

## The Influence of Economic Constraints on Decent Work Perception among Vietnamese Students: the Moderating Role of Proactive Personality



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**ABSTRACT:** Based on the grounds of the Theory of Working Psychology, this study examined the effect of economic constraints on decent work perception among undergraduates in Vietnam. The data was collected from 300 students coming from two of the biggest universities in Vietnam, mostly majoring in economics or engineering. Utilizing SEM methodology, this study discovered that economic constraints have a positive relation to decent work. The result also demonstrated the important role of proactive personality in moderating this relationship. The findings differ from previous studies, which showed a negative relationship between economic constraints and decent work. Nevertheless, this study offers reasonable explanations so that the results are acceptable in the context of Vietnam. Based on the primary findings, some recommendations are given in order to help college students increase their prospects of obtaining decent work.

**KEYWORDS:** decent work, economic constraints, proactive personality, perception, PWT

### I. INTRODUCTION

Decent work, first proposed in 1999 by Juan Somavía, former Director-General of the ILO (International Labor Organization), is defined as work and work-related contexts that satisfy workers through work and psychological well-being. Decent work is considered to be the key element of happiness and opportunity access (Duffy et al., 2016). However, it is getting more and more challenging to secure decent work (OECD, 2015), due to the constant change in this modern, globally connected, and fiercely competitive economy. Learning what affects the perception of decent work is crucial for giving appropriate recommendations. Based on this call, the psychology of working theory (PWT) (Duffy et al., 2016) is proposed to comprehend the influence of contextual factors on decent work and its outcomes.

To date, research utilizing PWT has been conducted in a variety of settings and for a variety of audiences, including women in the US (England et al., 2020), college students in China, emerging adults in Korea (Kim et al., 2019), and American employees with Chiari disease (Ma et al., 2019; Wei et al., 2021). However, there is still a lack of similar study aimed towards students in developing nations, who will be entering the employment market in the future. Numerous research (Lent et al., 2002; 2017) have shown the importance of future career expectations in predicting outcomes, particularly for adolescents (eg, Feliciano & Rumbaut, 2005). Therefore, it is important to learn about the perception and behaviors of this group.

To fill this gap, in the present study we aim to analyse relationship between economic constraints and decent work perception. Moreover, we examined whether proactive moderated the impact of economic constraints on decent work perception.

### II. LITERATURE REVIEW

#### The Psychology of Working Theory (PWT)

The psychological work theory (PWT), proposed by Duffy et al. (2016), is a newly suggested theoretical framework with the goal of understanding the work experience of people in general, and those with economic and marginalization in particular. The central variable of this model is decent work, which consists of five elements: (a) physically safe working conditions and interpersonal relationships at work (i.e., free from physical, mental, or emotional abuse); (b) adequate rest and leisure time; (c)

## The Influence of Economic Constraints on Decent Work Perception among Vietnamese Students: the Moderating Role of Proactive Personality

appropriate organizational values with family and social values; (d) adequate compensation; and (e) access to adequate health care. Duffy et al. (2016) also suggest, decent employment exists when all these components are present. This theory describes how psychosocial elements including economic constraints, marginalization, work volition, and career adaptability predict people's happiness through the quality of their work. These are the premises and outcomes of "decent work".

### Economic Constraints

Economic constraints refer to the individuals' lifetime experiences with scarce economic resources. According to PWT Theory (Duffy et al., 2016), it is first required to discover a way to connect with the labor market in order to locate a satisfying employment, and having economic resources is one of them. Children born into these families do not have access to adequate work preparation because a poor family cannot help much with accomplishment and career development. Moreover, economic constraints also result in limited access to study resources, limited options for career development, and subjective sentiments about their social status (McLoyd, 1998). Consequently, economic constraints act as a major impediment to decent work acquisition (Duffy, 2016; Ma et al., 2020). The direct negative relationship between economic constraints and decent work has been mostly supported (Tokar et al., 2019; England, 2020; Ma et al., 2020) but nonsignificant in some studies (Duffy et al., 2019; Lee, 2020). With the students, who do not officially participate the labor market, decent work perception is used in the model. Therefore, we propose the hypothesis as below:

*H1: Economic constraints are negatively associated with decent work perception.*

