

# A Review Study of the Human Resource Management Practices on Job Satisfaction of Hotel Industry Employees of Malaysia

Md Murad Miah

MSc in Business Management

Faculty of Business Management

Universiti Teknologi MARA (UiTM)

40450 Shah Alam, Selangor

E-mail: muradmiah1996@gmail.com

Dr Nor Intan Adha Hafit

Faculty of Business Management

Universiti Teknologi MARA (UiTM)

40450 Shah Alam, Selangor

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## Abstract

The purpose of this review study to determine the impact of human resource management practices on job satisfaction. In addition, in this research is deeply focusing on job satisfaction, various human resource management practices, hotel industry of Malaysia, providing some prior relevant theoretical model, the relationship between HRM practices and job satisfaction and hypotheses has been developed. Based on this review of existing literature has been identified that there is a lot of HR management lacking in the hotel industry of Malaysia namely; shortage of talented people, high turnover issue, lack of adequate training, lack of motivation and lack of quality services. However, based on the existing literature it is proven that there is a significant relationship between HRM practices and job satisfaction. Therefore, this study will contribute in two ways namely; *In practically*-helps the management of hotel industry to understand the relationship between HRM

practices and job satisfaction, keep motivating and retaining skillful employees, attract talent people and reduce the turnover issue and finally developed the competitive advantage among its rivals. *In theoretically*- this research will be the reference for the future research on HRM practices and job satisfaction. Other than that, the conceptual framework is plain and simple that is easy to understand for the relationship between HRM practices and job satisfaction which will help other researchers to think wisely about the relationship.

**Keyword:** job satisfaction, HRM practices, hotel industry of Malaysia, conceptual framework on job satisfaction

## 1. Introduction

At present, globally hotel industry facing high competition with each other due to globalization, technological innovation, almost similar service offering and lack of talented people for quality service (Salguero, 2019; Tran, 2015; Mathews, 2000). In addition, to sustain in the competitive business environment, the hotel industry to be creative performer, quality service provider and need to retain talented employees in the hotel industry. Most of the researchers suggested that employee retention is one of the essential elements for survive and sustain in the market because every intangible source can duplicate by other organization except talent and knowledge of employee (nontangible) (Yao et al, 2019; Pandey et al, 2019; AlBattat, 2013).

The hotel industry is one of the important service-based organization in the current business environment, as particular for Malaysia (Abo-Murad & Abdullah, 2019). In this sector, Marketing strategy, quality service, and innovation make the organization successful as its operation (Karakaş et al, 2019; Ottenbacher, 2007; Gray et al, 2000). Other than that, hotel industry services little bit deference from each other this is why it is facing high competition nowadays. However, in Malaysia, the hospitality sector is the 3rd GDP contributor where the hotel industry made a significant aspect in the hospitality industry (Ministry of Tourism Industry, 2018).

| Year | Arrivals (tourist) | Receipts (RM) |
|------|--------------------|---------------|
| 2018 | 25.83 Million      | 84.1 Billion  |
| 2017 | 25.95 Million      | 82.1 Billion  |
| 2016 | 26.76 Million      | 82.1 Billion  |
| 2015 | 25.72 Million      | 69.1 Billion  |
| 2014 | 27.44 Million      | 72.0 Billion  |
| 2013 | 25.72 Million      | 65.4 Billion  |
| 2012 | 25.03 Million      | 60.6 Billion  |
| 2011 | 25.71 Million      | 58.3 Billion  |
| 2010 | 24.58 Million      | 56.5 Billion  |
| 2009 | 23.65 Million      | 53.4 Billion  |
| 2008 | 22.05 Million      | 49.6 Billion  |
| 2007 | 20.97 Million      | 53.4 Billion  |

Source: Ministry of Tourism Malaysia (2018)

Accessible online [www.tourism.gov.my/statistics](http://www.tourism.gov.my/statistics)

From the table above, it is proven that how the hotel industry day by day increasing their profit and Malaysia become one of the most attracting places around the world. In addition, the Ministry of Tourism Malaysia places a significant contribution to developing, marketing and coordinate all the procedure to attract foreign tourist coming in Malaysia. As a result, Malaysia becomes the third most popular tourist destination in Asia reported by (World Travel Monitor, 2018; Din, 2018). Unfortunately, from the of the beginning of Malaysia's hotel industry until the recent time there are lots of HR problems are facing by hotel industry namely; shortage of talented people, high turnover rate, lack of employee motivation, lack of employee adequate training, lack of quality service( Haldorai et all 2019, Beh et all, 2017; Zainol, 2015; Downe et all, 2012). Therefore, in the hotel industry of Malaysia cannot retain their staff for a long time. Likewise, in Malaysia, the Malaysian Employers Federation (2011) reported that the turnover rate in the hotel industry is 65.7% (Zainol et al., 2015).

