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**THE PRACTICE OF ORGANIZATIONAL FLEXIBILITY
IN MALAYSIAN HIGHER RATED HOTELS**



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UUM
Universiti Utara Malaysia

**MASTER OF SCIENCE
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**THE PRACTICE OF ORGANIZATIONAL FLEXIBILITY
IN MALAYSIAN HIGHER RATED HOTELS**



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**A Thesis submitted to the Ghazali Shafie Graduate School of Government
in fulfilment of the requirements for the Master of Science
Universiti Utara Malaysia**



Kolej Undang-Undang, Kerajaan dan Pengajian Antarabangsa
(College of Law, Government and International Studies)
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ABSTRACT

This study explores the practice of organisational flexibility in four- and five-star hotels in Malaysia, which is referred to as Malaysian higher rated hotels in this study. The practice of organisational flexibility is particularly important in hotel industry because the industry is by nature labour intensive. As such, wages constitute the highest cost element of hotel expenditures. The two forms of organisational flexibility (functional flexibility and numerical flexibility) enable hotels to efficiently manage its labour force. With functional flexibility, hotels are able to redeploy its employees through a variety of different work practices whilst numerical flexibility enables hotels to vary the types of employees through the engagement of short-term employees. This study is framed based on three research questions. The first research question determines the purposes of practising organisational flexibility in Malaysian higher rated hotels. The second research question seeks to identify the approaches employed by Malaysian higher rated hotels in practising organisational flexibility. The third research question aims to investigate the outcomes of organisational flexibility practice. In seeking the answers to these research questions, qualitative methodology and semi-structured interview methods are employed. The findings of this study indicate that different hotels practise organisational flexibility for different purposes. Similarly, the extent to which approaches are employed to practise functional and numerical flexibility in each hotel also varies. It is discovered that functional flexibility is preferable as compared to numerical flexibility. The findings of this study reveal that the most common approaches of functional flexibility used in Malaysian higher rated hotels are multi-skilling, job rotation and cross-exposure whilst employment of casual and agency workers are the most preferred approach of numerical flexibility. The practice of organisational flexibility results in more positive outcomes. The findings of this study contribute to both theoretical and practical knowledge. In terms of its theoretical contribution, this study recognises that organisational flexibility is an important aspect of human resource management especially in higher rated hotels. The investigation into the area of organisational flexibility serves as a reference point for managers and human resource practitioners intending to pursue organisational flexibility.

Keywords: Higher Rated Hotels, Organisational Flexibility, Functional Flexibility, Numerical Flexibility, Human Resource Management, Malaysia

ABSTRAK

Kajian ini meninjau amalan fleksibiliti-organisasi di hotel bertaraf empat dan lima bintang di Malaysia yang dikenali rakyat Malaysia sebagai hotel yang bernilai tinggi dalam kajian ini. Amalan fleksibiliti-organisasi adalah penting khususnya dalam industri perhotelan disebabkan penggunaan tenaga kerja yang ramai. Kos pekerja merupakan kos operasi hotel yang tertinggi. Dua bentuk fleksibiliti-organisasi (fleksibiliti-fungsi dan fleksibiliti-angka) membolehkan hotel untuk mengurus pekerja dengan cekap. Fleksibiliti-fungsi membolehkan pekerja dipindahkan untuk melaksanakan pelbagai jenis pekerjaan, sementara fleksibiliti-angka membolehkan hotel untuk mempelbagaikan jenis dan bilangan pekerja dengan pengambilan pekerja untuk tempoh yang pendek. Kajian ini dirangka berdasarkan tiga soalan kajian. Soalan kajian yang pertama mengenal pasti tujuan amalan fleksibiliti-organisasi di hotel bertaraf empat dan lima bintang di Malaysia. Soalan kajian yang kedua mengenal pasti pendekatan yang digunakan oleh hotel bertaraf empat dan lima bintang dalam amalan fleksibiliti-organisasi. Soalan kajian yang ketiga mengenal pasti hasil daripada amalan fleksibiliti-organisasi. Kaedah kualitatif dengan kaedah temu bual separa berstruktur digunakan untuk menjawab kesemua soalan kajian. Hasil kajian menunjukkan bahawa fleksibiliti-organisasi diamalkan bagi tujuan yang berbeza. Tahap amalan dan pendekatan yang diambil dalam amalan fleksibiliti-fungsi dan fleksibiliti-angka adalah berbeza dan pelbagai. Kajian ini mendapati bahawa fleksibiliti-fungsi lebih kerap digunakan berbanding dengan fleksibiliti-angka. Hasil kajian ini mendedahkan bahawa pendekatan yang biasa diambil dalam amalan fleksibiliti-fungsi di hotel bertaraf empat dan lima bintang di Malaysia adalah pelbagai-kemahiran, pusingan-kerja, dan pendedahan-silang. Untuk fleksibiliti-angka, pendekatan yang digunakan adalah pengambilan pekerja kasual dan pekerja agensi. Amalan fleksibiliti-organisasi mempunyai banyak kebaikan. Hasil kajian ini menyumbang kepada pengetahuan teori dan praktikal. Daripada segi sumbangan teori, kajian ini mengiktiraf kepentingan fleksibiliti-organisasi sebagai aspek yang penting dalam pengurusan sumber manusia terutamanya di hotel bertaraf empat dan lima bintang. Hasil kajian ini boleh digunakan oleh pengurus sumber manusia yang berhasrat untuk mengamalkan fleksibiliti-organisasi sebagai rujukan.

Kata kunci: Hotel Empat dan Lima Bintang, Organisasi-Fleksibel, Fleksibiliti-Fungsi, Fleksibiliti-Angka, Pengurusan Sumber Manusia, Malaysia

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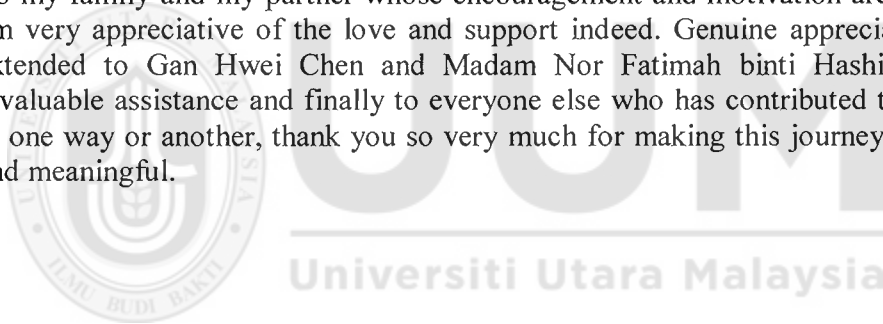


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CHAPTER 1

INTRODUCTION

1.0 Overview

This chapter provides a general idea to the background of this research. A brief introduction to organisational flexibility is discussed and the current state of organisational flexibility in the hotel industry is elaborated. This chapter begins with the preface of environmental changes affecting the industry. It then discusses the relevance of discussing organisational flexibility in line with the implementation of the national minimum wage policy. The issues afflicting organisational flexibility in Malaysian higher rated hotels are also explained.

The importance of this study is to highlight the theoretical and practical contributions of organisational flexibility in four- and five-star hotels in Malaysia, which is termed throughout this study as ‘Malaysian higher rated hotels’. The limitations restricting further exploration are identified and the key terms applicable to the context of this study are subsequently defined.

1.1 Background of Study

The Malaysian hotel industry according to Awang, Ishak, Radzi, and Taha (2008) is experiencing radical changes due to its external environment. What concern hotel organisations are the factors outside the boundary of a hotel that may affect its operation and management. Taken into account the detrimental effects of a highly volatile environment, it is only sensible that organisations monitor and institute their business operations, internal processes, systems and strategies based upon the assessment of its external and general environment (Awang et al., 2008; Kim &

Olsen, 1993; Martínez-Sánchez, Vela-Jiménez, Pérez-Pérez, & De Luis-Carnicer, 2009a).

The present context of the Malaysian hotel industry is afflicted by uncertainties in the labour market's environment due to the current implementation of a national minimum wage policy. In May 2012, the government of Malaysia instigated the implementation of a national minimum wage policy for the private sectors which is set at between RM800 and RM900 (A. Z. Ahmad & Sipalan, 2012). The minimum wage is expected to increase from RM800 to RM920 in Sabah and Sarawak and from RM900 to RM1000 in West Malaysia in July 2016 (Lee, 2015). The impacts of minimum wage policy in developing countries are greater and are dependent on the dynamics, structure and the view of labour market (Khamis, 2011; Lemos, 2008; Todorovic & Ma, 2008).

Seeing to the issues revolving around the implementation of minimum wage, this study provides a pertinent opportunity to study the inclinations of practising organisational flexibility in line with the current climate of reform. Organisational flexibility is a form of work practice that enhances organisations' adaptability, flexibility and responsiveness to adapt to its surrounding business environment (Hatun & Pettigrew, 2004; Kalleberg, 2003; Martínez-Sánchez, Vela-Jiménez, Pérez-Pérez, & De Luis-Carnicer, 2009b; Price, 2007; Reed & Blunsdon, 1998).

There are two forms of organisational flexibility, namely functional and numerical flexibility. Functional flexibility varies the types of jobs whilst numerical flexibility varies the type of workforce (Kalleberg, 2001, 2003). Whilst functional flexibility adjust demand level by redeploying existing employees, numerical flexibility in contrast, seeks to meet demand level through the use of additional employees (Kalleberg, 2001, 2003).

