



## FACTORS INFLUENCING EMPLOYEE MOTIVATION IN SMALL HOTEL BUSINESSES IN HANOI

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**Annotation:** The research objective is to clarify the factors influencing employee motivation in small hotel businesses in Hanoi. The study sample consisted of 250 employees currently working in small-scale hotel businesses in Hanoi. Through the quantitative research method of multiple regression analysis using SPSS 20 software, the author identified five factors that influence employee motivation, including: (1) Brand and reputation of the business (UTTH); (2) Professional working environment (MTLV); (3) Good career path (LTCD); (4) Competitive income (TNCT); (5) Business structure (LHDN); (6) Language and computer skills requirements (NNTH). Among these factors, UTTH, MTLV, LTCD, and TNCT have a positive relationship with employee motivation, while LHDN and NNTH have a negative relationship. The managerial implication suggests that businesses should focus on building their brand, improving the working environment, establishing clear career paths, implementing fair and competitive salary policies, and considering a change in business structure for some cooperative hotel businesses.

**Keywords:** Employee motivation, labor productivity, recruitment brand.

### Introduction

#### 1. Problem Statement

The Covid-19 pandemic has not only had negative impacts on the economy but has also changed the perspective of hotel businesses towards financial resources, social resources, especially human resources. Human resources play a vital role in helping hotels survive the pandemic and are crucial in the process of recovering service operations. However, this resource is currently heavily affected and poses significant challenges for hotel businesses.

Effectively utilizing human resources involves various aspects, and one of the important aspects is motivating employees. The productivity and business performance of a company greatly depend on the individual labor efficiency of each employee. Individual labor efficiency is influenced by two factors: capability and motivation. Work capability depends on education, knowledge, work skills, personal experience gained through practical experience. On the other hand, work motivation is



formed by factors within individuals and factors that arise during work. When employees are motivated, they are enthusiastic, dedicated, and passionate about their work, which leads to higher labor productivity and contributes to achieving the business's production and operational goals.

In recent years, there has been a noticeable increase in the number of accommodation establishments in Vietnam. As of the end of 2018, the country had approximately 28,000 accommodation establishments with 556,000 rooms, representing a 9.3% increase in the number of establishments and a 9.4% increase in the number of rooms compared to 2017. The hotel industry has expanded its space and time for promotion, market development, reduced advertising costs, supported digitization of databases, developed virtual tourism, and saved labor resources. These factors create favorable conditions for tour integration, routes, and destination development, business collaboration, and the development of new tourism products, enhancing service quality. However, the opposite trend has been observed after the Covid-19 pandemic, with a significant decrease in the number of establishments, especially small hotel businesses, many of which have ceased operations. One of the reasons for this decline is related to the issue of human resources.

## **2. Research Overview and Theoretical Background:**

According to Nadeem Shiraz and Majed Rashid (2011) from the Interdisciplinary Business Research Academy in Pakistan, their study on "The Impacts of Reward and Recognition on Employee Motivation and Satisfaction" focused on investigating the role of promotion opportunities and leadership styles in motivating and satisfying employees (Shiraz, Rashid, & Riaz, 2011). The research findings indicated the relationship and differences in work motivation and job satisfaction, specifically highlighting the differences between promotion opportunities and leadership styles in motivating labor.

According to Çetin (2013), motivating employees can be used as a tool to increase productivity. The research aimed to emphasize the importance of selecting suitable motivation tools in hotel businesses to enhance productivity and provide an understanding of the complexities and similarities and differences among common motivation tools for hotel organizations when needed (Çetin, 2013). As a conclusion, the study proposed an "organizational motivation model" driven by the explanations provided in the literature. Top-level managers should analyze employees accurately and consider their economic, social, and psychological needs. Motivation tools can vary, such as economic, socio-psychological, organizational, and administrative motivation tools.

According to Musa et al. (2014), the factors that motivate employees include promotion, salary, wages, vacation benefits, career development training, and job rotation (Musa, Ahmed, & Bala, 2014). In a typical organizational work environment, organizations are obligated to retain employees and ensure their effectiveness. Business organizations, especially in the hotel industry, face many challenges regarding labor turnover and efficiency. Although the centrality of motivation as an important tool for labor substitution and productivity, it is often underutilized by most managers in the workplace. Some hotel employees have their needs compromised due to inadequate wages, delayed salary payments, and facing disadvantages, which affect their productivity and motivation.

