

Employees Perceptions of Hotel Employment in Indonesia

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Abstract: This paper investigates in what extend hotel employees in Indonesia confirm negative perceptions stated by previous studies concerning hotel employment. The quantitative data were obtained by distributing questionnaires to a total of 375 employees working in four- and five-star hotels in Surabaya and Bali. The result revealed that Indonesian employees did not support the proposition that hotel work has a poor image. Being uneducated, unproductive, and unmotivated were the least accepted images pertaining to the hotel characteristics. Independent samples T-test and One-way ANOVA test indicated that employees with different socio-demographic backgrounds of marital status, age, religions, educational levels, and job positions had significant differences in their perceptions towards hotel employment. By acknowledging employees' perceptions on hotel characteristics, it is expected that hospitality leaders will be able to create a better positive image of the industry in order to attract and recruit better talented employees.

1 INTRODUCTION

Each industry has its own employment characteristics. The tourism and hospitality sectors are known to have some common characteristics of high labor-intensity and turnover, higher levels of part-time or temporary employment, poor remuneration, unskilled/semi-skilled, low status of jobs, and female-dominated (Kusluvan, 2003). Moreover, Kusluvan et al., (2010) have stated that hospitality jobs are perceived as low prestige due to the unfavorable working conditions such as un-fixed working hours and shift-rotation arrangements. Similarly, Meier (1991) describes a range of unappealing characteristics of the hospitality industry that deter work in the industry such as odd hours, low pay, no breaks, public contact, and long hours. Other negative perceptions include low wages, long-working hours, poor work-life balance, servile job (Jayawardena et al., 2013), limited opportunities of career advancement (Davidson et al., 2010), sexual discrimination, narrow job functions (Choi et al., 2000), and low-entry barriers (Baum et al, 2016). These various attributes have driven negative images for those who are working in this industry and have been automatically transported to its employees as “uneducated, unmotivated,

unskilled and unproductive” (Pizam, 1982, p.5).

Although working in the hotel industry is seen as low skilled, Szivas et al., (2003) pointed out that many hotel employees possess a high level of education. However, the various negative attributes of hospitality have led to a decline in the number of applicants and an increase in workforce demand by industry, resulting in high turnover (Kusluvan et al., 2010; Meier, 1991; Solnet and Hood, 2008). As a result, the industry is facing difficulties in recruiting and retaining qualified and competent employees (Kusluvan, 2003).

Working in the hospitality industry is also considered to be flexible since employees are able to look for similar jobs in another sector (Solnet and Hood, 2008) and master their work skills and knowledge without any formal training education (Riley, 1996). Hence, the work is generally viewed as unimportant which is associated with slavish jobs such as serving, sweeping, cleaning and washing (Guerrier, 1999). However, Solnet and Hood (2008) state that working in hospitality can offer a kind of prestige that is associated with pride.

Although many hospitality operators have put an effort into making their companies preferred places to work, the negative impression of the industry continues to be an issue for young people looking for

work in the industry (Enz, 2001). Numerous studies have been conducted to describe the characteristics and image of the hotel industry in general. However, none of them was conducted in the context of Indonesia's hotel industry. As encouraged by Hayes and Ninemeier (2009) human resource managers need to understand their employees may have both different impressions towards their work and different concerns due to their age and other aspects.

By acknowledging employees' perceptions on working at hotel industry in Indonesia, it is expected that hotel leaders will be able to create a positive perception of the industry in order to attract and recruit more talented and qualified employees to the industry. Therefore, this study aims to investigate the prevalent perceptions of hotel employee work in Indonesia's hotel industry and also to examine whether different employees with different socio-demographic background such as age, gender, and education will have different perception about working in the hotel industry.

2 LITERATURE REVIEW

2.1 Employment in the Hospitality Industry

The growth in tourism has led to the creation of jobs and makes tourism attractive, especially in developing countries (Popescu et al., 2013). It has been argued that compared with other industries, the hospitality sector offers more employment for a similar investment (Kusluvan, 2003). However, the seasonal nature of the hospitality industry also significantly impacts hospitality employment, leading to a seasonal labor, underemployment and unemployment (Jolliffe and Farnsworth, 2003). Because of such seasonality, most sub-sectors of tourism and hospitality employ part-time and temporary staff to meet workforce demands, particularly during peak periods. Consequently, hospitality businesses including HR managers require extra effort and resources to recruit, select, train and retain qualified employees. This is particularly true in the case of filling entry-level and front-line management positions (Jayawardena et al., 2013) if they are to manage and utilize their staff effectively.

