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Measuring Job Satisfaction in Hospitality Industry

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ABSTRACT

This study examined the relationships between fringe benefits, job enrichment, and colleagues' relationship to employees' job satisfaction in hospitality industry. We predicted and found that all the variables were positively associated with job satisfaction. Even though the findings were consistent with prediction, fringe benefits and job enrichment however showed only a low degree of impact on job satisfaction. This may be due to the contribution of other factors such as job autonomy, working environment, financial rewards to job satisfaction.

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Introduction

In any industry, employees' satisfaction is vital. The more employees are unsatisfied with their jobs, the more likely they are to quit and find other jobs. This is especially important in industries with high turnover, like hospitality. It is a loss to an organization to let experienced and skilled employees quit and contribute their knowledge somewhere else.

In Malaysia, tourism and hospitality industry has offered 1.3 million jobs in 2010, which represents 11.9 percent of the total jobs offered in the country (World Travel and Tourism Council, 2010). This is not surprising as Malaysia is well-known for its tourism industry in Asian region. In 2012 alone, Malaysia recorded a total of 25.03 million arrivals, an increase of 1.3 percent from the previous year (2011) of 24.7 million arrivals.

Despite an impressive growth in tourists' arrivals, this industry has also recorded the highest percentage of employees' turnover. According to The Edge Malaysia (2009), Malaysia's turnover rate increased from 9.3 percent to 10.1 percent. Besides, the hospitality industry is among the top five industries where the turnover rate is particularly high. This is due to the drop in employees' satisfaction.

objective is to determine the relationship between these three variables with job satisfaction.

The results of the study may help the management of organizations in this industry to take some actions in increasing their employees' job satisfaction, thus reducing employees' turnover rate.

Literature Review

Job Satisfaction

Job satisfaction can be defined as a person's feeling towards his or her job, be it positive or negative (Steyn & Van Wyk, 1999). McNamara (1999) defines job satisfaction as a person's feelings or state of mind about the nature of their work. According to Spector (1997), job satisfaction is simply how people feel about their jobs and different aspects of their jobs. It is the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs, while Conrad et al., (1985) says it as a match between the perception of what individuals need and the rewards they perceive they receive from their jobs.

There were various job satisfaction studies conducted related to hospitality industry, among others; Ronra and Chaisawat (2010) who tested on Hotels and Resorts in Thailand. The results revealed that working environment, growth and the possibility of growth, and work itself have significant influence on overall job satisfaction. The study also discovered that workers who are less satisfied with their jobs have higher intention to quit compared to those who are satisfied. Apart from that, Silva (2006) found that the personality traits, the big five and locus of control are important predictors related to job attitudes, specifically organizational commitment and job satisfaction. The study was conducted at two hotel chains in the western USA. Another study was by Karatepe et al. (2006), whom, in their research among frontline employees in Northern Cyprus hotels discovered that competitiveness, self-efficacy, and effort are the three critical individual characteristics which trigger employee performance and job satisfaction.

Job Satisfaction and Fringe Benefits

Although fringe benefits stand as an important piece of worker compensation packages, they have not been given much attention in the job satisfaction literature. Fringe benefits have only acted as controls in most studies and not as the primary determinant of job satisfaction.

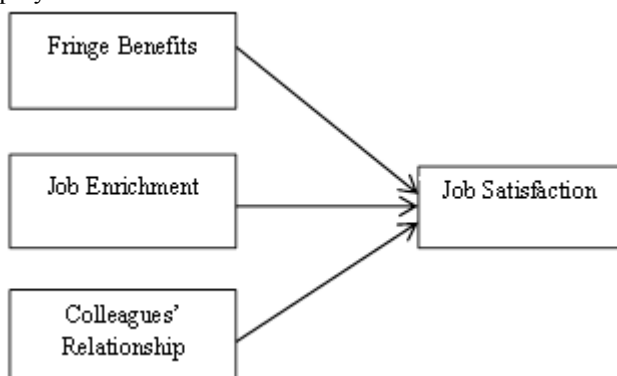


Figure 1. The Research Framework

As job satisfaction is something to be taken seriously, this paper aims to explore the factors influencing employees' satisfaction, particularly in hospitality industry. This study considers three important factors; fringe benefits, job enrichment, and colleagues' relationship which are believed to be important in determining job satisfaction (Figure 1). The

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"Fringe benefits" or perks can be defined as the incentives that employees receive in addition to their wages and salaries during active job duty and also after retirement (The Organisation for Economic Co-operation and Development (OECD)).

