

**FACTORS THAT INFLUENCE EMPLOYEES' JOB SATISFCATION IN
HOTEL AND CATERING INDUSTRY**

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ABSTRACT

FACTORS THAT INFLUENCE EMPLOYEES' JOB SATISFACTION IN HOTEL AND CATERING INDUSTRY

Tan Hui Lin

This study aims to investigate the influence of work environment, training and development, supervision, and pay and benefits on employees' job satisfaction in hotel and catering industry. This study also aims to identify the most influential factor affecting employees' job satisfaction in hotel and catering industry. Hypotheses were constructed by reviewing two previous researches which were done by Moyes, Owusu-Ansah, and Ganguli (2006), and Gallardo, Sánchez, López-Guzmán, and Jesus (2009). A total of 118 employees from six hotels which are located in Kuala Lumpur and Kuching were chosen to participate in questionnaires survey. Three informants were chosen randomly from different hotels to participate in interview session to further support the findings of this study. Independent sample t-Test was used to compare the mean and differences between male and female. Pearson Correlation Coefficient was used to test the relationship between two variables and Multiple Linear Regression was used to determine the dominant factor between the four independent variables. The findings of the study indicate that work environment, training and development, supervision, and pay and benefits influence the job satisfaction of the employees. Empirical findings show that pay and benefits was the most influential factor affecting employees' job satisfaction. It is suggested that to enhance employees' job satisfaction, managers need to actively monitor the pay and benefits policies. These activities could assist in maintaining and increasing employees' job satisfaction.

ABSTRAK

FAKTOR-FAKTOR YANG MEMPENGARUHI KEPUASAN KERJA UNTUK PEKERJA DALAM INDUSTRI HOTEL DAN KATERING

Tan Hui Lin

Kajian ini bertujuan untuk mengenalpasti pengaruh suasana kerja, latihan dan pembangunan, penawasan, dan gaji upah dan manfaat terhadap kepuasan pekerja dalam industri hotel dan katering. Kajian ini juga dijalankan untuk mengenal pasti faktor dominan yang mempengaruhi kepuasan pekerja dalam industri hotel and katering. Hipotesis kajian ini adalah diubahsuai daripada dua kajian lepas yang dijalankan oleh Moyes, Owusu-Ansah, and Ganguli (2006), and Gallardo, Sánchez, López-Guzmán, and Jesus (2009). Seramai 118 orang pekerja dipilih dari enam hotel yang terletak di Kuala Lumpur dan Kuching untuk mengisi borang soal selidik yang diedarkan. Tiga orang pekerja dipilih secara rawak dari hotel yang berlainan untuk menjawab soalan wawancara yang ditanya. Independent sample t-Test digunakan untuk mengenalpastikan min dan kelainan antara pekerja lelaki dan perempuan dengan kepuasan kerja. Korelasi Pearson digunakan untuk mengkaji hubungan antara pembolehubah bersandar dan tidak bersandar. Multiple Linear Regression pula digunakan untuk mengenal pasti faktor dominan daripada empat faktor yang mempengaruhi kepuasan pekerja. Dapatan kajian ini mengatakan bahawa suasana kerja, latihan dan pembangunan, penawasan, dan gaji upah dan manfaat mempengaruhi kepuasan pekerja. Selain itu, hasil kajian ini juga membuktikan bahawa gaji upah dan manfaat merupakan faktor dominan yang mempengaruhi kepuasan pekerja. Oleh itu, pengkaji mencadangkan bahawa pihak pengurusan perlulah sentiasa memantau polisi tentang gaji upah dan manfaat. Hal ini dapat berjaya mencapai kepuasan pekerja yang maksimum.

CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter contains eight sections. First and foremost, background of the study is presented and followed by statement of the problem. In the third section, it discusses about the objectives of the study. The fourth section illustrates the conceptual framework, which talks about the relationship between dependent and independent variables. The research hypotheses, which were developed based on conceptual framework, are presented in the fifth section. The sixth section explains the definition of terms that are being used in the conceptual framework. The researcher discusses about the significance of the study in the seventh section. Finally, the conclusion of this chapter was explained in the eighth section.