### Proactive Personality

According to the Psychology of Working Theory (Duffy, 2016), proactive personality refers to a person's tendency to actively influence their environment. It is also a driving force behind a person's desire to change their own circumstances, particularly when the environment is less favorable for career advancement. Ma et al (2019) confirms the role of proactive personality in mitigating the impact of economic constraints on career adaptability, which then positively influence decent work. The above statement explains that a person who is proactive at work will minimize the negative effects that economic constraints affect their ability to adapt to work. Therefore, the hypothesis is proposed:

*H2: Proactive personality has a negative effect on the relationship of economic constraints to decent work*

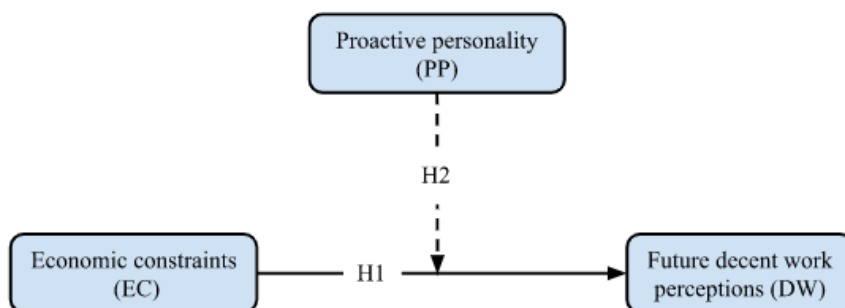


Figure 1. The proposed model

## III. RESEARCH METHODS

### Variable and Questionnaires

The scale of Future decent work perceptions with 5 observed variables is adjusted from the scale of Duffy et al (2017), according to which a person with the perception of decent work will be evaluated on the following aspects: safe working conditions, access to health care, adequate compensation, hours of work and rest, organizational values that complement family and social values. Based on Duffy et al. (2017) and reviewing previous work by Kim et al. (2019), Ma et al. (2019) modified it to more effectively measure perception of decent work. Specifically, 5 indicators are given as follows: (DW1) "at my future job, I will feel safe from any form of emotional or verbal abuse" (safe working conditions), (DW2) "my future employer will provide acceptable health care options" (access to health care), (DW3) "I will be duly rewarded for my future job" (adequate pay), (DW4) "I won't get a break during the work week" (free time and rest), and (DW5) "the value of my organization will align with the values in my community" (additional values). The scale of Duffy et al. (2017) has been used by many later studies and proved to be appropriate for different contexts. Although there are fewer questions, the scale of Ma et al (2019) still fully ensures the 5 basic factors set out in the satisfactory employment scale of Duffy et al (2017), therefore, the group The study will also use Ma et al.'s Future decent work perceptions Scale (2019)

## **The Influence of Economic Constraints on Decent Work Perception among Vietnamese Students: the Moderating Role of Proactive Personality**

Economic constraint scale is referenced from the ECS scale of Duffy et al (2019), according to which economic constraint is the lack of economic resources (household income), this factor plays a role as a barrier to finding decent work. Deriving from the definition of economic constraint in the original model PWT, Duffy et al (2019) built a scale of 6 questions to measure economic constraint. After exploratory factor analysis, 5 out of 6 factors were concluded to be appropriate including "Until now, I am a person who always has to live in a difficult economic situation", "Until now, I always struggling to make a living", "I have always had trouble managing my finances", "I have always considered myself poor or at least quite poor", and "I have never feel financially stable." This scale has also been applied by the study of Ma et al (2021) on the relationship between job satisfaction and academic satisfaction of students in China. The Economic Constraints Scale closely matches the PWT when it comes to financial aspects of an individual's lifetime, not just their current financial hardship. Therefore, the research team decided to choose the Economic Constraint scale to measure the economic constraint for this topic.

