



Faculty of Cognitive Sciences and Human Development

**THE MEDIATING ROLE OF JOB SATISFACTION WITH SELECTED  
HUMAN RESOURCE PRACTICES, ORGANIZATIONAL CULTURE,  
DEMOGRAPHIC CHARACTERISTICS AND EMPLOYEES'  
PERFORMANCE IN THE HOTEL INDUSTRY**

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**Bachelor of Science with Honours  
(Human Resource Development)  
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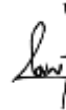
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**THE MEDIATING ROLE OF JOB SATISFACTION WITH SELECTED HUMAN  
RESOURCE PRACTICES, ORGANIZATIONAL CULTURE, DEMOGRAPHIC  
CHARACTERISTICS AND EMPLOYEES' PERFORMANCE IN THE HOTEL  
INDUSTRY**

LAW SHEAU HUNG

This project is submitted  
in partial fulfilment of the requirements for a  
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The project entitled ‘The mediating role of job satisfaction with selected human resource practices, organizational culture, demographic characteristics and employees’ performance in the hotel industry’ was prepared by Law Sheau Hung and submitted to the Faculty of Cognitive Sciences and Human Development in partial fulfillment of the requirements for a Bachelor of Science with Honours (Human Resource Development).

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## **ABSTRACT**

# **THE MEDIATING ROLE OF JOB SATISFACTION WITH SELECTED HUMAN RESOURCE PRACTICES, ORGANIZATIONAL CULTURE, DEMOGRAPHIC CHARACTERISTICS AND EMPLOYEES' PERFORMANCE IN THE HOTEL INDUSTRY**

Law Sheau Hung

The aim of this study is to determine the mediating role of job satisfaction with selected human resource practices (training and development, occupational safety and health as well as compensation), organizational culture, demographic characteristics and employees' performance in the hotel industry. A quantitative method is used in this study where the data are collected from 100 respondents in a hotel in Sibu, Sarawak by using questionnaires. Data collected are investigated using descriptive statistics and inferential statistics through Statistical Package for Social Sciences (SPSS) version 25 and SmartPLS. Independent Samples T-Test, One-Way ANOVA, Pearson Correlation and SmartPLS-SEM are used to test the research hypotheses and research questions. The findings of this study have shown that each of the selected human resource practices (training and development, occupational safety and health as well as compensation) and organizational culture have a positive relationship with job satisfaction and employees' performance. In addition, job satisfaction also has a positive relationship with employees' performance. Besides, the findings also have shown that there is no difference between each demographic characteristic (gender, age, educational level and length of service)

with job satisfaction and employees' performance. Moreover, the study's findings also have shown that job satisfaction mediates the relationship between occupational safety and health and employees' performance only whereas job satisfaction does not mediate the relationships between training and development, compensation, organizational culture, gender, age, educational level as well as length of service and employees' performance. The results of this study may contribute to theory and knowledge, methodology, human resource practitioners and policy. Several recommendations have been given to the organization, human resource practitioners and future researchers as well.

*Keywords:* human resource practices, training and development, occupational safety and health, compensation, organizational culture, demographic characteristics, job satisfaction, employees' performance, hotel industry



## **ABSTRAK**

### ***PERANAN PERANTARAAN KEPUASAN KERJA DENGAN AMALAN SUMBER MANUSIA TERPILIH, BUDAYA ORGANISASI, CIRI-CIRI DEMOGRAFI DAN PRESTASI PEKERJA DI INDUSTRI HOTEL***

*Law Sheau Hung*

*Tujuan kajian ini adalah untuk mengenalpasti peranan perantaraan kepuasan kerja dengan amalan sumber manusia terpilih (latihan dan pembangunan, keselamatan dan kesihatan pekerjaan dan pampasan), budaya organisasi, ciri-ciri demografi dan prestasi pekerja di industri hotel. Kaedah kuantitatif telah digunakan dalam kajian ini di mana data telah dikumpulkan daripada 100 responden di sebuah hotel di Sibu, Sarawak dengan menggunakan borang soal selidik. Data yang dikumpulkan telah dikaji dengan menggunakan statistik deskriptif dan statistik inferensi melalui Statistical Package for Social Sciences (SPSS) versi 25 dan SmartPLS. Independent Samples T-Test, One-Way ANOVA, Korelasi Pearson dan SmartPLS-SEM telah digunakan untuk menguji hipotesis kajian and soalan kajian. Hasil kajian ini telah menunjukkan setiap amalan sumber manusia terpilih (latihan dan pembangunan, keselamatan dan kesihatan pekerjaan dan pampasan) dan budaya organisasi mempunyai hubungan positif dengan kepuasan kerja dan prestasi pekerja. Tambahan pula, kepuasan kerja juga mempunyai hubungan positif dengan prestasi pekerja. Di samping itu, hasil kajian juga telah menunjukkan tiada perbezaan antara setiap ciri demografi (jantina, umur, tahap pendidikan dan tempoh perkhidmatan) dengan kepuasan kerja dan prestasi pekerja. Selain itu, hasil kajian juga telah*

