FACTORS CONTRIBUTING TO THE SUSTAINABILITY OF 5S' PROGRAM IN MALAYSIA HOTEL INDUSTRY

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This report submitted in partial fulfillment of the requirements for the Bachelor Degree of Technology Management (Technology Innovation)

Faculty of Technology Management and Technopreneurship

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NOVEMBER 2017

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APPROVAL

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

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Date : ……

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DECLARATION

"I admit that this report is the result of my own work except summary and excerpt which each one I have described the source"

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DEDICATION

For my beloved mom and dad, Mister Mohd Nasir Mohd Salleh with Madam Suziaton Soriani, this thesis is dedicated especially for two of you

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APPRECIATION

Firstly, author wants to express gratitude to supervisor, Dr Nurulizwa Abdul Rashid on the advice and guidance given along this bachelor project implementation. Thank you very much.

Special honor also directed to my parents, Mr Mohd Nasir Mohd Salleh and Madam Suziaton Soriani for their support, encouragement and financial preparation for me to keep attempt in completing this project.

Tribute also given to my comrade friends, Siti Hasnah Abd Aziz, Ana Mardia Ahmad, Nadia Nasruddin, Nabihah Masijan, Nurul Ain Masron and others who are involved directly and indirectly in the success of this research project completion.

Gratefulness to Allah S.W.T for gave me chance to further studies in UTeM and give the wonderful experience to study in university. From this project report, it is hope to provide benefits to other students later.

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ABSTRACT

The World is increasingly growing forward and we as humans have to follow the passage of time to ensure we do not miss and away from the stream changes. Hand in hand with modernization, government has taken strategic decision to elevate the tourism industry in Malaysia with each of tourism organization must take drastic measure to upgrade their organization so that this idea become a reality. Parallel with this idea, one of the most flexible ways for tourism organization can achieve is with changes of 5S' programs in their workplace. The employee factors become the determinant of this 5S' level of implementation towards their organization. This study will release the hesitation of hotel industry that are applying 5S' practices or have instinct to jump into this 5S' practice thus can apply this 5S' practice that will be classified as their competitive advantage besides can enjoy the smooth and simplified operation in their workplace. The significant drivers concluded from this research are communication with reward and recognition from employees.

Keywords – 5S' practice, employees, tourism, hotel, organization.

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ABSTRAK

Dunia semakin berkembang ke hadapan dan kita sebagai manusia perlu mengikut peredaran masa bagi memastikan kita tidak ketinggalan dan jauh daripada aliran perubahan. Seiring dengan pemodenan, kerajaan telah mengambil keputusan yang strategik untuk meningkatkan industri pelancongan di Malaysia dengan setiap organisasi pelancongan mesti mengambil langkah drastik untuk meningkatkan organisasi mereka supaya idea ini menjadi kenyataan. Selari dengan idea ini, salah satu cara yang paling fleksibel untuk organisasi pelancongan mampu mencapainya adalah dengan perubahan program 5S' di tempat kerja mereka. Faktor pekerja menjadi penentu tahap pelaksanaan 5S' terhadap organisasi mereka. Kajian ini akan melepaskan keraguan industri hotel yang sedang mengamalkan 5S' atau mempunyai naluri untuk melompat ke dalam amalan 5S' ini supaya boleh mempraktikkan amalan 5S' ini yang akan diklasifikasikan sebagai kelebihan daya saing mereka di samping boleh menikmati kelancaran dan kemudahan operasi di mereka tempat kerja. Faktor-faktor signifikan yang dapat disimpulkan dari penyelidikan ini adalah komunikasi kepada para pekerja dan ganjaran serta penghargaan kepada para pekerja.

Kata kunci *- amalan 5S', pekerja, pelancongan, hotel, organisasi.*

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TABLE OF CONTENT

CHAPTER	TITLE	PAGE
	APPROVAL	**i**
	DECLARATION	**ii**
	DEDICATION	**iii**
	APPRECIATION	**iv**
	ABSTRACT	**v**
	ABSTRAK	**vi**
	TABLE OF CONTENT	**vii**
	LIST OF TABLES	**xii**
	LIST OF FIGURES	**xiv**
	LIST OF ABBREVIATION AND SYMBOL	**xv**
	LIST OF APPENDICES	**xvii**
CHAPTER 1	**INTRODUCTION**	
	1.1 INTRODUCTION	1
	1.2 BACKGROUND OF STUDY	2
	1.3 PROBLEM STATEMENT	4
	1.4 RESEARCH OBJECTIVE	6
	1.5 RESEARCH QUESTION	6
	1.6 SCOPE OF STUDY	7
	1.7 SIGNIFICANT OF STUDY	7
	1.8 CONCLUSION	8