1.1 Background of the Study

In today's competitive and global environment, business organizations are required to attract prospective employees to develop a competitive advantage besides implementing a winning business model. Pepe (2010) suggested that employee is the most valuable asset in an organization. Thus, many studies have been done on investigating and improving workforce effectiveness in an organization. Several decades ago, organizational scholars have been concerned with issues regarding to job satisfaction due to various reasons which is related to organizational performance and humanitarian interest (Ellickson, 2002).

Job satisfaction is one of the interesting topics to investigate on. According to Kiliç and Selvi (2009), job satisfaction was referred to as the happiness of the employees because of their jobs. Zeffane, Mohamed E. Ibrahim, and Rashid Al Mehairi (2008) found that employees' job satisfaction was linked to job performance. Employees' job satisfaction determines the quality of services they render. According to Newsham et al. (2009), high employees' job satisfaction will benefit both the organization and individual. Based on Ali Mohammed Mosadegh Rad and Moraes (2009), there was a relationship between lower level of job satisfaction and negative indicators such as absenteeism, low morale, and high turnover. Past researches have shown that job satisfaction imply negative relationship with employees' turnover and absenteeism (Moyes, Owusu-Ansah, & Ganguli, 2006; Prottas, 2007; Rust, Stewart, Miller, & Pielack, 1996). Job dissatisfaction stimulates employees to leave the organization and finally leads to negative behavior and withdrawal decision (Pepe, 2010). Other past research illustrates that employees will show negative behaviors such as withdrawal and absence from a painful and dissatisfying work situation (Scott & Taylor, 1985).

In this study, the researcher attempts to investigate the factors that influence employees' job satisfaction in the hotel and catering industry. Hotel and catering industry is an employee-based service industry. "Job satisfaction is especially important in service-offering of touristic establishments" (Aksu &

Aktaş, 2005, p. 481). According to Harter, Schmidt, and Hayes, high employees' job satisfaction correlate with high customer loyalty and high organizational performance (as cited in Newsham et al., 2009). The past study has stated that the employees' capacities, actions, and attitudes are organizational keystones for success (Gallardo, Sánchez, López-Guzmán, & Jesus, 2009). Based on Khatri's findings, if employees align with the strategy and the culture in an organization, they serve as a significant element that enables the organization to be competitive in their business (cited in Gallardo et al., 2009).

However, the rising numbers of Generation Y that entering into the workforce to begin their career (Reisenwitz & Iyer, 2009) and Baby Boomers retiring from the workforce (Laing, Poitier, Ferguson, Carraher, & Ford, 2009) have brought a significant impact for the organization in maintaining employees' job satisfaction. It is a subtle task for employer to keep employees satisfied in their jobs because the needs and expectations of employees change rapidly. Therefore, the factors that influence employees' job satisfaction may be shifting and are adjusting to be more appropriate to retain employees' satisfaction. In this study, the researcher is studied on four factors that are strongly correlated to employees' job satisfaction in the hotel and catering industry which include work environment, training and development opportunities, supervision, and pay and benefits package.

Work environment acts as a crucial factor to influence employees' job satisfaction (Mohammad A. Ashraf & Mohd. H. R. Joarder, 2010). In Rössberg, Eiring, and Friis (2004)'s study, they clearly indicate that there is a strong relationship between working environment (self realization, workload, conflict, and nervousness) and employees' job satisfaction. In this study, the researcher was attempted to examine the physical work environment on employees' job satisfaction. The more comfortable or conducive environment can encourage employees to put more interest and effort on their jobs. Work environment that is safe, has adequate of workplace facility and pleasant environment can build good attitude of the employees toward their job components (Srivastava, 2008). On the

other hand, once the employees feel that they are not in a pleasant environment, they are more likely to spend their time to manage the stress they face rather than concentrate on their job (Srivastava, 2008). Hence, their job satisfaction is affected.

