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Signature	:	……
Supervisor	:	Datin Suraya Binti Ahmad
Date	:	……

Signature	:	……
Panel	:	Dr. Chew Boon Cheong
Date	:	……

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A STUDY ON MOTIVATION FACTORS THAT INFLUENCES EMPLOYEE PERFORMANCE IN MALACCA HOTEL INDUSTRY

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Report submitted in fulfillment of the requirement for the degree of Bachelor of Technopreneurship with Honours (BTech)

Faculty of Technology Management and Technopreneurship (FPTT)
Universiti Teknikal Malaysia Melaka

JUNE 2015

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DECLARATION

"I declare that this thesis project entitled "A Study on Motivation Factors That Influences Employee Performance in Malacca Hotel Industry" is the result of my own research except as cited in the references. The research project has not been for any degree and is not concurrently submitted in candidature of any other degree."

Signature	:	…….
Name	:	Nurfarahin Binti Mat Radzi
Date	:	…….

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DEDICATION

I would like to dedicate the success of this project report especially my late father, Mat Radzi bin Mat Raus and my mom, Jamilah binti Supianbi. The sacrifices that they had made for me to further studies would not be enough by just submitting the report, but it is beyond that. Thus, I am honoured to have them as my parents. Secondly, dedication to all my siblings which have helped me a lot in term of spirit, encouragement, finance support and for giving timely advice in all the ways. I express a deep sense of gratitude to my lecturer whom also my supervisor for this Final Year Project, Datin Suraya binti Ahmad and also my fellow friends.

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ABSTRACT

Today's dynamic competitive business environment, top managers strive to improve their organizational effectiveness through motivate their employee in order to sustain and maintain a better performance. This purpose conducting this research is to identify the motivation factors that will affect employee's performance in their hotels in Malacca This research project which aimed to determine the motivation factors with the rewards and recognition, job design, and workplace environment which will be the most significant that contribute to affect hotels employee's performance . For the research methodology, the results were tabulated and analyze based on primary data. A total of 150 sets of closes-ended questionnaire have been distributed, however, only 100 respondents among management staffs were responded and used for this analysis. Data were gathered through self-administrated questionnaire directed to the top and middle level managers of three to five star rated hotel in Malacca. Then, data have been analyzed using descriptive analysis, scale of measurement and inferential analysis. The findings indicated that there is significant relationship between with three of motivation factors and employee. Regression result shows that workplace environment is the most contribute factors towards increased employee's performance among management staffs of hotel industry in Malacca.

Keywords: Motivation, Employee Performance, Rewards and Recognition, Job Performance, Workplace Environment, Malacca Hotel Industry

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ABSTRAK

Kini, persekitaran yang dinamik adalah terhasil daripada kelebihan perniagaan yang kompetitif, ia menyebabkan pengurus atasan berusaha untuk meningkatkan keberkesanan organisasi melalui memotivasikan pekerja mereka dalam mengekalkan prestasi kerja yang lebih baik. Tujuan penyelidikan ini dijalankan adalah untuk mengenalpasti faktor-faktor yang yang memberi kesan terhadap prestasi pekerja hotel di Melaka. Projek penyelidikan ini adalah bertujuan untuk menentukan faktor motivasi seperti bentuk ganjaran dan pengiktirafan, reka bentuk kerja, dan persekitaran tempat kerja yang akan menjadi faktor yang paling penting dalam memberi kesan terhadap prestasi pekerja hotel. Untuk metodologi kajian, hasil dapatan telah dijadualkan dan dianalisis berdasarkan penemuan melalui data primer. Sebanyak 150 set borang soalan selidik dalam bentuk soalan tertutup telah diedarkan, bagaimanapun, hanya 100 responden dalam kalangan pengurusan hotel telah memberi maklum balas dan digunakan untuk dianalisis. Penyelidik mengumpul data kepada pengurusan peringkat atasan dan pertengahan yang telah diedarkan kepada hotel tiga hingga lima bintang di Melaka. Kemudian, data dianalisis menggunakan analisis deskriptif, skala pengukuran, dan analisis inferensi. Dapatan kajian mendapati hubungan yang signifikan di antara tiga faktor motivasi dan prestasi pekerja .Hasil regresi menunjukkan bahawa persekitaran tempat kerja adalah faktor yang paling menyumbang kepada peningkatan prestasi kerja dalam pengurusan industri hotel di Melaka.

Kata Kunci: *Motivasi, Prestasi Pekerja, Ganjaran Dan Pengiktirafan, Reka Bentuk Kerja, dan Persekitaran Tempat Kerja, Hotel Industri Melaka.*

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CHAPTER 1

INTRODUCTION

1.1 Introduction

According to Evans *et. al.,* (2002) organizations are facing increased competition due to globalization, changes in technology, political and economic environments. Basically, most of managers face many problems that encountered with their organizational growth. However, a successful and highly productive business performance is actually is more depending on productivity of employees.

