FACTORS OF WORKPLACE ENVIRONMENT AND WORK VALUES :
IT'S INFLUENCE TOWARDS THE STANDARD OF SERVICES PROVIDED IN 4 AND 5 STAR RATED HOTELS IN KOTA KINABALU

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DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION

SCHOOL OF BUSINESS AND ECONOMICS
UNIVERSITI MALAYSIA SABAH
2010

UNIVERSITI MALAYSIA SABAH

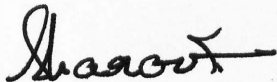## BORANG PENGESAHAN STATUS TESIS

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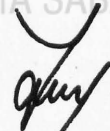IJAZAH : **MASTER OF BUSINESS ADMINISTRATION**

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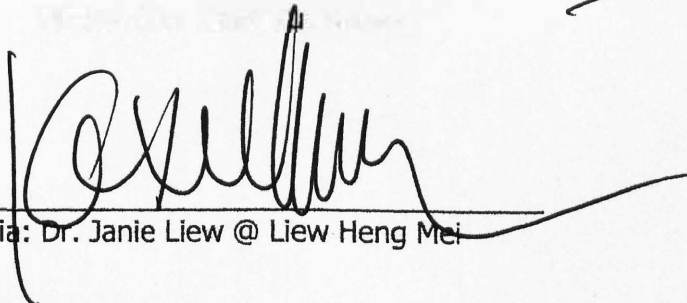
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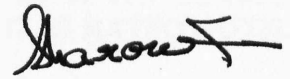Alamat:

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ACKNOWLEDGEMENTS

I want to express my sincere thanks and appreciation to my supervisors, Dr. Janie Liew and Mr. Rizwan who had unselfishly dedicated their precious time and endearing effort in guiding me through the process in successfully completing this research. I wish to express my whole hearted gratefulness to them because their contribution has greatly added the value and quality of this research.

I also wish to express special recognition to my husband (Alson Liong), my son (Shalson Liong), my dad (Freddy Ekol) and my mum (Flivia@Lina Motiung), for their untiring and endless support in providing me guidance, encouragement, strength, facilities and financial resources till all my needs are met. My special thanks and gratitude also to all my beloved siblings, Oniel Randy, Sandy Yvette, and Sandra Ynette for giving me the most needed moral support and prayers which have greatly inspired me until I successfully complete this dissertation.

I feel so much relieved now that all the combined and hard effort put forth had been blessed and hopefully rewarded. Most of all I thank The Lord Almighty for making things possible for me. To all who had stayed steadfastly with me, to all who had felt my burden to care, to them all, I lovingly dedicate this research. Thank you so much. God bless you all!!

Sharon Yvonne Freddy
28 July 2010

ABSTRACT

Factors of Workplace Environment and Work Values:
It's Influence towards the Standard of the Services Provided in 4 and 5 Star Rated Hotels in Kota Kinabalu

The purpose of this study is to examine the relationships between the workplace environment and work values and standard of services provided in the hotel industry to emphasize 4 and 5 star hotels in Kota Kinabalu. This study adapted the theoretical framework established by Eiglier (2004) for service (dependent variable) and for workplace environment and work values (independent variables) theoretical framework introduced by Schlesinger and Heskett (1991) also used. The relationship between the dependent variable and independent variables mentioned above were believed to influence the standard of services provided in 4 and 5 star hotels. Hence, a test was needed to prove this relationship. In this study, tests to relate standard of services between five factors of workplace environment and the work values of hotel staff were done. Self-report questionnaires were used as a survey instrument on seven of the 4 and 5 star hotels in Kota Kinabalu and only focus on the operational employees. The data were analyzed using custom developed software. The results indicated that five factors of workplace environment which are work situation, job security, social relations, health requirements and safe physical surroundings do have a significant relationship with the standard of services. Nevertheless, the results indicated that the work values of employees proved to have the most effect on the standard of services provided in the hotel. Based on this study, it showed that a specific way to view the success factors especially in the field of hotel industry. Since the industry are a major source of employment in many countries, an thoroughly understanding on a good quality workplace environment and on employees work values will determine what kind of jobs or working environment the employee perceived as important to them in order to be successful in this industry. This will help the hotel industry to develop effective management and provide adequate and sufficient and satisfactory services.

