5.0 DISCUSSION AND RECOMMENDATIONS

5.1 Introduction

This study is to make evident and to understand Malaysian hotel accommodation service employees' job satisfaction and influence from the compensation systems. It is aimed to test whether satisfaction with regard to one or other components of the compensation policies had an influence on job satisfaction. The study will suggest that the organisation compensation administration policies are efficient if satisfaction with regard to any of the compensation policies increases job satisfaction.

There are several aspects of job satisfaction, which researchers have investigated. Of these, satisfaction with compensation deserves additional study mainly for two reasons.

(1) First, an organisation's compensation policies are used primarily to control labour costs and as well as for attracting, retaining, and motivating its employees. Organisations, which offer higher pay, may attract and retain a qualified workforce (Williams and Dreher, 1992), and thus reduce training or recruiting costs (Holzher, 1990). Furthermore, according to Pfeffer (1998), higher labour rates may lead to lower labour cost due to employees' higher quality and/or quantity of performance.

(2) Second, compensation affects the overall level of worker's job satisfaction or job dissatisfaction and it represented one of the five indices incorporated in the original and the revised Job Description Index (Smith et al., 1969, 1985), a formulation that is used internationally as a measure of overall job satisfaction. The other four
elements in the formulation are job, promotions, supervision and co-workers' behaviour.

Therefore, from the consideration of both employers (cost) and employees (benefit), it deserves further investigations on how satisfied hotel service employees are with the compensation administration policies and also their satisfaction with their jobs. As at present state of global competition, hotel managers are struggling with the problem of ensuring the delivery of service quality to an increasingly demanding client base. These study frameworks might be appropriate in helping organisations to achieve the delivery of service quality – by evaluating whether they are on a path to excellence. Such frameworks can complement and encompass pre-existing approaches. With appropriate adaptation and simplification they could be used at an operational level within all grades and sizes of hotels.

5.2 Research Issues

The purpose of this study is to describe and explore the relationship between job satisfaction of the hotel service employees specifically working in the F&B department, and the influence of compensation administration policies. Hopefully by conducting some empirical research centred on information obtained from the hotel service employees, it wills provides new results, which support the creation of compensation administration policies adapted to the populations concerned. Therefore, the research questions driving this study can be summarised as follows:

1. Describe respondents in terms of demographic factors; gender, age, current occupational status, educational level and job experience.

2. Assess respondents' perception as to their level of Job Satisfaction in their current positions.
(3) Explore the relationship between Job Satisfaction and Compensation Policies.

(4) Explore the relationship between Job Satisfaction and to each facet of Compensation Policies.

5.3 Research Hypotheses

The primary objective of this study is to examine the relationship between the company's compensation administration policies and job satisfaction. The compensation policies consist of the organisation's administration framework, criteria, and procedural approaches used to remunerate its employees. In other words, it looks at the orientation of an employee and the particular organisation compensation policies. The literature review highlighted that there is a positive correlation between economic reward and job satisfaction. Hence, it would be reasonable to propose that there is correlation between job satisfaction and the compensation administration policies.

Accordingly the hypotheses are:

Hypotheses H0: There is no relationship between Job Satisfaction and Compensation Policies.

Hypotheses H1: There is relationship between Job Satisfaction and each dimension of the Compensation Policies; risk sharing, internal consistency, pay secrecy, pay for performance, pay decentralisation, egalitarian pay, pay participant, job based pay, and long-term pay.
5.3 Significant Findings

(1) One important factor from the research was the used of exploratory research determine the direction that the survey should take, rather than imposing constraints from the beginning. Assumptions made at the start of the study that employees are influence by policies set by organisation in job satisfaction. However, allowing the research to speak for itself identified some issues that were important than others. As seen, the quantitative research (analysis of employee satisfaction survey data) permits the quantitative research to focus on the issues, which have been identified by exploratory research, rather than just the issues that management supposes should be important. The results of this study particularly illustrate how human resource management can benefit.

(2) The results of the study support the view that there are many non-economic variables that make an employee happy. Although understanding superior and friendly peers are strong considerations, and even though most employees regardless of their compensation feel that they are underpaid for the job they do, these factors are an issues only when a worker finds them to be in the workplace. Others drivers of employee satisfaction is also driven by satisfaction with managerial processes related to the employee well-being, include such employee involvement in decision making, and management’s being fair, continue to be important factors in the service industry.

