FOREIGN EMPLOYMENT AND EMPLOYABILITY IN HOTELS AT KUALA LUMPUR AND SABAH

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ABSTRACT

This article provides an insight on the foreign employment practices of 3-5 star rated hotels. The practices involved range from the employee selection, to training and development of the foreign employees. The idea of this paper was generated from the interest of getting to know the employment preference amongst 3-5 stars rated hotels and the employability of the employed workers during/by the selection process. The understanding on the employment of foreign workers to the hotels would help us to comprehend on the issue that affecting the less-participation by the locals into the hotel industry, and how different is the foreign workforce compared to the locals. This paper suggested there is a difference in HR practices on foreign employment, amongst the hotels between Sabah and Kuala Lumpur. The difference is based on the requirement and necessity for operations by the hotels. This study was involving more than 15 hotels, sample framed on the respondents that involved in HR decision making, employment, or working in the HR department. Data was collected by using the instrument of chatting via telephone with a checklist, and e-mail replied by the respondents. The result suggests that foreign employment was utilized due to lack of participation from the locals, and the social adjustment with willingness to learn are the major factors for them to be employed.

Keywords: Foreign employment, employment preference, employability, social adjustment, and willingness to work.

INTRODUCTION

Economic Report 2004/2005 by Ministry of Finance Malaysia reported that Malaysia has consistently recorded impressive and sustained high growth over the period of 1990-1997. The overwhelming employment expansion is faster than the labour force growth. Employment leads to more opportunity for human resources and as can be seen on today, unemployment rate in Malaysia is remained low, which reflecting good employment scenario in Malaysia. The numbers of foreign workers rose from 4% of total employment in 1990 to about 10.7% in 1997 and 9% in 2001. Malaysia currently allows recruitment of foreign workers from Indonesia, Nepal, Bangladesh, India and Myanmar. Government of Malaysia has various policies in managing and controlling foreign workers includes Immigration Act 1977, and imposition of annual levy. Some other regulations are like export-oriented manufacturers are eligible to hire foreign workers when more than 50% of the output is for export purpose. For domestic companies to hire foreign workers, the paid up capital must be at least RM100,000 and with a total sales of RM2 million, in condition with the ratio of 1 foreign workers for 1 domestic workers. In the context of services sectors, foreign
workers are employable in laundry and cleaning industries, charity houses, golf clubs and resorts, (Janie, Datu Razali, Izyanti, and Awangku Hassanal Bahar, 2012).

LITERATURE REVIEW

Philippines and Indonesia were mentioned as not only become the contributors in foreign workers in Southeast Asia region, but to other parts of the world. The government of both countries are encouraging their citizen to migrate to another country as to reduce unemployment rate and remittance send by their citizen that working at overseas. Malaysia and Thailand are identified as the main importers for semi-skilled and unskilled workers. Comparatively to Singapore, it prefers professionals and expatriates, that requiring high requirement for work entrance (Ajis, Saludin, Ismail, Feigenblatt, and Keling, 2010). Alleyne, Doherty, and Greenidge (2006) stated that people are one of the greatest costs and also one of the main assets of contemporary organizations. Company’s success in its survival and competitive position is determined by inter alia, workers’ qualities, attitudes, and behavior in the workplace. The management of people is getting critical for hotel industry in recent years, when quality is emphasized.

Based on the record from Malaysia Department of Immigration, Indonesia has always been the lead in foreign employment in Malaysia. Countries like Nepal and India with Myanmar shown increment from year 1998 until early 2004. Of the total composition of foreign workers in Malaysia, Indonesia fetched up for 66.5% in year 2004, followed by Nepal at 9.2% in the same year of comparison. Nepal has increased from 0.1% in year 1998 to 9.2% in year 2004. From the same report, foreign workers were mostly employed in agriculture sectors when the strategic planning of Malaysia focused on agriculture in the same period of time. As in mid 2004, the record for foreign workers in services sectors is about 340,900 or 25% of employees from the total number workers that marked to 1.359 million. Both manufacturing and agriculture are the main contributors to the economic sustainability for service industry.