In the study conducted by Artz (2010), he has found that fringe benefits are positive and significant determinants of job satisfaction. The finding also suggests that fringe benefits have been linked to important productivity measures such as turnover and absenteeism rates.

Careerbuilder in their survey has found that twenty-six percent of workers said that providing special perks is an effective way to improve employee retention. When asked to identify one perk that would make their workplace more satisfying, early dismissals, convenient gym access and casual dress scored highest (careerbuilder.com, 2013).

Job Satisfaction and Job Enrichment

Job enrichment is one part of job satisfaction. Job enrichment is the process of making a job more motivational and satisfying to an employee by adding variety, responsibility and managerial decision making. Some characteristics of an enriched job experience include (Psychologycampus.com):

- Direct feedback
- Client relationships
- New learning opportunities
- Control over scheduling
- Unique experiences
- Control over resources
- Direct communication with authority
- Personal accountability.

Job enrichment is a way to motivate employees by giving them responsibilities and more variety in their jobs (Herzberg, 1959). It is an attempt to motivate employees by giving them the opportunity to use the range of their abilities. Job enrichment was used as a strategy in various companies toward workers to avoid the feeling of boredom due to the repetitive of work which affects overall job satisfaction.

Job enrichment is a type of job redesign that aims to give more autonomy to the employee since job enrichment can avoid the negative effects resulted from repetitive work. The negative effects occurred from repetitive work are boredom, lack of flexibility, and employee dissatisfaction (Leach and Wall, 2004). Mohr and Zighi (n.d.) used a survey of Canadian workers with rich, matched data on job characteristics to examine whether "enriched" job design, with features like quality circles, feedback, suggestion programs, and task teams, affects job satisfaction. The results show that several forms of enrichment, specifically suggestion programs, information sharing, task teams, quality circles and training, raise satisfaction.

Job Satisfaction and Colleagues' Relationship

Healthy relationships with co-workers can increase job satisfaction and help boost morale in the office. This is because when employees feel support from an organization, they will do better in their job. Friends at work help them deal with pressures of the job (Torres, 2005).

According to Yasir and Fawad (2009), job satisfaction of bank officers is significantly dependent upon pay, promotion opportunities, rewards, relations with bosses and co-workers.

Supported by Sadegh and Azadeh (2012) in their study in Iran airline industry who also found that relationship with co-workers has a relationship with job satisfaction where this factor ranked second out of five, namely nature of work, present pay, opportunities for promotion, supervision and relationship with co-workers.

Based on the above literatures, these hypotheses were formulated:-

Hypotheses 1. There is a significant positive relationship between fringe benefits and job satisfaction.

Hypotheses 2. There is a significant positive relationship between job enrichment and job satisfaction.

Hypotheses 3. There is a significant positive relationship between colleagues' relationship and job satisfaction.

Methodology

Data for this study were collected from the employees of a resort in Northern Region of Malaysia. The samples were selected based on the convenient-sampling method where subjects were selected because of their convenient accessibility and proximity.