According to Kaliyamoorthy et al. (2018), the main challenge in many small and medium-sized hotels is retaining competent employees. This has increased the demand for suitable motivation tools



to achieve employee retention goals in hotels (Kaliyamoorthy, Al-Shibami, Nusari, & Ghosh, 2018). Although there is extensive literature on motivation, it mainly focuses on other industries and predominantly emphasizes its impact on performance and productivity, overlooking the role of employee retention. Therefore, this research aims to identify the relationship between motivation and employee retention in luxury hotels in Malaysia. The results indicate a significant relationship between motivation and employee retention and job satisfaction. Among all the motivating factors, training and development, salary, and supplementary benefits have the highest statistical significance in employee retention. Leadership ability has a negative relationship with retention and job satisfaction. There are significant differences in training and development, communication, and employee engagement between male and female employees. Female employees consider these factors more important than their male counterparts. Training and leadership have significant differences across positions. The study recommends that hotel managers assist and guide subordinates in their development and organizational goal achievement. It also suggests that managers should develop ethics and team spirit among their subordinates.

According to Rogaleva et al. (2022), in the hotel industry, in order to survive and further develop, all team members of a company must work harder and better, develop existing work motivation, and sometimes form new motivation during this "cream-skimming" process. Certainly, a top manager, namely an executive director, plays a significant role in this process (Rogaleva, Nyurenberger, Petrenko, Bychkov, & Venyaminova, 2022). The main focal areas of business management are establishing such a self-developing system within a company, considering all forms and core shades of any company – its people. Results in the context of crisis caused by the pandemic, employees have realized how employers truly care about them, whether they feel concerned about their safety, and whether they are willing to provide support in difficult situations or uncertainties.

### 3. Phương pháp và mô hình nghiên cứu

The study primarily employs quantitative research methods.

The quantitative research objective is to validate a model of factors influencing work motivation among employees in small hotels in Hanoi, using SPSS 20 software.

The study conducts the following tests: assessment of measurement reliability using Cronbach's alpha coefficient, exploratory factor analysis (EFA), multiple regression analysis, and ANOVA analysis of the factors influencing work motivation. Finally, the study presents conclusions, managerial implications, limitations of the research, and suggests directions for future research for subsequent researchers.

The model takes the following form:  $DLLV = \beta_0 + \beta_1*UTTH + \beta_2*MTLV + \beta_3*LTCD + \beta_4*TNCT + \beta_5*LHDN + \beta_6*NNTH$

In which: DLLV: Work motivation

- UTTH: Brand reputation of the enterprise
- MTLV: Professional working environment
- LTCD: Good career development path
- TNCT: Competitive income



- LHDN: Type of business entity
- NNTH: Language and computer skills requirements

Research data: The article conducted a survey using 250 questionnaires among employees working in small hotels in Hanoi, distributed in 5 survey rounds. The collected data was suitable for running the quantitative economic model.

Survey sample composition: The survey results consisted of 165 questionnaires from female employees, accounting for 66.00%. There were 100 questionnaires from male employees, accounting for 34.00%.

**Table 1. Survey Sample Composition**

Survey Sample	Number of Questionnaires	Percentage
Female	165	66,00%
Male	85	34,00%
Age	- Under 25 years old - From 25 to under 30 years old - 30 years old and above	- 72% - 12% - 16%
Education level	- Unskilled labor - Intermediate, College - University and above	- 62% - 12% - 26%
Income	- Below 8 million VND - From 8-15 million VND - Above 15 million VND	- 32% - 12% - 56%
Job position	- Receptionist - Cashier - Housekeeping staff - Head chef - Bartender - Waitstaff - Corporate sales staff	- 2,4% - 0,8% - 87,6% - 1,2% - 1,2% - 4,0% - 2,0%

