

An empirical study on factors effecting the job satisfaction of employees in the hospitality industry – a case of Danang city, Vietnam

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ABSTRACT

This paper examined the factors affecting the job satisfaction of employees in the hospitality industry, by developing a conceptual model and applying it to a specific context – Danang City, Vietnam. Questionnaire data were collected from 315 employees working in the hospitality industry, Danang city. The results of empirical tests using a structural equation model support all the research hypotheses. The results indicate that job satisfaction is influenced by workplace environment; pay and promotion potential; fairness and workplace relationships. Finally, the specific theoretical and managerial implications of the results are discussed.

Contribution/ Originality

This study conducts to achieve a better understanding of the factors impact on job satisfaction among hospitality employees working in Danang. In addition, relevant implications are provided for organizations trying to improve employee job satisfaction as well as overcome the current shortage of staff by attracting more workers into the Danang hospitality industry.

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1. INTRODUCTION

Tourism is an important industry supporting the development and stability of Vietnam's society and economy (UNWTO Press Release, 2012). Specifically, tourism contributed 13.9% to Vietnam's GDP in 2015, and this is forecast to increase by 9.4% by 2025 (WTTC Annual Research, 2016). Danang is one of the leading tourism cities in Vietnam, and is known as a famous destination attracting both domestic and international tourists. Danang's advantages include its beautiful beaches, abundant tourism potential, developed tourism infrastructure, and stable social-political environment, as well as one of the most important seaports in the central region. As such, the city's tourism sector has rapidly developed and become one of the key industries which contributes to the growth of Vietnam in general and Danang in particular. This is seen by the total number of tourists to the city, which was estimated at 5.5 million in 2016, up by 18.4% in comparison to 2015, in which the number of domestic and international tourists was estimated at 3.86 million and 1.67 million, rising by 13.2% and 32.4% in comparison to 2015, respectively (Danang Statistical Office, 2017). Total tourism revenue also accounted for 16.083 billion VND in 2016, rising by 25.4% in comparison to that in 2015 (Danang Statistical Office, 2017). Because tourism brings many benefits to Danang, this city has set up various support policies for tourism development (Vuong, 2016).

The hospitality industry has boomed in recent years, and is one of the main resources supporting tourism because visitors need accommodation during their trip to Danang. In other words, there is a close association between hospitality and the tourism industry due to the support of the tourism industry for the development of Danang's hospitality sector, and vice versa (Danang Department of Tourism, 2017). The recent surge in large-scale investment projects for hotels, resorts, and recreation facilities offer superior quality has created favorable conditions for Danang's hospitality industry (Truc, 2017). The data provided by Danang Department of Tourism (2017) shows that, in last three years, the number of hotel rooms increased annually by between 2,000 and 3,000. As of January, 2017, Danang had 575 accommodation businesses with a total of 26,000 rooms.

The strong development of Danang's hospitality industry has naturally led to increased competition among accommodation businesses. Most of these enterprises are in compliance with the related standards, and thus they have to make extra efforts to create differences that can increase their competitiveness. Since people are a key issue in the provision of accommodation services, most companies have established good training programs for their staff to add value to their offerings (Vuong, 2016). The tourism-related human resources in Danang have thus grown in both number and quality. By the end of 2016, the tourism industry had 27,000 direct employees in the city, rising by 8.1% in comparison to the number seen in 2015 (Danang Department of Tourism, 2017). However, at least 30% more staffs are needed in this sector, and this has caused higher wages to be offered to attract more workers, and so increased operating costs (Truc, 2017). Moreover, this labor shortage means that staff may feel less loyal to their employers (Truc, 2017), as many choose to seek other positions with better pay and more conditions (Sengupta and Gupta, 2008). In this context, it must be remembered that most employees hope to achieve higher future earnings, more satisfaction with their work, and better job performance (Sengupta and Gupta, 2008). As such, job satisfaction is the backbone for the success of a firm, and so satisfying workers is one of the key elements to a successful organization, and satisfied employees should be seen as company assets. Job satisfaction is often used in the literature as a measure of employee satisfaction, encouraging employees to perform well and continue in their positions. Job satisfaction is difficult to achieve, but when does so it can help achieve peace of mind and greater relaxation, leading to more enthusiasm and more innovative work (Herzberg *et al.*, 1959). Employees who are more satisfied with their work tend to be more energetic, ardent, inspired and committed to their jobs (Syptak *et al.*, 1999).