Considering that the hotel industry is traditionally a low paying industry, the implementation of minimum wage could therefore have an adverse impact on hotel organisations (Adam-Smith, Norris, & Williams, 2003; Brown & Crossman, 2000). Leading to this conception lays two reasons. First, where low-paid employment is widespread in the hotel industry (Warhurst, Lloyd, & Dutton, 2008), the majority of

hotel employees are clustered around the minimum wage level (Croes & Tesone, 2007). The Malaysian hotel industry is not exceptional since the salary level of hotel employees in the Southeast Asia region, including Malaysia are the lowest amongst all industries (Nankervis, 2000). The increment of wages to meet the minimum wage level thus puts hotel organisations at a difficult stage.

Secondly, labour cost comprises a wide variety of factors with wages being the most evident cost element (Buultjens & Howard, 2001; Guilding, 2010; Lucas, 1989). This is also the case of the Malaysian hotel industry where salaries and wages amounted to billions of ringgit annually. In the year 2010, salaries and wages as illustrated in Figure 1.1. below, amounted to the largest expense item accounting for 36.8 per cent of the total operating expenditure incurred by the industry which is equivalent to RM1.9 billion (Department of Statistics Malaysia, 2011).

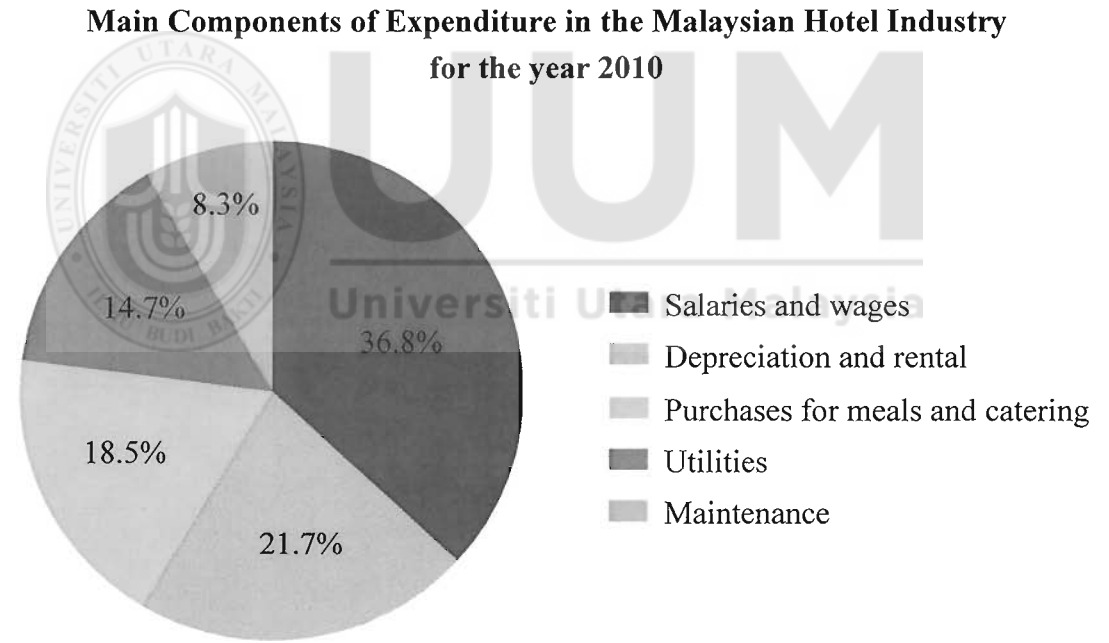


Figure 1.1. Main components of expenditure in the Malaysian hotel industry
Source: Adopted from Department of Statistics Malaysia (2011).

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Changes in the business environment such as the current implementation of minimum wage would result in major consequences for the management of people (Price, 2007). Hence, confronting the exigency needs surrounding the hotel environment is imperatively crucial, otherwise they may strain the hotel's human resource management (HRM) (Nankervis, 2000). Human resources as seen from an organisational perspective refer to the people in an organisation, which is essentially the employees and human potential of an organisation (Price, 2007).

In any service organisations, human resource is indeed the essence of service quality, customer satisfaction and loyalty that affects an organisation's competitive advantages and organisational performance (Kusluvan, Kusluvan, Ilhan, & Buyruk, 2010). Beltrán-Martín, Roca-Puig, Escrig-Tena, and Bou-Llugar (2008) further

emphasise that employees with skills and behavioural repertoire are those who contribute to competitive advantages. HRM is therefore crucial because competitive advantages can be achieved when an organisation effectively utilises its employees and their skills to meet organisational goals (Price, 2007).

HRM is deemed as one of the most important assets in the hotel industry because the industry is by nature, labour intensive (Nankervis, 2000). According to Haron (2012), the utilisation of labour in the Malaysian hotel industry is considerably higher than hotels in developed countries. Such a situation occurs in line with the conventional method of managing human resource. The conventional method ultimately beckons the use of job specialisation that requires for hotel organisations to recruit more employees to perform each and every individual tasks (Haron, 2012).

The heightened volatile business concerns further instigate the notion of organisational flexibility as part of a modern and innovative HRM practices (Beltrán-Martín, Roca-Puig, Escrig-Tena, & Bou-Llusar, 2009; Buultjens & Howard, 2001; Knox & Walsh, 2005; Martínez-Sánchez et al., 2009a; Monastiriotis, 2005; Reilly, 1998). Innovation according to Martínez-Sánchez, Vela-Jiménez, Pérez-Pérez, and De Luis-Carnicer (2008); Martínez-Sánchez et al. (2009a) and Pot (2011) refers to an organisation's ability to adopt, combine and implement new processes or products successfully, be it in the areas of work organisation, HRM or technologies.

The practice of organisational flexibility that encourages flexible job design, development of employee skills and involvement and labour management cooperation are what constitute to innovation (Pot, 2011). The practice of organisational flexibility as Reed and Blunsdon (1998) define is "an organization's capacity to adjust its internal structures and processes in response to changes in the environment" (p. 457). This organisational characteristic essentially includes a combination of practices that enables organisations to become more adaptable to environmental changes (Hatum & Pettigrew, 2004; Kalleberg, 2003; Martínez-Sánchez et al., 2009b; Price, 2007).

In accordance to Kalleberg's (2001, 2003) studies, organisational flexibility is instituted along two distinctive strategies, namely functional flexibility and numerical flexibility. Functional flexibility refers to employees' ability to perform a variety of jobs (Kalleberg, 2001) which subsequently allows employees to be reassigned to different jobs or tasks (Peel & Boxall, 2005). It can be achieved through high performance work system that emphasises on maximising employees' commitment and productivity. The high commitment approach opens up more opportunities for employee's involvement in decision making, teamwork, job promotion, appraisal, training and development (Kalleberg, 2003; Knox & Walsh, 2005). In this study, functional flexibility is affiliated with practices such as multi-skilling, job rotation and cross-exposure, all of which are defined accordingly in section 1.8.

In addition to practising organisational flexibility for the reasons of attaining innovation and ensuring organisational survival, organisational flexibility is also practised with the intention to reduce cost of products and services (Price, 2007). This is usually associated to the latter form of organisational flexibility, namely numerical flexibility. Numerical flexibility is concerned with the adjustment in the numbers of employees to match demand changes (Kalleberg, 2001). It can be achieved through the utilisation of part-time employees which form the basis of a cost reduction strategy (Kalleberg, 2003; Peel & Boxall, 2005). The general notion of numerical flexibility according to Vidal and Tigges (2009) is that numerical flexibility is a heterogeneous concept. It diversifies in the replacement of employees, either temporarily or permanently (Vidal & Tigges, 2009). In this study, numerical flexibility is associated with the employment of non-permanent employees such as part-time employee, casual workers and agency workers.

In this study, the practice of organisational flexibility is discussed in terms of the purpose of practising organisational flexibility, the approaches taken to practise organisational flexibility and the outcomes from practising organisational flexibility in Malaysian higher rated hotels. It is most appropriate that higher rated hotels are selected as the scope of this study because these hotels are most likely to be affected by the implementation of minimum wage policy. The fact that these hotels engage the largest proportion of employees signifies that salaries and wages constitute to the

highest operating cost (Department of Statistics Malaysia, 2011). In seeking to answer the research questions of this study, the qualitative methodology which utilises the interview method is employed.

1.2 Problem Statement

The implementation of a national minimum wage policy in Malaysia signals the increase of labour cost. This caveat concerns the hotel industry because the industry is by nature labour intensive, in which the wages of labour amounted to a relatively high proportion of total costs (Buultjens & Howard, 2001; Guilding, 2010; Lucas, 1989). This is also the case of the hotel industry in Malaysia in which the salary and wages accounted to the highest percentage of the total operating cost (Department of Statistics Malaysia, 2011).

Considering that higher rated hotels usually operate with significantly larger amount of employees, the implementation of minimum wage poses significant challenges for higher rated hotels (R. Ahmad, Scott, & Abdul-Rahman, 2016). The implementation of minimum wage which increases the total operating cost is therefore an issue, especially during low peak season when revenue is insufficient to cover labour cost (R. Ahmad et al., 2016). The issue of increasing labour cost due to the implementation of minimum wage is a critical one that needs to be given attention. This is because the increasing of labour cost would eventually results in severe financial repercussions, especially in higher rated hotels where the number of employees is significantly higher.

The fluctuation of demand resulted from the seasonal nature of this industry is also another issue surrounding hotel organisations. Profitability is at stake because sale decreases in line with fluctuation (R. Ahmad et al., 2016). In order to ensure profitability, hotels tend to take a more reactive approach such as numerical flexibility which acts as a short-term solution (Adler & Adler, 2003; Krakover, 2000). By practising numerical flexibility, hotels are able to adjust the number of employees in line with demand changes. The use of numerical flexibility enables hotels to meet increasing demand by employing additional employees and at the

same time dismiss of these additional employees as demand declines (Adler & Adler, 2003; Krakover, 2000).