Therefore, this study will help both ways in practically and theoretically as well. In practically, this study will give certain guideline by establishing the relationship between HRM practices and job satisfaction. Secondly, this study also helps the hotel manager to attract talent employee, keep motivating, and retaining skillful employees in the hotel that will provide a competitive advantage among its rivals. Besides that, this study will provide some deep knowledge of understanding about particular HRM practice that mostly relates to job satisfaction.

In theoretically, this study will propose a framework that will contribute to the knowledge of HRM practices and job satisfaction. Other than that, this research will provide guideline for future researcher to identify or examine the relationship between HRM practices and job satisfaction.

## **2. Literature Review**

### **HRM practices and Job satisfaction**

#### **Training and development**

Nowadays, Training and development is a crucial term for every business to make employees extraordinary and updated skills of workers. The business world becoming more challenging and competitive. To endure and sustain in the dynamic business environment all the time coming new challenges in front of the organization (Pati & Das, 2018). Therefore, the organization needs to work constantly on different strategies to remain in the market and give the best service of the potential target customers. Moreover, it is just conceivable if the employees get well trained and upgrade their skills and apply in their area of the job. To accomplish a competitive advantage and best outcome organization must need to upgrade employee skills where they can do their best on their job (Aguenza & Som, 2018). As a result, employees will be motivated, can reduce the absenteeism and employees will be effective and efficient on their job.

Thus, Trained employees were more satisfied than untrained employees (Kiruja & Mukuru,

2018). Typically, when employees are participating in the training and development programs, they get an opportunity to improve their present aptitudes and furthermore can resolve new skills that may be required in the future. Amid the session of training and development, employees comprehend their core competency and which side they are performing admirably. Other than that, employees also comprehend the lacking behind of underperformance. So is the way, the employees have recognized that the organization is helping them to build their abilities and if they will they feel that on the off chance that they will have a type of issue in regards to performance they, by taking an interest in training and development programs can resolve those issues and in result they are satisfied that they are being esteemed by organization and organization is putting resources into them. These all variables prompting fulfillment to result in highly improved employee performance. when the employees are satisfied, and they realize that their organization is spending a lot of money in training and development programs they consequently want to return back to the organization by demonstrating to them their improved performance. As the employees are happy with their job, they don't feel any stress or burden, which are most regular explanations behind employee's terrible execution, the employees are cheerful, and it is a typical observation that happy employees are good performers.

*H1: There is a significant relationship between training and development and job satisfaction*

### **3. Performance Appraisal**

Performance appraisal is considered to encourage employees in the subsequent performance cycle (Rubin & Edwards, 2018). Rubin also mentioned that there is expanded utilization of execution appraisal process which is, for the most part, persuaded by a hierarchical need an impact on employee' attitude, behaviors, just as organizational execution as well. The result will be built upon establishments that set toward the start of the appraisal cycle which is help employees to draw out their undeniable execution objectives see, the administering of execution amid the evaluation which helps the poor performers and furthermore backings to give the top-notch execution in the organization (Gladisa & Susanty, 2018). The ability to accomplish these positive results will be in the capacity of the execution evaluation experience (Darehzereshki, 2013).

*H2: There is a significant relationship between performance appraisal and job satisfaction*

### **4. Compensation and Benefits Package**

Previous studies have shown that compensation influences work fulfillment employees anticipate a specific dimension of money related prizes for their authoritative commitment and pay establishes a quantitative proportion of a worker's value. To compete the most talented employee, organizations need to give appealing and fair pay. It has been contended that compensation is a help for some workers at first, however, it's anything but an amazing inspiration over the long haul. The job of pay in drawing in and holding individuals at work has been perceived for a long time and is progressively essential in the present economic

condition where key pay planning is required (Jackson and Schuler, 2006).

Other than that, particularly in the developed world, worker benefits package has turned into a vital piece of the absolute remuneration or authoritative costs. Employees advantages normal 40% of the complete pay package (DeCenzo and Robbins, 2010). Benefits have developed in size, significance and assortment (DeCenzo and Robbins, 2010; Edgar and Geare, 2005), and the U.S. Chamber of commerce, reasons that employees' benefits are one of the best difficulties in business today in pulling in and holding quality workers (Eisenberg, 2009 ; U.S. Chamber of Commerce, 2008). This development proposes that employees progressively esteem worker benefits as a major aspect of their general remuneration package

*H3: There is a significant relationship between compensation and benefit packages and job satisfaction*

## **5. Promotion Practices**

Promotion can be characterized as the movement of an individual to a more elevated level position in an organization (Ozel & Bayraktar, 2018). This is an open door given by the organization towards its employees, and typically just the individuals who accomplished the standard set by the organization might be promoted. Promotion is likewise a vital part of employee's career and life, influencing other aspects of the work experience including employees' work versatility that brought about the compensation builds (Kosteas, 2009). Promotion opportunity is constantly connected with an expansion in workload and responsibility. Kosteas (2011) expressed that promotion could significantly affect other occupation attributes, for example, duties and enduring job attachment. Firms can utilize promotion as a reward for exceedingly gainful workers, creating a motivator for workers to apply more noteworthy exertion. promotions might be a successful component for inspiring more prominent exertion if workers place a noteworthy incentive on the promotion itself.