This study thus seeks to find out which factors effect on job satisfaction in the hospitality industry, and to the best of our knowledge, there is still little research that investigates this issue in Vietnam. Therefore, this study aims to contribute to the literature on the relationships between the dimensions of job satisfaction and the job satisfaction of employees by performing an empirical study. Starting

with a review of previous studies, this work then goes on to propose a conceptual model that fully explains the relationships among variables. This research then tested the proposed theoretical model in Danang's hospitality industry. In order to simultaneously examine the multivariate dependent relationships, this study applied structural equation modeling (SEM) which is often used in previous work in various different areas (Hair *et al.*, 2011; Hershberger, 2003), with the empirical data being collected from people who have been employed in different hospitality businesses in Danang City, Vietnam.

2. LITERATURE REVIEW

2.1. Job satisfaction

Job satisfaction is defined in various ways. Kotler (2003) stated that job satisfaction refers to a "person's feelings of pleasure or disappointment which result from comparing a job's perceived performance (or outcome) in relation to his or her expectations". Similarly, Steyn and Van (1999) claimed that job satisfaction can be defined as "the degree to which individuals feel positively and/or negatively about their jobs". Job satisfaction can be reduced by the tension caused by any gaps between the expectations of the individual and their unmet needs, and it deals with the feelings of an individual about his or her job. Overall, job satisfaction has a positive influence on employees feelings towards their job or job situation (Locke, 1976; Spector, 1997; Robbins, 2005). In addition, from the worker's perspective, the level of job satisfaction increases when his or her work is more interesting and varied (Wright and Davis, 2003). Overall, level of job satisfaction will be greater if more of a person's expectations are met, while a lack of job satisfaction is a predictor that this employee is likely to quit (Alexander *et al.*, 1998).

In terms of the hospitality sector, job satisfaction leads to more positive behaviors among employees, such as being more energetic and hard-working, providing better services to customers, cooperating with colleagues and committing to their work. As a result, it contributes to a higher level of service, which can then enhance customer satisfaction, encourage customer loyalty and create sustainable success for accommodation businesses (Nedeljkovic *et al.*, 2012).

2.2. Factors affecting job satisfaction

Job satisfaction is a concept that has often been discussed, studied and described, and can be affected by a range of variables, the identity of which depends on the characteristics of the specific job, industry or research environment. For example, Herzberg *et al.* (1959) set out some of the basic differences between intrinsic and extrinsic factors in a two-factor theory of motivation. According to this, people are impacted by motivator and hygiene factors (also known as factors for satisfaction and dissatisfaction, respectively). Motivator factors are things such as achievement, recognition, the work itself, responsibility, advancement, growth; while hygiene factors include salary, work conditions, status, security, company policy, the relationships between staff and supervisors or peers, and the quality of supervision. Spector (1997) determined nine dimensions of job satisfactions, with these being pay, promotion, supervision, fringe benefits, contingent rewards operating procedures, co-workers, nature of the work, and communication.

With regard to the hospitality industry, the dimensions affecting the job satisfaction of hotel workers include wages, safety, and working conditions (Upchurch *et al.*, 2000); level of education; the time working in the business; maturity and promotion prospects (Lam *et al.*, 2001); work environment, training and development, supervision, pay and benefits package (Moyes *et al.*, 2006; Gallardo *et al.*, 2009); colleagues, managers, development, the content of work, salary, responsibilities, time and maturity (Mazler and Renzl, 2007); training opportunities, wages, benefits, and perceived support (Gu and Siu, 2009); organizational justice and fairness (Nadiri and Tanova, 2010); colleagues, physical working conditions, salary and behavioral empowerment (Pelit *et al.*, 2011); organizational trust (Lee *et al.*, 2013); leadership, management by facts, employee orientation, and continued improvement (Arasli and Baradarani, 2014).

Based on a review of the literature and study context – employees working in hospitality industry in Danang City, Vietnam – this paper determines the effect of four factors, namely workplace environment, pay and promotion potential, fairness and workplace relationships, on job satisfaction.

2.2.1. Workplace environment

The working environment is a collection of elements surrounding an employee's workplace, which can affect the safety, health, psychologically and performance of employees. Thus, the workplace environment is considered as the physical and psycho-social work environment (Srivastava, 2008). In this study, workplace environment is concerned on physical factors such as: equipments, tools, facilities, design, temperature, air, light, noise, ventilation and so on (Babak *et al.*, 2016).