Although practising numerical flexibility at a minimum extent is deemed necessary, sole reliant on numerically flexible employees to adjust to fluctuation of demand may however prove to be precarious (R. Ahmad et al., 2016). The consequences of relying on only numerical flexibility are more detrimental than it seems. This is because numerically flexible employees who usually lack the commitment and skill would subsequently affect productivity and service quality (Kelly, Brown, & Cregan, 2008; Smith, 1994). Such inefficiencies harm the reputation of a hotel organisation and this resultantly impinges on profitability and organisational growth (Adler & Adler, 2003; R. Ahmad et al., 2016).

The conventional HRM practice of service personalisation which is mostly evident in higher rated hotels (Nankervis, 1993) also proves to be an issue because service personalisation requires for hotels to practise job specialisation. The practice of job specialisation though simplifies jobs, it is however a rigid practice. Rigidity not only increases labour cost, it also hinders organisation from effectively responding to environmental changes. This is because with job specialisation, employees are only specialised in a focused area of work. The lack of multiple skills resulted from job specialisation signifies that these employees thus cannot be redeployed to facilitate replacement. Hence, when organisations are faced with contingencies, organisations would have to temporarily employ external employees due to the inability to redeploy existing employees.

To avoid the incurring of additional costs, less skilled employees may be redeployed to facilitate replacement. It is important to note that redeploying a replacement that does not have the necessary skill in order to save labour cost would only cause even more problems. Inefficient replacements that lack the skills are unable to deliver the expected quality, which is ultimately a bigger problem on its own. As one of the most crucial determinants of guests' satisfaction and organisational success, quality if affected would eventually steer guests away (Jasinskas, Streimikiene, Svagzdiene, & Simanavicius, 2016; Kelly et al., 2008). This has a major impact on the overall profitability because more marketing and promotion then need to be done in order to

re-attract guests. This is a costly approach because the cost of re-attracting new guests is much more expensive than retaining existing guests (Jasinskas, Reklaitiene, & Svagzdiene, 2013). An issue that is seemingly so minor may in actuality leads to significant repercussion that can affect an organisation's financial performance.

The issues surrounding the hotel industry calls for employing high performance work practices such as organisational flexibility. It is crucial to practise organisational flexibility because practising organisational flexibility enables hotels to become adaptable to environmental changes (Knox & Walsh, 2005). Without the practice of strategic HRM such as organisational flexibility, profitability would be affected because an organisation's financial performance is after all related to flexibility (Bhattacharya, Gibson, & Doty, 2005). Due to the many issues facing the hotel industry, it becomes crucial for hotels to resort to various possibilities that not only reduces labour cost but also increases productivity and service quality (Croes & Tesone, 2007).

Whilst it is evident that organisational flexibility is a practical solution to solve many of the predicaments faced by the hotel industry, it is crucial to distinguish the studies of organisational flexibility in the hotel industry to those of a different industry. This is because the nature of flexibility varies across sectors, industries, countries, establishment size, job characteristics, cultural and management differences (Friedrich, Kabst, Weber, & Rodehuth, 1998; Kuruvilla & Erickson, 2002; Origo & Pagani, 2008; Van der Meer & Ringdal, 2009).

Likewise, whilst there is a range of approaches that can be taken to practise organisational flexibility, the approaches are central to the practice of organisational flexibility is not entirely clear. Job rotation for instances is more prominent in Japanese manufacturing industry (Ariga, 2006), whilst multi-skilling are more prominent in the service industry in Australia (Knox & Walsh, 2005) and the United Kingdom (Kelliher & Riley, 2003; Lockwood & Guerrier, 1989). The illustrations signify that organisational flexibility is rather common in developed countries and not developing countries. It is due to such discrepancies that the approaches of organisational flexibility are explored in this study.

Despite the significance of organisational flexibility as a labour management strategy, the studies of organisational flexibility in the hotel industry in Malaysia remain scarce. Whilst the subject pertaining to organisational flexibility in the Malaysian hotel industry has been discussed in the studies conducted by R. Ahmad, Solnet, and Scott (2010) and Nankervis (1995, 2000), the practice of organisational flexibility has not yet been widely implemented in the Malaysian hotel industry. The study conducted by R. Ahmad et al. (2010) discovers that out of six Malaysian five-star beach resort hotels, only one hotel routinely practises functional flexibility.

The fact that functional flexibility is not a common practice in Malaysian higher rated hotels is an alarming situation, particularly because this section of the hotel industry is most likely to be affected by the implementation of minimum wage. This however contradicts Knox and Walsh's (2005) and Farrell's (2009) philosophy that higher rated hotels tend to be more involved in innovative work practices that develop their employees' skills. It is with this concern that the significance of organisational flexibility in the hotel industry is explored.

Furthermore, numerous studies have argued whether or not the two forms of organisational flexibility; functional flexibility and numerical flexibility can be practised simultaneously. Whilst some studies found that the two forms of flexibilities are complementary (Cappelli & Neumark, 2004; Kalleberg, 2001, 2003; Smith, 1994), others have mentioned otherwise (Martínez-Sánchez et al., 2008; Riley, 1996; Van der Meer & Ringdal, 2009).

A research gap thus exists, especially when those arguments are based on different context and background. For instances, the study conducted by Smith (1994) based on the service industry in the United States and Cappelli and Neumark's (2004) study based on the manufacturing industry in the United States discover that both functional and numerical flexibility can be practised simultaneously. In contrary, the study conducted by Van der Meer and Ringdal (2009) in the manufacturing industry in Norway and the study conducted by Martínez-Sánchez et al. (2008) in the manufacturing and service industries in Spain discover that functional flexibility and numerical flexibility are not complementary. It is with regard to this issue that both functional and numerical flexibility are discussed in this study.

1.3 Research Objectives

The objectives of this study that facilitate the exploration of organisational flexibility in Malaysian higher rated hotels are:

1. To explore the purpose of practising organisational flexibility in Malaysian higher rated hotels.
2. To discover how organisational flexibility is being practised in Malaysian higher rated hotels.
3. To identify the outcomes of practising organisational flexibility in Malaysian higher rated hotels.

1.4 Research Questions

In order to understand organisational flexibility in Malaysian higher rated hotels, the following research questions are formulated:

1. Why organisational flexibility is being practised in Malaysian higher rated hotels?
2. How organisational flexibility is being practised in Malaysian higher rated hotels?
3. What are the outcomes of practising organisational flexibility in Malaysian higher rated hotels?

1.5 Significance of Study

The significance of this study is discussed in terms of its theoretical and practical contributions in the following subsections.

1.5.1 Theoretical Significance

By exploring organisational flexibility through the lens of HRM, this study intends to provide valuable insights into the practice of organisational flexibility in Malaysian higher rated hotels. This study is determined to contribute to the HRM literatures in two ways.

First, this study is of significance to the domain of HRM as it expands the foundation of organisational flexibility in a service industry and at the same time, complementing the scarcity of literatures pertaining to organisational flexibility in the Malaysian hotel industry. This study is of critical importance as it reveals the evidences of the practice of organisational flexibility in the important segment of the hotel industry, primarily the higher rated hotels. The higher rated hotels are claimed to be a vital segment of the hotel industry because these hotels not only contribute to the largest proportion of gross value output, but it also engages the largest number of employees (Department of Statistics Malaysia, 2011).

Secondly, this study sets out to explore more comprehensively the practice of organisational flexibility based on the viewpoints of both managerial and non-managerial employees. By providing an overview on the construct and practice of organisational flexibility, this study illuminates the emerging organisational flexibility strategies the hotel industry. The theoretical perspectives of this study (refer to section 2.2) provides useful insights for organisations to plan their resources and capabilities in the effort to attain organisational flexibility. Though this study is qualitative in nature and that generalisation is not possible in the probabilistic sense, the findings of this study are nevertheless transferable (Marshall & Rossman, 2011). Thus, it is possible that the knowledge of this study is transferred to organisations that are intending to practise organisational flexibility. A conceptual framework is also developed in section 2.8 to provide a general framework on the practice of organisational flexibility.

1.5.2 Practical Significance

By outlining the outcomes of organisational flexibility, the concept of organisational flexibility in Malaysian higher rated hotels can be made known and bring into practical use for the benefit of the industry. According to Reilly (1998), employers are able to attain organisational flexibility through effective internal allocation. In the face of changing environment due to the implementation of minimum wage, organisational flexibility is especially crucial for an organisation's competitive advantages and survivorship.

Not only is organisational flexibility the key to survive and to adapt to environmental uncertainties, it is also a mean to attain innovation (Martínez-Sánchez et al., 2009b). The success of innovative practices in the hotel industry is linked to excellent HRM practices and the attitudes and skills of employees (Chang, Gong, & Shum, 2011; Hoque, 2000; Lam, Zhang, & Baum, 2001; Ottenbacher, 2007; Ottenbacher & Gnoth, 2005; Tsai, Chen, & Fang, 2009). This is because innovative practices such as organisational flexibility are said to have positive effects on job performance and organisation productivity (Pot, 2011). However, before innovation can be fully integrated into HRM strategies, employees need to be quick, flexible and ready to adapt to the dynamics of environment (Ottenbacher & Gnoth, 2005).

The evidences of this study serve as a precedent source of reference for other hotels to discover this alternative means of exploiting opportunities through organisational flexibility. It discusses the feasible use of organisational flexibility in a labour intensive industry by exhibiting evidences of the outcomes of organisational flexibility in hotels that are already practising organisational flexibility. Finally, the insights into the practice of organisational flexibility may aid the development of flexibility as part of an effective HRM in the Malaysian hotel industry. Thus, it is prospective that this study is able to offer guidance to managers and practitioners alike who are interested to practise organisational flexibility.

