



**Faculty of Cognitive Sciences and Human
Development**

**THE RELATIONSHIP OF INFLUENCES OF OCCUPATIONAL
STRESS ON EMPLOYEES' JOB PERFORMANCE: A STUDY
AMONG HOTEL INDUSTRY IN KUCHING, SARAWAK**

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(Human Resource Development)**

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Final Year Project Report

Masters

PhD

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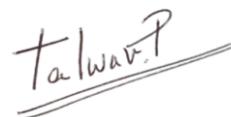
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ABSTRACT

This aim of this study is to examine the relationship of influences of occupational stress on job performance among employees of different hotels in Kuching, Sarawak. For that purpose, the factors of job stress studied are: stress, working environment, workload and pay. The objectives of the study are to identify if working environment, workload and salary affect employees' job performance. There are 100 hotel workers were selected through a random sampling technique from different hotels in Kuching, Sarawak. The data were collected using questionnaires. The data were analyzed using SPSS version 23. This study proved that pay, work environment and workload have significant differences on job performance in hotel industry in Kuching, Sarawak.

Keywords: Occupational stress, job performance, influences, workload, pay, working environment, hotel industry

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CHAPTER ONE

INTRODUCTION

1.0 INTRODUCTION

According to Abdullah et al. (2009), hotel industry is known to contribute to the state economic development in Malaysia. It contributes a lot in national economic growth and employees are greatest vital property in an organization that keeping the hotel sector running. Employees are like the structure of a building. Without a strong structure, the building will collapse. This is same going to the importance of employees' performance in the organizations in order to keep the hotel sector survive. Living in the era that keeps evolving and so as the challenges at workplace nowadays, employees' job performance has become a big concern. However, there are many studies showed increase in job performance problems such as absenteeism and turnover. Hence, it is crucial to keep the employees' job performance at its best to ensure the company's productivity. This study focuses on influences of occupational stress on job performance among employees in hotel industry in Kuching, Sarawak.

Milliman et al. (2008) as cited in Munisamy (2013) pointed out company's performance is influenced by employees' feeling about the work. Fisher (2003) as cited in Munisamy (2013) highlighted that potential employees are happy workers are those that love their jobs. Employees are important because organization needs employees to make sure all the tasks and progress are on the tack. Hence, it is crucial to make sure the employees perform their task well. Muchhal (2014) as cited in Jayaweera (2015) pointed out that performance is crucial for a company because each employee's performance leads to organization prosperity and performance is crucial in finishing task also for employee's satisfaction. Many organizations spend amount of money to make various attempts and prepare efficient approaches to retain their workers satisfied, fulfilled, and free from stress.

Hence, this study is for determining influences of occupational stress on employees' job performance in Malaysia hotel industry so that more in depth research on this topic can be further explore in the future.

Ali, Karamat, Noreen, Khurram, Chuadary, Nadeem and Farman defined job performance is particularly come together with industrial and organizational psychology that concerns on workplace. Robbins and Coulter, (1996) viewed performance as accomplishment of employees that addressed by organization in doing their duties. Moreover, Sai (2014) in her journal defined job performance as employees' engagement and competence coping all the problems at workplace. Furthermore, Schermerhorn (1989) viewed job performance as the value achieved by each of employee or group of employees after completing duties. Giga and Hoel (2003) pointed out that giving reward to the employee that perform well will make the job performance better and able to create high job satisfaction. Ming, Ching and Chang (2010) stated in their journal that criteria to measure job performance can be promotions, wages adjustment based on performance, rewards, punishments and evaluations after certain duration such as probation period.

Job performance and employee's involvement is a crucial part to achieve organizational goals especially in hospitality industry. It is significant to keep the employee's performance on track as their productivity gives impact to the organization. There are many influences of occupational stress that affect employees' job performance and working environment, workload and pay are a part of it.

1.1 BACKGROUND OF STUDY

Past studies show that research on employees' job performance have been conducted and it focused on other concepts rather than influence of occupational stress. Aarabi, Subramaniam & Akeel (2013) studied the relationship between motivational factors and job performance of employees in Malaysian service industry. Nguyen, Nham and Takahashi (2019) have conducted research on relationship between ability- based emotional intelligence, cognitive intelligence, and job performance while Inuwa (2016) conducted study on job satisfaction on job performance. Hurtz and Donovan (2000) conducted a study on personality and job performance meanwhile Lăzăroiu (2015) studied on employee motivation and job performance. Moreover, Demerouti, Bakker and Leiter, (2014) studied on burnout and job performance while Biron and Boon (2013) have conducted a research on performance and turnover intentions. Furthermore, Snape and Redman (2010) have conducted on research on HRM practices, organizational citizenship behaviour, and performance.