Undeniably, training and development opportunities that the employees obtained are related to the level of employees' job satisfaction. According to Patrick, training is viewed as the progression in knowledge, skills, and expertise for employees to perform a job or task given (as cited in Schmidt, 2007). Schmidt (2007) says that opportunities for training and development are important but many researches that studies on job satisfaction do not include it as a determinant of job satisfaction. Mihajlović, Živković, Prvulović, Štrbac, and Živković (2008) found that training has the biggest relationship with organizational privatization process. From the study on prior survey, the researcher in this study intended to raise training and development opportunities as one of the factors to measure the level of employees' job satisfaction in hotel and catering industry.

Furthermore, supervision is another factor that is correlated to employees' job satisfaction. Supervision refers to supervisory style, supervisors' administrative skills, influence, and human relations (Moyes, Owusu-Ansah, & Ganguli, 2006). Based on Ali Mohammed Mosadegh Rad and Moraes (2009), supervision and employees' job satisfaction is correlated and it is viewed as the employees' satisfaction with their supervisor and manager. The way the supervisor and managers act to their employees is one of the sources that affect employees' job satisfaction. The employees will stay in their workplace if supervision is good and supportive. The relationship between supervisors and managers with its employees will affect the level of employees' job satisfaction. According to Burke (2001), managers or supervisors are the person that can influence employees' performance especially in delivering services to customer.

Moreover, the researcher also investigates the influences of pay and benefits package on employees' job satisfaction. Shittu (2008) has shown that

employees' satisfaction is directly influenced by organizational commitment such as pay structure and pay level. Employees' wage is significant enough to improve job satisfaction. Thus, the organization in the hotel and catering sector should provide appropriate salary system to satisfy their employees and maintain their loyalty (Gallardo, Sánchez, López-Guzmán, & Jesus, 2009). Besides, benefits is viewed as important as pay given by employer. According to Kleiner and Marsh (1998), benefits can motivate and attract employees' talent to perform a given task from the perspective of an employer. If employees are motivated, obviously, they are satisfied with the organization and will perform better.

Generally, employees' job satisfaction is an important issue that the organization has to pay attention especially in hotel and catering industry. It is because employees' job satisfaction reflects customer's satisfaction (Allen & Grisaffe, 2001) and organizational overall performance. Considering the importance of employees' job satisfaction in hotel and catering industry, the researcher intended to investigate on the four factors mentioned above in influencing the level of job satisfaction.

1.2 Statement of the Problem

The growth of interest in employees' job satisfaction is not the latest topics that are being discussed especially in the hotel and catering industry. Many studies have been done in western and others Asian country. However, there was lack of studies done in Malaysia. As an example, Gunlu, Aksarayli, and Perçin (2010) have carried out a research in Turkey. Gunlu et al. (2010) research was about job satisfaction and organizational commitment. Another research is done by Chuang, Yin, and Jenkins (2009) in America. Chuang et al. (2009) studied on the intrinsic and extrinsic factors that influence employees' job satisfaction. Besides, Zhang and Wu (2004) did a study in hotel and travel industry in China. Their study is related to the human resource issues such as employees' job satisfaction. Furthermore, Harbourne (1995) had studied on the issues in hospitality and catering industry such as job satisfaction in British. In view of the

lack of specific studies regarding to the factors that influence employees' job satisfaction in hotel and catering industry in Malaysia, this study attempted to investigate the factors that influence employees' job satisfaction in hotel and catering industry.