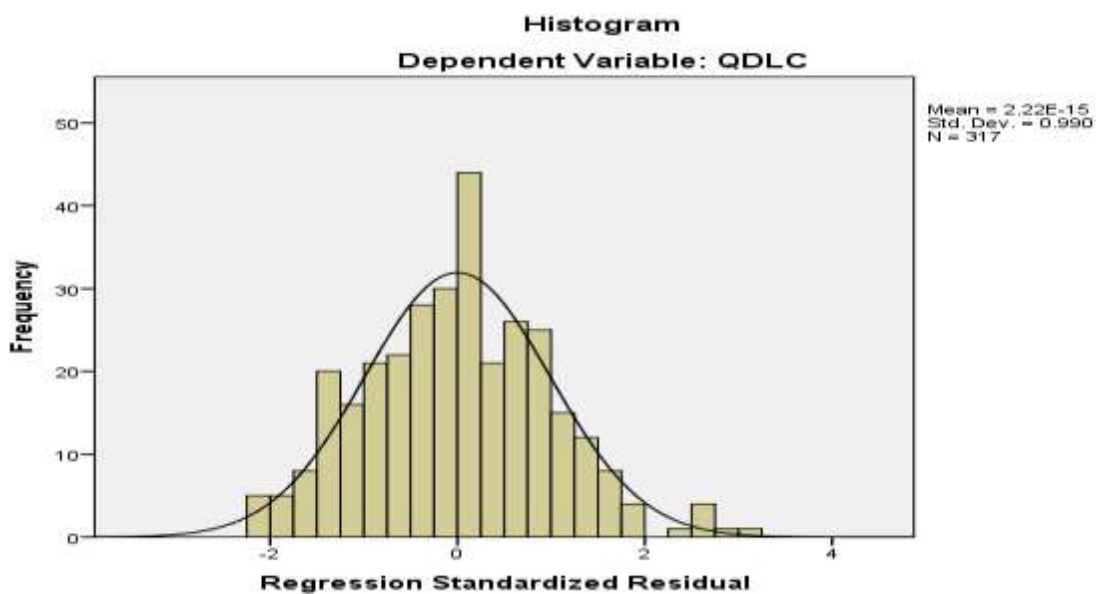


	- Room director	- 0,4%
	- Food department director	- 0,4%

Source: Compiled from the survey process

Table 1 shows that the number of surveys is relatively evenly distributed and reflects the reality accurately.

Figure 1. Data dispersion of the survey



Source: Compiled from the survey process

The survey data has been cleaned, so it is relatively homogeneous, and the dataset has relatively good quality for regression model testing.

Table 2. Scale of variables in the multiple regression model.

No.	Encoding	Content of Survey Questionnaire Categories	Quotation
<b>I</b>	<b>DLLV: Work motivation</b>		
1	DLLV1	<ul style="list-style-type: none"> <li>- Excellent: Always surpassing expectations/requirements</li> <li>- Valuing fairness in treatment towards all employees</li> <li>- Having a strong reputation for being just and impartial</li> <li>- Assisting others in understanding the concept of fairness and how to implement it</li> </ul>	Çetin (2013), Musa et al. (2014), Kaliyamoorthy et al. (2018), Rogaleva et al. (2022)



No.	Encoding	Content of Survey Questionnaire Categories	Quotation
		<ul style="list-style-type: none"> <li>- Implementing significant changes in policies and programs to eliminate unfair elements</li> </ul>	
2	DLLV2	<ul style="list-style-type: none"> <li>- Achieved: Meeting expectations/requirements</li> <li>- Demonstrating that all employees are treated fairly</li> <li>- Taking appropriate actions to counsel employees engaging in unfair behavior</li> <li>- Providing employees with regular training to enhance their understanding of the role and importance of fairness in the workplace</li> <li>- Maintaining employees' full awareness of the company's standards, expectations, and values regarding fair treatment</li> <li>- Expanding the scope of programs to provide equal access to fairness for all employees</li> </ul>	
3	DLLV3	<ul style="list-style-type: none"> <li>- Not achieved: Occasionally not meeting expectations/requirements</li> <li>- Provoking situations with issues arising</li> <li>- Encouraging employees to disrupt the situation</li> <li>- Viewing the company as an opposing side</li> <li>- Minimizing the amount of work to be done</li> <li>- Always talking about better things that could be achieved elsewhere in other companies</li> <li>- Constantly seeking reasons to reject tasks</li> <li>- Frequently refusing and encouraging other employees to do the same.</li> </ul>	Musa et al. (2014), Kaliyamoorthy et al. (2018), Rogaleva et al. (2022)
<b>II</b>	<b>UTTH: Brand reputation of the enterprise</b>		
1	UTTH1	I have a lot of affection for the hotel brand	Rogaleva et al. (2022)
2	UTTH 2	I feel secure when working at the hotel	
3	UTTH 3	I'm attached to the hotel brand	
<b>III</b>	<b>MTLV: Professional working environment</b>		
1	MTLV1	<ul style="list-style-type: none"> <li>- Prioritize human factors.</li> <li>- Build a strong corporate culture.</li> <li>- Have a clear strategic development vision</li> </ul>	Çetin (2013), Musa et al. (2014), Kaliyamoorthy et