The workplace environment plays a vital role in job satisfaction (Donald and Siu, 2001; Javed *et al.*, 2014), as employees would like a comfortable physical working environment (Robbins, 2001). The physical design of the workplace may thus have either positive or negative effects on the satisfaction of employees (Parvin and Kabir, 2011). A good working environment can increase job satisfaction, and employees will thus try their best to improve their performance. In contrast, a lack of favorable working conditions can reduce an employee's mental and physical well-being (Greenberg and Baron, 2003). As such, this study suggests that job satisfaction is influenced by the workplace environment, stated in the following hypothesis:

H1: The workplace environment has a direct positive effect on job satisfaction.

2.2.2. Pay and promotion potential

Pay is defined as salary or wage which employees received for their job (Gallardo *et al.*, 2009). Pay plays a significant role at work, and is one of the fundamental components of job satisfaction. In brief, employees tend to compare themselves with their colleagues in terms of salary and their inputs to the job, and may decide to quit if they are not satisfied with the results (Nel *et al.*, 2004). Moreover, since all employees work to earn money, a good salary and related benefits are key factors in satisfying employees (Parvin and Kabir, 2011).

Promotion occurs when an employee moves to a position with greater significance and higher compensation (Lazear, 2000; McCausland *et al.*, 2005). It general means the upward movement of an employee in the hierarchy of an organization, and typically that leads to more responsibility and pay (Lazear, 1986). There are many studies which indicate that pay and promotion have significant positive impact on the job satisfaction of employees (Malik *et al.*, 2012; Hong *et al.*, 2013). In addition, the findings from previous studies (e.g., McCausland, 2005; Pergamit and Veum, 1999; Peterson *et al.*, 2003; Sclafane, 1999) also show that there is a direct, positive association between promotional opportunities and job satisfaction.

Therefore, this study suggests that job satisfaction is influenced by pay and promotion potential, stated as follows:

H2: Pay and promotion potential have direct, positive effects on job satisfaction

2.2.3 Fairness

Fairness is defined as equal treatment, when one gets the same services and benefits when compared to others (James, 2007). In a workplace context, fairness also refers to how employees perceive the "rightness" of the outcomes, procedures and interactions that occur within their organizations (Greenberg, 1990; Leventhal *et al.*, 1980). Greater perceived fairness makes employees feel that they receive the reward that their effort and contributions to the organization deserve (Organ, 1990), and a person will be more satisfied if they perceive fairer outcomes and a fairer work environment (Carrell and Dittrich, 1978). As such, staff will expect that in a fair relationship their efforts on behalf of organization will eventually bring some personal benefits, usually in terms of promotion or pay (Lind and Tyler, 1988; Organ, 1988). In contrast, greater perceived unfairness encourages staff to decrease

their efforts in the workplace in order to reestablish a sense of justice (Puffer, 1987). A number of studies thus reveal a positive relationship between the fairness of work policies and job satisfaction (Noor, 2009; Saeed et al., 2013). In other words, grater perceived fairness will lead to greater job satisfaction, as stated in the following hypothesis:

H3: Fairness has a direct positive effect on job satisfaction

2.2.4 Workplace relationships

Workplace relationships refer the various dimensions of one’s co-workers and the nature of supervision at work (Yvonne et al., 2014). The relationships that exist among colleagues can be seen in how employees work with their colleagues, and whether they enjoy doing so (Yvonne et al., 2014). Workplace relationships are among the strongest determinants of job satisfaction, with Yvonne et al. (2014) focusing on the various dimensions of one’s co-workers and the nature of supervision at work. The relationship between a supervisor and his or her co-workers has a positive correlation with job satisfaction (Saeed et al., 2013; Parvin and Kabir, 2011). The relationships that exist among colleagues can be seen in how employees work with their colleagues, and whether they enjoy doing so (Yvonne et al., 2014). In addition, the encouragement, guidance, help and support that can be provided by co-workers can all raise job satisfaction (Gu and Siu, 2009). Overall, good management and close staff relationships contribute to a higher level of job satisfaction (Friedlander and Margulies, 1969), with staff preferring supervisors they feel a personal bond with, and who they feel trust them, understand them and show fairness in their decisions. In contrast, if a supervisor is abusive, then their subordinated will be more dissatisfied with their jobs (Hussami, 2008). Supervisor support at work has a positive impact on satisfaction (Griffin et al., 2001), and supervisors who have a supportive personality will show interest in employees’ problems as well as personal care for their staff, all of which can lead to more effective supervision and greater job satisfaction (Tierney et al., 2002; Abdullah et al., 2009). As such, this study suggests that job satisfaction is influenced by workplace relationships, as stated in the following hypothesis:

H4: Workplace relationships have a direct positive effect on job satisfaction

This study thus presents a new model based on a review of the literature, with five constructs chosen to represent the relationships between job satisfaction and its various dimension. The conceptual framework used in this study is shown in Figure 1.