The proactive personality scale comes from Bateman's (1993) research on measuring individuals' proactive and positive behavior in organizations. Research is based on the concept of proactive behavior created 47 initial indicators and selected 27 most typical indicators for the model. After empirical evaluation on many different samples, the study found 17 indicators that are the most comprehensive and reliable, including: (PP1) "I am constantly looking for new ways to improve my life"; (PP2) "I feel the push to make a difference in my community"; (PP3) "I tend to let others take the initiative to start new projects"; (PP4) "Wherever I have been, I have been a powerful force for constructive change"; (PP5) "I like to face and overcome obstacles for my ideas"; (PP6) "There is nothing more exciting than seeing my ideas turn into reality"; (PP7) "If I see something I don't like, I will fix it"; (PP8) "No matter what, if I believe in something, I will make it happen"; (PP9) "I like to be the one who fights for my ideas, even against the objections of others"; (PP10) "I am very good at identifying opportunities"; (PP11) "I am always looking for better ways to do things"; (PP12) "If I believe in an idea, there's no stopping me from making it happen"; (PP13) "I like to challenge the status quo"; (PP14) "When I have a problem, I deal with it face to face"; (PP15) "I am very good at turning problems into opportunities"; (PP16) "I can spot a good opportunity long before others do"; (PP17) "If I see someone in trouble, I will help in any way I can." Realizing the suitability of the above scale for research objectives and the current Vietnamese context, the authors therefore chose Bateman's (1993) proactive personality scale to consider the regulatory role of It relates to the relationship between economic constraints and career adaptation, the will to work, and the perception of decent work among Vietnamese students. After using the in-depth interview method, a number of indicators are considered by the research subjects to have similarities in meaning such as numerical indicators (PP8) and numerical indicators (PP9); digital indicator (PP10) and digital indicator (PP16). Besides, there is an indicator that is said to be ambiguous and makes it difficult to choose (indicator number 3). Thereby, the research team decided to remove the numerical indicators (PP3), (PP8) and (PP16) and used 14 indicators.

The questionnaire was designed in two parts. Part 1 is 24 questions related to 3 variables of the research model. Each item is rated on a 5-point Likert scale, from 1 "strongly disagree" to 5 "strongly agree". Part 2 is 7 questions related to student's personal information including: gender, last year, school, major, background, parent's education level, work experience.

### **Survey Subjects and Sample**

*About the survey subjects:* The survey respondents are students of 2 majors in economics and engineering who are studying at universities/academies in Vietnam.

*About sample size:* Hair et al (1998) suggested that for exploratory factor analysis (EFA) to be effective, the sample size should be at least 5 times the total number of observations. In the article, the research team asked 24 questions corresponding to 24 observations. Therefore, the minimum total number of samples needed for the study is  $24 \times 5 = 120$ . This study conducted analysis on 300 samples, so it was ensured about the relevance, diversity and richness to meet the research objectives.

### **Data Analysis Method**

The data analysis process was conducted in 4 steps to test the model. First, to test the reliability and compatibility of the scale, Cronbach's alpha coefficient and exploratory factor analysis (EFA) were used. Then, we analyzed the confirmatory factor analysis (CFA) to evaluate the validity of the observed variables. Finally, the hypothesis is tested by the structural equation modeling (SEM). In addition, analyzes of regulatory effects were also performed.

## **IV. RESEARCH RESULTS**

### **Population and Research Sample:**

Data collection was conducted from Vietnamese students in two main majors: economics and engineering. 350 survey questionnaires were completed, we excluded 50 respondents due to careless answers or respond time under 3 minutes. The

## The Influence of Economic Constraints on Decent Work Perception among Vietnamese Students: the Moderating Role of Proactive Personality

final valid sample consisted 300 students. Among the participants, there are 119 men (39.7%) and 181 women (60.3%). The survey sample consisted of 203 students, mainly studying economics, with the rest studying science and engineering. Two hundred and seven students are from rural and 93 students are from urban. Surveyed students are evenly distributed in all four years of study (44 freshmen, 55 sophomores, 149 third years, 52 fourth years).

**Table 1: Demographic Characteristics**

Individual Characteristic		Number of people	Percentage
1. Gender	Men	119	39.7
	Women	181	60.3
2. Last year	Fresher	44	14.7
	Junior	55	18.3
	Sophomore	149	49.7
	Senior	52	17.3
3. Major	Economics	203	67.7
	Science and engineering	97	32.3
4. Background	Rural	207	69.0
	Urban	93	31.0
5. Parent's education level	Junior High School or below	52	17.3
	Senior High School	83	27.7
	Junior College	37	12.3
	University and above	128	42.7
6. Work experience	Ever	228	76.0
	Never	72	24.0
<b>Total</b>		<b>300</b>	<b>100</b>

Source: Author's calculations

### Reliability Test

First, the authors test the reliability of the variables using Cronbach's Alpha coefficient. According to Nunally (1978), if the variables have Cronbach Alpha index  $> 0.6$  and Corrected Item-Total Correlation index  $> 0.3$ , the data has good reliability. Based on the results of Table 1, all observed variables satisfy the conditions.

