



FACTORS INFLUENCING THE PRODUCTIVITY OF EMPLOYEES  
IN HOTEL INDUSTRY

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## ABSTRACT

This study aims to detect the factors that influenced the productivity of employees in hotel industry which contributes to the effect of hotel employees' job performance. The decreasing level of employees' productivity had caused the organizations' productivity as whole because it halted the product and services, and also the delivery process. Thus, the problem in maintaining productivity of employees may also be the reason for the turnover to happen. Many would not see the relationship between the productivity of employees and the turnover rate in hotel industry is due to lack of studies among hotel employees. Due to the above concern, this study is conducted by using comparative technique that is based on the secondary data. The discussion at the end of the chapter will benefit hotel organizations and develop an awareness and understanding of the problems which eventually will give them the idea on boosting employees' productivity, which also can help to reduce the turnover rate in the organization. Alas, job performance of employees will heavily depend on these factors which are (1) workplace environment, (2) working hours, (3) salary and wages, (4) leadership styles and (5) relation with the subordinates.

**Key words:** *Employee productivity, Employee job performance, Hotel industry, Human capital, Turnover rate*

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# **CHAPTER 1: INTRODUCTION**

## **1.1 Introduction**

This section will introduce background of the study in the selected area, followed with problem statement, research objectives, research questions, proposed conceptual framework and significance of study for two different perspectives. At the end of this section, researcher will stressed out some variables that will give an impact to the subject matter.

## **1.2 Background of the Study**

Hospitality industry is one of the most promising and busiest sectors available on a global scale. This industry offers various packages on products and services. With so many products and services offered, an enormous amount of manpower or human capital is crucial. Human capital is very important for the efficiency of the organization's business activities due to its contribution in sustaining business growth and performance (Samad, 2013; Drabek, 2016). Even though most of hotel organizations require more human capital, there are issues on employees' turnover rate, as reported by Bureau of Labour Statistics (2016) that there was 73.8 per cent number of employee turnover annually in the industry, which equals to 6 per cent departure per month. Leubsdorf (2016) also reported in The Wall Street Journal that the employees' productivity declined 0.4 per cent in the second quarter of the year in United States. Experiencing too much situation where the employee leaving their jobs is very unhealthy as it will affect the productivity of business and can cause the lagging in business output.

HR in Asia (2016) reported hotel industry in China had the highest turnover rate in the country, with 43.4 per cent. Also, higher turnover rate caused the labour cost to increase, however employees' productivity has yet to be enhanced. Su (2014) stated turnover issue among hotel employees in China rooted from (1) wages and fringe benefits, (2) working hours and (3) mentoring from the senior employees. Futhermore, Fatma, Kadir, Sariman and Yuliana (2016) investigated that Quality