EMPLOYEES' BRAND COMMITMENT IN THE SERVICE INDUSTRY:

LUXURY HOTEL CHAINS IN MALAYSIA

CHENG SIEW YEE

FACULTY OF BUSINESS AND ACCOUNTANCY

UNIVERSITY OF MALAYA

MAY 2011

Employees' brand commitment in the service industry:

luxury hotel chains in Malaysia

Cheng Siew Yee
Bachelor of Communications
Universiti Sains Malaysia
Malaysia
2006

Submitted to the Graduate School of Business
Faculty of Business and Accountancy
University of Malaya, in partial fulfilment
of the requirement for the Degree of
Master of Business Administration
May 2011

ACKNOWLDGEMENTS

While this research project serves as the culmination of my graduate

education and scholarly preparation, it would not have been made possible

without the guidance and support of so many, including my supervisor, family,

friends and fellow coursemates.

Dr Sharifah Faridah, my mentor and academic supervisor, for assisting me to

think more critically, for her patient during the research project phase of my

education, and for her ability to see through my weaknesses to my potential

as a competent researcher. Your influence over the years has helped me to

stay on and be firm on the research direction.

I would like to thank my family members who have been as much a part of my

accomplishments as any others - my mother and siblings, who have instilled

in me the importance of education and hardwork. To my mother, who have

continued to support me in all that I do. To my brother and sisters, who have

been helping me through the duration of 2 years unemployment for full-

concentration in MBA has shared belief in my journey. I love all of you more

than words will ever say.

Lastly, to my friends and coursemates, you have been my source of

inspiration and held a belief in me that no one could ever match. I could not

have reached thus far without the emotional support from all. A HUGE Thank

You for continuing believe and trust in me.

May 2011

Cheng Siew Yee

CGA 80090

3

ABSTRACT

This recent study examines employer branding as a concept for enhancing employees' brand commitment in the luxury hotel chains in Klang Valley, Malaysia. Employer branding is viewed as a holistic process which consists of several dimensions in communicating their employees' attitude and commitment to the organizations and customers.

In this study, research related to the indicators of employees' brand commitment is reviewed to construct a conceptual framework of employer brand. This concept has received limited awareness from past researchers, particularly in the context of luxury hotel chains in the Eastern countries.

For a clearer understanding on the employees' brand commitment in the real service practice of hospitality industry, several dimensions of employer brand involving the employers and employees have been investigated. The whole research is done by gathering respondents from 10 different hotels which represent 5 luxury hotel chains.

The result showed that employer brand and its competitors alongside the employers' characteristics and personalities relate closely with the employees' brand commitment. The study further concluded with suggestions as to how managers should react more efficiently to incorporate employer branding with employees' brand commitment.

TABLE OF CONTENTS

		Page		
Chapter 1 (The Problem)				
1.0	Introduction	1		
1.1	Purpose of the study	2		
1.2	Research problems	3		
1.3	Research questions	4		
1.4	Objectives of the study	5		
1.5	Summary	6		
Chapter 2 (Literature Review)				
2.0	Introduction	7		
2.1	Employees' brand commitment	9		
2.2	Employer brand			
2.3	Employees' brand knowledge	14		
2.4	Customer brand as perceived by employees	16		
2.5	The employer brand and its competitors			
2.6	The employer brand as experienced by employees 1			
2.7	Employers' characteristics / leaders' personalities	22		
	2.7.1 Achievement and worklife balance	24		

	2.7.2 Humanistic and positive thinking	26		
	2.7.3 Inclusive and self-awareness	28		
	2.7.4 Integrity and level of trust	30		
2.8	Statement of research hypothesis			
2.9	Conceptual framework			
2.10) Summary			
Chap	ter 3 (Research Methodology)			
3.0	Introduction	36		
3.1	Research questions			
3.2	Research hypothesis			
3.3	Research design	38		
	3.3.1 Type	38		
	3.3.2 Sampling design	38		
	3.3.3 Level of analysis	40		
3.4	Data collection method	40		
3.5	Instruments and scales	42		
	3.5.1 Measuring scales	44		
	3.5.2 Plan for data analysis	45		
Chap	ter 4 (Results and Findings)			
4.0	Introduction	47		
4.1	Preliminary Analysis			
	4.1.1 Frequency distribution and respondent profile	48		
	4.1.2 Assumption of normality	52		

4.2	Factor analys	sis of employer brand dimensions	52
4.3	Reliability An	nalysis and Descriptive Statistics after Factor Retained	59
4.4	Bivariate Ana	alysis: Person Moment Correlation	60
4.5	Multivariate A	Analysis: Multiple Regression Analysis	60
4.6	Testing of Hy	pothesis	65
4.7	Summary		67
Chapt	er 5 (Conclus	ion and Recommendations)	
5.0	Introduction		68
5.1	Summary an	d conclusion	68
5.2	Limitations		76
5.3	Suggestion for	or future research	77
5.4	Marketing Im	plications	77
5.5	Summary		79
References			81
Apper	ndix 4.0:	Descriptive Statistics for all items	
Apper	ndix 4.1:	Normality (Kolmogorov-Smimov statistic) of variables	
Appendix 4.2:		Linearity (Q-Q Plot) of variables	
Appendix 4.3:		Factor Analysis: Total Variance Explained for empl brand factors	oyer
Appendix 4.4:		Rotated Factor Matrix of Variable	
Appendix 4.5:		Bivariate Analysis: Employer Brand and Employ	⁄ees'
		Brand Commitment	

Appendix 4.6: Collinearity Diagnostics table for variables

Appendix 4.7: Bivariate Analysis: Employer's Characteristics/ Leader's

Personalities and Employees' Brand Commitment

LIST OF FIGURES

NO.	Figure Title	Page
1.	Figure 2.0 Dimensions of employer brand as perceived by employee	14 es
2.	Figure 2.1 Overview of Research Framework and Hypothesis	34
3.	Figure 4.1: Normal P-P plot of regression standardized residual	62
4.	Figure 4.2: Standardized predicted values against observed values	63
5.	Figure 4.3: Overview of Research Framework and Hypothesis	65
6.	Figure 5.0: Hierarchy of top and mid-level management in hotel	69

LIST OF TABLES

NO.	Title of Table	Page
1.	Table 4.1: Demographics of respondents participated in the questionnaire	51
2.	Table 4.2: KMO and Barlett's Test for Employer Brand dimensions	53
3.	Table 4.3: Factors Retained from Factor Analysis Independent Variable: Employer Brand	56
4.	Table 4.4: Descriptive and Reliability Analysis for Employees' Brand Commitment	59
5.	Table 4.5: Simultaneous Regression Analysis for the Prediction of Employees' Brand Commitment	61
6.	Table 4.6 Regression Analysis for the Prediction of Employees' Brand Commitment (Employer's Characteristics/ Leader's Personalities)	64