For this to be possible managers should visualize a practice of performance management within organization, in order, to compete with the competitors and for increasing the performance of the organization. “One of the important and effective components of human resource management is the employee’s motivation or, in other words, maintaining an effective workforce” (Pessaran &Tavakoli, 2011). The focus of this study is to build a theoretical model to understand employee motivation in a hotel industry. This paper, therefore, examines how employees in the Malacca hotel industry could be motivated to work towards the achievement of organizational and personal goals and objectives.

The purpose of this chapter gives a brief background to the subject of the study, which will give the reader a comprehensive overview of study. It is continue by presenting the background of the study. This is will followed by providing the

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statement of research problem, research question and highlight the exactly goals for this research. At the end of this chapter concludes with the significance, scope, and limitation and brief key concepts of this study.

1.2 Background of Study

Motivation refers to a complexity of forces inspiring a person at work to intensity his desire and willingness to use his/her potentialities to perform in order to achieve organizational objectives (Mile, 2004). The motivation of employees, whether professional, skilled or unskilled, is a major issue in all services organizations. For the hotel industry, employee motivation is a major issue. It is a challenge for the management of the hotel industry to motivate employees to stay on the job and to offer the efficiency, good service which customers expect (Cheng, 1995).

The employees play the key role in the success because the services are delivered through the employees. For instance, in case a poor performance of employee does not serve the customers in manner way, the guests will not satisfy with services and have a bad experience about that organization. At the end, it will affect the image of organization which provides bad service to them. Motivation is main factor that affect the human resources of the organization. The organization should be motivating their employee for the best performance or for achieving the organizational goals. In fact motivation is the best tool for best performance. Today there are many discussions about motivation and the relationship of employee's efficiency and the organizational efficiency. Motivation will lead to the fact that workers or employees of the organization will seriously do his duties and responsibility (Azar & Shafighi, 2013).

According to Koontz *et. al.,* (1990) motivation of employees is an important inter control tool and should therefore be adhered to in order to attain advantages like increased employee commitment, increased productivity and efficiency. Motivation emphasizes result oriented management through setting of smart objectives and effective communication system in an organization. In short, motivation is one of the

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most important factors which can influences human behavior to maximize job performance. The level of individual or team motivation task forces charged in their work can affect all aspect of organizational performance either become better or not.

1.3 Problem Statement

Bernama (2014) revealed that Malaysian employees are among the most ambitious in the region, similar to Singapore 70% and compared to regional counterparts such as Australia 57%, China 61%, New Zealand 63% and India 64%. This statistics provided indicates that Malaysia is one of the competitive countries. Employee motivation is a major issue for any organization. Managers have always tried to motivate their staffs to perform tasks and duties to a high standard (Al-Alawi, 2005). Jasmin (2014) argue that to engage their employees, business leaders in Malaysia should invest in talent management strategies which provide learning and development programmes to up skill employees. The report also found the biggest motivators for employees to do well and stay in their job are having a strong understanding of how their role contribute to achieving organizational goals 30% and a strong feeling of being valued and recognized 16% (Bernama, 2014). The statistic provides indicate that the motivate employees, in turn, affects productivity and performance.

1.4 Research Questions

In seeking to achieve objectives research, the following questions were highlighted to be the framework providing guideline for the research work;

1.4.1 What is the level of employee's motivation in hotel industry?
1.4.2 What are factors that influence employee's performance in hotel industry?
1.4.3 Which is the most important motivating factor that increases employee's performance?

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1.5 Research Objectives

The objective of this research is to assess the key motivation factors that affecting employee's job performance. Therefore, the primary purpose is listed as below:

1.5.1 To measure the level of employee's motivation in hotel industry.
1.5.2 To identify factors that is influencing employee performance in hotel industry
1.5.3 To determine the most important motivating factor that increases employee's performance.

1.6 Scope, Limitations and Key Assumption

1.6.1 Scope

This study focused on the motivation factors and the result for employee's performance having motivation factors as the independent variable and employee performance as the dependent variable. This research will be conducted over a six months period which from February 2014 to January 2015. Besides that, the geographic research was carries in area Malacca. Thus, the researcher is chosen a potential of Malacca's industry which involved rating of 3 to 5 star hotel industries. It will covers for hospitality and tourism industry in services sector in Malacca. The method that be used in this study is by distributed through direct survey. The questionnaire was based on the literature study conducted during phase one of this study. The targeted respondents were among management staffs in hotel industry which include executive staffs, and higher level post. The respondents were selected from department of finance and account, housekeeping, human resources, sales and marketing, maintenance and electrical, and etc. The total number of respondents involves is 100.

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1.6.2 Limitations

Throughout to this research, there has encountered the several limitations. First, this research is due to time and resources constraints the study covered six months only. The researcher has a limitation in getting permission from the company authorities to obtain and distribute survey was seen as a possible constraint in conducting this study. Besides that, next limitation is that the researcher faced with the management staffs that are willing to cooperate in answering questionnaire. The respondents may be less cooperation and unwillingness to participate by most employees especially the supervisors and manager indicated that they are overloaded with work and do not have time incomplete the questionnaire. Besides that, some of respondents will not return the questionnaire after completion the survey

1.6.3 Key Assumption

The respondents who participate in the study are assuming to have given their honest to reply to the questions in order to draw valid conclusions from the empirical data. The researcher illustrates that respondents have enough knowledge about job performance of hotel industry. Motivation is relating as driving force that affecting the overall employees' performance in accomplish organizational goals which makes employees to feel self-efficient and allows employees to realize their potential to be more responsibility and authority to improve the business.