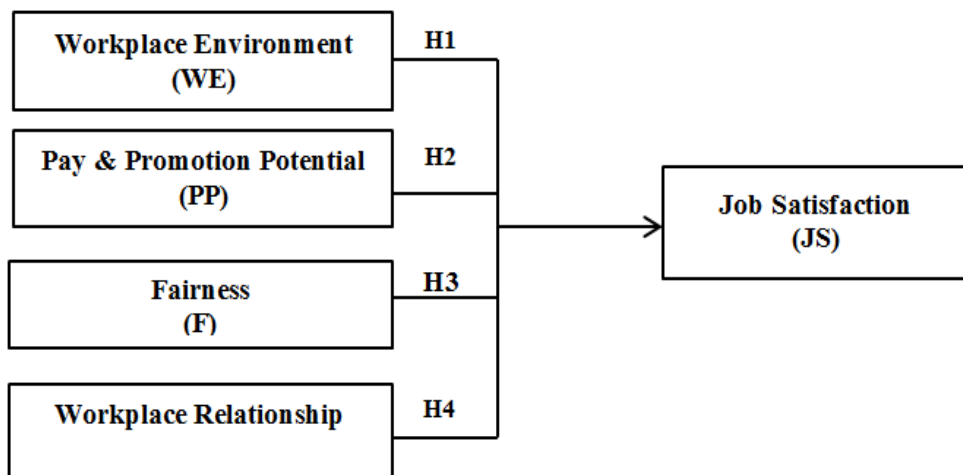


Figure 1: Conceptual framework

3. METHODOLOGY

3.1. Content validation

Based on previous studies, this work adapted existing measures to develop the model constructs, with five dimensions (Figure 1) in the conceptual framework.

After analyzing the factors gleaned from the research model, the specific hospitality industry conditions in Danang and the reference scales for the factors used in previous studies, this work was able to generate measurement items for the dimensions. In particular, five items for workplace environment were adapted from [Chei et al. \(2014\)](#); five measurement items were used to assess pay and promotion potential and five items were used to measure for workplace relationships, with both sets adapted from [Spector \(1985\)](#); nine items for fairness were from [Hong et al. \(2013\)](#) and [Kim and Leung \(2007\)](#); six items for job satisfaction were from [Homburg and Stock \(2005\)](#).

The measurement items of the factors need to be reliable ([Allen and Yen, 1979](#)) and internally consistent ([Nunnally, 1978](#)). Moreover, the content validity should be verified before testing or measuring the theory ([Hair et al., 2010](#)). Therefore, this work performed a preliminary study to gather ideas from the sampling respondents in order to check the scales and adjust them if needed. Once the scales were determined, the content validity was checked and a final questionnaire generated. One pilot study with a small sample of 20 respondents who have been working in the Danang hospitality industry was then conducted to test the survey questions. The results of the reliability test showed good scale reliability, with the Cronbach's alpha values of the seven dimensions all greater than 0.7 ([Nunnally and Bernstein, 1994](#)).

3.2. Research instrument

The final questionnaire was designed with 30 items covering the five factors, with most items answered using a Likert scale. The Likert scale used in this study had five levels, from 1 to 5, with 1 indicating "strongly disagree" and 5 "strongly agree". The survey was first drafted in English, translated into Vietnamese, and then translated back into English, to ensure that the items were the same as in the original. There were three parts in the questionnaire: Part 1 asked for the respondents' demographic and job profile data, such as gender, age, marital status, hometown, education level, years of experience in hospitality industry, working duration, and the number of times they had changed jobs. Part 2 evaluated factors affecting job satisfaction (workplace environment, pay and promotion potential, fairness, workplace relationship), while Part 4 dealt with the measurement of job satisfaction.