Principal axis factoring extraction and Promax rotation were used to evaluate the convergence value of the scale (excepted the moderator variable). The KMO coefficient of Bartlett's test is used to measure the compatibility of the survey sample. Table 1 shows that 7 variables are classified into 2 groups of factors. In which, EC5 (of the variable Economic constraints) and DW1, DW4 (of the variable Future decent work perceptions) have been removed after considering their content value because they are not satisfactory converging. According to Hair et al (1998), the tested data are convergent, including the following factors: the KMO coefficient of the Bartlett test is in the range from 0.5 - 1, Eigenvalue of the factor group  $> 1$ , Total Variance Explains = 49.546%, Factor Loading of all factors are  $> 0.3$ .

Thus, after analyzing EFA exploratory factors and testing Cronbach's Alpha coefficient, the scale has 7 remaining indicators, converging into 1 independent variable, 1 dependent variable, and a moderator. The above results show that the initial scale ensures validity and reliability.

**Table 2: Results of EFA and Cronbach's Alpha**

Construct	Indicators	Factor Loading	Cronbach's Alpha
EC	EC1	0.817	0.776
	EC2	0.847	
	EC3	0.381	
	EC4	0.449	

**The Influence of Economic Constraints on Decent Work Perception among Vietnamese Students: the Moderating Role of Proactive Personality**

DW	DW2	0.600	0.738
	DW3	0.784	
	DW5	0.672	
PP			0.914

Note: EC: economic constraints; DW: Future decent work perceptions; PP: Proactive personality

Source: Author's calculations

Next, the appropriateness of the model is tested by the confirmatory factor analysis (CFA) with 2 variables Economic constraint (EC), Future decent work perception (DW). According to Hair et al. (1998), the results of Table 2 show that the model's indexes are appropriate, specifically:  $\chi^2/df = 2.518 (\leq 3)$ , CFI = 0.969, TLI = 0.950, GFI = 0.969 ( $\geq 0.9$ ).

**Table 3. Measurement scales' goodness-of-fit indices**

Fit Index	Recommended Value	Measurement Model	Structural Model
$\chi^2/df$	$\leq 3$	2.518	2.518
CFI	$\geq 0.9$	0.969	0.969
TLI	$\geq 0.9$	0.950	0.950
GFI	$\geq 0.9$	0.969	0.969

Source: Author's calculations

**Structural Model Testing**

Structural equation modeling - SEM was used to test the proposed research hypotheses.

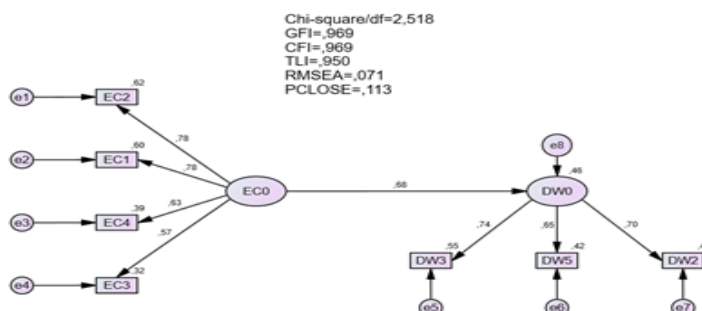
Statistical indicators show the degree of fit (model fit), specifically:  $\chi^2/df = 2.518 (\leq 3)$ , CFI = 0.969, TLI = 0.950, GFI = 0.969 ( $\geq 0.9$ ). The final results show that all the model indexes are at the required level (Hair et al., 1998). The research hypotheses proposed by the group were accepted at the 5% significance level. That is, the will to work affects career adaptation; economic constraints impact career adaptation and the will to work, all three of which impact perceived job satisfaction.

**Table 4: Standardized solution of structural modeling analysis**

Hypotheses	Standardized Path Coefficients	S.E.	C.R.	Supported
H1 EC → DW	0.679***	0.062	8.404	Supported
H2 EC*PP → DW	-0.078**			Supported

Source: Author's calculations

The analysis results in Table 4 show the level of impact of two main factors: Economic constraints have a positive effect on future decent work perceptions ( $\beta = 0.19$ ,  $p < 0.001$ ).