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1.7 Importance of the Study

The research will be a great importance to motivate workers and development of an organization various aspect as well. This research will help the industry to grow by creating good human relations between staff and management in the hotel industry. Management can evaluate employee performance by discover effective practice in managing and improving employee performance by motivation practices. The reason is employees are the most valuable asset in any organization because a successful and highly productive business can be achieved when involved them in improving their performance. Next, this study will also benefit the future researchers, who are interest to carries out the same topic of employee motivation and will learn more about factors affecting employee performance and productivity toward business growth. Moreover, by encourages the involvement and commitment of staffs to the organizational and personal goals can be beneficial for both employer and employee. The employer will gain new insight into employee's daily activities, and employee will get a chance to see how they are doing within company. It will enhances job satisfaction among staffs and makes them display enthusiasm and loyalty to the management.

1.8 Summary

This chapter introduces the reader to the background, research question, research objectives, scope, limitation, significance of study and key assumption. It also outlines the main problem that was addressed and how researcher intended to explore it. The next chapter describes the findings from a literature study on the motivational factors that are generally influences in employee job performance in hotel industry.

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CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter reviews related empirical literature on the subject matter. The relevant literature will be reviewed under the following outline: six motivation theories as its Abraham Harold Maslow's theory of need starting point, Herzberg's Theory, McClelland Need Theory, Goal Setting Theory, Expectancy Theory-Based Models and Equity Theory. This section brings to light what can be done in order to motivate workers to perform to achieve organizational objectives goals. Hotel industries in service sector is selecting as the dimension to study the several of motivation factors that can enhances employee's performance.

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2.2 Hotel Industry in Malaysia

The service sector has been a key player in the growth of the Malaysian economy. Statistic showed that service sector contributed as much as 57% to Malaysia's GDP in 2009. By 2020, it has been estimated that the service sector would contribute as much as 70% to Malaysia's GDP. Among the service sectors, the tourism industry is relatively important. Tourism industry is the fifth largest industry that plays a significant role to Malaysia's economy after oil, gas and energy, financial services, wholesale and retail and palm oil (TM, 2011). In the tourism industry, hotels is claimed to be an important supportive sub-sector of tourism (Zailani *et. al.,* 2006).

There is two scope of hospitality industry which is food service and lodging. However for this study is focusing in Malacca hotel industry in lodging area. According to Saad *et. al.,* (2011) hotel industry has been considered as second highest that contribute to National Gross Domestic Product (GDP). Report from Malaysia Insider (2010) mentioned that 9% of country's GDP is contributing by this industry. Hence, this number keeps increasing in the concept of tourist arrival. For example 16.4 million tourist arrived in the year of 2005 and the number keep increasing within five years to 23.6 million (MTPB, 2010).

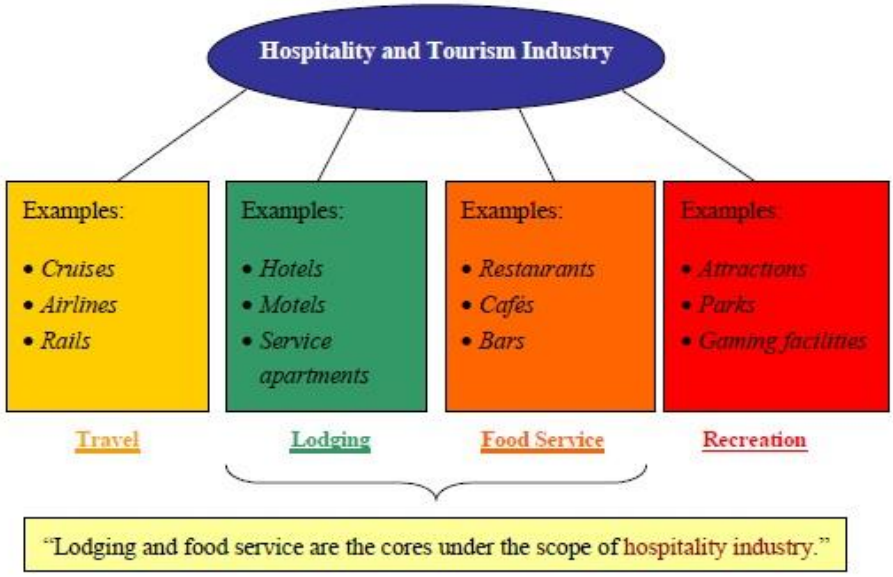

Figure 2.1: Scope of the Hospitality and Tourism Industry
(Source: Mackenzie & Chan, 2013)

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