Most of the considerations made from the issue of foreign employment in Malaysia are based the impact on labour surplus (causing the locals unable to be employed) and its presence that stresses up public amenities and services, public services, health and education facilities. Foreign employment often is seen as migration of labour. Migration here refers to cross-border movement for the purposes of employment. The movement can be internal or international and voluntary or being forced. In the year of 2010, migration of Malaysians to foreign countries is about 785,000 people, while migration of foreign workers to Malaysia is about 1.8 million, (Karmani, Labour Department Malaysia).

From Malaysia Investment Development Authority (MIDA), services sector consists of eleven sub sectors that are restaurant, cleaning services, cargo handling, launderette, caddy, barber, metal/scrap/recycle, welfare home, and hotel and resort islands. The approved nationals for services sector are Indonesia, Cambodia, Nepal, Myanmar, Laos, Vietnam, Philippines, Pakistan, Sri Lanka, Thailand, Turkmenistan, Uzbekistan, and Kazakhstan. Annual levy for the sector is about RM1,200-RM1,850 annual. It is highlighted by karmani that voluntary reason for migration inclusive of
economic status, political stability, similar socio-culture, demography and the existence of relatives in the foreign country.

Based on the statistic provided by Department of Statistics Malaysia, internal state migrants are about 220,940 people, inter-state migrants - 142,760, people and international migrants 70,810. Based on the statistics of foreign workers in Malaysia, the highest numbers of foreign workers working in service sectors are from India (47,021), Indonesia (38,684), followed by Bangladesh (27,002), Nepal (26,901), Myanmar (22,654), and other neighboring countries like Vietnam, Philippines, and Thailand (Immigration Department, 2010). Karmani outlined few issues concerned on foreign workers in Malaysia, are (1) the number of foreign workers is growing from 1.6 million in 2005 to 1.8 million in 2010; (2) attitudes of the local workers, (3) Malaysia is labour intensive than mechanization; (4) recruitment of foreign workers is a source of income for outsourcing companies; (5) the misperception on vocational education is second class; (6) wages are not attractive; and (7) foreign workers are cheap labours in the mindset of employers. One of the way suggested by Karmani to attract the locals to work is by rebranding the title of the position, for example driver to mechanic handler which may brings better perception and impression for workers to work on.

Malaysian Employers Federation (MEF) presented the fact that the share of Malaysia’s gross domestic product (GDP) by services sector is 51.8% in year 2006, 53.2% in year 2007, and 54.3% for the year of 2008. Better economic performance and prospects, higher wages and opportunities, and the shortage of workers especially in agricultural and difficult jobs are the pull factors for the foreign employment. Recruitment of foreign workers by Malaysian employers are subjected to the requirements set by the Malaysia Government, and Malaysia employers are adherent to the guidelines and regulations outlined by the authoritative departments in Malaysia.

However, it is seen that since 2008 government has made statement that foreign employees will (were supposed to) be replace by locals in phased manner from frontline jobs at airports and hotels in Malaysia, to give tourists a “truly Malaysian welcome”. (StarNews, 2008). This is in line with the news posted on Southeast Asia (March 3, 2007) where it stated that Malaysian government will confine some 2.8 million foreign workers to their living quarters in an effort to curb rising crime rates that has outraged critics at the time. The initiative was opposed by foreign workers, opposition lawmakers, trade union officials and human rights activists, described as discriminative and prejudice against migrant workers. The issue is even gets worse when the blame of the increasing crime rate goes to foreign workers as police estimated that 700,000 (mostly Indonesian) are employed in Malaysia without valid work documents.

The industries manufacturing and service industries that require large numbers of employees are changing dramatically, and pressured by lower labour cost economies. China, India, and Eastern Europe are having issue in maintaining high level of employment and job creation. Ireland has lost over 10,000 jobs, loss of 200 professional accountancy jobs in Poland, loss of 2.1 million manufacturing jobs in mid 2000s (McQuade and Maguire, 2005). The job losses led to employment migration to other countries. Morgan and Finniear (2009) concluded that the dynamic of psychological contrast is affected by increasing numbers of migrant workers in workplace. Migrant workers are often associated with low paid and fairly
undesirable jobs, where these conditions are formed the large percentage of total employment in organization.