Next, past researches show more focus on another sector other than hotel industrial sector. Munisamy (2013) has carried out a research on factors influences job performance amongst employees in oil palm plantation while Hafeez (2018) carried out a study about impact of job stress on employees' performance in hospital sector which is Hospital of District Okara and Sahiwal. Bashir and Ramay (2010) carried out a study about impact of stress on employees' job performance in a banking sector of Pakistan while Chen (2009) studied on job stress and performance among police officers in Taiwan. Moreover, Riyadi (2005) has conducted a research in education sector which is effect of work motivation, work stress and job satisfaction on teacher performance at senior high school (SMA) throughout the state central Tapanuli in Sumatera.

Past studies also show more focus on the other countries' context of job performance scope which is truly different with Malaysian context. Olaniyi (2013) carried out a study on effects of job stress and motivation on performance of Employees in hotel industry which is in hotels at Dublin Airport while Karatepe and Uludag (2008) carried out a study on role stress, burnout and their effects on frontline hotel employees' job performance in Northern Cyprus. Kim and Koo (2017) conducted a research on linking LMX, engagement, innovative behavior, and job performance on hotel employees in South Korea while Hanzaee and Mirvaisi (2013) conducted a study on impact of emotional intelligence, organizational citizenship behaviors and job satisfaction on employees' performance in Iranian hotel industry. Moreover, Leksung and Somjai (2018) conducted a research on job satisfaction, job motivation, and efficiency in work performance of the hotel employees in Thailand while Achmad (2017) conducted a study on the consequence of competency, motivation, and organizational culture on the employee performance in the hotel sector in Bandung, Indonesia.

Moreover, there are only few researches that studied about influence of occupational stress on job performance in the hotel sector in Malaysia. The occupational stress on employees' job performance in the hotel sector in Malaysia has not fully understood. For example, Ismail, Suh-Suh, Ajis and Dollah (2009) carried out a research on relationship between occupational stress, emotional intelligence and job performance among academic employees in private institutions of higher learning in Kuching City, Malaysia. Jamal (2011) conducted an empirical study in two countries which are Malaysia and Pakistan on job stress, job performance and organizational commitment in a multinational company while Moorthy, Lee, Hon, Khong, Teow and Yeong (2013). conducted a study about causes of job stress in affecting job performance in a Malaysian banking sector. Awang et al. (2008) highlighted that the hotel industry is part of powerful industries that contribute to state's economic development in Malaysia. Stress is always

present in the work place and can have a detrimental effect to the employees. Employees cannot perform their duties effectively due to stress. This can decrease the employees' performance and as well as the organizational performance which will give impact to the economic growth. Hence, this study will help to explore more on occupational stress on job performance in hotel industry in Malaysia specifically in Kuching, Sarawak so that this study can be explored further in the future.

Working environment also influences employees' job performance. Adebayo, Chiazor, Iruonagbe, Ekweogwu, and Okunbor, (2018) stated that hard working conditions give impacts on employees' performances. It is crucial for the employer to understand how working environment influences employees' performance. Pech and Slade (2006) highlighted that the disconnection of worker growing significantly and it is very crucial that required action at workplace must be taken to ensure positive impact over the working environment. Chandra (2016) emphasized that organization successfulness is depending on working environment. Wight and Pollert (2006) stated that studies in hotel sector that include working conditions are just a few. Although the working environment plays important role on employees' job performance there are still few researches that include working environment as part of causes of occupational stress that influences the employees' job performance in Malaysia hotel sector.

Other than that, workload plays major role in employees' job performance. Dasgupta (2013) as cited in Muraale et al (2017) pointed out workload needs to be described well for one to work systematically and efficiently and high workload or low workload could disrupt employees' performance. Even workload is crucial on employees' job performance, only a few researches that include workload as one causes influences of occupational stress that affect employees' job performance in Malaysia hotel sector.