In recent years, there are more and more organizations especially those in the hospitality businesses that attached to tourism sector started to deal with the problems in maintaining employees' job satisfaction (Kiliç & Selvi, 2009). Hotel and catering industry is one of the contributions to tourism in Malaysia. The number of tourists that had arrived to Malaysia is increasing from 2,108,328 people in June, 2009 to 2,246,084 people in June, 2010 (Tourism Malaysia, 2010). The increasing number of tourists visited Malaysia indicated that there are more demands for the hotel and catering organization because it is one of the services that can provided to the tourists. However, employees' attitude towards the customers is mainly influenced by employees' job satisfaction (Kiliç & Selvi, 2009). Therefore, employees' job satisfaction plays an important role in maintaining customers' satisfaction that would influence the reputation of Malaysia.

According to Tietjen and Myers (1998), it is a tough job for an organization to encourage satisfaction within a worker. In addition, there is no model that specifies which facets should be taken into account when job satisfaction is considered (Roelen, Koopmans, & Groothoff, 2008). Therefore, the search for an understanding of the causes of job satisfaction or dissatisfaction is an ongoing area for the organization as organizational performance is positively influenced by employees' job satisfaction (Hooi, 2007).

Undoubtedly, job dissatisfaction of employees brought a lot of negative impact to the organization. Fairbrother and Warn (2003) found that job satisfaction is interrelated with workplace factors and job stress. The feeling of stress is linked to various working factors such as work itself, social environment, work-family conflict, and workplace relationship (Sparks & Cooper, 1999).

Besides, the lack of career achievement and development, less promotional opportunities are also associated with stress (Nelson & Burke, 2000). Stress will strongly influence job satisfaction, organizational commitment, and employee withdrawal behavior (Tett & Meyer, 1993). Tett and Meyer (1993) have explained that job dissatisfaction will lead to withdrawal behaviors which include turnover intention and actual turnover. Thus, it is important to figure out the workforce factors that cause employees' job dissatisfaction which will lead to job stress among the employees.

Workforce factors, such as work environment, training and development, supervision, and pay and benefits was used to measure employees' job satisfaction (Mihajlović, Živković, Prvulović, Štrbac, & Živković, 2008). With further understanding about these factors in the organization, the employees will be motivated to perform better in the organization. On the other hand, if the organization fails to meet the employees' needs and expectations, demoralization among the employees will occur because they are dissatisfied. The dissatisfaction of employees brought various negative impacts, such as absenteeism (Scott & Taylor, 1985), turnover (Price & Mueller, 1981), conflict, and poor performance (Aksu & Aktas, 2005). Thus, this study was done to investigate which of the four factors will be the dominant to employees' job satisfaction.

Previous research found that employees' job satisfaction related positively to many organizational issues, such as organizational productivity, performance, effectiveness, employees' morale and loyalty (Lund, 2003). Pay and benefits is important in maintaining employees' job satisfaction. According to Lim, Srivastava, & Sng (2008), pay and benefits is one of the incentives given by employer to motivate employees and determine their work attitude. When employees are motivated, they are satisfied with the organization and they will put more effort in their work and eventually improve their work performance.

1.3 Objectives of the Study

1.3.1 General Objective

In general, this study is aimed to find out the possible factors that influence employees' job satisfaction in hotel and catering industry. Apart from that, this study suggests the suitable ways to increase employees' job satisfaction in the related industry.