1.6 Scope of Study

The scope of this study is organised in three parts. The first part explains the significance of organisational flexibility as the focus of this study. The second part justifies why only Malaysian higher rated hotels are included whilst the third part rationales the reasons to include both managerial and non-managerial employees as interview candidates, all of which are elaborated in following paragraphs.

The focus of this study is centred on the practice of organisational flexibility in accordance with the recent implementation of a national minimum wage policy in Malaysia. The relevance of the notion of organisational flexibility in relation to minimum wage lies in the assertion that the hotel industry is afflicted by uncertainties in the labour market's environment due to the current implementation

of a national minimum wage policy. Whilst this dimension of minimum wage debate may not be the central concern of this study, it is relevant to the emergence of this research. At a timely manner, this study uncovers the opportunity to study the practice of organisational flexibility in line with the current implementation of minimum wage. It is therefore important to note that the discussion pertaining to minimum wage is neither the focus of this study nor the central concern of this chapter, but as a background to the emergence of this study.

The scope of this study comprises of only Malaysian higher rated hotels because these hotels are most likely to experience increasing labour cost due to the implementation of minimum wage. Albeit the fact that the number of higher rated hotels in Malaysia is relatively low, they form an important segment of the hotel industry. This is because higher rated hotels not only engage the largest amount of employees but this segment of the industry also contributes to the highest value of sales and receipts to the economy (Department of Statistics Malaysia, 2011). In addition, the subject of organisational flexibility which is commonly affiliated to innovative and high performance work practices (Cappelli & Neumark, 2004; Kalleberg, 2003; Knox & Walsh, 2005) further emphasises that it is only reasonable to focus on higher rated hotels because these hotels are always amongst the first to adopt any form of innovative practices in pursuit of service quality (Farrell, 2009).

The number of higher rated hotel in Malaysia is identified in Table 1.1 below. Amongst the five states with the highest number of higher rated hotels, this study includes only two states in the Northern region due to the issue of accessibility. This is after having taken into consideration that researcher was based in Penang at the time of data gathering. In addition, the hotels in Penang and Kedah are the two hotels that first agreed to participate in this study, making it even feasible to collect data from these two neighbouring states. As a result, two higher rated hotels in Penang and three higher rated hotels in Kedah are included in this study.

Table 1.1
Top Five States with the Highest Number of Higher Rated Hotels

Rank	Location	Number of Higher Rated Hotels
1	Kuala Lumpur	49
2	Selangor	29
3	Penang	28
4	Kedah	20
5	Sarawak	19

Source: Adapted from Ministry of Tourism and Culture Malaysia (2016).

Both managerial and non-managerial employees are interviewed in this study. Managerial employees such as assistant manager, head of department and director are interviewed to obtain more widespread information about the function of the hotel. Since they are responsible in overseeing the hotel operations, they possess first-hand and profound knowledge about the hotel operations and its business environment compared (Ketkar & Sett, 2010). Managerial employees are in fact the best candidates to obtain information from, mainly because they harbour valuable work-related knowledge, information and experience.

This study also includes non-managerial employees who are in the supervisory position and non-supervisory position. Being at the interface level, supervisors are regarded as the most salient proxies in between the management and employees (Janssen & Van Yperen, 2004). Their direct daily interactions with employees have generally enabled them to observe, facilitate, monitor and respond to their subordinates’ attitudes, performances and satisfactions. Therefore, supervisors are regarded as the most suitable person when it comes to determining important job products, developing job training and providing employees with prospects for skill development and self-improvement (Janssen & Van Yperen, 2004). Besides supervisors, non-supervisory employees such as waitress and bellman are also included in this study. The interviews conducted with non-supervisory employees serve as a cross check to validate against the information obtained from supervisors and managerial employees.

Though both managerial and non-managerial employees are included in this study, it is important to note that only employees who are involved in the practice of functional flexibility and not numerical flexibility are included in this study. Dissimilar to functionally flexible employees who are permanently attached to the organisation, numerically flexible employees who are only engaged on an ad-hoc and temporary basis implies that they cannot be relied upon to produce valid in-depth information. This corresponds to Kvale's (2007) proposition to select only the best knowledgeable respondents that can produce valid and reliable information.

1.7 Operational Definition

The definitions of the terms employed in this study are elaborated as follows:

Organisational flexibility is "an organization's capacity to adjust its internal structures and processes in response to changes in the environment" (Reed & Blunsdon, 1998, p. 457). There are two strategies that can be employed to facilitate the practice of organisational flexibility, namely functional flexibility and numerical flexibility (Kalleberg, 2001, 2003). In this study, organisational flexibility refers to the ability of an organisation to adapt to changes by means of functional flexibility and numerical flexibility.

Functional flexibility refers to "the ability of employers to redeploy workers from one task to another" (Kalleberg, 2003, p. 154). Functional flexibility is also defined as "the ability of organizations to reorganize the competences associated with jobs so that the job holder is willing and able to deploy such competences across a broader range of skills" (Morley, Gunnigle, & Haraty, 1995, p. 39). It involves "abolishing demarcation rules and skill barriers so that workers can take on a variety of jobs" (Price, 2007, p. 174). The term functional flexibility used in this study refers to an organisation's ability to eradicate job boundaries by means of multi-skilling, cross-exposure, job rotation and job enlargement.

Numerical flexibility refers to "an organization's ability to adjust the size of its workforce to fluctuations in demand by using workers who are not their regular, full time employees" (Kalleberg, 2003, p. 155). Numerical flexibility involves "the use of

non-standard employment forms, which allows the organization to hire and/or shed labour flexibly in line with business demands” (Morley et al., 1995, p. 39). In this study, numerical flexibility refers to the ability of an organisation to adjust the quantity of labour by means of casual workers, part-time workers, temporary workers and agency labour.

Multi-skilling is defined as “the attainment of supplementary task-related skills and knowledge” (Nicolaidis, 2013, p. 66). It involves “workers on a particular occupational, craft or skill category progressively picking up the capability to perform additional tasks, usually performed by workers in another functional or occupational area within the organisation” (Cordery, 1989, p. 13). In this study, multi-skilling refers to employees’ ability to perform more than one task in addition to their main job.

Job rotation is defined as “the planned movement of people between jobs over a period of time” (Bennett, 2003, p. 7) in which it involves “periodically switching the work assignments of employees” (Arya, 2004, p. 400). It is also referred to as “lateral transfers of employees between jobs in an organization” (Campion, Cheraskin, & Stevens, 1994, p. 1518). In this study, job rotation refers to employees’ periodical movement between similar tasks in an organisation.

Cross-exposure is defined as “an established method in which team members are trained with the goal of building shared knowledge” (Gorman, Cooke, & Amazeen, 2010, p. 295). According to Knox and Nickson (2007), “formalised cross-exposure programmes provided employees with the opportunity to gain experience, on a voluntary and unpaid basis, in a department or area outside of their regular work area” (p. 61). In this study, cross-exposure refers to a formal programme in which employees participated in order to gain different experience from jobs that lies outside of their regular department or work area.

Casual workers are “engaged for additional work on a ‘per function’ basis when existing staff, whose hours are already at a maximum, could not be redeployed to meet extra, emergency demand” (Walsh, 1990, p. 521). Casual workers according to Houseman (2001) are “employed directly by the organization for a limited and

specific period of time... include workers hired for the December holiday season or during the summer, and they may work part-time hours” (p. 151). In this study, casual workers refer to individuals who are only engaged for a limited period of time when organisations face labour shortages.

Agency workers are defined as “external employees, thus excluding them from the internal labour market” (Håkansson & Isidorsson, 2012, p. 490). They are also referred to as “individuals who work at the establishment but who are paid through an employment agency and are not on the organization’s payroll” (Houseman, 2001, p. 151). In this study, agency workers are referred to as individuals who are employed by the organisation through an agency.

Managerial employees in this study refer to employees of various departments who hold managerial position such as head of departments, managers and directors.

Non-managerial employees in this study refer to employees in various departments who hold non-managerial position such as those in a supervisory position and non-supervisory position.

Malaysian higher rated hotels refer to hotel establishments in Malaysia which are rated with four-star or five-star rating according to the minimum requirements set by the Ministry of Tourism and Culture Malaysia.

1.8 Conclusion

This chapter serves as the foundation of this study where the importance of practising organisational flexibility in Malaysian higher rated hotels is accentuated. The existing issues facing the hotel industry would be exacerbated by the recent implementation of minimum wage. At times like this, the best solution would be one that not only keeps the issues at bay, but also to improvise the situation.

It is therefore crucial for organisational flexibility to be practised in order to facilitate hotel’s adaptability to the current climate of reform. Practising organisational flexibility resultantly enables hotels to acclimatise to changes systematically. Investigating the practice of organisational flexibility provides evidences that

strengthen the intrinsic worth and the significance of this study. To enhance the understanding on the subject of organisational flexibility, literatures on organisational flexibility, functional and numerical flexibility are extensively reviewed in succeeding chapter.



CHAPTER 2

LITERATURE REVIEW

2.0 Overview

Drawing on relevant literatures, this chapter commences by briefly providing an overview of the hotel industry. It then delves to further elaborate organisational flexibility before the chapter continues to explain the two separate accounts of organisational flexibility, namely functional flexibility and numerical flexibility. The linkages between functional flexibility and numerical flexibility and the outcomes of these practices are also discussed in this chapter. The theoretical perspective and the conceptual framework are presented in the last section of this chapter.