Human resource practice is often regarded negatively in hospitality organizations since many manage their people in a conventional and exploitative way (Lucas, 1996). The function is

sometimes regarded as an administrative-only role (Tracey and Nathan, 2002). The negative image of the industry such as low wages, poor job security, employee dissatisfaction, long-working hours, seasonality, lower birth rate, ageing workforce, and difficulty in predicting the demand for the workforce (Davidson and Wang, 2011; Wang, 2009) have contributed to many labor issues and scarcities in the hotel industry. Concerns related to employment may come from hotel management, such as a reduction in number of employees per room (Pizam, 1999), labor shortages (Enz, 2009), rising of labor costs (Davidson et al., 2011), higher wages offer from other industries, better working hours, good career opportunities, and recruiting difficulties (Davidson and Wang, 2011). The concerns of employees, however, are low wages, poor working conditions (Davidson et al., 2011), and staff layoffs (Enz, 2009).

2.2 Hospitality Employment in Indonesia

The abundant human resources, with a population of over 250 million people, of whom about 50 percent are in the younger age group (under 30) (Indonesia-Investment, 2016) have been great resource for Indonesia. Unfortunately, the large numbers have created numerous labor issues such as low education levels, unskilled workers and poorly remunerated occupations. According to the survey conducted by the UNWTO for Indonesia (ILO, 2009), the main factor in reducing the competitiveness of Indonesian tourism is the shortage of a skilled workforce as a result of poor wages, unfavorable working environments, and low barriers to join the industry. In addition, the OECD (2014) highlighted that the major challenge for emerging countries including Indonesia is improving job quality and productivity. Education and skills are deemed to be essential to increase employment outcomes and improve labor market coverage.

Low wages compared to other sectors is deemed to be one of the causes of the qualified labor shortage in the Indonesian tourism industry including the hotel sector (ILO, 2009). Hotel establishments only offer the basic monthly salary for their employees which usually follow the regional minimum wages. In a common practice, regional minimum wages are determined by provincial government which range from IDR 1.100.000 to IDR 3.100.000 or USD 83 to 232 as per February, 2016 (National Wages and Productivity Commission, 2016). Nevertheless, employee allowances for Indonesia's hotels consist

of three main elements, which are basic salary, service charge, and tips (Swan, 2015). The basic salary of each company differs depending on the positions and management policies. The service charge in a hotel also depends on management policy, which is mostly higher than the basic salary. Employees who are working in hotels with higher occupancy rates will receive higher service charge. In practice, Indonesian hotel services are inclusive of 21% tax of which 10% is deemed as government tax and the other 11% is a service charge. Lastly, tips in a service industry are a common practice and it is expected in Indonesia's hotels. Employees who deal directly with guests such as bellmen, concierge, and guest relation officers have more opportunities to earn tips from guests.

3 METHODOLOGY

3.1 Research Instrument and Data Collection

This paper utilized the characteristics of employment which refer to employee perceptions of the hotel industry. Twenty five items are drawn from previous studies and literature reviews (Davidson et al., 2010; ILO, 2009; Jayawardena et al., 2013; Kusluvan, 2003; Kusluvan et al., 2010; Lucas, 1996; Meier, 1991). A five-point Likert scale was employed for each item ranging from 1 (strongly disagree) to 5 (strongly agree). Employees were asked to indicate their perceptions of each attribute related to the characteristics of working in a hotel.

Bali and Java Island were selected for this study due to their popularity and dynamic growth of the hotel business in Indonesia. Hotel employees who are working in four- and five-star hotels in Surabaya and Bali were employed. Chadwick et al., (1984) suggest that the ideal sample size for social research should be at least 200 respondents. A total of 375 samples were collected over a three-month period in September to December 2016. After eliminating incomplete responses and sorting the data set for errors, 316 questionnaires were retained and used for further data analysis.

3.2 Data Analysis

Non-probability sampling using convenience method was adopted in this study. Mean and standard deviations associated with each employment characteristics were utilized to identify employee's perceptions towards working in the Indonesian hotel

industry. Independent samples T-test and One-way ANOVA were employed to examine whether there are significant differences of those employee perceptions in association with socio-demographic backgrounds, such as age, gender, religion, marital status, education, and job position.