1.3.2 Specific Objectives

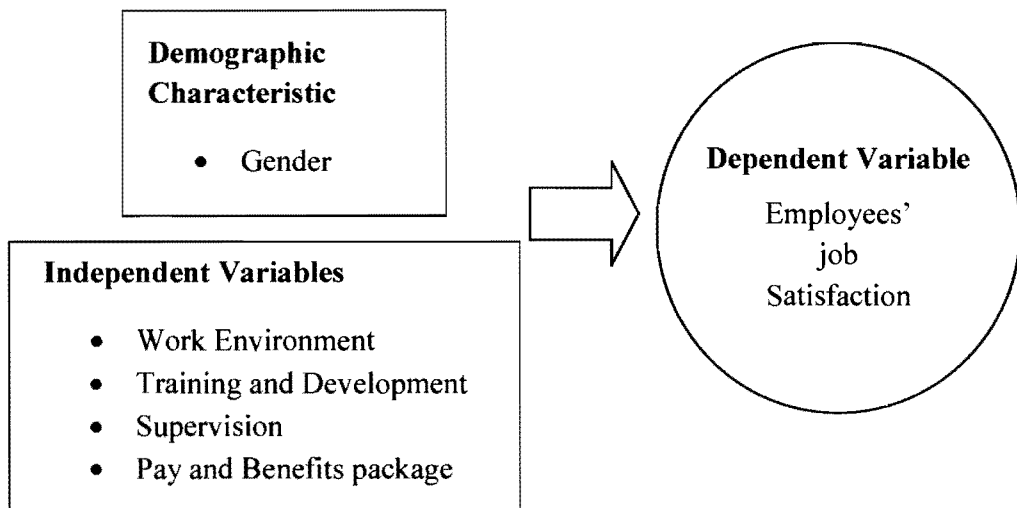
1. To determine the difference between gender and employees' job satisfaction.
2. To determine the relationship between work environment and employees' job satisfaction.
3. To determine the relationship between training and development and employees' job satisfaction.
4. To determine the relationship between supervision and employees' job satisfaction.
5. To determine the relationship between pay and benefits and employees' job satisfaction.
6. To determine the dominant factor that influences employees' job satisfaction.

1.4 Conceptual Framework

Figure 1.1 shows the conceptual framework in this study to demonstrate an understanding of the contributing factors that influence the employees' job satisfaction in the hotel and catering industry. The factors include work environment, training and development, supervision, and pay and benefits. The independent variables represent the factors (work environment, training and

development, supervision, and pay and benefits) and demographic characteristic (gender) while the dependent variable represents employees' job satisfaction.

This framework is adapted and modified from Moyes, Owusu-Ansah, and Ganguli (2006) on the study titled "*Factors influencing the level of job satisfaction of Hispanic accounting professionals: A perceptual survey*". Besides, this framework is also adapted and modified from Gallardo, Sánchez, López-Guzmán, and Jesus (2009)'s study, which is titled "*Employees satisfaction in the Iberian hotel industry*".



Source: *Moyes, Owusu-Ansah, and Ganguli (2006)*

Gallardo, Sánchez, López-Guzmán, and Jesus (2009)

Figure 1.1: Conceptual Framework

1.5 Research Hypotheses

Six null hypotheses are formulated in this study as follow:

- **H₀1:** There is no significant difference between gender and employees' job satisfaction.

- **H₀2:** There is no significant relationship between work environment and employees' job satisfaction.
- **H₀3:** There is no significant relationship between training and development and employees' job satisfaction.
- **H₀4:** There is no significant relationship between supervision and employees' job satisfaction.
- **H₀5:** There is no significant relationship between pay and benefits and employees' job satisfaction.
- **H₀6:** There is no dominant factor that influences employees' job satisfaction.

1.6 Definition of Terms

In this research, the researcher has provided two types of definition of terms that are being discussed through conceptual definition and operational definition. The purpose of this section is to further enhance reader's understanding regarding the terms which have been used.

1.6.1 Job Satisfaction

Conceptual Definition

According to Oshagbemi (1999), job satisfaction is described as an individual's positive emotional responses to a particular job that results from the person's positively comparison of actual outcomes with those that are desired, anticipated or deserved. Locke defines job satisfaction as an individual's subjective judgment of multiple facets of their job (cited in Gazioglu & Tansel, 2006).

Operational Definition

In this study, job satisfaction is referred to the employees' value and senses of work-related achievement which is influenced by four factors such as

work environment, training and development, supervision, and pay and benefits package. Job satisfaction is an important element that shows employees' enjoyment and willingness to work to achieve organizational goals.