ABSTRAK

Tujuan kajian ini adalah untuk menyelidik hubungan diantara persekitaran tempat kerja dengan nilai-nilai kerja serta standard perkhidmatan yang disediakan di industri perhotelan yang bertaraf 4 dan 5 bintang di Kota Kinabalu. Penyelidikan ini menggunakan kerangka teori yang diasaskan oleh Eiglier (2004) iaitu untuk perkhidmatan (pembolehubah dependen) dan persekitaran tempat kerja serta nilai-nilai kerja (pembolehubah-pembolehubah indenpenden) daripada kerangka teori yang diperkenalkan oleh Schlesinger dan Heskett (1991). Hubungan antara pembolehubah dependen dan pembolehubah independen yang dinyatakan di atas dipercayai mempengaruhi standard perkhidmatan yang disediakan oleh hotel yang bertaraf 4 dan 5 bintang. Oleh itu, suatu kajian perlu dilakukan untuk membuktikan hubungan ini. Dalam kajian ini, kajian dijalankan untuk mengkaitkan standard perkhidmatan antara lima faktor persekitaran tempat kerja dan nilai-nilai kerja kakitangan hotel dilakukan ke atas tujuh hotel yang bertaraf 4 dan 5 bintang di Kota Kinabalu dan hanya berfokus pada pekerja bahagian operasi. Data dianalisis dengan menggunakan perisian yang telah dibangunkan. Keputusan menunjukkan bahawa lima faktor persekitaran tempat kerja yang situasi kerja, keselamatan kerja, hubungan sosial, keperluan kesihatan dan persekitaran fizikal yang selamat mempunyai hubungan yang signifikan dengan standard perkhidmatan. Namun demikian, keputusan menunjukkan bahawa nilai-nilai kerja pekerja terbukti mempunyai pengaruh paling besar terhadap standard perkhidmatan yang disediakan di hotel. Berdasarkan kajian ini, menunjukkan bahawa suatu cara tertentu untuk melihat faktor-faktor kejayaan khususnya di bidang industri hotel. Disebabkan industri ini adalah sumber utama pekerjaan di kebanyakan negara, sebuah pemahaman menyeluruh tentang persekitaran tempat kerja yang berkualiti baik dan nilai-nilai kerja yang diterapkan oleh pekerja akan menentukan jenis pekerjaan atau persekitaran kerja yang dianggap penting oleh pekerja untuk berjaya dalam industri ini. Ini akan membantu industri hotel untuk membangunkan pengurusan yang berkesan dan menyediakan perkhidmatan yang cukup dan memuaskan.

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β   Beta

CHAPTER 1

INTRODUCTION

1.1   Overview

In recent years, organizations in hotel industry have experienced a great deal of turmoil as the competitive forces within their industry have shifted under the weight of globalization. According to Thorlakson, (1997) under achievement and deterioration in performance are problems where few organizations can tolerate in today's competitive environment. However, there are still more serious study to focus on the sufficient and better quality of workplace environment and work values among the employees to satisfy and meet the needs of a growing and dynamic hotel industry.

According to the Tourism Ministry, 2.2 million tourists visited Sabah last year and at current trend, demand will soar to 5 million in 2010. Foreign tourist arrivals have improved in the Sabah this year with an increase of visitors, in January, from Singapore (up by 16.3 per cent), the Philippines (41 per cent), Indonesia (73 per cent), Taiwan (23 per cent), South Korea (14.8 per cent), Australia (17.6 per cent) and, United Kingdom and Ireland (36 per cent). The standard of services provided in the hotel industry will very much play a crucial role in increasing the numbers of tourist into our country. Chief Minister of Sabah Datuk Musa Aman has urged hotel staff to increase their standard of services to further promote the tourism and hotel industry in our country. Taken from Daily Express Newspaper published on April 24, 2010, "We want to be world-class, offering a world-class product, service and facilities," Musa said, before adding, "we can only do this if we develop world-class thinking, and to do this, we must develop the right skills and competence levels, this will in turn benefit the tourism locally and help develop the hotel industry." He said the government has and would continue to provide for the best economic stimuli to boost the tourism

industry, to combat any adverse reaction the recession might have, and remain viable until full recovery was in sight. Nevertheless, everyone must play their role in State government in meeting the State's and country's need for skilled and knowledgeable people in this field. This applies especially to the hotel employees who are the frontlines in the hotel industry. Only by providing good service will tourist be satisfy and be coming back for more. In this sense, will improve and increase the tourism and hotel industry.