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CHAPTER	TITLE	PAGE
CHAPTER 2	**LITERATURE REVIEW**	
	2.1 INTRODUCTION	9
	2.2 SUSTAINABLE IN TOURISM INDUSTRY	9
	2.2.1 SUSTAINABLE IMPORTANCE TO SERVICES	10
	2.2.2 SUSTAINABLE IMPORTANCE TO HOTELS	11
	2.2.3 MALAYSIA HOTEL INDUSTRY OVERVIEW	12
	2.3 FACTORS AVAILABILITY IN SUSTAINABILITY OF 5S' (SORT, SET IN ORDER, SHINE, STANDARDIZE, SUSTAIN)	15
	2.3.1 EXTERNAL FACTORS (CUSTOMER, SUPPLIER AND ENVIRONMENT)	15
	2.3.2 INTERNAL FACTORS (EMPLOYEE AND MANAGEMENT)	16
	2.4 SIGNIFICANT FACTORS LEAD TO 5S' PRACTICE IN HOTEL INDUSTRY	17
	2.4.1 COMMUNICATION TO THE EMPLOYEES	17
	2.4.2 TRAINING OF EMPLOYEES	18
	2.4.3 REWARD AND RECOGNITION FOR EMPLOYEES	20
	2.5 DEFINING 5S' COMPONENTS	21
	2.6 CONCLUSION OF THEORETICAL FRAMEWORK	24

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CHAPTER	TITLE	PAGE
CHAPTER 3	RESEARCH METHODOLOGY	
	3.1 INTRODUCTION	25
	3.2 THEORETICAL FRAMEWORK	25
	3.3 RESEARCH HYPOTHESIS	26
	3.4 RESEARCH DESIGN	27
	3.4.1 RESEARCH APPROACH	28
	3.4.2 QUESTIONNAIRE DEVELOPMENT	30
	3.4.3 OPERATIONALIZATION OF CONSTRUCTS	31
	3.4.4 VARIABLES	32
	3.4.5 PILOT STUDY	34
	3.5 DATA COLLECTION	35
	3.5.1 SAMPLING TECHNIQUE	35
	3.5.2 SAMPLING SIZE	37
	3.5.3 KEY INFORMANT	38
	3.6 DATA ANALYSIS	38
	3.6.1 VALIDITY	38
	3.6.2 RELIABILITY TEST	39
	3.6.3 INFERENTIAL METHOD	40
	3.6.3.1 REGRESSION ANALYSIS	40
	3.6.3.2 CORRELATION	40
	3.6.4 DESCRIPTIVE ANALYSIS	41
	3.7 CONCLUSION	41

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CHAPTER	TITLE	PAGE
CHAPTER 4	RESULTS	
	4.1 INTRODUCTION	43
	4.2 DESCRIPTIVE ANALYSIS	44
	4.2.1 FREQUENCY ANALYSIS	44
	4.2.1.1 SERVICE PERIOD OF EMPLOYEES	45
	4.2.1.2 MONTHLY INCOME OF EMPLOYEES	46
	4.2.1.3 NUMBER OF EMPLOYEES	47
	4.2.1.4 STAR OF HOTELS	48
	4.2.1.5 OWNERSHIP STATUS OF HOTEL	49
	4.2.1.6 POSITION OF EMPLOYEES	50
	4.2.1.7 NUMBER OF HOTEL BRANCH	51
	4.2.1.8 EMPLOYEE POSITION VERSUS EMPLOYEE'S MONTHLY INCOME	52
	4.3 RELIABILITY ANALYSIS AND VALIDITY TEST	55
	4.3.1 CORRELATION ANALYSIS	56
	4.4 MEAN SCORE OF FACTORS LEAD TO 5S' IMPLEMENTATION	59
	4.5 INFERENTIAL STATISTICS	65
	4.5.1 REGRESSION ANALYSIS	65
	4.6 HYPOTHESIS TEST	68
	4.7 CONCLUSION	70