2.1 Introduction

In the hotel industry, the topic of human resources remains as the most frequently debated discussion. This is particularly due to the fact that employees are in fact the most important assets of any service oriented organisations (Kusluvan et al., 2010). As the essence of organisational performances and competitive advantages, the success of a hotel thus relies very much on its human resources (Nankervis, 2000). Considering that the hotel industry is by nature labour intensive, attention needs to be focused on the quality, performance and productivity of its service (Nankervis, 2000). It thus becomes imperative for hotels to adapt to the changing business environment, labour legislation, tight labour markets, high turnover, seasonality, fluctuations and increasing competition practices (Nankervis, 2000; Tracey, Way, & Tews, 2008; Tsai et al., 2009). In the face of environmental uncertainty, hotels need to be able to respond proactively in order to remain competitive (Buultjens & Howard, 2001; Martínez-Sánchez et al., 2009b; Origo & Pagani, 2008). Hotels are urged to consistently modify and update their portfolio mix (Ottenbacher, 2007) and

to reassess their reward and employment strategies (Brown & Crossman, 2000). It becomes pertinent that hotels constantly improve their efficiency and maintain its customer and service orientation at all times (R. Ahmad et al., 2010).

Due to the changing economic circumstances of the labour market and business trends, Reilly (1998) affirms that the ability of employers to recruit or dispose labour flexibly is indeed crucial. The element of flexibility helps in adjusting labour costs and working hours in order to better adapt to economic pressures (Reilly, 1998). The changing environmental condition and economic circumstances such as the implementation of minimum wage lead to an increased interest in practices such as organisational flexibility that can help to facilitate organisation survivorship (Buultjens & Howard, 2001; Knox & Walsh, 2005; Martínez-Sánchez et al., 2009a; Monastiriotis, 2005; Reilly, 1998).

2.2 Organisational Flexibility

Organisational flexibility refers to “an organization’s capacity to adjust its internal structures and processes in response to changes in the environment” (Reed & Blunsdon, 1998, p. 457). The novelty of the entire idea of organisational flexibility lies within the concept of flexible working practices (Guerrier & Lockwood, 1989). The concept of organisational flexibility is proven to be nothing new. In fact, it was already regarded as a very old idea even in the early 1990s which have lain dormant for some time (Riley, 1992). It is astonishing to align this coherence with that of Guerrier and Lockwood’s (1989) corroboration that “flexible working is not new; organisations have been making use of overtime hours, part-time and temporary workers and multi-skilled general helpers, etc. for many years” (p. 407).

On the contrary, Kelliher and Riley (2003) assert that flexible work practices centring on a specific set of skills is a fairly new phenomenon. Though there seem to be contradictions on whether organisational flexibility is a new or an old concept, it is worthy to note that the whole idea of organisational flexibility is long-standing and deeply rooted and it will remain an important focus for research and discussion on work and organisations in the 21st century (Kalleberg, 2001; Martínez-Sánchez, Pérez-Pérez, De Luis-Carnicer, & Vela-Jiménez, 2007).

There are many atypical reasons to why organisations practise flexibility. The more commonly known reasons are related to environmental changes such as globalisation (Monastiriotis, 2005; Van der Velde & Van den Berg, 2003), increasing market uncertainty and competition (Ketkar & Sett, 2010; Knox & Walsh, 2005; Martínez-Sánchez et al., 2007; Monastiriotis, 2005; Reilly, 1998) as well as diversification and changes in the labour market (Beltrán-Martín et al., 2009; Knox & Walsh, 2005; Reilly, 1998). Others may have regarded flexibility as a mechanism to deflate economic and social pressures (Knox, 2002b; Reilly, 1998). A smaller proportion of organisations may have subjected to flexibility due to technological changes (Knox & Walsh, 2005; Reilly, 1998; Van der Velde & Van den Berg, 2003) and cultural transformation (Reilly, 1998).

Some organisations have also confided to organisational flexibility as a result of irregular flow of demand and increasing demand for new product and services (Kelliher & Riley, 2002; Reilly, 1998). Another reason why organisations practise flexibility is because it helps them in reengineering the business process in times of economic fluctuations. This in return helps the business to strategically match staffing levels as per business demands (Farrell, 2009).

Hence, organisational flexibility is instilled as part of a wider and modern HRM practices that is necessary for organisations to survive in such volatile business environments (Buultjens & Howard, 2001; Knox & Walsh, 2005; Martínez-Sánchez et al., 2009a; Monastiriotis, 2005; Reilly, 1998). In the hotel industry in particular, organisational flexibility is being practised because the need to attain labour flexibility is crucial to the organisation's HRM imperatives (Knox & Walsh, 2005). Since the industry is labour intensive, its human resources and HRM strategies are regarded as one of the most important assets to achieve competitive advantages (Nankervis, 2000). Likewise, for an organisation to gain competitive advantages, it is its human resource flexibility, skills and behaviour that creates the organisation's capability that can neither be imitable nor substitutable (Beltrán-Martín et al., 2008; Bhattacharya et al., 2005; Chen & Wallace, 2011; De La Lastra, Martín-Alcázar, & Sánchez-Gardey, 2014).

In the hotel industry where fluctuation is persistent, organisational flexibility is of a high priority that is crucial to the management of labour (Buultjens & Howard, 2001; Guerrier & Lockwood, 1989; Kelliher & Riley, 2003; Knox & Walsh, 2005; Lai, Soltani, & Baum, 2008). In the hotel economics, variation causes instability in terms of demand and revenues which will then give rise to the need to varying labour supply (Krakover, 2000; Riley, 1992). The employment of organisational flexibility as an instrument to adjust staffing levels is a feasible strategy for hotels as it enables staffing levels to be adjusted in order to meet demand variation (Buultjens & Howard, 2001; Guerrier & Lockwood, 1989; Kelliher & Riley, 2003; Knox & Walsh, 2005; Riley, 1992). Flexibility and labour adjustment is thus vital because the pattern of activity in the hotel industry is often influenced by variation and fluctuation (Buultjens & Howard, 2001; Guerrier & Lockwood, 1989; Kelliher & Riley, 2003; Otto, Hoffmann-Biencourt, & Mohr, 2011).

Buultjens and Howard (2001) further outline three purposes leading to the need of attaining flexibility in service-based organisations. According to them, the primary reason for any service-based organisations to practice flexibility is mainly due to its ability to adjust working hours. The second reason that follows is because flexibility enables organisations to extend the range of tasks performed by employees and third, to adjust the numbers of employees in compliance with prevailing economic conditions (Buultjens & Howard, 2001).

Nevertheless, it should also be noted that the pace and timing of labour adjustment are governed by the characteristics of the hotel's internal labour forces and the conditions of external labour markets (Buultjens & Howard, 2001). The actual adjusting of labour, however, are determined by the hotel operator's past experiences and the expected future occupancy rates (Krakover, 2000). In essence, organisational flexibility is associated to the efficient utilisation of labour through punctilious matching of labour supply and demand (Desombre, Kelliher, Macfarlane, & Ozbilgin, 2006; Kelliher & Riley, 2003).

Besides being regarded as a mechanism to adjust and manage labour, organisational flexibility is also considered a labour cost reduction strategy (Desombre et al., 2006; Houseman, 2001; Kelliher & Riley, 2002; Michie & Sheehan, 2005; Reilly, 1998).

According to Bhattacharya et al. (2005), obsolete costs such as costs of layoffs and turnovers reduce in line with the practice of organisational flexibility. For the reason that it is able to govern the number of employees needed at a particular time, organisational flexibility may actually results in lowered labour costs per unit produced (Van der Meer & Ringdal, 2009).

In addition, adopting organisational flexibility in the hotel industry may also improves both the employee and industry's productivity (Guerrier & Lockwood, 1989; Kelliher & Riley, 2003; Reilly, 1998) and in some way, revamps the tarnished employment reputation of the hotel industry (Guerrier & Lockwood, 1989). According to Johnson (2004), organisational flexibility also maximises employees' potential and gain employees' commitment and loyalty. This results in not only greater efficiency, but it also facilitates recruitment and at the same time, improves utilisation and management of labour (Johnson, 2004; Kelliher & Riley, 2002, 2003; Reilly, 1998).

Two means to attain organisational flexibility according to Kalleberg (2001, 2003) are functional flexibility and numerical flexibility. Kalleberg (2001, 2003) associates functional flexibility with employees' ability to perform a variety of jobs and to participate in decision-making, which is commonly associated with high performance work systems. On the other hand, numerical flexibility is associated with the adjustment in the numbers of employees in the organisations to match demand changes and is administered by means of externalisation, usually with the intention to reduce costs (Kalleberg, 2001, 2003).

Like chalk and cheese, the implications obtained from these practices, for both the organisations and its employees are distinct at its own (Smith, 1994). The decision to whether implement functional flexibility and/or numerical flexibility depends on the needs, strategy and the pressures the organisation are facing (Van der Meer & Ringdal, 2009; Van Jaarsveld, Kwon, & Frost, 2009). The two forms of organisational flexibility are illustrated in Figure 2.1 below.