1.6.2 Work Environment

Conceptual Definition

According to Whitaker (1998), the working environment is the place that most people choose to work at. Whitaker (1998) has explained that different hazards occur at any work environment in terms of noise pollution, radiation from computers, inappropriate lighting system and so on. According to the study done by Srivastava (2008), work environment is defined as the physical and psycho-social work environment in which physical work environment include welfare-provisions, working conditions, and safety ; while psycho-social work environment include interpersonal relations, reward system, and trust and support.

Operational Definition

Work environment in this study is referred to the physical aspect of work in the workplace. It was included cleanliness of the office, a good designed workplace facilities, appropriate lighting, and sufficient working resources.

1.6.3 Training and Development

Conceptual Definition

According to Landy, training and development is referred to a series of planned activities on the part of an organization to increase employees' job knowledge and skills or modify employees' attitudes and behavior to meet the job requirements and achieve organizational goals (as cited in Schmidt 2007). Noe (2008) explains that training is viewed as activities that are designed to provide the learners job-needed skills and knowledge.

Operational Definition

In this study, training and development is referred to one of the factors that will influence employees' job satisfaction. It has included any training activities or courses that are provided by the management to increase employees' knowledge and skills.

1.6.4 Supervision

Conceptual Definition

According to Robbins and De Cenzo (1998), supervision is defined as the guidance that is offered by the person who has higher position such as supervisors and managers. Moyes, Owusu-Ansah, and Ganguli (2006) refer supervision as supervisory style, supervisors' administrative skills, influence, and human relations.

Operational Definition

In this study, supervision is referred to the support from managers and supervisors. Employees view supervision as an element to fulfill their needs that is related to their job. If the supervisors are fair to everyone and maintain a good relationship with their subordinates, employees' job satisfaction will increase.

1.6.5 Pay and Benefits

Conceptual Definition

According to Meadows (1996), pay is seen as a tool in rewarding employees to achieve organizational objectives and avoid wasting resources. Employees' benefits are defined as one of the elements of the total compensation package, other than pay for contribution for an organization, provided by employer to staffs in full or in part payment (Milkovich & Newman, 2008, p. 405).

Operational Definition

Pay and benefits in this study is refers to rewards that satisfy employees' needs to some extent. In this study, pay refers to the salary or wages that the employees' received while benefits refer to health insurance, provident fund, and leave.

1.7 Significance of the Study

Job satisfaction is expected by employees who deserve to be treated fairly and with respect. Employees are expecting the organization fully meet their need and expectations to satisfy them. Employees' job satisfaction is important in which it can lead to positive or negative behavior that affect organizational functioning. Therefore, it is important to study the factors that influence job satisfaction.

In this research, the researcher is mainly focused on four factors that contributing to employees' job satisfaction in hotel and catering industry in Malaysia. There are four types of factors are chosen such as work environment, training and development opportunities, supervision, and pay and benefits. The researcher is intended to investigate the relationship between four factors and job satisfaction among employees in hotel and catering industry. The study is also used to determine the level of employees' job satisfaction in hotel and catering industry. The higher level of job satisfaction will lead to better performance because the employees will put more effort in their work.

The research finding had given a better understanding and explanation to the organization to determine which of the four factors is the most significant factor in influencing employees' job satisfaction. Besides, the finding of the study can help the organization to find ways to cope with the problem of employees' job dissatisfaction in hotel and catering industry. This will help to increase organization productivity and reputations as the employees' job performance have increased. This will reduce turnover and low performance among the employees.

On the other hand, organization performance will be improved when employees are satisfied with their job and have been motivated to perform their work.

Apart from that, the findings of this study can also be used by another researcher to do other research based on this field of study. There is also room for further research into others factors affecting employees' job satisfaction to determine whose of those factors plays the greater role in affecting employees' job satisfaction.

1.8 Conclusion

In conclusion, this chapter consists of nine sections which are background of the study, statement of the problem, objective of the study, conceptual framework, research hypotheses, definition of each term that have been used in this study, significance of the study, and finally limitations and scope of the study.