An empirical study was then conducted to collect data from respondents who had been working in the Danang hospitality industry. The questionnaires were posted online with a brief description of the research aims, and a link to the survey was distributed over the course of two months from July to August 2017, via social networks such as Facebook and Google Plus. The respondents were politely asked to complete the questionnaire. At the end of the period, after eliminating those questionnaires that contained insufficient information, a total of 315 usable questionnaires were obtained. The data gathered from these questionnaires is outlined in Table 1:

Table 1: Sample characteristics

Profile of respondents		Profile of job of respondents	
Items	Percentage (%)	Items	Percentage (%)
<i>Gender</i>		<i>Year of experience</i>	
Male	49.2	Under 1 year	21.3
Female	50.8	2 years – 5 years	35.9
<i>Age</i>		6 years – 9 years	30.5
Under 25 years old	46.3	10 years and above	12.3
26 – 30	34.9	<i>Length of employment at the present business</i>	
31- 35	15.9	Under 1 year	27
36 or Above	2.9	2 years – 5 years	54.3
<i>Marital status</i>		6 years – 9 years	14.5
Single	46.3	10 years and above	4.2
Married	53.7	<i>Number of jobs in other hospitality companies</i>	
<i>Education level</i>		None	4.8
Secondary school	0.9	One	23.8
High school	1.6	Two	47.6
Vocational school	20.6	Three	20
College	14	Four or more	3.8
University	58.7		
Post-graduate	4.2		
<i>Hometown</i>			
Hue city to Northern	65		
Danang city to Southern	35		

3.3. Analysis techniques

This study made use of the SPSS 16.0 and AMOS 21 software to analyze the raw data, with descriptive analysis and exploratory factor analysis (EFA) used to condense and summarize data for inclusion in the multivariate analysis procedures. The Cronbach's alpha reliability coefficient was used to check the reliability of scales, while confirmatory factor analysis (CFA) was used to examine the quality of all the measurement models with SEM. Finally, SEM and mediation tests were run to test the hypotheses.

4. RESEARCH ANALYSIS AND RESULTS

4.1. Exploratory factor and Cronbach's alpha analyses

This study uses the method of principal component analysis with VARIMAX rotation to extract main factors. The results of EFA showed that five research concepts, namely workplace environment, pay and promotion potential, fairness, workplace environment and job satisfaction, explained 69.522% of total variance (> 50%), KMO = 0.878 (> 0.5) and Sig = 0.000 (< 0.05). As such, these five factors were retained. Moreover, following Hair et al. (1998), thirty items that factor loadings greater than 0.5 were kept (Table 2).

A reliability test using the Cronbach's alpha statistic was used to test whether the factors were consistent and reliable. As shown in Table 2, the Cronbach's alpha of workplace environment was 0.893, that of pay and promotion potential was 0.880, fairness was 0.901, workplace relationship was 0.927 and job satisfaction was 0.952. In addition, the item-to-total correlations were all greater the threshold of 0.30 for each component. In summary, the Cronbach's alpha values for the constructs were all greater than 0.7 (Nunnally and Burnstein, 1994), the level considered adequate for a satisfactory degree of reliability in basic research (Hair et al., 1998).

Table 2: Exploratory factor analysis and Cronbach's alpha analysis

	Factor loading	Eigen value	Cumulated variance explained (%)	Cronbach' alpha
F1: Fairness (F)		8.052	26.840	0.901
F01- The company's benefit system is fair.	0.754			
F02- Every employee's salary is at par with their position.	0.749			
F03- Every employee's salary is at par with their skills and knowledge.	0.728			
F04- The overtime (OT) payment is reasonable.	0.721			
F05- The company's basic salary is reasonable.	0.821			
F06- The rewards I received here are quite fair.	0.630			
F07- This organization makes decisions in fair ways.	0.809			
F08- The procedures and rules used to handle organizational issues are fair.	0.755			
F09- The way my supervisor treats me is fair.	0.643			
F2: Job satisfaction (JS)		3.940	39.973	0.952
JS01- Overall, I am quite satisfied with my job.	0.842			
JS02- I do not intend to work for a different company.	0.908			
JS03- I like my job.	0.857			
JS04- There are no fundamental things I dislike about my job.	0.868			
JS05- I like my job more than many employees of other companies.	0.907			
JS06- I consider this employer as my first choice.	0.866			
F3: Workplace relationship (WR)		3.666	52.194	0.927
WR01- My co-workers are helpful to me.	0.876			
WR02- It is easy to get along with my colleagues.	0.868			
WR03- My immediate supervisor treats me with respect.	0.888			
WR04- My immediate supervisor manages people effectively.	0.814			
WR05- I have positive working relationships with people I work with.	0.816			
F4: Workplace environment (WE)		3.140	62.659	0.893
WE01- My company reacts quickly to solve the problem when told about safety concerns.	0.781			
WE02- My company invests a lot in safety training for workers.	0.771			
WE03- My workspace is provided with efficient lighting so that I can work easily without strain on my eyes.	0.853			
WE04- The number of windows in my work area meets my needs for fresh air and light.	0.793			
WE05- My work area is sufficiently equipped for my typical needs (normal storage, movements, etc).	0.846			
F5: Pay and promotion potential (PP)		2.059	69.522	0.880
PP01- I feel I am being paid a fair amount for the work I do.	0.814			