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CHAPTER	TITLE	PAGE
CHAPTER 5	**DISCUSSIONS**	
	5.1 INTRODUCTION	71
	5.2 DISCUSSION OF HYPOTHESIS TEST	72
	5.3 DISCUSSION OF FINDINGS	75
	5.3.1 RELATIONSHIP BETWEEN COMMUNICATION TO THE EMPLOYEES AND IMPLEMENTATION LEVEL OF 5S'	75
	5.3.2 RELATIONSHIP BETWEEN TRAINING TO THE EMPLOYEES AND IMPLEMENTATION LEVEL OF 5S'	75
	5.3.3 RELATIONSHIP BETWEEN REWARD AND RECOGNITION FOR EMPLOYEES AND IMPLEMENTATION LEVEL OF 5S'	76
	5.3.4 RELATIONSHIP BETWEEN DEMOGRAPHIC VARIABLES	76
	5.4 SIGNIFICANT IMPLICATION OF RESEARCH	77
	5.5 LIMITATION OF RESEARCH	80
	5.6 SUMMARY OF FINDING	80
	5.7 RECOMMENDATION FOR FURTHER RESEARCH	83
	5.8 CONCLUSION	83
	REFERENCES	**84**
	APPENDICES	**88**

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LIST OF TABLES

TABLE	TITLE	PAGE
1.0	Main Benefits of 5S' Implementation	3
2.0	Statistic of Registered Hotels in Malaysia	12
3.0	Steps in Development of 5S' Factors Questionnaire	30
3.1	Construct with Each Items and Scale Used	31
3.2	Variables related to 5S' Practice in Hotel Industry	32
3.3	Probability Sampling Technique	35
3.4	Non-Probability Sampling Technique	36
3.5	Determination of Sample Size	37
3.6	Summary of Chapter 3	42
4.0	Statistic Analysis of Respondents	44
4.1	Customized table which Analyze on Employee Position Versus Employee's Monthly Income	52
4.2	Customized table which Analyze on Employee Position Versus Employee's Monthly Income in Percentage	52
4.3	Descriptive Analysis of Respondents on Factors toward Implementation Level of 5S' in hotel	53
4.4	Descriptive Analysis of Respondents on Factors toward Implementation Level of 5S' in Hotel	53
4.5	Reliability Analysis I including all variables	55
4.6	Reliability Analysis with Construct and Cronbach's Alpha	55

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TABLE	TITLE	PAGE
4.7	Correlation between Communication factor to the Implementation level of 5S'	56
4.8	Correlation between Training factor to the Implementation level of 5S'	57
4.9	Correlation between Reward and Recognition factor to the Implementation Level of 5S'	58
4.10	Mean Score of Communication to the Employees	59
4.11	Mean Score of Training to the Employees	60
4.12	Mean Score of Reward and Recognition for Employees	62
4.13	Mean Score of 5S' Progress Activity	64
4.14	Regression Analysis of the Relationship between Independent Variable and dependent variable	65
4.15	Regression Analysis on ANOVA	66
4.16	Regression Analysis on Coefficients	66
4.17	Regression Analysis on the Multi Regression Equation	67
4.18	Hypothesis Test Done through Regression Analysis on Coefficients	68
4.19	Guideline for Interpreting Hypothesis Test	68
4.20	Summary of Results	71
5.00	Guideline for Interpreting Hypothesis Test	73

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LIST OF FIGURES

FIGURES	TITLE	PAGE
1.0	Example of Melaka 5 Stars Hotel	4
2.0	Hotel Guests by States from year 2014-2015	14
2.1	5S' Practice	21
2.2	Theoretical Framework of Factors Led to 5S' Practice	24
3.0	Theoretical Framework of Factors Led to 5S' Practice	26
3.1	Conceptual Framework of Factors Led to 5S' Practice	41
4.0	Frequency Analysis of Respondents by Service Period	45
4.1	Frequency Analysis of Respondents by Monthly Income	46
4.2	Frequency Analysis of Respondents by Number of Employees	47
4.3	Frequency Analysis of Respondents by Star of Hotels	48
4.4	Frequency Analysis of Respondents by Ownership Status of Hotels	49
4.5	Frequency Analysis of Respondents by Position of Employees	50
4.6	Frequency Analysis of Respondents by Availability of Hotel Branch	51

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LIST OF ABBREVIATION AND SYMBOL

ABBREVIATION	MEANING
5S’	Sort, Set in Order, Shine, Standardize, Sustain
UNWTO	World Tourism Organization
HACCP	Hazard Analysis and Critical Control Points
H_1	First hypothesis
H_2	Second hypothesis
H_3	Third hypothesis
UNESCO	United Nations Educational, Scientific and Cultural Organization
N	Number of samples
G_CE	Factor of Communication to the Employees
G_TE	Factor of Training of Employees
G_RR	Factor of Reward and Recognition for Employees
G_IM	Implementation level of 5S’ practices
r	Correlation coefficient
CE	Communication to the Employees
TE	Training of Employees
RRE	Reward and Recognition for Employees
5SPA	5S’ Progress Activity
R square	Coefficient of Determination
ANOVA	Analysis of Variance