*H4: There is a significant relationship between promotion practices and job satisfaction*

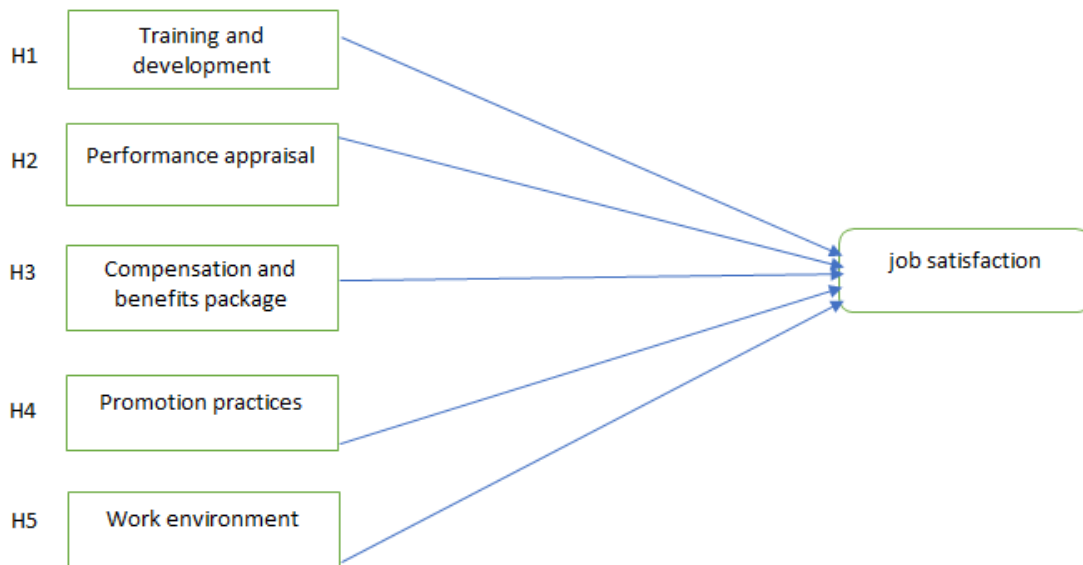
## **6. Work Environment**

Raziq & Maulabakhsh (2015) found that for the workers who work under troublesome working conditions, working condition is an imperative factor for employment fulfillment, so specialists under troublesome working conditions are disappointed through this factor. To improve the fulfillment of employees working under troublesome working conditions, it is fundamental for the organization to improve the working conditions. This will make them similarly happy with the individuals who work under typical working condition and consequently in general execution will increment. Hanaysha (2016) uncovered that there are diverse factors like workload, compensation, stress at work spot and conflict with family due to occupation drives a worker towards disappointment that further Job results in a turnover. At conclusive stage these free factors impact adversely on authoritative execution which is contrarily affected by these components. Hanaysha (2016). contend that an organization needs to focus on making a workplace that improves the capacity of employees to end up progressively gainful so as to build benefits for the organization. He likewise contended that

Human to human collaborations and relations are assuming the progressively predominant job in the general employment fulfillment as opposed to money while the management aptitudes, time and vitality, all are required for improving the general execution of the organization in current time.

*H5: There is a significant relationship between work environment and job satisfaction*

### Conceptual framework



## 7. Conclusion

This is the review paper on human resource management practices and job satisfaction which is focused on the hotel industry employees of Malaysia. However, there is a number of studies have been done on the field of human resource management practices and job satisfaction, where the maximum study has been proving that there is a significant relationship between human resource management practices and job satisfaction. Other than that, it is also found that due to the lack of HR practices in the organization, employees are becoming demotivated, absenteeism, far from organization mission, less innovative, and finally turnover from the organization. Therefore, due to the turnover issue, there is a shortage of talented people, less attractive to young talent in the hotel industry in Malaysia and around the world. Furthermore, previous researchers also found that HR practices can impact on employees' attitude, willingness, satisfaction, commitment, motivation and finally employees are becoming loyal to the organization.

Consequently, this research will give in-depth understanding as a hotel manager to use the proper HR practices to their employees which will motivate and retain employees in an organization for a long time. Other than that, this research is providing a guideline for future research on the field of HRM practices and job satisfaction. However, there is the number of limitations have this study namely: it is a review paper base on the previous research therefore future research can continue to identify as the current job satisfaction level of hotel



industry employees by primary data. Other than that, this paper focus on the hotel industry, hence, future research can be done on other sectors to find out the different concept that will cover a significant gap of this study.

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