Furthermore, pay is also considered as a major issue that affect employees' job performance. Adebayo (2018) stated that performance increases when the pay increases. This also supported by Yaseen (2013) which stated that high pay will increase the performance. However, the importance of pay as one of influences that affect employees' job performance in hotel sector in Malaysia has not fully discovered yet.

1.2 OVERVIEW OF MALAYSIA HOTEL INDUSTRY

Awang et al. (2008) pointed out hotel industry is part of powerful sectors that put up to a nation's economic growth in Malaysia. Hilman and Kaliappen (2014) stated that Ministry of Tourism and Culture Malaysia reported Peninsular Malaysia has 288 hotels with three to five-stars rating, Sabah and Sarawak have 108 hotels with three to five- star while federal properties have 79 hotels with three to five-star rating. Altogether, Malaysia has 475 hotels with three to five-star rating currently. Hotel industries keep growing throughout years. 2,264 hotels are currently classified and registered with Ministry of Tourism and Culture Malaysia (MOTAC) as 1-5- star rating hotels and 20 from total are categorized as eco hotels (MIDA, 2018). Based on the World Travel & Tourism Council (WTTC), 4.9% and 13.9%, were the overall benefaction of Travel & Tourism to Malaysia's Gross Domestic Product (GDP) correspondingly overall GDP in 2017 which make tourism as part of the main economy support (Teo & Chee, 2018).

Teo and Yean (2018) stated that the overall hotel visitors in Malaysia improved by 6.8% year on year from 72.3 million to 77.3 million in 2016 although there are a reduced in international comings in 2017. There are 2.1 million are growth in overseashotel visitors meanwhile 2.8 million are growth in state hotel visitors from the whole 4.9 million rises in hotel visitors (Teo & Chee, 2018). Teo & Chee also highlighted that hotel source in Malaysia enlarged by 19 categorized hotels to achieve 325,700 rooms and 4,980 hotels.

Figure 1

Supply of hotels has been increasing over the past decade

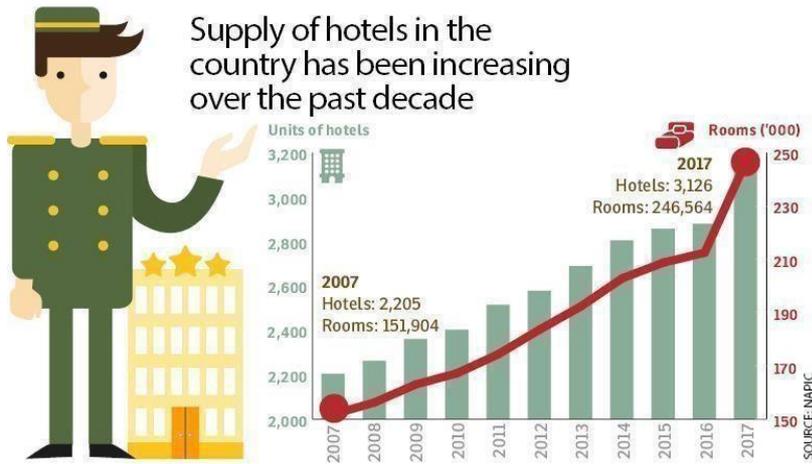


Figure 2

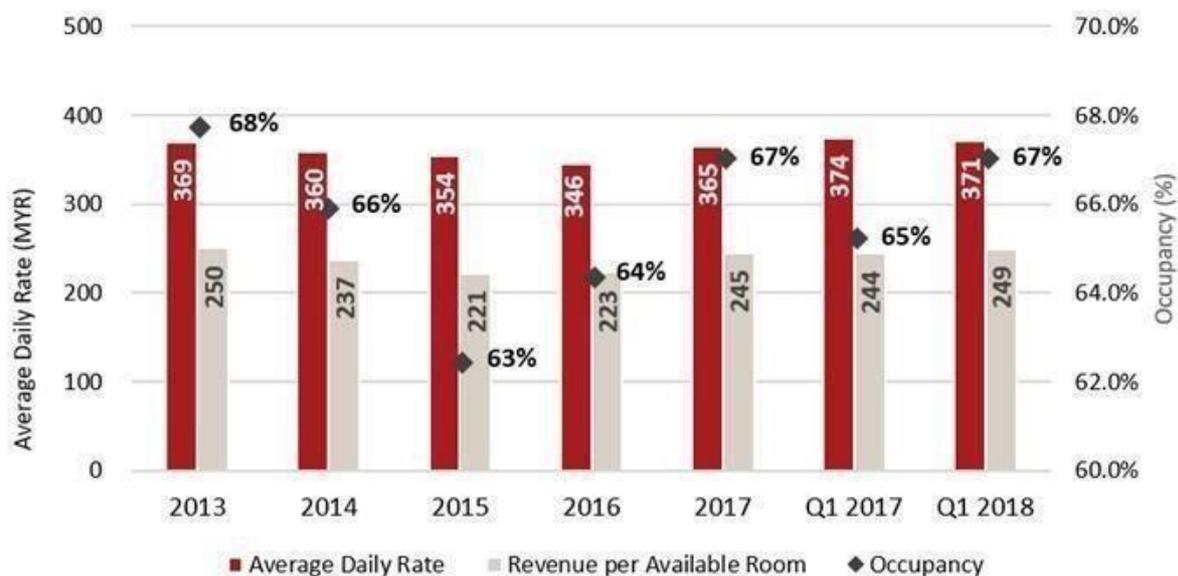
Hotel Guests in Malaysia (2013-2017)