McConnel, Bruce and Mcherson (2010) outlined the determinants of migration of foreign workers. The determinants are age, as suggested by Mincer and Jovanavic (1981) where younger age of individal is thinkable for transfer or migration, comparatively to the seniors on retirement. The second determinant would be family unit, followed by the third determinant that is the education level of the individuals. The fourth determinant is the geographical distance from origin and new hosting location, with unemployment rate is the following factor determining the movement of workers. Janta (2011) researched on the experience of Polish migrant workers in UK’s hospitality sector. The findings suggested that the profile of workers indicated the workers are predominantly young, female, and highly qualified. It is also reported that the migrant workers work in various department, and the workers would gradually move to supervisory position, and front-house positions. Other than that, the research also reported the foreign migrant workers are lack of local institutions and labour practices that would allow them to choose jobs that relevant to their qualification, (Janta, 2011). Janta (2011) cited on Abdullah et al., (2009) that the foreign workers brought along with them the values, and work ethics, and the foreign workers would get opportunity to learn on the local language (Janta and Ladkin, 2009). Hence employers benefitted from the motive of migrants, and filling up the local vacancies.

RESEARCH DESIGN

This study applied qualitative approach for data collection. Instruments used to collect data are telephone interview, face-to-face interview, and e-mail. A set of checklist questionnaire was prepared to ensure the flow of the questions is not deviating for the purpose of collective data obtainment.

Questionnaire Design

The questionnaire was developed based on three (3) parts, as in the following table:

<table>
<thead>
<tr>
<th>Part / No</th>
<th>Question / Statement</th>
<th>Remarks</th>
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<tbody>
<tr>
<td>A1</td>
<td>Sex</td>
<td>Male / Female</td>
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<tr>
<td>A2</td>
<td>Age</td>
<td># Year old</td>
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<tr>
<td>B1</td>
<td>What is your perception on foreign employment in Malaysia?</td>
<td>Open-ended question</td>
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<tr>
<td>B2</td>
<td>What do you think of foreign employment in tourism industries (Hotel sector, food and beverage sector)?</td>
<td>Open-ended question</td>
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<tr>
<td>B3</td>
<td>What are the main factors for foreign workers to work in Malaysia?</td>
<td>Open-ended question</td>
</tr>
<tr>
<td>B4</td>
<td>What are the skills that foreign workers have compared to the locals?</td>
<td>Open-ended question</td>
</tr>
<tr>
<td>B5</td>
<td>What is the impact of government’s minimum wage RM800-900 on foreign employment?</td>
<td>Open-ended question</td>
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<tr>
<td>B6</td>
<td>Do you perceive locals will tend/willing to work in hotel industry after the announcement made</td>
<td>Open-ended question</td>
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<td>Question</td>
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<tr>
<td>C1</td>
<td>Which is more important between international image and local image for hotels in Malaysia?</td>
<td>Open-ended question</td>
</tr>
<tr>
<td>C2</td>
<td>Why do the locals are hardly to get involved/employed in hotel industry?</td>
<td>Open-ended question</td>
</tr>
<tr>
<td>C3</td>
<td>Do you think our hotel industry can be getting better if all workers are local?</td>
<td>Open-ended question</td>
</tr>
<tr>
<td>C4</td>
<td>Is it important to make the image of Cuti-Cuti Malaysia to be exactly are Malaysian workers? Or as long as people come to the hotels and stay in Malaysia?</td>
<td>Open-ended question</td>
</tr>
</tbody>
</table>

**Research Respondents**

The respondents for this study were selected based on simple-random sampling technique, purposive sampling technique, and snowball sampling technique. The techniques were combined as to fit it for the profile and personality of the respondents. Simple and random technique is applied at the initial contact when the researcher came to visit (stay) in the hotels. Conversations are held with the front desks workers and front liners in seeking for their mutual interest to provide information. After first contact initiated, profile of the respondents will be filtered as the respondents should have at least six (6) months working experience, and involve in certain HR practices in recruitment and selection. On top of that, the selected respondents will be interviewed either through face-to-face or via telephone and followed up email and Facebook. The selected respondent assists to get more feedback and filling in the questionnaire (when possible) or to provide phone call for return call.