Hotel industry represents an important segment in Malaysia. This industry possesses a strong culture and many of its traditions have changed since the last several decades. Today's work environment is changing tremendously due to economic forces that resulted in the redesigned of systems to minimize cost, the need to speed up product development and the focused attention on satisfying customers. Therefore, evidence exists to suggest that a good workplace environment alone will not explain the achievement of a hotel organization and that positive work values adapted by employees plays a key role in organizational success (Rosete & Ciarrochi, 2005).

The major changes in workplace environment that most employers and employees face include the move towards team work environments, the need of flexibility, the constant learning required to keep abreast of changes, the multicultural environment, the global economy, diversity and the outgoing impact of technologies. These trends are classified into three factors: cheaper, better, and faster, that have tremendous impact on today's workforce.

Generally, providing good quality work is essential to both individuals and organizations. Focusing on individuals, one of the factors that determine a person working achievement is by looking at an individual's work values. Early research has typically found a strong relationship between an individual's work specific values and his or her work standard (Dawis & Lofquist, 1984; Pine & Innis, 1987; Zytowski, 1970). According to Roe and Ester (1999) values and work values in particular are supposed to play a functional role in work related central processes

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and outcomes, such as job satisfaction, motivation, organizational commitment, and work performance. As a result, people would be motivated, more happier, satisfied, and committed when individual's values are similar to the organizational values and policies.

Since hotel is known as a service industry, providing sufficient and fast services play a crucial part in the perception of hotel guest in determining their level of customer satisfaction. This study is conducted among employees in the hotel industry because nowadays, they have been subjected criticism especially on their performances and services rendered. The slow uptake of service quality practices in hotel industry is further worsen by difficulties in measuring outcomes and greater scrutiny from the public and press (Teicher et al., 2002). Irrespective of these difficulties, however hotel industry has come under increasing pressure to deliver good services (Randall & Senior, 1994) and improve its efficiencies. Thus, people in the hotel industry are being challenge to bring about desired changes in the services that they provide and improve its capacity as well as performance. In other word, this study aims to seek factors that can influence the success of the services provided in the hotel industry.

1.2 Problem Statement

The workplace environment and employee work values are very important to an organization especially to a service industry like hotels. It represents the image and reputation of the hotel. Unfortunately, not much attention has been paid to the work environment conditions and employee work values that are necessary for service oriented and satisfied employees to reproduce good quality service. The guest's experience or perception of the service encounter are in many ways the service from their perspective and is the basis of its quality perception. Schesinger and Heskett (1991a, p.149) argue that "customer satisfaction is rooted in employee satisfaction". Therefore, the researcher intend to address what demands should be put on the work environment in order for the employee to experience high work satisfaction which in return will also make the service encounter to be positive also for the hotel guest.

Also, although a number of work values studies have been conducted in various disciplines, there is a lack of investigation on the hotel employees' perception on their work values towards occupational decision in the field of the hotel industry. Since work values are very much inter-connected with the level of quality of the hotel services provided as people are trying to achieve a variety of goals or values in their work, including economic security, material rewards, social interaction, social status and self-fulfillment, it is therefore interesting to examine these employee working motivation and what they seek in their jobs or workplace environment by analyzing their work values. Based on Zemke et. al (1999) who first proposed that work values are factors in the process of succeeding in their career, the researcher will explore a study into this area by focusing on the 4 and 5 star rated hotel employees at Kota Kinabalu.

The hotel industry has long been subjected to criticisms for inefficiency, lack of flexibility, ineffective accountability and poor and rude services provider. Mainly bad manners in the hotel, not much praise, non-compliance with agreements, harassment by superiors or generally bad working environment are important grounds for giving notice (Langer, 1988). Such criticisms have paved the way for hotel service improvements and management employers seeking to address various customers' complaint and enhance the efficiency and performance of services provided by hoteliers. With changes in time and circumstances reform agenda has varied, but improvement have always been seen and applied as a means to bring about desired changes in service offering and improve its competence as well as performance (Siddique, 2006). Therefore, the workplace environment and work values among the employees in the hotel industry have to be sharpen and improved so that the standard of service provided are in satisfactory and adequate level and appreciated by the hotel guest.