Source: Tourism Malaysia

Figure 3

Malaysia Overall Hotel Performance (2013-2017)



Source: HVS Research

Figure 4

Future classified Hotel Openings by State (2018-2022)

HOTELS	2018	2019	2020	2021	2022	Total
Kuala Lumpur & Petaling Jaya	13	5	4	6	8	36
Johor	8	3	2	1	2	16
Sabah	4	4	2	-	2	12
Penang	1	1	2	1	2	7
Melaka	-	2	3	2	1	8
Langkawi	-	3	2	1	-	6
Total	26	18	15	11	15	85

ROOMS	2018	2019	2020	2021	2022	Total
Kuala Lumpur & Petaling Jaya	2,885	1,180	903	1,771	2,238	8,977
Johor	1,720	683	586	318	800	4,107
Sabah	1,113	937	666	-	557	3,273
Penang	135	98	408	288	320	1,249
Melaka	-	525	530	710	300	2,065
Langkawi	-	625	600	200	-	1,425
Total	5,853	4,048	3,693	3,287	4,215	21,096

Source: HVS Research

1.3 PROBLEM STATEMENT

The main gap in previous research is empirical gap. Malaysian Employers Federation (2011) pointed out that hotel or restaurant industry is in third rank with the highest yearly average turnover rate at 32.4 percent. The latest data (2017) showed that Malaysia holds the second place in South- East Asia's most tourist- friendly countries. Salguero (2019), Trans (2015) and Mathews (2000) agreed that hotel industry rivalling with everyone globally as the impact from globalization, technological innovation, provide same utility and inadequacy of potential people for standard service. Hotel industry is part of vital portions of tourism industry all of the world. This is also supported by Abo-Murad and Abdullah (2019) that agreed hotel industry is a part of significant hospitality sectors in the present business world especially in Malaysia. Hence, it is important to maintain the hotel industries as Walker (2007) also highlighted that each of employees' job performance give a huge influence on hotel industry.

Weiman (1977) provides the definition of job stress as the combination of elements experienced of work-related that give impact to the psychosocial and physiological homeostasis of the worker. Zafar, Ali, Hameed, Ilyas and Younas (2015) agreed that occupational stress can decrease decision making capability because lack of motivation to act and do a decision making by employees. Employees tend to pull themselves from the situation that trigger them to be stressed at work which result in high turnover and absenteeism. This can lead to poor performance, wastage of operational resources, creating obstacles for subordinates and so on when leaving job is not easy for them. Thompson and Prottas (2006) argued that job performance will be influenced and also argued that majority of people are having a stressful working life. Yet, Seibt, Spitzer, Blank and Scheuch (2008) mentioned that upgrading the working environment and benefits in organizations can be minimized although stress is present among employees. There is no doubt that stress of work is identified as the most challenging issue that the managers need to confront in the

hospitality industry such as hotel industry.