It is important to evaluate the reliability of all scales used. The Cronbach's Alpha value of employee's perceptions was 0.902, suggesting very satisfactory level of the scale reliability with this sample. However, there were three items (e.g. Hotels always require many staff, staff at hotels regularly quit to go elsewhere, and young workers dominate the hotel work force) out of 25-items that had the value of the item-total correlation below 0.30, indicating that the correlation between each item was not satisfactory. Thus, those three items were deleted from the questionnaires. As all the items in the questionnaire were in negative statements, the authors reversed the five-point Likert scale from 1 (strongly disagree) to 5 (strongly agree) became 1 (strongly agree) to 5 (strongly disagree), meaning that the higher the mean score, the higher the disagreement of the respondents over negative items.

4 FINDINGS

4.1 Profile of Respondents

Table 1: Profile of the respondents (n=316).

Variable	Frequency	%
Gender		
Male	176	55.7
Female	140	44.3
Age (years)		
< 22	21	6.6
22-36	215	68.0
37-51	80	25.3
Educational level		
High school	71	22.5
Diploma	128	40.5
Undergraduate	117	37.0
Marital status		
Married	161	50.9
Not married	155	49.1
Religion		
Muslim	158	50.0
Christian	71	22.5
Hindu	82	25.9
Buddha	4	1.3
Missing	1	0.3
Job Position		
Staff	150	47.5
Supervisor	79	25.0
Junior Manager	37	11.7
Senior Manager	34	10.8
Others	12	3.8
Missing	4	1.3

The demographic profile of the respondents is presented in Table 1.

Over 55% of respondents were male. The dominant age group was 22-36 years old (68.2%) which was classified as Millennials, and followed by Gen X's group with the age range of 37-51 years old (25.4%). The majority of the respondents were married (53.4%) with the educational level of Diploma (40.5%) and undergraduate degree (36%). Most of the respondents were Muslims (48.3%), followed by Hindus (26.3%) and Christian/Catholic (24%) with the majority had the position as staff in the workplace (47.5%). The sample of the respondents came from employees working in the 4-star hotels (55.9%) and 5-star hotels (44.1%) located in Surabaya (58.9%) and Bali (41.1%).

4.2 Employee Perceptions of Hotel Employment

Table 2 ranks the mean and standard deviation for each attribute that contributes to the overall perception of hotel employees about working in a hotel. The findings showed that the mean of overall perception was 3.77 which revealed the respondents' disagreement about the negative image of hotel employment. Respondents did not agree with most of the statements that mentioned working in a hotel is deemed to be uneducated, unproductive and unmotivated. This is evident from seeing the average mean of above 4.0. They also countered that having a job in a hotel does not need sufficient formal education and skills as it can be seen from the respondents' profile that about 77% of employees were holding diploma and bachelor degrees. In addition, Indonesia's hotel employees did not agree that working in a hotel will create the image of low social status and low prestige. Working in the hotel industry particularly in Bali is considered to be preferable as they have many opportunities to meet people from all around the world.

It can be seen from Table 2 that Bali's employees (Mean=3.85) had a higher average mean than its counterpart in Surabaya (Mean=3.73). This means employees in Bali showed a higher level of disagreement about poor images of working in a hotel than employees in Surabaya. In other words, Bali's employees have more positive perception about a job in the hotel industry. It is unsurprising because working in the hotel industry is more desirable for Balinese people due to the nature of Bali Island as the most popular destination in Indonesia for domestic and international travelers.

Having a career in a hotel is considered to be more preferable. Interestingly, all the mean scores of each attribute was higher for Bali respondents except for an attribute related to inadequate salary, suggesting that employees in Bali perceived that remuneration received was not satisfactory enough compared with Surabaya's hotel employees. This might be due to the intense competition of hotels in Bali that results in the employees' expectation to gain a better allowance.

Table 2: Respondents' Perceptions.

Perceptions	Mean	SD
Hotels employ many part-time/temporary staff	2.84	0.95
Working hours in a hotel are not fixed	3.02	1.09
Staff at hotels need to work for long hour	3.10	1.05
Job tasks or activities in a hotel are narrow	3.26	0.97
Working in a hotel does not provide work-life balance	3.41	0.97
Hotel is managed in a conventional way	3.55	0.91
It takes short time to master job knowledge in a hotel	3.65	0.89
It takes short time to master job skills in a hotel	3.67	0.90
Salary offered by hotel is low/inadequate	3.72	0.88
Staff at hotels have limited opportunities of career advancement	3.74	0.97
It is relatively easy to get a job in a hotel	3.78	0.76
Hotel is managed in an exploitative way	3.76	0.83
Hotel treats female and male staff differently	3.78	0.94
More hotel workers are predominantly female	3.82	0.75
Working in a hotel is vulnerable to sexual harassment	3.94	0.92
Working in a hotel is viewed by other as unimportant/insignificant	3.97	0.84
Working in a hotel does not need adequate formal education	4.10	0.85
Working in a hotel will create the image of low social status/low prestige	4.20	0.73
Working in a hotel does not need any skills or less skills needed	4.29	0.69
Staff at hotels are most likely unmotivated	4.46	0.65
Staff at hotels are most likely unproductive	4.50	0.59
Staff at hotels are considered to be uneducated	4.53	0.57
Overall perception	3.77	0.41