Hence, the problem statement in this study seeks to address on the **relationship between each component of the five dimensions in workplace environment, work values and standard of services provided in the hotel industry moderate by the demographic characteristics such**

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as age and length of services. In other way, the research questions about this study are follows:

1. What is the relationship between the workplace environment with five dimensions namely work situation, security, social relations, health requirements and safe physical surroundings and the standard of services provided in the hotel industry to emphasize 4 and 5 star rated hotels in Kota Kinabalu.

2. What is the relationship between the work values and the standard of services provided in the hotel industry to emphasize 4 and 5 star rated hotels in Kota Kinabalu.

3. How the demographic characteristics namely age and length of service moderate the relationship between the five dimensions of workplace environment and work values and standard of services provided in the hotel industry.

1.3 Objective of study

This study provides insight into the impact of workplace environment and employees work values on influencing the standard of the services provided in the hotel industry. The study will be using five dimensions of the workplace environment and work values factors, which later helped to identify which of these factors becomes a primary concern in determining the standard of the services in the hotel industry.

In order to achieve the findings, this research had guided the researcher to lay out these following objectives:

1. To examine the relationship between the workplace environment with five dimensions namely work situation, security, social relations, health requirements and safe physical surroundings and the standard of services

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provided in the hotel industry to emphasize 4 and 5 star rated hotels in Kota Kinabalu.

2. To examine the relationship between the work values and the standard of services provided in the hotel industry to emphasize 4 and 5 star rated hotels in Kota Kinabalu.

3. To investigate whether the demographic characteristics namely age and length of service moderate the relationship between five dimensions of workplace environment and work values and standard of services provided in the hotel industry.

1.4   Scope of the study

The scope of this study is to investigate whether there is any positive or negative relationship between the factors of workplace environment and employees work values for its influence towards the standard of services provided in the hotel industry in Kota Kinabalu, Sabah. Therefore, to conduct the study, the researcher will be focusing to 4 and 5 stars rated hotels in Kota Kinabalu and merely on the operational hotel employees operational employees such as housekeeping department, front desk and food & beverage department in the hotel.

For the purpose of data collection, the researcher will be using the cross-sectional study where data were collected from the hotel employees between April and Mei 2010.

1.5   Significance of the study

This study was developed upon the recommendation of Deanne (2003) that additional studies should focus on the workplace environment factors, experiential factors and human resource factors have strong potential for influencing success in the corporate environment. Deanne sought information regarding the best possible factors to determine the level of success in the hotel industry.

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This study is important because it is considered as a complement or an added value to understanding the success factors especially in the field of hotel industry. Since the industry are a major source of employment in many countries, an thoroughly understanding on a good quality workplace environment and on employees work values will determine what kind of jobs or working environment the employee perceived as important to them in order to be successful in this industry. This will help the hotel industry to develop effective management and provide adequate and sufficient and satisfactory services.

Other significant findings of this study are as follows:-

1. To help the hotel management understand what is needed to create employee work value with high quality in the eyes of the hotel guest.

2. To assist the hotel industry in Malaysia in obtaining better picture of the key factor for success to develop, organize and providing a better workplace environment for their employees.

3. To provide an insight into the most important and least important work values attributes (e.g. achievement, altruism, management, prestige etc.) that are considered important by the employees concerning their job choices and workplace environment and their motivation to excel in their work.

1.6 Definitions of terms

1.6.1 Services

There are many definitions of services can be define which are derived from the internet, academic papers, popular press and popular books. One attempt toward a definition was made by two psychologists – Ben-Shem (1991) who defined services as "the act or manner of serving guests, customers, etc., in a shop, hotel, restaurant, etc."

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Another psychologist, Neumann (1983) defines service as being employment in or performance of work for another and work done by one person or group that benefits another;

1.6.2 Workplace Environment

According to Kent, and Crotts (2001), workplace environment is comprised of physical location, equipment, material processed or used, and the activities of the employees while engaged in the performance of his work. Dvir et al., (2002) said that workplace environment consists of the employer's premises and other locations where employees are engaged in work-related activities or are present as a condition of their employment

1.6.3 Work values

Berg *et al.*,(1995) define work values as a set of values that include good performance, take initiative, and working well with others. Also, according to Lennon, (1996) work values are broad tendencies to prefer general job characteristics, were operationalized as the extent to which people assign importance to a range of job characteristics when deciding about an ideal work situation.

