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I/We, hereby declared that I/We had read through this thesis and in my/our opinion that this thesis is adequate in terms of scope and quality which fulfil the requirements for the award of Bachelor Degree of Technology Management
(Technology Innovation)

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THE IMPACT OF WORK ENVIRONMENT TOWARD BUSINESS
SUSTAINABILITY IN HOTEL INDUSTRY

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DECLARATION

“I admit that this report is the result of my own, except certain explanations and passages where every of it is cited with sources clearly.”

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Date :

DEDICATION

I would like to dedicate the appreciation to my family members who supported me from spiritually and financially, beloved supervisor and panel who guided me throughout the research, housemates and course mates that assisted me through the journey of research.

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First, I would like to express my gratitude to Allah S.W.T, for giving me strength and opportunity to finish this research project. Without His consent, I would never complete this research.

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ABSTRACT

Business sustainability is important especially for hotel industry. In business sustainability, there are economy, ecology and social. Using these, it can create the ability of a system to thrive by maintaining economic viability the needs of the present and future generations by limiting resource depletion. From this definition, sustainable management has been created to be defined as the application of sustainable practices in the categories of businesses, environment, and personal life by managing them in a way that will benefit current generations and future generations. Sustainable management is needed because it is an important part of the ability to successfully maintain the quality of life. Tourism is in a very special position to benefit economically, ecology and socially, and to raise awareness and support for conservation of the environment. For that reason, this study was conducted to investigate the impact of work environment toward business sustainability in hotel industry. The data for this study will be collected by using questionnaires from 66 respondents in hotel industry at Melaka. The collected data will be analysed, interpreted and discuss in FYP 2.

Keywords: *Organizational Culture, Knowledge Sharing, Procedural Justice, Business Sustainability, Hotel Industry, Melaka*

ABSTRAK

Kemampuan perniagaan adalah penting terutamanya bagi industri perhotelan. Dalam kemampuan perniagaan, terdapat ekonomi, ekologi dan sosial. Dengan adanya kemampuan perniagaan, ia boleh mewujudkan keupayaan sistem yang berkembang maju dengan mengekalkan daya maju ekonomi keperluan generasi masa kini dan masa depan dengan mengehadkan kekurangan sumber. Pengurusan mampan diperlukan kerana ia adalah satu bahagian penting dalam keupayaan untuk berjaya mengekalkan kualiti hidup. Pelancongan adalah dalam kedudukan yang sangat istimewa yang mendapat manfaat dari segi ekonomi, ekologi dan sosial, dan untuk meningkatkan kesedaran dan sokongan untuk pemuliharaan alam sekitar. Atas sebab itu, kajian ini dijalankan untuk mengkaji kesan persekitaran kerja ke arah kemampuan perniagaan dalam industri hotel. Data untuk kajian ini akan dikumpulkan dengan menggunakan soal selidik daripada 66 responden dalam industri perhotelan di Melaka. Data yang diperolehi akan dianalisis, ditafsirkan dan berbincang dalam PSM 2.

Kata kunci: *Budaya organisasi, perkongsian ilmu, keadilan prosedur, kemampuan perniagaan, industri hotel, Melaka.*

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LIST OF ABBREVIATIONS AND SYMBOLS

FYP	= Final Year Project
PSM	= Projek Saujana Muda
H0	= Null (rejected)
H1	= H one (accepted)
SPSS	= Statistical Package for Social Science
%	= Per cent
<	= Greater-than
>	= Less-than
=	= Equals

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CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter was introduced about the background of the study of tourism which is in the hotel industry. It indicates the importance and validity of the business sustainability. Besides, this chapter also consists of National Policy of Tourism industry in Malaysia. Next, this study explains about the tourism industry in Malaysia. In this chapter, it also explains the problem that has been faced by the hotel industry. From this chapter, the study also consists of the research questions and research objectives, scope of study and lastly is about the significance of the study.

1.2 Background of Study

Nowadays, Quality Management is an main role in an organization especially in the hotel industry. Besides that, it is an important to meet customer expectation and loyalty that aligned with the organization goals. In order to meet customer expectations and satisfaction, organization must fully understand in term of all service attributes that may contribute to customer value. Customer needs and satisfaction are the most important aspect that organization needs to consider. The concept of Quality Management is a continuous process to improve the product and service of an organization.

The impact of work environment in the organization plays an important role to improve and maintain the business sustainability in hotel industry. The connection between tourism and the business sustainability is important as tourism is a vastly continuous industry fundamentally made up of many small and medium sized of businesses. (Moore, 1996) explains sustainable tourism growth in line with the World Tourism Organization's classification that is, to be workable tourism development must meet the need of the present tourists and host regions while protective and increasing opportunities for the future. Sustainability, agreeing to Moore, also includes total integration with the public in which the tourism organization is located.

In business sustainability, there are economy, ecology and social. By these, it generates the facility of a system to thrive by continuing economic viability the needs of the present and future generations by regulating resource weakening. Beginning form this definition, sustainable management has been shaped to be well-defined as the application of sustainable practices in the classes of businesses, environment, and personal life by handling them in a way that will assistance current generations and future generations. Sustainable management is required because it is an essential part of the talent to successfully keep the quality of life.