**FINDINGS**

Data was successfully collected from five hotels in Kuala Lumpur, and more than six (6) hotels in Kota Kinabalu with one (1) from Labuan Territory. Followings are the findings on foreign employment at Kuala Lumpur hotels and Sabah hotels:

**Foreign employment of Hotels at Kuala Lumpur**

five respondents from the hotels in Kuala Lumpur stated that the willingness to work with the salary offer is the main reason for the employment in the hotel industry. Their willingness is also complemented by the absence of younger generation (Gen-Y) to work in the hotel line, starting from bottom and get involved at front desk. In fact, the preference by the young locals are not only limited to the perception of gaining better (image) job, and to receive higher salary. Part-time job basis is also preferred by the locals such as caterings and by-function pay-off. The overall response from the respondents are foreign workers are socially adjustable to environmental needs, that delimit them to gain the required skills, knowledge and attitudes in hotel industry. For example, foreign workers who are working as doormen and front liners for customer services are occasionally being asked for direction, and such information is considered important to please the guests staying in hotels, and important and near-by locations are able to be remembered by the foreign workers at workplace. Hence, the adjustment of knowledge attainment and
acquisition with dissemination had resolved the issue of locality knowledge. Skills of the foreign workers are seem to be fitting in with their willingness to work, and it is practiced and enhanced from time to time. According to the respondents, foreign workers are able to provide the right attitude when socializing with co-workers and guests in hotels. One of the respondents also justified that general knowledge is not the main necessity for employment, where the willingness is the main criteria for selection. It is further justified that the job description and its requirement and specifications are fitted by the foreign workers went for screening and interview.

Perception on the salary (compensation) to the foreign workers and locals also impacted on the employability and employment rate of the foreign workers in hotel industry. Basic salary like less than RM1000 is seem to be lucrative and considered fine to the foreign workers, that is less favoured by the locals. Announcement on minimum wage by the Government of Malaysia two to three years back that brings about RM750-850 per person attracts foreign workers more than the locals. The amount is perceived as more valuable to the foreign workers compared to the locals. One of the respondents stated that the basic salary and compensation package is seen as ‘princely pay’ to foreign workers.

In another perspective, attitude at workplace is likely plays an important consideration for workers’ employability. For instance, foreign workers that have no or less family dependence when working in Malaysia will tend to be more ‘present’ at workplace, compared to the locals that may sometimes tried to balance the need of the family during working time. Rather not to say as hindering performance, but being absent at workplace for emergency matter and being ‘sick’ and on ‘sick-leave’ are the symptoms of the workers (but not applicable to all, only certain case appears).

For the image of the hotels, the respondents reserve and provided different perceptions and angles of thoughts. The first perception is the internationalized (lookalike) workforce with the mixture of foreign workers and local workers boosts the image of the hotels to be more international-friendly and strengthening the hotel, by building up the image of the hotels. The idea is perceived as the hotels would be striving to become an international preferred hotel, that utmost important to secure its services to the customers. On same issue, other respondent stated that the hotel should preserve its local image to boosts the Malaysian image to the foreign guests by lifting up Malaysian-workforce image in providing excellent services to the customers. Another respondent agreed to the former statement as an international chain hotel, having a multicultural and multi-races of workers is an additional competitive advantage both to the workforce and the international guests. The idea of Cuti-Cuti Malaysia will be rather to be seen as a preferred location to visit rather than localized workforce in hotels.

Foreign employment of Hotels at Kota Kinabalu

In Kota Kianablu, there is at least more than thirteen (13) three-to-five star rated hotels. A total of 14 respondents were the sample for data collection in Kota Kinabalu. Based on the data collected from the respondents, most of the foreign workers in Sabah hotels are expatriate and working for the post of middle-to-top management in the hotels. Most of the foreign workers are originated from Japan, Italy, France, Taiwan, China, Indonesian, and Pakistan.
For factors of employment, one of the respondents perceived that the factor of foreign employment is affected the most by the right of individual to work freely in a free market. It is seconded by the other respondent agreed that regardless of being foreign or local workers, all of the earnings will be contributing to the consumption of local goods and services which in return increases the income for the nation. The respondents are also agreed that foreign workers in Sabah hotels are critical to have, as they possessed the required skills and energy with motivation to work. These perspectives were said to provide better endowment in economics. Some respondents mentioned that it is fine to have foreign workers career opportunity is for everyone, and it is acceptable as long as the individuals are met with the requirement to perform their descriptions of the job. Lastly, the mixture of foreign workers in professionals provides a great diversity in management and cultures are learned from time to time.