*menunjukkan kepuasan kerja menjadi pengantara dalam hubungan antara keselamatan dan kesihatan pekerjaan dengan prestasi pekerja sahaja sedangkan kepuasan kerja tidak menjadi pengantara dalam hubungan antara latihan dan pembangunan, pampasan, budaya organisasi, jantina, umur, tahap pendidikan dan tempoh perkhidmatan dengan prestasi pekerja. Hasil kajian ini boleh menyumbang kepada teori dan pengetahuan, metodologi, pengamal sumber manusia dan polisi. Beberapa cadangan juga telah diberikan kepada organisasi, pengamal sumber manusia dan penyelidik masa hadapan.*

*Kata kunci: amalan sumber manusia, latihan dan pembangunan, keselamatan dan kesihatan pekerja, pampasan, budaya organisasi, ciri-ciri demografi, kepuasan kerja, prestasi pekerja, industri hotel*

# CHAPTER 1

## INTRODUCTION

### 1.0 Background of Study

According to the Malaysia Tourism Promotion Board (2018), the tourist arrivals to Malaysia in the year of 2018 have achieved 25.83 million and contribute to RM 84.1 billion. This has proven that the hospitality sector is the third contributor to the gross domestic product where the hotel industry is a significant aspect of the hospitality sector.

The hotel industry has highlighted that its esteemed resource is its employees. It is necessarily labour intensive (Mohan & Arumugam, 2016). It involves people serve people, which employees are the ones who are responsible for providing their customers with high-quality products and services (Claver, Tari, & Pereira, 2006). As stated by Jehanzeb and Bashir (2013), the organization's success or failure is extremely dependent on employees' performance. According to Abuhashesh, Al-Dmour and Masa'deh (2019), due to employees spend a lot of their time at the workplace, they wish to get some personal interest and job satisfaction there so that they can bring the happiness and peace of mind to their personal life, family relationship and social relationship. In this regard, organizations should emphasize their employees' job satisfaction and performance.

According to Price (1986), job satisfaction is the degree of employees possess a positive and affective orientation towards organization employment. It is also an indicator of how happy employees are with their job and workplace. Job satisfaction has a significant bearing on employees' work behaviour, that is, the ways of performing the job can be influenced by the satisfaction level perceived by the employees (Abuhashesh et al., 2019). Most researchers also

supported that job satisfaction is correlated with employees' performance (Laosebikan et al., 2018; Oravee, Zayum, & Kokona, 2018; Pushpakumari, 2008; Robbins et al., 2014). Employees' performance involves the completion of assigned tasks, meeting deadlines, workforce's competency and the efficiency in work activities (Chen et al., 2014 as cited in Khan & Jalees, 2017). Satisfied employees tend to do their tasks better, leading to higher performance. Since high job satisfaction can contribute to efficient organizational operations, it is extremely crucial for the organizations to discover the key factors which may improve employees' job satisfaction and performance (Abuhashesh et al., 2019).

From the standpoint of most visionary organizations, it is in their interest to develop their human resource practices and organizational culture strategically in order to make their employees feel motivated, encouraged and satisfied to use their full energy in work as well as help the organizations to achieve competitive success. Human resource practices are innovative ideas of workplace management (Kiptis, Kwasira, & Cheruiyot, 2014). Generally, human resource practices include training and development, job security, performance appraisal, recruitment and selection, career planning, employee participation, labour relations, occupational safety and health, employee empowerment and compensation (Jibrin-Bida et al., 2017; Nadarajah et al., 2012; Nadarasa, 2013). Majority of researches focus on the human resource practices outcomes with reference to employees' commitment, retention, behaviour, satisfaction and performance (Noe et al., 2007 as cited in Islam et al., 2016; Olaimat, 2018). According to Armstrong (2010) as cited in Olaimat (2018), when employees perceive positive human resource practices, their motivation, commitment, performance and job satisfaction will become higher. This can help in a productive workforce, positive attitudes and engagement opportunities.

Additionally, organizational culture is a collection of key values, principles, assumptions

as well as understandings which subsist among the organization's members (Daft, 2003 as cited in Bangun et al., 2018). These values and norms demonstrate a suitable manner to connect with each other, thus, employees should be given a clear understanding for their tasks. As stated by Silva, Firdiansjah and Triatmanto (2019), a positive and strong organizational culture can develop and improve employees' capabilities, efficiency and productivity in work as well as has a large influence on their behaviour and comfortable feeling.

Greater attention has been paid on the importance of demographic characteristics in understanding organizational behaviour and attitudes (Wesolowski & Mossholder, 1997). In this study, demographic characteristics including gender, age, educational level and length of service are taken into account to pinpoint their effect on employees' job satisfaction and performance.

To conclude, this study aims at investigating the mediating role of job satisfaction with selected human resource practices, organizational culture, demographic characteristics and employees' performance in the hotel industry.