(3) Six important management policy concerns are highlighted by the findings of this research.

i) Hire individual as employees who have high regard in the profession as demonstrated by the high level of job satisfaction for employees which possessed trade certificate in the field.
ii) Training of employees on how to respond to customer need as the majority of the respondents was fresh out from secondary school. Service with a smile has to be more than a motto. It must become a part of the front-line employees' nature.

iii) Job description, to indicate what actions can and cannot be taken, need to be clearly written and taught to front-line personnel. This can help in improving service quality as the majority are without formal training and allows employees to meet the needs of customers creatively without violating policies of the firm.

iv) Open pay information is important to reduce conflicts among employees and between employees and management. The desire to satisfy must not only be limited to the customers but also to the employees.

v) Less rules work better for employees. Rules will inhibit the employee development. As such, they must be empowered by management to do whatever to satisfy the customer. Empowerment allows employees to be flexible and creative in arriving at decisions. Empowerment means management must trust that employees will arrive at solutions that not only meet customer needs but also will enhance the image and profitability of the firm (Roger, Clow and Kash, 1994)

vi) The routine nature of the job has also discouraged new employees from performing well. The study has shown that these problems should be improved as they may affect employees' job satisfaction and organisational commitment. New employees should be motivated strategically so that more and more of them will join and stay in the industry and work for the best of customers.
(4) Employee perception of compensation not only influences organisational variables such as job satisfaction, but also affects service to customers. Therefore, it will be necessary to explicitly design and establish various organisational policies such as service performance reward/award, and employee education/training. In addition, managers should develop a more detailed system that will enhance internal marketing programs, of which the main starting focus is employees in terms of their job satisfaction, commitment, and performance.

(5) The negative relationship between pay secrecy and job satisfaction may lie in the nature of the customer contact position, in which employees are typically underpaid, under-trained, overworked, and highly stressed (Weatherly and Tansik, 1993). The employees in our study also are typical of a many service employees in that they are young, secondary educated, and likely to be holding the job while waiting for other opportunity. Considering the characteristics of a customer-contact position and that most of these jobs do not require specialised skills, these employees are not likely to consider their current job as a permanent career choice. The young, high school educated employees that fill many customer-contact positions are likely to have goals of upward mobility.

(6) With respect to compensation policies, the result also saw a weak link between most of the dimensions of compensation policies and job satisfaction. If the result is represented, then the organisation needs to rework their policies in a way that would have eventually significant impact on the intended result. Otherwise, it would not have contributed to the organisation objectives. It must be noted that rewards not involving money and In-kind payments are perceived by employees to be highly salient and valued, the primary reason for the added motivational effectiveness can be traced to the reward contingency (Kanungo and Mendonca, 1988). Employees also perceived the reward to be highly
contingent on job performance, whereas the organisation has accorded Performance a medium priority.

5.5 Study Limitation

(1) The specific drivers of satisfaction and compensation policies should not necessarily be expected to generalise to other settings. The strength of this research design is to measure characteristics of the hotel F & B department, coffee house work environment that are unique to a setting. Therefore, this approach limit the extent to which the findings reported here cannot be generalised. However, constraining the study to a single industry eliminates problems associated with the effects of industry difference. Additionally, neither the high end (e.g. J.W Marriot) nor the low end (e.g. Orkid Hotel) of the hotel services spectrum is represented in the sample. Notwithstanding these limitations, the constructs examined in our study could be applied to any industry, service or otherwise.

(2) A major limitation is the index scale measures used. Future research in which different indexes are modified to measure the employee satisfaction / compensation policies specifically may yield some interesting results.

(3) The study looked at employees of hotel food service at the coffee house only. Would the same results be obtained if employees of other services were surveyed?

(4) This study was conducted for four-star hotels in Kuala Lumpur and Selangor. Therefore, as often shown in this kind of research, there may be several possible problems related to cultural research. Even though much care was taken in the translation of scale items, it cannot be completely guaranteed that there is exact linguistic equivalence between the original scales and
translated ones. Also there exists some possibility of response biases occurring, such as social desirability, acquiescence, and leniency effect.

5.6 Suggestion for Further Research

(1) Our research design used the compensation policies as an indicator of job satisfaction. This reduces some inflating biases that are normally associated with the construct, but it does not account for the effect of expectations. Because expectations of compensation policies are likely to influence perceptions of satisfaction, future research should use alternative operational to clarify the extent to which compensation policies drives job satisfaction. Further research could examine issues such as communication processes, organisation structure, management styles, employee socialisation and training, or the use of internal marketing strategies.

(2) The present research lends important and interesting insight into assessing employee satisfaction in hotel industry. Although the context in which this study was conducted is important, in terms of the type of service industry, it is limited in that the results are from one specific area in F & B department, coffee house. Extending the scope of this research to other department such as front desks, sales and marketing, housekeeping, would make additional contributions to this area of research.