1.7   Organization of study

The research proposal is covered in the first three chapters of this research paper. They are the introduction, literature review, research methodology and the framework of the study. Followed by the second part of this research which are the Findings and Analysis in chapter four and Discussion and Conclusion in chapter five.

Chapter One – Introduction and Background

Chapter 1 was designed to provide a broad overview of the research study. First, an introduction to the study was provided followed by problem statements, objectives of study, scope of study and the significant of study.

Chapter Two – Literature Review

This chapter is all about previous study that have been conducted to the topic and knowledge with regards the issues, findings and methodology used. The most important is this chapter reveals other researchers ideology that used as guidelines and reference towards this research.

Chapter Three – Research Methods

This chapter gives explanation to the techniques and methods that were used to conduct this research. Besides that, a theoretical framework adapted from the previous researcher also been used in this research followed by the definitions of variables, explanation of the research hypothesis, sampling design, instrument, data collection method, data analysis techniques and unit of analysis. This chapter helps to explain how the researcher did her research.

Chapter Four – Key Findings, Data Analysis and Interpretation

This Chapter illustrates the respondent profiles followed by the research results and findings. The data is collected using questionnaire method. The researcher analyzes the data by using SPSS software and the result is interpreted and reported using the statistical method.

Chapter Five – Discussion and Conclusion

This chapter presents the conclusion of all information gathered as well as the interpretation of the data. Other than that, subsequent that is the implications, limitations of research as well as suggestion for future research.

LITERATURE REVIEW

2.1 Introduction

Two things were illustrated throughout this chapter: definitions given by the previous researchers and the relationship of workplace environment, employees work values and the standard of services provided in the hotel Industry. The definitions and the previous researches used in this research namely standard of services (dependent variable), workplace environment and work values (independent variable).

2.2 Service (Dependent Variable)

Producing a definition of service is not easy, because a service is a complicated phenomenon and the word "service" has many meanings, ranging from personal service to service as a product (Gronroos, 1990). There is a range of definitions of services suggested in the literature. Zeithaml and Bitmer (2000) define it as the simplest terms in which services are deeds, processes, and performances. It has also been defined based on the characteristics of services, such as Gronroos (1990) defined a service as "an activity or series of activities of a more or less intangible nature that normally, but not necessarily, take place in interactions between the customer and service employees and physical resources or good and systems of the service provider, which are provided as solutions to customer problems" (p.27). Looy, Gemmel and Dierdonck (1998) also provided a similar definition and refer service as "all those economic activities that are intangible and imply an interaction to be realized between service provider and consumer" (p.5). These two definitions reveal that services are activities or processes characterized by intangibility and simultaneity.

2.2.1 Service Delivery in Hotel Industry

Total Quality Management (TQM) has found its way into the service sector and the term is Total Quality Service (TQS). Building quality into service delivery has proven to be different challenge than in manufacturing industries. Quality service delivery is customer driven, meaning the measure of satisfaction rests with the consumer as it does with TQM. The difference lies within the measurement of quality. In service delivery, employees have a direct relationship with the customer in the performance of their job. These one-on-one interactions are not easily quantifiable.

A strategy of quality service delivery is supported by making excellence a corporate value (Atkinson, Branch, & Lahatte, 1987). The goal of excellence than becomes supported by the hotel's activities. Employees are trained to put the guest first by providing a pleasant experience and to keep them from being dissatisfied ((Atkinson, Branch, & Lahatte, 1987). Hotels cannot afford to ignore the issue of fast problem resolution. 95% of the guests will make the decision to repurchase a product or service if their problem is resolved rapidly. The statistic drops to 70% if the resolution process takes even a small amount of time (Schlesinger & Heskett, 1991). Every element of the customers/employee interaction is important. The influence of the physical facility which encapsulates this interaction must be considered in the quality of service delivery.

As the consumer demands better quality and value, teaching and developing the skills employees will need has become increasingly more important. Porter (1994) and Mintzberg (1994), as stated above, stress the need for organizations to emphasize the continuous development of their skilled labor force in order to remain at a competitive advantage. The competition is now global and labor is one of the main deciding variables. How can the working environment be designed such that it supports the employee in his/her quest to satisfy the guest or customer? Can the hotel service be improved when employees working values are positive?