No.	Encoding	Content of Survey Questionnaire Categories	Quotation
		and objectives. - Create a friendly and cohesive environment for each individual. - Promote a professional work environment starting from the smallest details.	al. (2018), Rogaleva et al. (2022)
2	MTLV2	- Foster a friendly and cohesive environment for each individual. - Maintain a professional work environment starting from the smallest details.	
3	MTLV3	- Create an unfriendly and disconnected environment for each individual. - Disregard the importance of employees.	
<b>IV</b>	<b>LTCD: Good career development path</b>		
1	LTCD1	The company establishes a clear career path with a well-defined promotion policy.	Rogaleva et al. (2022)
2	LTCD2	The company has a career progression roadmap, but the promotion policy is not clear.	
3	LTCD3	The company does not establish a career path, and the promotion policy is merely formal.	
<b>V</b>	<b>TNCT: Competitive income</b>		
1	TNCT1	Below-market earnings	Çetin (2013), Musa et al. (2014), Kaliyamoorthy et al. (2018), Rogaleva et al. (2022)
2	TNCT2	Earnings by market	
3	TNCT 3	Higher than market earnings	
<b>VI</b>	<b>LHDN: Type of business entity</b>		
1	LHDN1	The hotel belongs to a state-owned enterprise.	Musa et al. (2014), Kaliyamoorthy et al. (2018), Rogaleva et al. (2022)
2	LHDN2	The hotel belongs to a private enterprise.	
3	LHDN3	The hotel belongs to a foreign enterprise.	
<b>VII</b>	<b>NNTH: Language and computer skills requirements</b>		
1	NNTH1	The hotel requires IELTS certificate and Certificate	





No.	Encoding	Content of Survey Questionnaire Categories	Quotation
		of English for Tourism, Informatics C	Kaliyamoorthy et al. (2018), Rogaleva et al. (2022)
2	NNTH2	Certificate of Tourism English, Informatics B	
3	NNTH3	No English, Informatics required	

(Source: Compiled from theoretical foundations)

#### 4. Regression model validation and discussion of results.

The reliability of each measurement scale is tested using the Cronbach's alpha coefficient, where a value greater than 0.7 indicates a good measurement scale.

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

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
DLLV1	4.77	2.047	.724	.869
DLLV2	4.69	2.207	.777	.811
DLLV3	4.34	2.319	.799	.799
Cronbach's Alpha =0,71				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
UTTH1	7.67	3.122	.628	.738
UTTH2	7.50	3.346	.541	.830
UTTH3	7.49	2.934	.770	.789
Cronbach's Alpha =0,81				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
MTLV1	7.17	1.880	.724	.796
MTLV 2	6.79	2.680	.650	.847
MTLV 3	6.95	2.197	.804	.700
Cronbach's Alpha =0,75				





<b>Item-Total Statistics</b>				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
LTCD 1	7.12	2.707	.660	.756
LTCD 2	7.25	3.015	.724	.777
LTCD 3	6.89	3.542	.621	.785

Cronbach's Alpha =0,85

<b>Item-Total Statistics</b>				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
TNCT 1	5.43	3.252	.606	.777
TNCT 2	5.55	3.388	.610	.771
TNCT 3	5.67	3.748	.582	.704

Cronbach's Alpha =0,82

<b>Item-Total Statistics</b>				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
LHDN 1	5.7098	2.517	.817	.789
LHDN 2	5.6120	2.479	.821	.784
LHDN 3	5.9022	3.595	.548	.933

Cronbach's Alpha =0,73

<b>Item-Total Statistics</b>				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
NNTH 1	7.67	3.122	.628	.738
NNTH 2	7.50	3.346	.541	.830
NNTH 3	7.49	2.934	.770	.789



(Source: Report extracted from the SPSS 20 software)

Correlation coefficient matrix. The article examines the Pearson correlation coefficients with a significance level smaller than 5% (Sig < 5%). From Table 4, it can be seen that all variables, including the dependent variable, meet the regression conditions.