## **1.1 Problem Statement**

There are a lot of arguments pertaining to the past researches findings and it leaves the topics open to discussions. Firstly, Mutua, Kinyili and Arasa (2017) revealed that a significant and positive relationship exists between training and development and employees' performance. However, Kaveri and Prabakaran (2013) opined that training and development do not have a significant relationship with employees' job performance. Secondly, Al\_Qudah, Osman and Al\_Qudah (2014) found out that a positive significant relationship exists between compensation and employees' performance. On the contrary, Kadir and Amalia (2017) generated inconsistent results which they discovered that compensation does not affect employees' performance.

Thirdly, Ilham (2018) discovered that organizational culture significantly affects employees' performance. In contrast, Bangun et al. (2018) argued that organizational culture does not affect employees' performance. Other than that, the study of Nagaraju and Archana (2015) found out that training and development boost employees' job satisfaction level. Nonetheless, Qazi and Miralam (2017) determined that training and development do not have a significant influence on job satisfaction. Moreover, Pepra-Mensah, Adjei and Agyei (2017) declared that compensation is significantly and positively correlated with job satisfaction. However, there is a conflicting result from the study of Kadir and Amalia (2017) which argued that compensation does not affect job satisfaction. In addition, Marwan, Zainuddin and Hamid (2016) revealed that organizational culture has a direct positive effect on job satisfaction. Nevertheless, their findings contradicted with the study of Hutabarat, Situmorang and Pangaribuan (2014), which stated that no direct effect of organizational culture on job satisfaction. Since these aforecited studies show inconsistent results, this study exists to clarify the arguments and to narrow the empirical gap.

Furthermore, preceding human resource practices studies mostly focus on recruitment and selection, employee involvement, performance appraisal, training and development and compensation (Al\_Qudah et al., 2014; Ashraf, Umer, & Ahmad, 2018). Although some previous researches have reported that hotel employees face a plethora of occupational hazards and challenges at their workplace that can lead to negative safety and health consequences (Hsieh, Apostolopoulos, & Sonmez, 2015; Malik & Rather, 2017), human resource practices like occupational safety and health are still less being focused in the hotel industry. Consequently, there is a need to delve into occupational safety and health in human resource practices studies, especially in the hotel industry.

In addition, most of the previous researches only investigate the direct relationship

between each selected human resource practice and employees' performance (Ashraf et al., 2018; Dwomoh, Owusu, & Addo, 2013) or each selected human resource practice and job satisfaction (Ijigu, 2015; Sembe & Ayuo, 2017), organizational culture and employees' performance (Saad & Abbas, 2018; Shahzad, Iqbal, & Gulzar, 2013) or organizational culture and job satisfaction (Davoodalmousavi, 2013; Qazi & Kaur, 2017) as well as job satisfaction and employees' performance (Javed, Balouch, & Hassan, 2014; Platis, Reklitis, & Zimeras, 2015). There is extremely little research has specifically looked into job satisfaction as a mediator. Thus, in this study, there is a necessity to include job satisfaction as a mediating variable in order to identify and interpret the mechanism or process that underlies the relationships between each selected human resource practice, organizational culture and employees' performance.

Besides, it is interesting for this study to investigate whether any differences exist between demographic characteristics including gender, age, educational level and length of service with employees' performance as well as job satisfaction. However, no known study has looked into the mediating role of job satisfaction in the relationships between these four demographic characteristics and employees' performance. Hence, this study may serve as an eye-opener and impetus for future researches.

Other than that, in spite of the human resource practices, organizational culture, demographic characteristics, job satisfaction and employees' performance topics draw attention from the researchers in the past, however, most of these studies are carried out in overseas such as Kenya (Wambua & Karanja, 2016), India (Begum & Mohamed, 2016), Pakistan (Hassan, 2016), Bangladesh (Sultana, Kabir, & Rahman, 2015), Nigeria (Francis, 2015) and Indonesia (Yusuf, Eliyana, & Sari, 2012). There are limited studies conducted in Malaysia. Thus, this study focuses on the workforce in the local context, particularly in Sarawak, precisely in Sibul.

For that purposes, it is reasonable for the researcher to conduct a study on the mediating role of job satisfaction with selected human resource practices, organizational culture, demographic characteristics and employees' performance in the hotel industry.

## **1.2 Research Objectives**

### **1.2.1 General Objective**

The general objective of this study is to identify the mediating role of job satisfaction with selected human resource practices, organizational culture, demographic characteristics and employees' performance in the hotel industry.

### **1.2.2 Specific Objectives**

1. To determine the demographic attributes among the population of this study.
2. To identify the relationship between training and development and employees' performance.
3. To identify the relationship between occupational safety and health and employees' performance.
4. To identify the relationship between compensation and employees' performance.
5. To identify the relationship between organizational culture and employees' performance.
6. To identify the difference between gender and employees' performance.
7. To identify the difference between age and employees' performance.
8. To identify the difference between educational level and employees' performance.
9. To identify the difference between length of service and employees' performance.
10. To identify the relationship between training and development and job satisfaction.
11. To identify the relationship between occupational safety and health and job satisfaction.