**Figure 2: Final structural model**

Source: Author's calculations

# The Influence of Economic Constraints on Decent Work Perception among Vietnamese Students: the Moderating Role of Proactive Personality

## Testing of Moderating Effects

Hypothesis H2 indicates the negative moderating role of proactive personality in the relationship between economic constraint and decent work perceptions. This means that when the Proactive personality is increasing (decreased), the impact of the Economic constraint on the Future decent work perceptions is also decreasing (increasing). Table 4 shows the results of data analysis of the hypothesis that the interaction variable Proactive personality x Economic constraint to Future decent work perceptions has the coefficient  $\beta = -0.078$ , which is statistically significant ( $p = 0.005 < 0.05$ ). Thus, hypothesis H2 is supported.

## V. DISCUSSION

With a sample of 300 Vietnamese students majoring in economics and engineering, this study has contributed to the diversification of context and audience on the grounds of the PWT model. We empirically tested the proposed hypotheses and added insights to the PWT theoretical framework:

Firstly, the result demonstrates that economic constraints have a positive effect on decent work instead of a negative one as in the original model (H1). This means the more students have to experience economic difficulties, the more positive perceptions they have about decent work. These individuals assume that they have to strive more to find satisfactory work after graduation and have faith in their ability to obtain decent work in the future. The above effect has been shown to be statistically significant, but inconsistent with the conclusions of previous studies (Duffy, 2016; Tokar, 2018; Ma, 2020; Ma, 2021). This phenomenon can be explained by the significant ability of Vietnamese students to overcome difficulties. Living in poor family conditions acts as a mechanism to strengthen their desire to escape poverty. Kim et al., (2019) also concluded on this positive result among Korean emerging adults.

H2 shows that for the moderating effect of proactive personality, proactiveness reduces the impact of economic constraints on the perception of decent work. This relationship in previous studies has not been proven, but in the context of Vietnam, we found that the proactive personality has limited the effects of economic constraints on the awareness of decent work. This supports the idea that proactiveness positively improve decent work perception thanks to lowering the effort they have to put when they are financially limited.

## RECOMMENDATION

Based on the primary findings above, some recommendation are given to help college students improve their prospects of securing decent work:

- 1) To students: The findings indicate that financial limitations influence students' perceptions of decent work, which can be explained by their desire to persevere through adversity. Therefore, we should advise students to be more mindful of their family's circumstances and their parents' financial predicament. Additionally, adolescents should be aware of the challenges that parents face daily and work harder to succeed in school to secure decent work in the future. It is important for students to hone a robust mentality, ready to deal with any challenges and quick changes in their careers, not only for future work preparation, but also in their general life. Some activities students should be encouraged to join: engage in more group activities, extracurricular projects, and teamwork exercises to enhance communication skills. Make both short- and long-term plans for your academic, personal, and professional lives to master their life and be more prepared for unforeseen developments...
- 2) To families: Parents should frequently communicate to their children about their family's circumstances, explain and inspire them will help their children acquire the will to escape poverty. Additionally, as parents have the most influence on their children's attitudes and actions, it is crucial that they work to motivate and encourage them to be more active and confident.
- 3) To schools, universities and educational organizations: Some specific activities to help students adapt to their future careers can be carried out from the school side such as: organizing seminars, talkshows, and interview preparation workshops to help students determine their grades, strengths and overcome potential challenges in a job interview or in a specific future job.

## CONCLUSIONS

This study aims at exploring the impact of economic constraints, career adaptation on the perception of decent work among undergraduates in Viet Nam. Utilizing SEM methodology, this study indicates that economic constraints have a positive relation to decent work perception. In contrast, previous research has found a negative association between economic limitations and decent work. Nonetheless, this research provides logical reasons for the findings, making the findings acceptable in the context

## The Influence of Economic Constraints on Decent Work Perception among Vietnamese Students: the Moderating Role of Proactive Personality

of Vietnam. The study also finds out that reactiveness positively improve decent work perception thanks to lowering the effort they have to put when they are financially limited. Based on the results, some recommendations are provided based on the key findings to aid college students in boosting their chances of finding decent work.

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