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ABBREVIATION	MEANING
df	Degrees of Freedom
F	Fisher-Snedecor distribution
sig.	Significance level
p	Probability value
B	Unstandardized coefficient

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LIST OF APPENDICES

APPENDIX	TITLE	PAGE
APPENDIX 1	Gantt Chart for PSM I	88
APPENDIX 2	Gantt Chart for PSM II	89
APPENDIX 3	Questionnaire	90
APPENDIX 4	SPSS: PILOT TEST	95
APPENDIX 5	SPSS: FREQUENCY ANALYSIS	96
APPENDIX 6	SPSS: CROSSTAB ANALYSIS	98
APPENDIX 7	SPSS: DESCRIPTIVE AND RELIABILITY ANALYSIS	99
APPENDIX 8	SPSS: CORRELATION ANALYSIS	100
APPENDIX 9	SPSS: MEAN SCORE ANALYSIS	101
APPENDIX 10	SPSS: REGRESSION ANALYSIS	105
APPENDIX 11	SPSS: HYPOTHESIS TEST	106

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CHAPTER 1

INTRODUCTION

1.1 Introduction

This study is about drivers contributed to the sustainability of 5S' practices in Melaka Hotel Industry. The drivers is segregate from organization external stakeholder to the internal stakeholder but this study will discuss more on one of the internal driver to this 5S' practice which is employee factors from perspective of communication, training and reward and recognition that give impact to their performances in successful implementation level of 5S' to their organization. Moreover, 5S' components integrate in the operation flow of these hotels will be enhance its importance and linked it with the factors of employee. From this study, it uses the cluster analysis that first determine the hotels in Malaysia that had 3 stars to 5 stars ranked and then narrowed it to state of Melaka to reduce the bias.

This chapter comprise originates of 5S' (Sort, Set in order, Shine, Standardize, Sustain) trade model, requirement to absorb 5S' in organizational culture and definition about details of each components that were build 5S'. Other than that, the most identify problem that hotel industry need to implement 5S' is to increase their value and proposition in attain the best quality of service to their customers. Meanwhile Malaysia government itself had stated their policy regarding tourism sectors towards establishment of socio-economic in Malaysia. This chapter stated the common factors that influence the sustainability of 5S' in Malaysia hotel industry and then determine the most important factors that positively linked to 5S' programs based on the implementation level in those participated hotels.

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1.2 Background of Study

5S' (Sort, Set in order, Shine, Standardize, Sustain) is a business model concept that obtrusive on quality and value by entwining people through the application of standards and discipline. This business model originated from Japan, composed of *seiri* (tidiness), *seiton* (orderliness), *seiso* (cleanliness), *seiketsu* (standardization) and *shitsuke* (discipline). It enforce the subordinates to retain their jobs according to standards and guidelines together with first-rate disciplines in developing their organization. 5S' was addressed as a business model for the first time in 1980s by Osada and then Hirano a few years later (Suárez-Barraza & Ramis-Pujol, 2012). Hirano came out with structure of enhancement programs with this steps that each clearly visible based on it is own predecessor (Singh et al., 2015).

Seiri in other word called sort, eliminate unnecessary items, equipment and materials from the work field. The arrangement of items and equipment started when items that need to be repair are isolated while the items that are still in good condition are segregate in different places. Then all racks and storage equipment are clean, arranged and labeled correctly. *Seiton* or set in order ensure the all items can be stack and store based to their classes and types. Everything needs to be in its place facilitate to easily found when needed and usually their location in the order flow. *Seiso* or shine meant the working field that has been sorted and organized need to be clean. The equipment that has been use also needs to be neat and in orderly manner. *Seiketsu* or standardize meant the practice of 5S' need to be known possess and procedure develop by all users in their workplace by provide the standardization on the noticeboard for their information. *Shitsuke* or sustain is the crucial step in determining whether this practice can be follow or not yet. It is stress through routine review and inspection for the all users in the workplace.