This study uses primary data in which the data obtained from a direct survey. Then, in order to collect the data, self-administered questionnaire was used. According to Sekaran and Bougie (2010), the questionnaires allow quick responses to be collected. This questionnaire was setup as a close ended question. Prior to actual survey, the initial questionnaire was piloted on twenty respondents to clarify all ambiguities associated with the study instrument, as well as to choose applicable scenarios that meet the focus of the study. Participants were informed that participations in the research were voluntary and their responses would be kept confidential

Results

The objectives of this study are to determine the relationship between three variables namely fringe benefits, job enrichment and colleagues relationship with employees' job satisfaction in a hospitality industry. To achieve the said objectives, the data was analyzed by using SPSS 20.0. Among the analysis done in this research are descriptive statistical analysis, reliability analysis, correlation analysis and regression analysis.

Descriptive Statistical Analysis

Table 1 shows the results obtained for the respondents' demographic profile. The result shows that most of the respondents are male which comprised of 37 respondents (61.7%) while the remaining 23 respondents (38.3%) are female. Out of 60 respondents, the majority of them aged between 23-29 years (38.3%). 31 of the total respondents (51.7%) are married while 29 of them (48.3%) are single.

Table 1: Respondents' demographic profile

Gender		Frequency	Percentage (%)
1. Gender	Male	37	61.7
	Female	23	38.3
2. Age	16 - 22 years	8	13.3
	23 - 29 years	23	38.3
	30 - 36 years	8	13.3
	37 - 43 years	5	8.3
	44 - 50 years	12	20.0
	> 50 years	4	6.7
3. Marital status	Single	29	48.3
	Married	31	51.7
4. Job department	Administrative	23	38.3
	Golf	5	8.3
	Restaurant (F&B)	21	35.0
	Facilities, Maintenance, & Rental	11	18.3
5. Job tenure	< 5 years	30	50.0
	5 - 10 years	17	28.3
	> 10 years	13	21.7

In terms of job department, 23 of them are in Administrative Department (38.3%), 5 in Golf (8.3%), 21 in Restaurant (35%) and 11 in Facilities, Maintenance and Rental Department (18.3%). Half of the respondents have served the company less than 5 years, 17 of them have been working between 5 to 10 years, and 13 of them have been with the company for more than 10 years.

Reliability Analysis

The purpose of reliability test is to measure the stability and consistency of the data collection method. The most common way to test the reliability of one survey is by using Cronbach's alpha. The result of Cronbach's Alpha is presented in Table 2. It indicates good estimates as the values of Cronbach's Alpha for every variable is ≥ 0.70 .

Table 2: Reliability Statistics

Variables	Cronbach's Alpha	N of Items
Fringe benefits	.770	4
Job enrichment	.849	4
Colleagues' relationship	.855	5
Job satisfaction	.844	3

Correlation Analysis

For this study, Pearson Correlation coefficient was used to measure the strength of association among the variables. Table 3 shows that there is strong relationship between all job satisfaction variables. It also shows strong relationship between all the variables and job satisfaction where colleagues' relationship showed the strongest relationship, followed by job enrichment and fringe benefits.

Table 3: Correlations Analysis Results

	Fringe Benefits	Job Enrichment	Colleague Relationship	Job Satisfaction
Fringe Benefits	1	.742**	.431**	.355**
Job Enrichment		1	.406**	.357**
Colleague Relationship			1	.437**
Job Satisfaction				1

**Correlation is significant at the 0.01 level (2-tailed).

The results presented in Table 3 indicate that fringe benefits correlate significantly with job satisfaction. This supports the hypotheses that there is a positive significant relationship between fringe benefits and job satisfaction.

There is also a significant relationship between job enrichment and job satisfaction. Hence, this supports the hypotheses that job enrichment has a positive significant relationship with job satisfaction.

Lastly, there is a significant relationship between colleagues' relationship and job satisfaction. Hence, the hypotheses that there is a positive significant relationship between colleagues' relationship and job satisfaction is also supported.

Discussion

The purpose of this study was to investigate the relationship between fringe benefits, job enrichment and colleagues' relationship on job satisfaction of employees in hospitality industry.