1.2.1 National Policy of Tourism Industry in Malaysia

The Ministry's Policy declaration is in the direction of to drive economical plus workable in tourism industry and culture industry sectors towards the socio-economic enlargement of the countries. According toward (2015), Ministry of Tourism and Culture Malaysia have five objectives which is the first is to strengthen the arts of the state, cultures and legacy towards improving the national unity based on the National Cultural Policy in Malaysia, while the second is improve the synergies and cooperation between the tourism industry and cultures industry that players to making Malaysia the favored tourist and cultural its destinations. The third of National Policy are to strength the tourism industry and culture industry sectors headed for empower the nation's economy and the forth are promote Malaysia's uniqueness in the arts, cultures and heritages as the main substance for the development in tourism industry and culture industry sectors and lastly is improve the knowledge, skill, creativity and advanced social capital in tourism and culture industry. Figure 1.1 is explained about the National Policy of Tourism Industry in Malaysia 2012-2016.

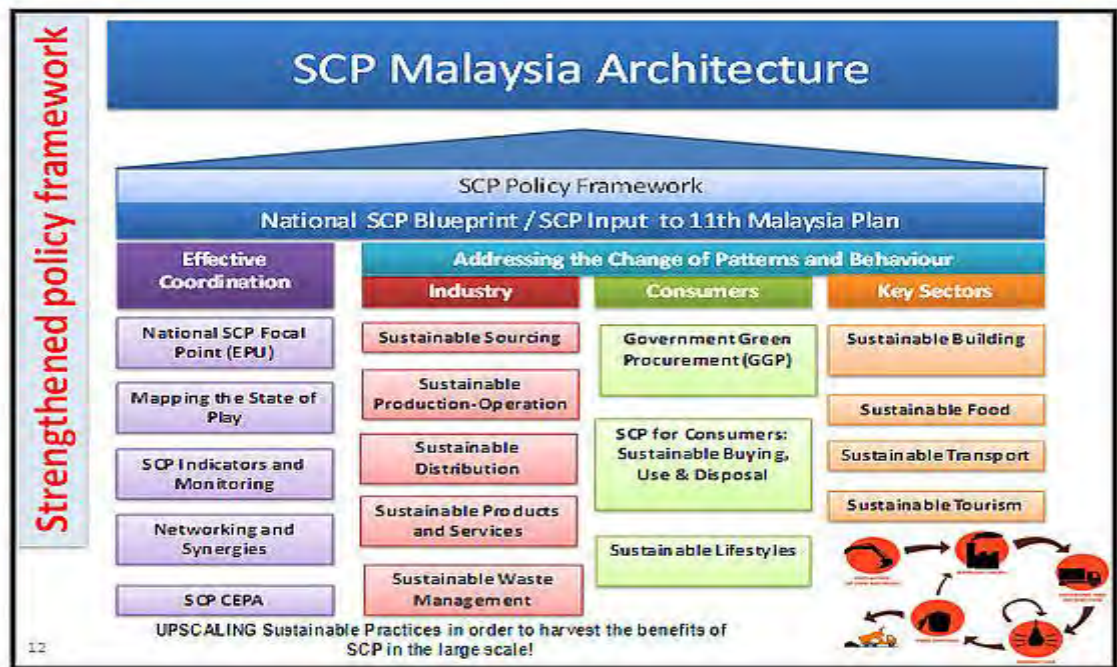


Figure 1.1: National Policy of Tourism Industry in Malaysia

1.2.2 Tourism Industry in Malaysia

Malaysia is ranked 11th in the world and 2nd in Southeast Asia aimed at the tourist arrivals. In strength to spread the economies and want Malaysia's economies fewer dependent on spreads, the management was pushed to growth tourism in Malaysia. Such as an outcome, tourism has developed Malaysia's as the third major basis of foreign argument revenue and accounted for 7% of Malaysia's economies as in 2005.

The government agency is to control of stimulating tourism industry in Malaysia which are Tourism Malaysia or the Malaysia Tourism Promotion Board (MTPB). According to (wikipedia tourism malaysia , 1972) proceeding 20 May 1987, the Ministry of Culture, Arts and Tourism (MOCAT) in Malaysia were recognized and TDC encouraged to this innovative organization. TDC had been from 1972 to 1992, once it became the Malaysia Tourism Promotion Board (MTPB), over the Malaysian Tourism Promotion Board Act, in 1992.

In the year of 2010, tourism industry in Malaysia was stated that it would be assembly better struggles to invite New Zealanders. "Advantages consist of a better focusing on ecotourism, major culture events and activities for the early urban professionals. Family and friendly purposes, wellness activity, a value of the money and a safely, clean an environmental are certain the main drivers of this market," supposed Ng. The management has on the go a campaign named "1Malaysia Green, 1Malaysia Clean" in direction to let tour operators and travelers realize the need to protect nature areas though promote the eco-tourism. In the year 2016, Tourism Malaysia definite "Other the mass tourists, we are similarly trying to attention on niche tourism products such as sports containing motoring and others, golfing, bird watching, medical and wellness as well as shop.