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Table 1.0 Main Benefits of 5S' Implementation

NO.	BENEFIT
1.	Workplace becomes cleaner, safer, well-organized and more pleasant
2.	Floor space utilization is improved
3.	Workflow becomes smoother and systematic and non-value added activities are reduced.
4.	Saves time for searching tools, materials and document
5.	Machine breakdown rarely since equipment are well maintained and easier to diagnose and repair before breakdowns occur.
6.	Errors are minimized leading to making defect-free products
7.	Consumables and wastage materials are minimized
8.	The morale and satisfaction of employees improved
9.	The productivity of organization improves together with quality products and services

Source: 5S': Good Housekeeping Techniques For Enhancing Productivity, Quality and Safety at The Workplace

Based on Ministry's Policy Statement from Ministry of Tourism and Culture Malaysia web page, the statement cited "To propel competitive and sustainable tourism and culture sectors towards the socio-economic development of the country". The Malaysia government is interested to develop tourism industry through the sustainability approach. This sustainability especially in hotel industry can be achieve through the 5S' interminable and sustainability developed in their operations. The urge to this point is the sustainability of 5S' programs held by hotel industry responsible to bargain better service for their customers hence be a catalyst to strengthen their position at long lasting period.

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Source: Webpage 10 Best Luxury Hotels in Malacca

Figure 1.0 Example of Melaka 5 Stars Hotel

1.3 Problem Statement

The traditional management approaches can preserve the business of hotel industry to sustain but insufficient to upgrade the quality value that is covet by each of their customers. All these whiles available hotels only concentrate on customer perception and marketing approach rather than production performance improvement that give added value to a hotel. Many hotels in Malaysia had utilized the model of 5S' to improve their quality and value of business but not these entire hotels implement this 5S' effectively. The available hotels not really meet the hotel standards as enshrined by the government policy. This lead policy of Ministry of Malaysia Tourism cannot be fully reach by these hotel industries. The other hotels that are not applying 5S' model in their business just add more delays to this policy to become a reality. The last survey stated by Richa Sharma and Jagtar Singh wrote that the obstacles on effective implementation of 5S' are lack of communication between employer and employee and lack of training and awareness of this activity amongst the staff (Sharma & Singh, 2015). Hence, 5S' can make an organization transfer to a better state by promote staff willingness to the collaboration culture in the course of working. 5S' program can be claim to successful when there have active participation and robust

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cooperation between all workers in a hotel. Behavioral operation perspective that extrude workers attitude is also a main driver that contributes to success or failure factors in implementing improvement programs like this 5S' practice due to executor function. To enhance the value oriented and implement necessary value in their operation, the factors that derived 5S' as a perfect model that can fit with the characteristics of hotel operations is very significant to identify. Besides that, the 5S' applications through the maximize usage may distribute and feed the competitive advantage prominently. Moreover, the most significant factors that more related to 5S' programs need to be point out to give the best result of hotel industry performance.

From the academic gap, Malaysia hotel industries requires more empirical study in order to achieve the policy tabled by government and identify the leading factors to get this model on their hand and be fully control this practice entirely. 5S' practice had been survey widely in manufacturing sectors but coverage in services sector is still small to adopt this program (Singh et al., 2015). In Malaysia, the study about drivers to 5S' practices is not available yet and the available studies more touch on implementation and impact rather than factors that made the 5S' happen. Review success factors of 5S' from success organization can be excavated with it is effect to those organizations that result in competitive advantage (Ghodrati Arash and Norzima Zulkifli, 2013). The tourism plan should directed to the elevation of local tourism and hospitality caused of its role at the forefront of high-class accounting services to clients. From the journal Conceptual Evaluation of 5S' Model in hotels, gaining importance of the value brings with it changes in hotel management approaches (Chathoth et al., 2013). Therefore, this study reveals the factors that contribute to the sustainability of 5S' programs in Malaysia hotel industry.

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1.4 Research Objective

The primary purpose of this study was to rise up the understanding of the relationship between factors that led to sustainability of 5S' programs in hotel industry. Each factors identified with special characteristic is important to ensure 5S' is implement completely. The objectives of this research were:

1. To study the relationship between 5S' factors (communication to the employees, training of employees and reward and recognition for employees) with 5S' components in the hotel industry.
2. To identify the driving factors that led to the sustainability of 5S' program in their hotel.
3. To determine the most significant factor that is more relate to 5S' program.

1.5 Research Question

Each research anchored by propositions to strengthen again the issue raised. Numerous questions can be focus to the employee in the hotel industry applying 5S' model in their business operations. This research addressed the following questions:

1. How the relationship between 5S' factors (communication to the employees, training of employees with reward, and recognition for employees) blended with 5S' components in the hotel industry?
2. What are the driving factors that led to the sustainability of 5S' program in their hotel?
3. What are the most significant factors that more related to 5S' program?

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