PP02- I feel satisfied with my chances for salary increases.	0.814
PP03- Those who do well on the job stand a fair chance of being promoted.	0.826
PP04- People are promoted faster here than in other places	0.806
PP05- I am satisfied with my chances for promotion.	0.770

4.2. Confirmatory factor analysis

Confirmatory factor analysis (CFA) is applied to check the quality of all measurement models of an SEM, examining both convergent and discriminant validities. The overall fit statistics of the measurement model, as obtained via model CFA ($\chi^2(395) = 912.122$), were as follows: $\chi^2/df = 2.309$ (< 3); $p < 0.01$; IFI = 0.922 (> 0.9); TLI = 0.913 (> 0.9); CFI = 0.921 (> 0.9); PNFI = 0.790 (> 0.5); RMSEA = 0.065 (< 0.08). Therefore, all the criteria met the recommended values in the measurement model.

According to [Hair et al. \(1998\)](#), the convergent validity of any measurement model should be supported by its item reliability, construct (composite) reliability, and average variance extracted. Item reliability (Table 3) is indicated by standardized loadings equal to or greater than 0.7, although standardized loadings greater than 0.5 are acceptable ([Bagozzi and Yi, 1988](#)); the square multiple correlations (SMC) were equal to or greater than 0.5 in this study, while the t-values associated with each of the standardized loadings were found to be significant ($p < 0.01$), ensuring item reliability ([Hair et al., 1998](#)). [Hair et al. \(1998\)](#) stated that construct reliability estimates should be equal or greater than 0.7, while the average variance extracted, which measures the amount of variance explained by the focal construct, should be above 0.5. In this research, the average variance extracted (AVE) (varying from 0.507 to 0.768) and composite reliability (CR) (from 0.880 to 0.952) values were higher than 0.5 and 0.7, respectively (Table 3), indicating that the measurement items used in this work have both reliability and validity ([Bagozzi and Yi, 1988](#)).

Table 3: Convergent validity of the measurement model

Construct	Items	Item reliability			CR	AVE
		Standardized Loading	SMC	t-value		
Workplace Environment (WE)	WE01	0.750	0.563	14.351***	0.894	0.629
	WE02	0.766	0.587	14.742***		
	WE03	0.864	0.746	17.149***		
	WE04	0.774	0.599	14.925***		
	WE05	0.807	0.651	-		
Pay & promotion potential (PP)	PP01	0.788	0.621	12.904***	0.880	0.594
	PP02	0.786	0.618	12.870***		
	PP03	0.819	0.672	13.357***		
	PP04	0.744	0.553	12.221***		
	PP05	0.713	0.508	-		
Fairness (F)	F01	0.744	0.554	-	0.902	0.507
	F02	0.741	0.549	13.042***		
	F03	0.719	0.517	12.627***		
	F04	0.722	0.522	12.692***		
	F05	0.791	0.626	13.999***		
	F06	0.596	0.355	10.349***		
	F07	0.762	0.580	13.444***		
	F08	0.708	0.501	12.427***		
	F09	0.596	0.355	10.343***		

Workplace relationships (WR)	WR01	0.887	0.787	19.637***	0.928	0.720
	WR02	0.879	0.773	19.362***		
	WR03	0.864	0.746	18.840***		
	WR04	0.780	0.608	16.134***		
	WR05	0.829	0.687	-		
Job satisfaction (JS)	JS01	0.835	0.698	-	0.952	0.768
	JS02	0.930	0.864	22.307***		
	JS03	0.874	0.764	19.989***		
	JS04	0.864	0.747	19.605***		
	JS05	0.900	0.809	21.014***		
	JS06	0.852	0.726	19.135***		

Note: *** denotes $p < 0.001$

After checking the convergent validity to see if the items within each construct converged, discriminant validity was then assessed to make sure there was enough discrimination between constructs. The most common method to examine discriminant validity is the AVE method, as proposed by Fornell and Larcker (1981). As shown in Table 4, the numbers along the diagonal indicate the AVE of a variable. The number in one cell is the square of the inter-correlation between the variable labeled in the row and the one labeled in the column. When the square of the inter-correlations is smaller than the AVE from each construct, then this indicates that discriminant validity between these constructs has been achieved. The results of the discriminant validity tests indicate that all the correlations among factors are significant and discriminant.