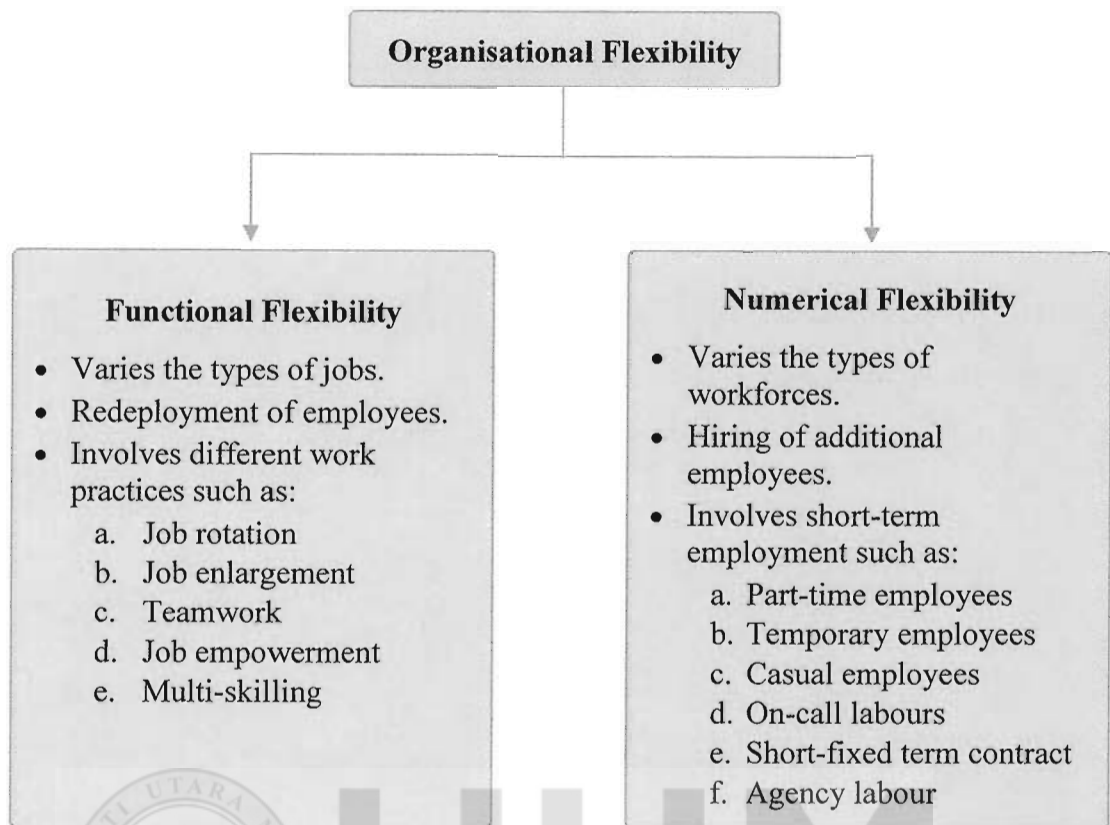


Figure 2.1. Two forms of organisational flexibility

Source: Developed for this study based on Kallerberg (2001, 2003).

2.3 Functional Flexibility

Functional flexibility is used synonymously with terms such as ‘internal flexibility’ (Cappelli & Neumark, 2004; Caroli, 2007), ‘internal labour flexibility’ (Beltrán-Martín et al., 2008), ‘qualitative flexibility’ (Origo & Pagani, 2008) and ‘enabling approach’ (Smith, 1994). Despite the fact that there are various terms used interchangeably with functional flexibility, the terms are analogous and have intertwining connotations. Each of the term denotes the ability of an organisation to adjust their internal resources according to demand variation.

The basic understanding of functional flexibility lies with the ability of employers to redeploy employees from one task to another and employee’s ability to carry out different tasks and to move between jobs within an organisation (Kalleberg, 2003; Michie & Sheehan, 2005). In other words, functional flexibility involves the movement of employees to another task that lies outside the scope of their main jobs

(Dekker, 2010; O'Reilly, 1992). Ultimately, functional flexibility refers to the efficient utilisation and organisation of labour use and greater managerial freedom to reposition labour when necessary (Reilly, 1998).

In order to achieve functional flexibility, employers expand job descriptions and the obligation to work and invest in training and education so employees will be able to undertake a variety of tasks (Reilly, 1998; Rönmar, 2004, 2006). Functional flexibility can also be achieved through the elimination of horizontal and/or vertical work delimitations (Horstman, 1988; Reilly, 1998), technological improvement and investment (Reilly, 1998). Likewise, it can also be obtained through the development of employees' skills (Horstman, 1988). The attempt to implement functional flexibility can also be achieved through workplace practices that encourages employee's adaptability to redeployment (Martínez-Sánchez et al., 2009a).

According to Riley and Lockwood (1997), there are two approaches to practise functional flexibility, which take on the forms of whole job substitution and boundary loosening. In the form of whole job substitution, employees move to other jobs to take over the jobs when necessary. Unlike the former, boundary loosening entails merging parts of the jobs so that it is the task that are moved to the employees instead of the employees moving to the jobs (Riley & Lockwood, 1997).

Functional flexibility involves practices such as job rotation (Campion et al., 1994; Cavagnoli, 2008; Dekker, 2010; Friedrich et al., 1998), job enlargement (Dekker, 2010), team working (Cavagnoli, 2008; Dekker, 2010; Kalleberg, 2001), job empowerment (Kalleberg, 2001), multi-skilling (Dekker, 2010) and cross-skilling (Nankervis, 2000). Job rotation according to Champion et al. (1994) refers to lateral transfer in which employees are moved between different tasks within an organisation. According to O'Reilly (1992), the broadening of job horizontally expands the number of tasks but at an equivalent level skill whilst vertical job enlargement aims to increase employees' skills and competence. In some ways, job enlargement may also be regarded as the movement of employees for the purpose of redesigning jobs (Donaldson, 1975).

Meanwhile, teamwork and job rotation are often regarded as central elements of functional flexibility where job empowerment is initiated (Cappelli & Neumark, 2004; Håkansson & Isidorsson, 2012). With empowerment, employees are given the capacity to initiate decisions and to have control over their job (Price, 2007). Multi-skilling is regarded as the attainment of skill as a result of employees performing multiple tasks (Clark, 1999; Devine, 2010). According to Chen and Wallace (2011), multi-skilling leads to a pool of skilled, flexible and adaptable human resources. Nankervis (2000) illustrates a more explicit understanding in view of this:

Functional flexibility implies multi- and cross-skilling within and across hotel departments as a routine and systematic induction and employee development strategy, with its inherent benefits of inculcating a holistic perspective of hospitality production processes and providing all employees with a broader range of potential career options. This aid not only service quality and employee retention, but also employee morale and commitment, and may offset seasonal labour demands (p. 19).

The general understanding of functional flexibility resides upon first, fluctuations in the pattern of labour supply and demand (Kelliher & Riley, 2003) and second, the nature of demand and workload variations (Desombre et al., 2006). In the hotel industry where labour supply and workload variations fluctuate every so often with patterns of demand, fluctuations are met through the redeployment of employees (Desombre et al., 2006; Kelliher & Riley, 2003). With functional flexibility as a medium to managing fluctuation, the need for adjustment is met by matching workloads changes (Farrell, 2009) and altering the content of jobs and the numbers of employees employed (Riley, 1996). When faced with seasonal variations, functional flexibility counterbalances seasonal labour demands (Nankervis, 2000). During low season, flexibility is used to facilitate lower staffing level whilst during the course of peak period, flexibility is accustomed to create a reserve capacity to deal with short-term ordeals (Kelliher & Riley, 2003).

Functionally flexible employees are considered the reserved capacity because their ability to multi-skill implies that they can be redeployed when organisations face labour shortages during times of peak period. With flexibility, employment and demand patterns can be matched more closely (Guerrier & Lockwood, 1989). For

instances, when the demand for one type of work is low, employees who possess the appropriate skills may be redeployed to another job where the level of demand is higher (Kelliher & Riley, 2003). The creating of a reserved capacity enables organisations to take effective actions by enhancing the potential of their human resources (Lengnick-Hall, Beck, & Lengnick-Hall, 2011).

According to Guerrier and Lockwood (1989), it is necessary to be able to forecast accurately if functional flexibility is used to cope with fluctuations in the levels of demand. The forecast of variances in labour demand and supply is essential so that the approximate required capacity for functional flexibility can be determined. The maximum amount of discrepancy between labour supply and demand is what determines how much of flexibility is needed (Riley & Lockwood, 1997). To be able to predict fluctuation is important because if variation can be predicted, other form of flexibility such as numerical flexibility is then optional (Kelliher & Riley, 2003).

Though to be able to forecast accurately is essential, Guerrier and Lockwood (1989) assert that the volatility of demand and fluctuations that are widespread in hotels complicate the estimation. The nature of the demand of the hotel industry is indeed a persistent issue. Constant fluctuation of occupancy rate, types and number of guests, their expenditure and use of hotel facilities occur daily, weekly, monthly and annually (Adler & Adler, 2003). This makes it difficult to predict fluctuation because demand varies in volume and types. Highly accurate forecasting is almost impossible though managing demand is feasible (Guerrier & Lockwood, 1989).

The use of more flexible approach to redeployment is seen as a way of scheduling staff more effectively so that sickness and holiday can be cover up more efficiently (Desombre et al., 2006). Contrary to hiring of additional employees, it is easier and quicker to redeploy existing employees when faced with unforeseen circumstances (Desombre et al., 2006; Kelliher & Riley, 2003; Riley, 1996). By means of functional flexibility, organisations are able to operate with fewer employees during slack periods (Desombre et al., 2006). This demonstrates the use of functional flexibility as a conflict resolution mechanism when consumer demand does not match congruously with labour supply (Riley, 1996).

The introduction of functional flexibility is mainly cost-driven to enable the reduction of employees (Desombre et al., 2006). The practice of functional flexibility reduces the costs of layoffs, turnovers and hiring costs through internal promotion opportunities (Bhattacharya et al., 2005; Knox & Walsh, 2005). Multi-skilling for example, is ascribed to cost-efficiency. The presence of multi-skilled employees in an organisation that form a human resources inventory has provided organisations with the means to respond more rapidly to meet new demands (Bhattacharya et al., 2005). Flexible skill signifies a dominant function that is used in the effort to reduce costs. This is largely because the utilisation of skill variety acts as an actual buffer against uncertainty. Cost savings will thus be apparent and immediate if changes in work requirement can be met from existing employees (Bhattacharya et al., 2005). The results from the utilisation of skill are rather tangible and can therefore be realised in the short term (Bhattacharya et al., 2005).