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

Correlations								
		DLLV	UTTH	MTLV	LTCD	TNCT	LHDN	NNTH
DLLV	Pearson Correlation	1	.409**	-.019	.638**	.109	-.156**	-.175**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	250	250	250	250	250	250	250
UTTH	Pearson Correlation	.409**	1	.108	.443**	.080	-.034	-.031
	Sig. (2-tailed)	.000		.054	.000	.157	.544	.588
	N	250	250	250	250	250	250	250
MTLV	Pearson Correlation	-.009	.108	1	-.024	.154**	.281**	.037
	Sig. (2-tailed)	.878	.054		.675	.006	.000	.512
	N	250	250	250	250	250	250	250
LTCD	Pearson Correlation	.638**	.223**	-.024	1	.052	-.039	-.165**
	Sig. (2-tailed)	.000	.000	.675		.356	.494	.003
	N	250	250	250	250	250	250	250
TNCT	Pearson Correlation	.109	.080	.154**	.052	1	.253**	.103
	Sig. (2-tailed)	.053	.157	.006	.356		.000	.068
	N	250	250	250	250	250	250	250
LHDN	Pearson Correlation	-.156**	-.034	.281**	-.039	.253**	1	.081



	Sig. (2-tailed)	.005	.544	.000	.494	.000		.148
	N	250	250	250	250	250	250	250
NNT H	Pearson Correlation	-.175**	-.031	.037	-.165**	.103	.081	1
	Sig. (2-tailed)	.002	.588	.512	.003	.068	.148	
	N	250	250	250	250	250	250	250
**. Correlation is significant at the 0.01 level (2-tailed).								

(Source: Report extracted from the SPSS 20 software)

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

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

Model Summary <sup>b</sup>									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.679 <sup>a</sup>	.661	.651	.50145	.561	44.206	6	310	.000
a. Predictors: (Constant), UTTH, MTLV, LTCD, TNCT, LHDN, NNTH									
b. Dependent Variable: <b>DLLV</b>									

(Source: Values obtained from the SPSS 20 software)

From Table 5, we can observe that the two values, R Square ( $R^2$ ) and Adjusted R Square (Adjusted  $R^2$ ), are 0.679 and 0.651 respectively, both  $> 0.5$ . The statistical value of F, calculated from the  $R^2$  value of the full model, has a significance level (Sig value) of 0.000, which is smaller than 5%. This indicates that the multiple linear regression model is suitable for the dataset.

**Table 6. Results of the regression analysis on the factors influencing employee motivation in small hotel businesses in Hanoi.**

Coefficients <sup>a</sup>
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Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.173	.276		4.256	.000
	UTTH	.118	.038	.147	3.128	.000
	MTLV	.017	.042	.018	.409	.000
	LTCD	.542	.047	.548	11.574	.000
	TNCT	.092	.035	.114	2.606	.000
	LHDN	-.127	.036	-.157	-3.513	.000
	NNTH	-0.070	.038	-.080	-1.871	.000

a. Dependent Variable: DLLV

(Source: Author's statistical analysis using SPSS 20 software)

According to Table 6, the regression results can be written as: **DLLV = 0.118\*UTTH + 0.017\*MTLV + 0.542\*LTCD + 0.092\* TNCT - 0.127\* LHDN - 0.070\* NNTH**

In the table, all remaining independent variables satisfy the condition of having a significance value (sig) smaller than or equal to 0.05, indicating that these variables are statistically significant.

### 5. Conclusion and Suggested Solutions.

Based on the results of the regression model validation, the author proposes the following methods to create motivation for employees:

First, the company's brand and reputation. Increase the company's awareness of brand issues, allocate marketing resources, implement appropriate promotional policies, and engage in community activities.

Second, a professional working environment. Each hotel needs to establish a professional work style, enhance the expertise of employees, develop their thinking, creativity, and innovation abilities, with various professional skills. Create a democratic work environment and space to achieve high efficiency in the work process.

Third, a good career path. Hotel businesses should implement human resource strategies and job analysis to build a career path as well as promotion policies.

Fourth, competitive income. The current 3P salary policy is relatively modern and advanced and can be applied to the majority of businesses.

Fifth, business structure. Convert the business type to a joint-stock company.

Sixth, language and computer skills requirements. Develop job-specific plans, where some



positions require foreign language skills while others do not. This should be clearly stated in the job description.

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