Table 4: Discriminant validity of the measurement model

AVE/ R ²	WE	PP	F	WR	JS
WE	0.629				
PP	0.082	0.594			
F	0.034	0.028	0.507		
WR	0.137	0.001	0.063	0.720	
JS	0.085	0.071	0.064	0.068	0.768

4.3. An assessment of the structural model

The structural model shown in Fig. 2 is tested using the five focal constructs. More specifically, SEM analysis is performed against the proposed conceptual model by applying a correlation matrix among the 30 measurement items. The SEM results depicted in Fig. 2 are $\chi^2 = 998.761$ ($p = 0.00$), $df = 401$, $\chi^2/df = 2.491$ (< 3), $IFI = 0.909$ & $TLI = 0.901$ (> 0.9), $PNFI = 0.790$ (> 0.5), $RMSEA = 0.069$ (< 0.08). Overall, these results show a good fit for the proposed structural model.

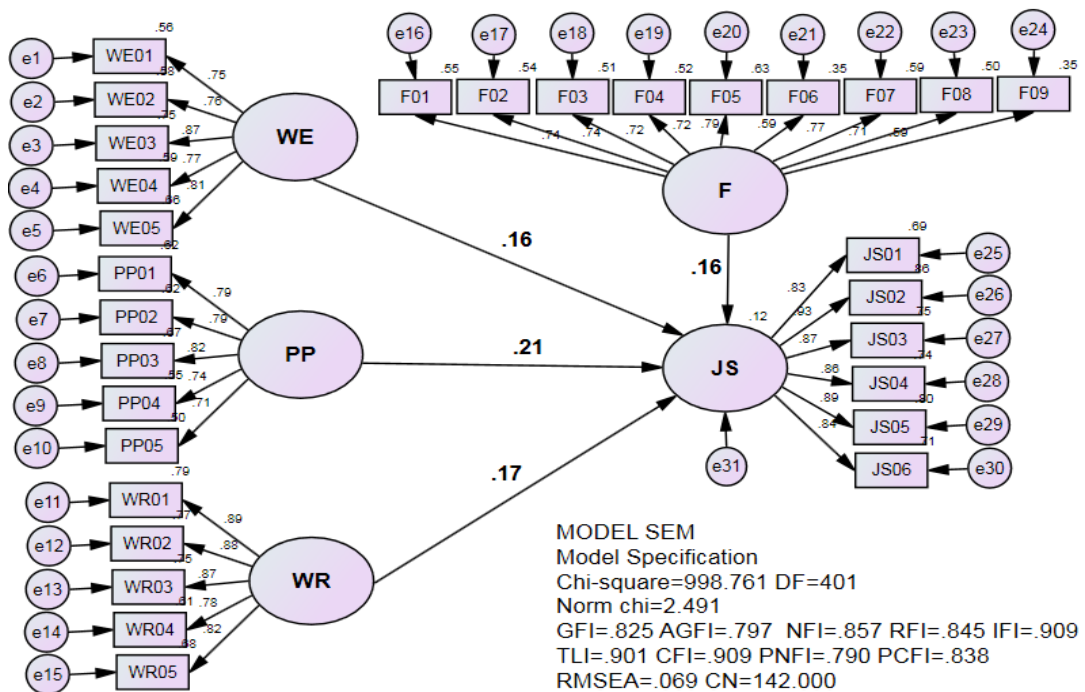


Figure 2: The SEM finalized model and results

Table 5 shows the results of the direct relationships, and the results here were used to test the proposed hypotheses. Four hypotheses, including H1, H2, H3 and H4, were found to be significant at $p < 0.05$. As hypothesized, workplace environment (SEs = 0.160; $p = 0.006$) has a direct, positive effect on job satisfaction, as identified by previous studies (e.g., Upchurch *et al.*, 2000; Moyes *et al.*, 2006; Gallardo *et al.*, 2009; Pelit *et al.*, 2011). In addition, pay and promotion potential directly impact job satisfaction (SEs = 0.206; $p = 0.000$), also consistent with earlier research (e.g., Lam *et al.*, 2001; Moyes *et al.*, 2006; Gu and Siu, 2009; Gallardo *et al.*, 2009). In addition, job satisfaction is positively impacted by fairness (SEs = 0.163; $p = 0.005$), also confirming previous studies (e.g., Nadiri and Tanova, 2010), and as well as workplace relationships (SEs = 0.175; $p = 0.002$), consistent with other works (e.g., Mazler and Renzl, 2007; Gu and Siu, 2009; Pelit *et al.*, 2011; Arasli and Baradarani, 2014).