4.3 Comparative Employee Perceptions

As appeared in Table 3, the findings revealed that there were significant differences between married and unmarried respondents ($p < 0.01$) as well as Surabaya and Bali respondents ($p < 0.05$) in regards to their perception about working in the hotel industry. Married employees were more likely to have a positive image about the employment in a hotel compared with the unmarried employees. Employees working in Bali's hotels were found to have more

favorable perceptions, about working in the hotel industry compared with Surabaya's employees. It is understandable because Bali as the most popular travel destination in Indonesia has offered great opportunities for those who want to pursue their career in a hotel.

The findings also showed that there was no significant difference between male and female in regards to their perceptions on working in the hotel industry even though the mean score of male employees was slightly higher than female ones. In addition, employees working in four- and five-star hotels were not significantly different in their perceptions about hotel employment. This might be due to the fact that four- and five-star hotels are considered to be the upscale hotels which generally provide similar benefits and working conditions.

Table 3: Independent-sample T-test Results.

Demographic	t-value	Sig.
Gender	1.263	0.208
Marital Status	4.588	0.000**
Hotel type	0.433	0.666
Hotel location	2.406	0.017*

* represents significant level 0.05

**represents significant levels <0.01

In order to assess whether there were significant differences amongst demographic groups in regards to their hotel employment image, one-way ANOVA were performed. The findings of this analysis are presented in Table 4. It can be seen that different cohorts of age, religion, education, and job position were found to be significantly different ($p < 0.01$) in their perception about working in a hotel. No significant difference was found amongst the mean scores of different income levels.

Table 4: One-way ANOVA Results.

Demographic	F-value	Sig.
Age	8.663	0.000**
Religions	7.377	0.000**
Educations	4.840	0.009**
Job Positions	5.919	0.000**

**represents significant levels <0.01

5 DISCUSSION AND CONCLUSIONS

The results of this study revealed that Indonesian employees did not support the poor images of hotel employment as they were conveyed by the previous

studies which appeal an unfavorable images of hotel employment, such as low prestige and social status (Kusluvan et al, 2010), unmotivated, unproductive, uneducated, and unskilled (Pizam, 1982), limited career advancement (Davidson et al., 2010) and narrow job function (Choi, et al., 2000). The positive perceptions of the hotel industry that have been shown in this study may reflect the higher status of respondents who are working in upscale four- and five-star hotels. It is more attractive for employees due to its international image and additional benefits offered such as career development opportunities and a higher salary.

In addition, the image of poor remuneration for hotel employees (Kusluvan, 2003) was not accepted by respondents, given that hotel employers in Indonesia tend to provide an adequate allowance for their workforce. As mentioned by Swan (2015), Indonesia's hotels generally provide their employees with an adequate basic salary, once service charges and tips are considered. Employees who are working in higher occupancy hotels with upper scale service standards are most likely to receive a higher monthly take-home pay due to additional service charges and tips given by guests. Compared to other industries, employee salaries and benefits are relatively higher, noting that higher occupancies impact directly on the monthly take-home pay.

The image of hotel employees as uneducated, unproductive and unmotivated was the least accepted image pertaining to the hotel characteristics. Current Indonesian hotel employment practices consider the importance of education levels when applying for better jobs and positions. Candidates who only possess high school qualifications will most likely occupy lower level positions such as housekeeping attendant or gardener. Both formal and informal educations are considered to be important in the hotel industry as it requires a workforce that is equipped to improve abilities and capabilities in supporting the company's bottom line.

The limitation of the research is that the findings draw exclusively on respondents from 4- and 5-star hotels in Surabaya and Bali. Their views may diverge somewhat from employees in other types of hotel and locations across Indonesia. It is suggested that future researchers to investigate other categories of property such as 3-star and budget hotels or hotels in other geographical areas across Indonesia. Such an extension would allow for greater generalizability of employee perceptions towards Indonesian hotel employment.

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