Hee, Chng, Liew, and Loke (2014) highlighted in their journal that work environment is the situation of workplace. Working environment has a capacity in affecting the employees' job performance. Chandra (2016) denoted work environment is anything around the workers that could affect him in doing his duties. Nora, Greg & Michael (2002) pointed out in their journal that a good working environment produces employees with high performance and boosts overall performance because healthy employees solely can achieve desire goals. Kohun (2002) support this stand by saying that a conducive workplace environment creates great business sensation, holds up employee commitment and generates a high-performance norm boosts creativity and changes. Cunnen (2006) as cited in Samson et al (2015) also pointed out that an excellent workplace environment will lower turnover of employees, minimizing fraud, excellent safety implementation, captivate and keep competence workers and as well improve their wellbeing. Samson, Waiganjo and Koima (2015) in their journal also stated that several elements that affect employee performance and workplace environment as measurement of performance. This shows that working environment is crucial when it comes to the hotel industry career. A good working environment boosts the employee's performance towards the job that they do.

Workload has crucial influences on the job performance of employees. Workload given to employees must match with the employee's ability. Shah (2011) pointed out that both unexpected rise or lessen in workload lead to poor job performance. It is crucial to address workload according to the employees' abilities especially when it comes to hospitality sector such as hotel industry where the employees deal with customers every day.

Heery and Noon (2001) viewed pay as payment such as basic salary and bonuses. Money is one of rewards given to employees for completing task. Taljaard (2003), Frey (1997) and Snell & Bohlander (2007) as cited in Edirisooriya (2014) argued that cash is not necessary the only thing that motivates employees to boost their performance. However, Yaseen (2013) stated that when employees performance will increase when employees are highly paid. Hence, it is crucial to include a worth pay to enhance the employees' performance.

1.4 RESEARCH OBJECTIVE

1.4.1 General Objective

To study the relationship of influence of occupational stress on employees' job performance in a hotel industry in Kuching, Sarawak.

1.4.2 Specific Objectives

- a) To identify the relationship between working environment and job performance.
- b) To identify the relationship between workload and job performance.
- c) To identify the relationship between pay and job performance.

1.5 RESEARCH HYPOTHESIS

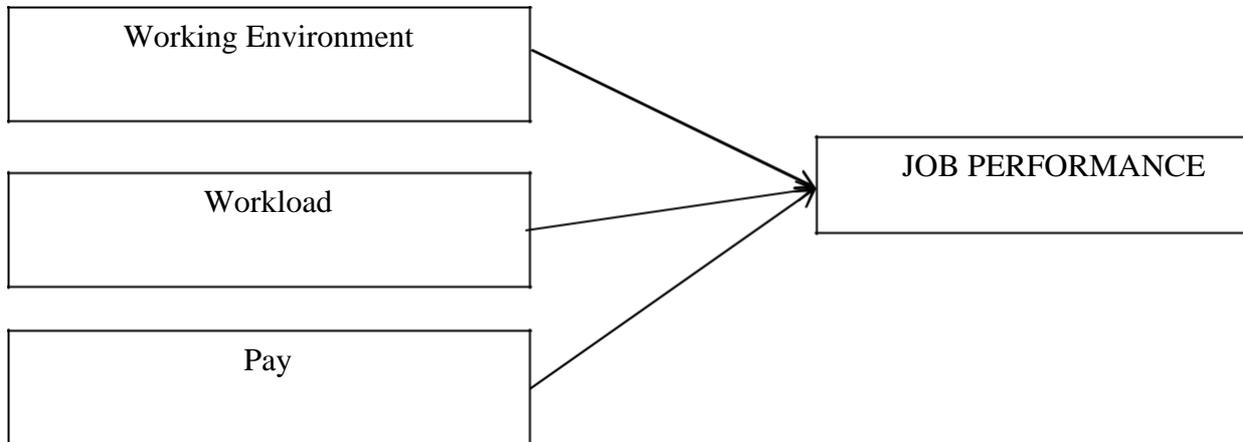
Based on the objectives of the study, the following hypothesis are developed to determine the significance of the independent variables and their relationship with their dependent variable.

The hypothesis for the study is as follows:

- H1: There is a significant relationship between working environment and job performance.
- H2: There is a significant relationship between workload and job performance.
- H3: There is a significant relationship between pay and job performance.

1.6 CONCEPTUAL FRAMEWORK

FIGURE 5
Conceptual Framework



(Adapted from: Khuong, Khai, Huyen, Thuong and Pung, 2016; M. Kottesswari and S. Tameem Sharief, 2014; Oswald, 2012; Chei, Yee, Men and Bee, 2014; Shah et al., 2011; Bakker, Demerouti & Verbeke, 2004; Hoque et al., 2018)