source: Data processing results from author's survey

The Cronbach's Alpha coefficient results used to evaluate the reliability of the scale show that all observed variables meet the requirements because there is a correlation coefficient of variables greater than 0.3 and all these scales have Cronbach's Alpha reliability coefficient greater than 0.6 (Nunnally and Bernstein, 1994).

Table 3: Results of factor analysis for EFA

Observed variables				
XH1	0,719			
XH2	0,844			
XH3	0,709			
XH4	0,751			
XH5	0,727			
KT1		0,815		
KT2		0,775		
KT3		0,754		
KT4		0,617		
TN1			0,570	
TN2			0,736	
TN3			0,565	
TN4			0,746	
TN5			0,632	
GB1				0,805
GB2				0,859
GB3				0,666
Eigenvalue	6,266	2,224	1,881	1,150
% average variance extracted	36,861	13,080	11,064	6,766
Cumulative of variance	36,861	49,942	61,005	67,771
KMO				0,871
Barlett's test		Chi-squared		1947,672
		df		136
		Sig.		0,000

Source: Data processing results from author's survey

The result of KMO coefficient = 0.881 > 0.5 and Sig. = 0,000 < 0.05. Besides, the results showed that for eigenvalue greater than 1, there were 4 factors extracted with cumulative of variance 67.5771% > 50% of the average variance extracted satisfactory. At the same time, all observed measurement variables have weight > 0.5. Thus, according to Anderson and Gerbing (1988), the scales defined in the research model all achieve reliability,

discriminant validity and convergent validity.

2.2.3. Results of linear regression analysis

ANOVA ^a						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	32,145	3	10,715	62,499	0,000 ^b
	Residual	30,060	222	0,171		
	Total	70,205	225			

a. Dependent variable: employee engagement
b. Predictors: (Constant), Natural, Economic, Social

Coefficients ^a								
Model		Unstandardized coefficients		Standardized coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	0,079	0,290		0,273	0,785		
	Social	0,263	0,052	0,279	5,066	0,000	0,820	1,219
	Economic	0,334	0,055	0,320	6,089	0,000	0,885	1,130
	Natural	0,398	0,068	0,321	5,858	0,000	0,816	1,226

a. Dependent Variable: employee engagement

With $t_{\text{Social}} = 5,066$; $p_{\text{Social}} = 0,000 < 0,05$; $t_{\text{Economy}} = 6,089$; $p_{\text{Economic}} = 0,000 < 0,05$; and $t_{\text{Natural}} = 5,858$; $p_{\text{Natural}} = 0,000 < 0,05$, so it can be affirmed that there is a relationship between the independent variable Social, Economic, Natural and dependent variables. At the same time, the results show that all variables have $VIF < 2$, so no multicollinearity. By measurement, the forecast equation is set as follows:

$$BV = 0,079 + 0,263XH + 0,334KT + 0,398TN + \epsilon$$

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0,677 ^a	0,458	0,451	0,41405	0,720

a. Predictors: (Constant), Natural, Economic, Social

b. Dependent variable: employee engagement

The adjusted correlation coefficient $R^2 = 0.451$ means that 3 independent variables (Natural, Economic, Social) explain 45.1% of the dependent variable (employee engagement). In addition, the Durbin-Watson coefficient is 0.720, indicating that the model has no autocorrelation phenomenon (Hoang Trong and Chu Nguyen Mong Ngoc, 2008).

3. Discuss the research results

The workforce attached to the business does not have to exist naturally. It is a two-way process in which every business need activity to engage its staff and, importantly, the employees themselves decide how they will engage with the business. It is a symbiotic relationship that both businesses and employees support each other. The results of the study once again confirm that once businesses act for sustainability goals related to social, economic and natural aspects. This will positively affect employee engagement with the business. Company is always concerned about improving the health and safety of employees, as well as having policies to improve professional qualifications for employees, besides paying attention and funding for employees, local community and improving the image of the business will positively influence the perception of employees, which will enhance employee engagement with the business. Employees will have a strong belief in the goals and values of the business, and desire to remain

F (Fisher) = 62,499 and $p(F) = 0.000 < 0.05$, therefore, it can be confirmed that there exists a relationship between the independent and dependent variables in overall.

engaged and feel obligated towards the business.

4. Conclusions and administrative implications

Based on the theory of enterprise sustainability and employee engagement, inheriting previous studies, this study has modeled the components of corporate sustainability and employee engagement in context of tourism businesses in South Central Coast region in Vietnam. Corporate sustainability and employee engagement have become one of the key issues for businesses in the integration and the ongoing 4.0 technology revolution. Research results show that the business sustainability aspects have a positive impact on employee engagement in the business. Based on the research results, the author gives some administration implications as follows:

First, businesses need to consider the needs and desires of their employees. In addition, businesses need to have incentive and training policies to help employees work more efficiently, ensure a friendly working environment and encourage employees to develop good professional and professional skills. At the same time, businesses need to have fair and non-discriminatory regimes and regulations so that employees really work for the common interests and goals of the business.

Second, businesses need to encourage employees to participate in activities for the sustainability of the business, towards the goals for society, economy and the natural environment. To turn these activities into corporate culture to give employees the opportunity to feel the spiritual values that social activities and environmental protection bring to the business and its employees.

Thirdly, businesses need to have appropriate policies, create jobs with adequate salaries, create trust and peace of mind for employees to stick more with the business. In addition, businesses should apply ISO 45001, an international standard for occupational health and safety management, that will bring many benefits to businesses.

Finally, businesses need to raise awareness about their

sustainability goals to their stakeholders. These will improve the image of the business and thus enhance the competitive advantage for businesses.

5. Limitations and the next research direction

The limitation of the study is that the study was conducted only in South Central Coast region of Vietnam. Therefore, in the future, the research can expand the scope of research in all provinces and cities across the country.

In addition, future studies can examine the relationship between business sustainability and the performance of tourism businesses through the mediation of employee engagement. This is a suggestion for future studies.

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