In this study, the first hypothesis that fringe benefits have positive relationship with job satisfaction was accepted. The result confirms that fringe benefits do have a positive relationship with job satisfaction. This finding is consistent with Artz (2010) as he found fringe benefits are positive and significant determinants of job satisfaction. Providing favourable fringe benefits or perks is an effective way to improve employee

retention (careerbuilder.com, 2013). Even though the hypothesis was accepted, fringe benefits, in fact have low degree of impact on job satisfaction. The possible reason due to this result is the unawareness of employees being studied on the fringe benefits offered by the organization. The most common fringe benefits given to employees by any organization are retirement benefit plans, group health insurance, medical, prescription, dental, and vision plans, long-term care insurance plans, life insurance coverage and many more. However, due to an ignorant attitude, these employees under study did not even know the perks offered to them by the organization. The perks or fringe benefits that they were not aware of are retirement plans and also health insurance, which are actually offered by the organization. Due to this situation, it results in low impact of fringe benefits on job satisfaction, which could show otherwise.

The next hypotheses says there is a positive significant relationship between job enrichment and job satisfaction. The result of this study revealed that job enrichment does have a positive relationship with job satisfaction. The result is supported by Babaeinejad, Rahmatian and Shamsadini (2013) who found that there is a positive relationship between job enrichment characteristics such as increasing responsibility, providing opportunities, decreasing or omitting control on job satisfaction. Job enrichment causes high level of employee commitment and satisfaction during in performing their duties (Dost and Khan, 2012). This job satisfaction factor also shows a low impact (Correlation result = 0.357) which may be due to the fact that this organization where the study was conducted did not practice job enrichment strategies such as giving more responsibility or diversity in their working duties. Instead, the workers are more likely to practice repetition of work that resulted in boredom.

The last hypotheses states that there is a significant positive relationship between colleagues' relationship and job satisfaction. With the correlation value of 0.437, it shows that the factor also has a positive relationship with job satisfaction. It is consistent with the research done by Sadegh and Azadeh (2012) who stated that employees will be more satisfied and tend to stay longer if they have a good relationship with other employees. According to Yasir and Fawad (2009), job satisfaction is significantly dependent upon pay, promotion opportunities, rewards, relations with bosses and co-workers. This may be due to the reason that these employees communicate a lot with each other in completing their task, in line with the nature of the industry, to serve and entertain customers.

The results of this investigation are beneficial for managers, not only in hospitality industry, but also across industries. Job satisfaction is an issue that has to be focused on for an organization to stay longer. Employees are the most valuable assets an organization has. The managers should consider offering more of fringe benefits to their employees, not just the most common ones as health insurance and retirement plan. Secondly, as job enrichment is also a predictor to job satisfaction, managers should give a chance to employees to be exposed to learning opportunities, control over scheduling, control over resources, to have direct communication with authority and have personal accountability. This approach might make employees happier in performing their job thus increasing satisfaction level. Lastly, relationship among co-workers is an area to be taken seriously as well. Good co-workers' relationship help to strengthen the working environment. Most of the employees stay longer in the organization because they have friends who support them. Managers must encourage free and open communication in the organization to cultivate harmonious

relationship among employees. Organize special events for employees and families might help to increase good relationship. This study only focused on three job satisfaction factors, which resulted in incomplete view of the whole job satisfaction issue. There are many other factors such as job autonomy, working environment, financial rewards and many more to be considered in investigating job satisfaction. Future research should include these factors to be studied.

Conclusion

The aim of this study was to see the relationship between three variables; fringe benefits, job enrichment and colleagues' relationship with job satisfaction. Analysis has shown that all these three variables have positive relationship with job satisfaction. In hospitality industry, employees deal a lot with customers as it serves services to them. Customer satisfaction is crucial for the organization to stay longer in this industry. Thus, to make customers satisfied, the organization must look onto the employees and ensure their satisfaction is given priority, as satisfied employees will make customers satisfied. Employees might feel satisfied from different reasons. From this study, the three factors considered showed some contributions to job satisfaction. With this finding, management of organizations in the industry could take some actions in ensuring high job satisfaction level of their employees.

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