Despite the proclaimed advantages of functional flexibility, Beltrán-Martín et al. (2008) argue that for organisations to compete on the lowest costs, a large proportion of firms still confide to the use of a rather predominant approach, namely numerical flexibility. Hotels in particular are more averse to the notion of functional flexibility because the archetype of HRM in the hotel industry is constricted through the lens of cost minimisation, which is numerical flexibility (Brown & Crossman, 2000; Knox & Walsh, 2005; Nankervis, 2000; Tracey et al., 2008; Tsai et al., 2009). This is based on the incidence of high reliance on temporary employees, contracts labours, part-time employees, casual labours and non-standard working hours (Beltrán-Martín et al., 2008; Boreham, Lafferty, Roan, & Whitehouse, 1996; Guerrier & Lockwood, 1989; Houseman, 2001; Walsh, 1990).

Since the implementation of functional flexibility requires considerable effort by management, alternative such as numerical flexibility which are easier and cheaper to implement has subjected functional flexibility to lesser attention in the hotel industry (Kelliher & Riley, 2003; Knox, 2002a; Knox & Walsh, 2005; Riley, 1992, 1996). Functional flexibility is only implemented when there is a need to overcome excessive labour forces and to ensure continuity in human resource activities (Riley, 1992). Likewise, employers only implement functional flexibility if they are confident that it can be done efficiently and cost-effectively (Kalleberg, 2001).

Nevertheless, there appeared to be mere evidences on the practice of functional flexibility in hotels (Guerrier & Lockwood, 1989; Kelliher & Riley, 2003; Knox & Walsh, 2005; Riley, 1992; Riley & Lockwood, 1997). In fact, the interest of functional flexibility in the hotel industry was seen to have evolved since the late 1980s and the initial objective of functional flexibility was due to the concern for higher productivity and quality standards (Riley, 1992). This is parallel with the observation of Kelliher and Riley's (2003), where they contend that functional flexibility has been substantially employed within the service industry.

Pursuant from the study of Knox and Walsh's (2005), it is evident that higher rated hotels adopt systematic employee management techniques and the internal labour markets of these hotels are strengthened through functional flexibility. However, this is not the case of the Malaysian higher rated hotels (R. Ahmad et al., 2010). The limited efforts to practise functional flexibility in some large hotels are due to the lack of employees' enthusiasm to take on additional responsibilities (Adam-Smith et al., 2003). Employee's negative reaction towards job intensification is viewed as one of the many obstacles to implement functional flexibility (Kelliher & Riley, 2002).

The decision to implement functional flexibility is driven by the organisation's ability to utilise labour in various ways as well as its employees' ability and willingness to experience workload changes (Cavagnoli, 2008; Van der Velde & Van den Berg, 2003). Since the hotel industry is a service oriented business, the hotel business relies heavily on the quality of its employees (Van der Meer & Ringdal, 2009). The effort employees contribute to achieve hotel's organisational goals is very much dependent on how satisfied they are towards their jobs (Lam et al., 2001). Hence, the feasibility of practising functional flexibility should first consider the effects it has on employees.

2.3.1 The Outcomes of Practising Functional Flexibility

As labour market continues to grow in line with globalisation, the concurring demand of today's contemporary labour market stresses the need to have employees with multiple skills (Dekker, 2010). The work system of functional flexibility that emphasises on providing skill development opportunities (Dekker, 2010; Desombre

et al., 2006) has enabled employees to acquire new and improved skills (Dekker, 2010). In addition to facilitating the development and utilisation of employees' skills and experiences (Cavagnoli, 2008), functional flexibility also results in a stronger sense of teamwork (Desombre et al., 2006). The practice of functional flexibility that emphasises on problem-solving and the undertaking of different tasks and roles lead to increased employees' participation, loyalty and autonomy whilst encouraging employees to develop their skills (Dekker, 2010).

The principle of labour substitutability attached to the operational concept of functional flexibility signifies that it is possible for an employee to be substituted by other employees. Labour substitutability puts employees at risk because any one employee may become less crucial to the organisation (Kelliher & Riley, 2002, 2003). As skills become more prevalent in an organisation, the reliance on certain employees to perform certain tasks may be made redundant, causing employees to be more dispensable (Desombre et al., 2006; Molleman, 2009). Furthermore, when a group of employees perform similar job description, it reduces the individual's feeling of uniqueness that subsequently causes job insecurity amongst employees (Molleman, 2009).

Even though functional flexibility is seen to have negatively affected job security, Dekker (2010) argues the opposite. In comparison to employees who do not possess the attribute of flexibility, functionally flexible employees are reported to have experienced greater job security (Dekker, 2010; Kelliher & Riley, 2002, 2003). Increasing job security encourages employees' attachment and commitment to the organisation (Smith, 1994). The ability to response more flexibly to demands increases the value of functionally flexible employees in organisation (Dekker, 2010; Smith, 1994). These employees are therefore at advantage because the work systems of functional flexibility have aided their job security in terms of increased employability and marketability in the labour market (Dekker, 2010).

The conventional attempt to the principle of service finesse in the hotel industry is ascribed to the concept of overstaffing. Hence, substituting the many employees with a few multi-skilled employees is also seen to have the effect of pushing quality downwards (Nankervis, 1995). However, the counter argument of Riley and

Lockwood's (1997) holds that functional flexibility does not necessarily make worse service quality. Farrell (2009) and Desombre et al. (2006) share the same concern, affirming that functional flexibility actually does lead to enhanced service quality. The fact that quality becomes a pre-determinant of productivity suggests that functional flexibility and quality are mutually dependent (Desombre et al., 2006). The point is that when one individual takes on several tasks, it allows the provision of service to be more holistic and customer-centred (Desombre et al., 2006).

The establishing of quality management will also subsequently form coercion that forces the operation to a certain level of productivity. The techniques of quality management leading to lesser wastages, fewer complaints and lesser lost businesses indicate a form of improvement in the service process. However, the principle of functional flexibility will still be considered impractical, unless if it is included within a real strategy that links it to the maintenance of quality and productivity of businesses product and services. In order for functional flexibility to finely work, quality and functional flexibility must both share the same policy framework since they are mutually dependent (Riley & Lockwood, 1997).

Functional flexibility is also said to have enhanced greater efficiency and productivity in that it reduces employee's idle time in line with variations of workload (Kelliher & Riley, 2003). Variation of work is referred to as a way of humanising work because as it redeploys, it also alleviates work monotony (Desombre et al., 2006; Kelliher & Riley, 2003). Although functional flexibility may lead to improved productivity by reducing employees' idle time, it by the same token also insinuates work intensification (Desombre et al., 2006). This is manifested in the form of added workload, increasing difficulty and complexity of work, which subsequently increases stress (Desombre et al., 2006). This negative reaction of job intensification experienced through functional flexibility is often recounted as a hurdle to implementing functional flexibility (Kelliher & Riley, 2002).

The practice of functional flexibility does not only benefit employees, but it also benefits the employers in the long run (Kelliher & Riley, 2003; Smith, 1994). Improved redeployment due to functional flexibility enables employers to achieve a more effective internal allocation of labour. The development of skill flexibility

through work practices such as job rotation and cross-training are usually discreet to the organisations and cannot be replicated easily (Bhattacharya et al., 2005). Practising functional flexibility thus indirectly extends an organisation's competitive advantages (Dekker, 2010).

In addition, organisations that are able to rapidly respond to changes in demand through its flexibility are also able to cultivate greater creativity and innovation (Bhattacharya et al., 2005). The increasing pool of skills that generates greater labour flexibility not only reduces labour costs, but it also improves organisational efficiency and productivity. However, it is important for employers to address the possibility that functionally flexible employees may leave the organisations with greater qualifications that they have obtained from the practice of functional flexibility (Friedrich et al., 1998).

2.4 Numerical Flexibility

In the continuum of organisational flexibility, flexibility can be acquired not only by practising functional flexibility, but also through numerical flexibility. Numerical flexibility is regarded as an approach that is employed to overcome short-term ordeals (Friedrich et al., 1998). By any other name, numerical flexibility is sometimes referred to also as 'quantitative flexibility' where the quantities of employees varied in accordance to the need of the business (Horstman, 1988). This signifies that with numerical flexibility, the adjustment of employment level is made easier through a range of non-standard employment strategies (Riley, 1992). The process to obtain numerical flexibility may also be described as 'distancing', in which it involves the transfer of labour beyond the direct employees of the organisation (Anderson, Brosnan, & Walsh, 1994). Conley (2006) on the other hand, regards numerical flexibility as a form of 'casualisation' where employees are engaged for additional work on an as needed basis (Walsh, 1990).

Common to the arrangement of numerical flexibility is a non-standard employment, in which numerical flexibility is obtained through the employment of non-permanent employees when organisations lacked the authority and resources to hire (Anderson et al., 1994; Kalleberg, 2003). In effect, the pursuit of numerical flexibility is very

much adhered to the ideology of externalisation that provides employers with more options to utilise external labour (Kalleberg, 2001). The externalised labour as Kalleberg (2001) describes, are those who are not an organisation's regular or full-time employees. Externalisation may also refer to the externalising of administration job to temporary agency or contract workers. For those who are employed in such a way, they are regarded as employees of the agency or the contract company, and not the employees of the organisation in which they work for (Kalleberg, 2001).