Table 5: Hypotheses testing

Research hypothesis	Standardized Estimates (SEs)	Standard error	CR	p-value	Test results
H1 WE → JS	0.160	0.052	2.746	0.006	Supported
H2 PP → JS	0.206	0.058	3.446	***	Supported
H3 F → JS	0.163	0.056	2.791	0.005	Supported
H4 WR → JS	0.175	0.049	3.048	0.002	Supported

Note: *** denotes $p < 0.001$

5. CONCLUSIONS

The Danang hospitality industry has boomed in recent years and is one of the main sectors contributing the development of Danang City, Vietnam. Employees play a key role in this service industry, and thus considerable attention has been paid to job satisfaction in this sector. Therefore, this study aims to achieve a better understanding of the factors impact on job satisfaction among hospitality employees working in Danang. Based on thorough reviews of prior research in the field of services, and particularly tourism, this study developed integrative models and tested hypotheses with 315

employees who had been working in different lodging enterprises in Danang. The results revealed that the model had a suitable fit with the sample, and the results can thus provide reliable references for organizations aiming to improve employee job satisfaction. If this is achieved, then hotel owners and supervisors can better motivate their employees to carry out their work proficiently and effectively. In addition, this would also help to attract more workers into the Danang hospitality industry, to overcome the current shortage of staff.

5.1. Managerial implications

The findings show that, among the four factors, pay and promotion potential ($SEs = 0.206$) had the greatest impact on the job satisfaction of employees in the Danang hospitality industry. These results indicate that the importance of money and official status in this context should not be underestimated. Therefore, lodging enterprises should consider offering more competitive salaries compared to other firms, as well as creating more promotion opportunities for employees in order to attract more staff and retain the best workers, and so ultimately offer better service to customers.

The results also demonstrated that workplace relationships ($SEs = 0.175$) have a positive effect on job satisfaction. This indicates that workers in the Danang hospitality industry tend to agree that it is easy to get along with their colleagues and they help each other in their work. Moreover, they receive the support, respect and fair supervision they want from their supervisors. These results thus reaffirm that working relationships with co-workers and supervisors have a great influence on job satisfaction. If the staffs of an organization have friendly, cheerful relationships with each other, then they will feel more satisfied, and then they work harder to achieve organization's goals. In terms of the hospitality industry, if employees are more satisfied with their jobs, they will serve customers better, thus enhancing the competitiveness of the business. In order to make employees more satisfied with their jobs, the company could organize more team building activities, such as travelling together or holding events for special anniversaries and dates.

The results also revealed that fairness ($SEs = 0.163$) and workplace environment ($SEs = 0.16$) have direct, positive effects on job satisfaction. These relationships indicate that when employees work in the hospitality business, they expect to be treated fairly. Moreover, such employees are quite satisfied when their organizations create recognition package and fair policies focused on things such as salaries, benefits, rewards, and the division of work. Therefore, fairness also plays an important role in raising the job satisfaction of employees, and firms should work on creating more reward programs, give promotions when warranted, as well as offering higher salaries, in order to increase employee satisfaction. Besides, the workplace environment was also shown to have a significant influence on job satisfaction, and a healthy work environment can make employees feel good, and so increase their job satisfaction. A healthy working environment could be provided by offering employees the use of facilities like a gym, room for breaks, and so on.

5.2. Limitations

The research provides makes some contributions to the Danang hospitality industry by investigating factors impacting job satisfaction. However, this study also has some limitations. First, the sample used was quite small and not representative enough, and thus does not allow generalization of the model beyond the context of the Danang hospitality industry. Second, the subjects of this study were all staff working in the hospitality industry in Danang City, Vietnam, with the specific characteristics, demands, and diverse expectations. However, this study did not consider the relationships that the various demographic characteristics (e.g., gender, age, education level, experience, and so on) had with job satisfaction.

Further research should thus be carried out with a larger sample to get more generalized results and examine the impacts of the different demographic characteristics, to find out how different groups perceive their working environment, pay and promotion potential, fairness and workplace relationships, all of which may affect the job satisfaction of employees.

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