However, there are at least two respondents that disagreed to the foreign employment by stating that career advancement and planning is slightly affected by the presence of the foreigners, and adds up more to lower posts compared to the higher posts that to be filled (or filled) by foreign workers. Another respondent stated that he or she is often confused with the culture at workplace since it has a great diversity at workplace, and it decreases the opportunity for promotion.

In employability and work perspective, foreign employment provides a multicultural experience that promotes better work climate in the organization, and experience is gained along the process. Another respondents stated that to have foreign workers from China will be advantageous point to consider as Chinese from China would be more communicable to the guests from China compared to the locals. One respondent stated that the salary offered is less lucrative and less attractive to the locals. Another respondent mentioned that the work process and work standards in the organization are enhanced by the foreign workers. The advancement on work standard will helps and benefits the locals to learn the cultures from their origin. Two respondents stated that foreign employment would injects new ideas, and a more systematic way of management.

Two respondents stated that foreign employment would breakdown some of the communication process at the workplace. There is also one respondent mentioned that foreign workers in the hotel restaurant may causes less comfort feeling to the customers compared to the locals.

**DISCUSSIONS**

For hotels in Kuala Lumpur, the respondents stated that employment of foreign workers do provide multi-cultural experience and it is able to boosts the morale at workplace, and the locals are able to learn on their culture of origin/residence. The practice is increasing the credibility of the hotels to provide better services, not only to the locals, but to international guests as well. Insights that obtained form the respondents are similar to the research made by Jauhari (2006) which mentioned customer orientation, outstanding services, flawless operation, marketing strategy and cost management are the critical success factors for hotels. From the findings, It is strictly not fair to state that family commitment will be the hindering point for performance even it could being the cause of symptoms to be absent or 'sick' from the workplace. Such case is highly isolated and referred by incidents that should not
be generalized to the local workforce. Family and work balance is important in engaging employee to work and their retention.

Reviewing the feedback and the findings, it is generally seen that the foreign workers at hotels in Kuala Lumpur and Sabah are two (2) different categories of workers. The workers in Kuala Lumpur are observed and reported to be involved in front services, while foreign workers in Kota Kinabalu are working in middle management and top management, that possess the expert power over the locals. A revisit to the Sabah hotels confirmed that the foreign workers that reported at the hotels in Sabah are at top management like general manager (GM), human resource director (HR Director), and chefs for the restaurants. The different categories data provide an insight that most of the workers in Sabah hotels came from locals and the locals are willingly to work with the salary offered (comparatively to the preference of the locals in Kuala Lumpur hotels). Through observation in Sabah, most of the workers at the hotels in Sabah are old and experienced workers. Younger generation in Sabah would prefer to work part-timely compared to the elder generations that made up the job in hotels as their career commitment. Front line workers are found originated from rural areas.

From human resource management perspective, be it foreign employment or local employment, person-to-job fit is seem to be essential in the hotel industry, and work specification to fulfill the requirement to perform being more important to the organization as there is a preference gap by generations in Kuala Lumpur that prefer not to work in hotel industry. It is slightly differen than the locals in Sabah that is willing to work in hotel industry. These two perspectives provide an input that succession planning and career advancement are important in HR practices. By referring to the issue of promotion advancement and opportunity, strategic HR planning pays an important role in engaging the morale and motivation of the locals at workplace, and individuals are worried for promotion opportunity would be due to the advancement in their career in the industry. By having a comprehensive and strategic career advancement and promotion opportunity, locals in Sabah would be the good workforces to be employed for the industry.

LIMITATIONS

The first limitation of the study is the most of the selected respondents are locals that are about 90-95% of the total sample, and only 5% -10% are foreign workers in Kuala Lumpur hotels. More comprehensive findings can be obtained if the questions were directed to the foreign workers compared to the local workers that selected as the respondent. The purpose of the study was based on exploratory and it is not supported by statistical analyses to support the correlations and no regression was established from the design of the research, as the questions were design as in open-ended questions.

CONCLUSION

In overall perspective, it is concluded that local workers would able to gain knowledge transfer and sharing form the foreign workers, and they are being optimistic for the promotion opportunity, compared to a certain local workers that perceived for less promotion opportunity with communication breakdown and confusion of culture at workplace. Future study for this research purpose can be
extended to be quantitative research, to establish the correlations and regression analysis.

REFERENCES