According to website (Tourism Malaysia, 2016) which is in figure 1.2, it is described about the Tourist Arrivals and Receipts to Malaysia by a year. In 2005, the arrival comes to Malaysia just 16.43 million and just receives 32 Billion. In between 2005 and 2015 which is in 2010, the arrival comes to Malaysia increase by 24.58 million

and receives 56.5 Billion. Then in 2016, the total of the arrival decrease from 27.44million to 25.70 million which receive 69.1 Billion.

Tourist Arrivals & Receipts to Malaysia by Year

YEAR	ARRIVALS	RECEIPTS (RM)
2015	25.70 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	24.71 million	58.3 Billion
2010	24.58 million	56.5 Billion
2009	23.65 million	46.1 Billion
2008	22.05 million	49.6 Billion
2007	20.97 million	53.4 Billion
2006	17.55 million	36.3 Billion
2005	16.43 million	32.0 Billion

Figure 1.2: Tourist Arrivals and Receipts (RM)

1.3 Problem Statement

According (Tourism in Malaysia, 2016) , Malaysia's tourism industries are showing signs of recoveries in the first half of 2016 with newest viewing extra tourists afterward the go-slow in the year of 2015. Tourist arrivals comes to Malaysia for January until June 2016 presented upgrading, process a hike of 3.7% related to the same period in the year of 2015. The country recognized 13 million (13,032,775) tourists in the major partial of the year in 2015 associated to 12.5 million (12,567,300) tourists. Similarly, traveler revenues increase to 10.7%, paying RM37.4 billion of the countries income in contradiction of RM33.8 billion in the year of 2015, whereas interprets to an normal per capital outlay of RM2.869.6.

One of the factors that contribute the tourism industry is through the hotel industry. Based on the total number of tourism industry increase especially in hotel industry, the hotel industry need to maintain and increase their business sustainability. In business term, customer perception is realized to be an amount of how it product and service give the best customer's expectation. Next, it is to detect the key component of the business strategies. Problems such the effect of service qualities from the management perspectives to an organization are similarly significant from customer's point of view agreeing to Reynoso and Moores, (1995).

The hotel industry is a very important element to attract tourists and get their satisfaction including tourists from abroad. Without maintain and improve the business sustainability in hotel industry, the economy, ecology and social development will decrease. It is important for hoteliers to expand their inside factors consistently towards attaining occupancy rate of their successful, because it can raise the economy. According Tsai, Horng, Liu, and Hu, (2015), a dominant problem that organizations need to resolves implementing and identifying the elements of the work environment that can ease the organization success and survival. Besides that, according Chen and Cheng, (2012), the issues is workers often refuse to sharing their knowledge because they are worried in doing, because it can reduce their opportunities and promotion. It is because doing this issues are requires energy and uncompensated time.

The purpose of this research on this study also will discover the failures of business sustainability that can make organization fail to sustain in the future. It is difficult to sustain and increase the social, economy and ecology of the industry. So that, by the problem that had face by them, the tourism must introduce managerial management system which it is comes from the head of hotel management and is frequently connected with educational level and informing the hotel manager about the specifics, advantages and disadvantages of the internal factors. According to the (Ministry of Tourism Indusrty in, 2015), it is to support the tourism industry and culture industry sectors to authorizing the nation's economy. Next, the determination of this study is to support the government policy created on the National Policy of Tourism Industry in Malaysia, which is the tourism industry can sustain towards excellence through the economy, ecology and social development.

Next, the several problems that encourage to do this research are, there were not many research was conducted in this industry regarding to the internal of social, economy and ecology in hotel industry. The tourism industry will affected by the financial problematic, after the economic situations was bad, numerous tourism industries with similar hotel, travel agency and restaurant, they willpower cut cost. Besides that, according to Chen and Cheng, (2012) again, this research deliver smaller guidance about the part of the work environment in the service sector, such as tourism and hospitality sector or industry, whereas have a dynamic environmental than others industry. Therefore, today, tourism industries in Malaysia are attainment significant in order to boost up the economy of Malaysia as well as growth the status and consciousness from the promotional.

1.4 Research Objectives

To fulfill my research, this study needs to explore the issues or problem that related to the impact of work environment in the organization drivers on business sustainability in hotel industry. Below are the objectives of this research:

- i) To profile the implementation level of organizational culture, knowledge sharing and procedural justice in hotel industry at Melaka.
- ii) To determine the critical factors of the work environment that affects the implementation of business sustainability in hotel industry at Melaka.
- iii) To determine the most influential factors of work environment that affects the implementation of business sustainability in hotel industry at Melaka.

1.5 Research Questions

In order to achieve the objectives, this study of the impact of work environment in the organization drivers on business sustainability in hotel industry will try to answer the following research questions:

- i) What are the implementation level of organizational culture, knowledge sharing and procedural justice in hotel industry at Melaka?
- ii) What are the critical factors of the internal factors that affect the implementation of business sustainability in hotels industry at Melaka?
- iii) What are the most influential factors that will affect the implementation of business sustainability in hotel industry at Melaka?