Numerical flexibility involves various kinds of non-standard employment such as part-time employment (Anderson et al., 1994; Michie & Sheehan, 2005; Nankervis, 2000) where individuals are employed either casually (Conley, 2006; Nankervis, 2000; Reilly, 1998; Walsh, 1990) or temporarily (Anderson et al., 1994; Michie & Sheehan, 2005; Reilly, 1998; Smith, 1994). Casual employees are employed when they are required to cover for unpredictable fluctuations such as seasonal variation whilst temporary employees are employed for a period of time to replace for absences of full-time employees (Houseman, 2001; Price, 2007; Walsh, 1990).

Numerical flexibility also means hiring on-call labour who are only called in to work when required (Nankervis, 2000). The use of short fixed-term contract employees (Anderson et al., 1994; Michie & Sheehan, 2005; Reilly, 1998) who are employed by other organisations allows client organisations to use their resources in accordance to the supply and demand gap (Houseman, 2001). This form of numerical flexibility is also referred to as agency labour (Michie & Sheehan, 2005; Reilly, 1998). Agency labours are paid through the employment agency and not through the organisations that they work for (Houseman, 2001).

The conventional reason leading to the practice of numerical flexibility is to reduce the quantity of labour (Houseman, 2001). In a way, numerical flexibility facilitates a quicker expansion or deflation of the labour supply and it usually involves disposable external labour forces (Horstman, 1988). Organisations pursuing numerical flexibility achieve this through the use of employees with non-standard employment (Michie & Sheehan, 2005). These employees are usually recruited on an as needed basis to meet unexpected demand and they can be disposed based on an organisation's consensus (Horstman, 1988; Kalleberg, 2003).

Practising numerical flexibility not only enables organisations to reduce the numbers of labour, but it allows organisations to control and limit the duration of employment (Kalleberg, 2001). This is because the use of numerical flexibility has enabled organisations to employ external employees for limited periods, as of when and where required (Horstman, 1988; Kalleberg, 2001). In times of weaker demand or in cyclical downturns, employers may opt to temporarily layoffs employees as in cases of restructuring or downsizing where employers may settle on for dismissals (Van Jaarsveld et al., 2009).

Parallel with the objective to minimise costs (Brien, 2010; Farrell, 2009; Kalleberg, 2001, 2003; Van Jaarsveld et al., 2009; Walsh, 1990), organisation practises numerical flexibility so as to provide a particular group of employees with lower wages (Houseman, 2001). In the hotel industry where labour utilisation is intensive, the ability to control the cost of people is therefore vital (Lucas, 1989). Practising numerical flexibility allows employers to delimit the benefits of a particular group of employees (Houseman, 2001). Employing numerically flexible employees is a cost-saving measure (Michie & Sheehan, 2005) because numerically flexible employees generally cost less in wages as they are not entitled to receive fringe benefits (Kalleberg, 2003).

The desire to restrict labour expenditures alongside with changes in work organisation and job design is one of the factors leading to increased reliance on numerical flexibility (Van Jaarsveld et al., 2009). The reliance on numerical flexibility is regarded as part of a wider process of employment restructuring that incorporates strategies to facilitate an organisation's agility and competitiveness (Johnson, 2004) and productivity (Walsh, 1990). This proves that the reason organisations confide to numerical flexibility is not primarily based on the purpose to minimise labour costs but also to meet service demands (Van Jaarsveld et al., 2009) and to help with the extension or reduction of labour supply (Horstman, 1988).

Nevertheless, the most commonly cited reasons to practise numerical flexibility are usually associated to fluctuations in workload and to cover for absences (Houseman, 2001; Kalleberg, 2003). Numerical flexibility facilitates the organisation and arrangement of contingency employees in line with workload fluctuations (Smith,

1994). Accustomed to flexible operational arrangements, numerical flexibility allows organisations to adjust staffing levels to fluctuations. This way, employers can avoid from having to continually maintain maximum staffing (Houseman, 2001). This means, by engaging numerically flexible employees on an ad hoc basis, employers will be able to conceal impermanent demands at minimum cost and revert back to minimum staffing levels when required (Walsh, 1990).

To cope with workload fluctuation, organisations may create multiple layers of numerically flexible employees through the rotation of permanent employees and the hiring of temporary and part-time employees (Smith, 1994). Although the ideology of numerical flexibility is commonly linked to the use of non-standard employment, Kalleberg (2003) argues that numerical flexibility is also depicted in such a situation where permanent employees are required to work overtime. After all, the notion of numerical flexibility lies within the ability of an organisation to adjust the size of its workforce when faced with fluctuating demand.

Based on the incidence of high levels of contingent labour such as part-time employees (Anderson et al., 1994; Houseman, 2001), casual labours (Anderson et al., 1994), on-call labours (Houseman, 2001), it is thus evident that numerical flexibility is often used in the hotel industry as a solution to cost control. The survey conducted by Boreham et al. (1996) further confirmed that the use of non-standard working arrangement is common even amongst larger hotels, with 40 per cent of large workplaces exhibiting a larger use of numerical flexibility compared to under 20 per cent in smaller workplaces. Knox (2002a) however contradicts the assertion that numerical flexibility is prominent in higher rated hotels that are essentially more inclined to adopt innovative practices.

In the hotel industry, the matching of staffing level to fluctuations which later result in the use of part-time employees is seen as a cost saving strategy (Warhurst et al., 2008). According to Walsh (1990), part-time employees constitute an important element of the hotel labour forces because the employment level is related to unforeseen demand fluctuations and the extent of extra functions. The typical example of numerically flexible employees sees that they are only employed to work for a limited period in order to buffer regular full-time employees from unanticipated

workloads (Smith, 1994). The employment of numerically flexible employees to facilitate the tailoring of shifts is particularly crucial in order to match seasonal demands and to counter off the issue of seasonality (Nankervis, 2000). It is with regards to this that numerical flexibility is considered an essential practice even in the hotel industry.

2.4.1 The Outcomes of Practising Numerical Flexibility

As evident in the study conducted by Farrell (2009), management is found to have benefited from the practice of numerical flexibility. According to Farrell (2009), numerical flexibility not only aids in cost control, but it also serves as tool to help organisations to cope with environmental circumstances. Principally, the economic benefit of numerical flexibility stemmed from savings in labour costs and pay restrictions as numerically flexible employees are only paid according to the hours they worked (Walsh, 1990). The use of short-term contracts or leasing through temporary agencies improves an organisation's competitive advantages through the use of cost minimisation strategy. (Brown & Crossman, 2000; Kalleberg, 2001, 2003; Van der Meer & Ringdal, 2009). In a nutshell, the use of numerically flexible employees signifies the controlling of total wage cost through the regulation of numerically flexible employees' working hours (Buultjens & Howard, 2001).

Employers also found it easier to adjust staffing levels to actual demand (Håkansson & Isidorsson, 2012) because numerical flexibility enables a quicker contraction or expansion of labour supply (Horstman, 1988). Through numerical flexibility, organisations are able to create a small and stable core workforce through the process of distancing, where labour are transferred beyond the direct employees of the organisation (Anderson et al., 1994). The existence of numerically flexible employees enables permanent employees to achieve their shifting goals and to maintain continuity and quality of their services (Smith, 1994). Nonetheless, the practice of numerical flexibility creates a 'polarised division of labour' where permanent employees are responsible to carry out the more complex jobs whilst temporary employees are directed to perform the most routine jobs that do not require much training and skill (Smith, 1994).

Unforeseen efficiencies and conflicts may surface when organisation practises numerical flexibility (Smith, 1994). The impression of numerical flexibility in line with what Smith (1994) termed as “restrictive approach” disproves the objective of practising numerical flexibility for cost saving purpose. According to Smith (1994), the principle of restrictive approach that focuses on the externalisation of employees and work processes affects labour processes and employment relationship. As Houseman (2001) concludes, many have indeed regarded the development of numerical flexibility as “troubling, arguing that companies use these arrangements to increase work force flexibility, which translates into less job security for workers, or to circumvent employment and labor laws, which often do not cover workers in flexible arrangements” (p. 149).

The employment of numerically flexible employees according to Farrell (2009), creates disparities in the work environment. Numerically flexible employees are assumed to be less concerned about the outcome of their jobs (Smith, 1994). As a result, they failed to pay due conscientious diligence towards their jobs. Similarly, they do not perceive standards as a matter of substance (Smith, 1994). In response to the expected inconsistent work of numerically flexible employees, permanent full-time employees are required to once more organise their efforts around the inconsistencies, which is essentially counterproductive (Smith, 1994). As a result, part-time employees are undermined based on the reasons that they are not as dedicated and they could not be confided to share the team’s commitment (Smith, 1994). Therefore, they are usually at disadvantage because they lacked mobility opportunities and they are highly susceptible to job insecurity (Smith, 1994).

As the ultimate goal of numerical flexibility is to control and minimise labour costs (Farrell, 2009; Kalleberg, 2001; Van Jaarsveld et al., 2009; Walsh, 1990), employers avoid whatever employment costs that are deemed unnecessary (Anderson et al., 1994). They tend to avoid the costs of training and supervision and a variety of other costs associated with health and safety measures, levies and minimum wages as well as accident and redundancy compensations (Anderson et al., 1994; Smith, 1994). In effect, those costs are not actually avoided, but they are passed on at the expense of numerically flexible employees as risk (Anderson et al., 1994).

Considering that it is not necessary that numerically obtain certain job knowledge as full-time employees are supposed to (Smith, 1994), trainings are often minimised or even eliminated (Anderson et al., 1994; Smith, 1994). The lack of training is then reflected as incompetency, which may then be the cause of accidents and poor quality. In the view that employers have limited the application of legal minimum condition of numerically flexible employees, the risk and cost of accidents associated with them are thus not borne by the employers, but the employees themselves (Anderson et al., 1994).

Drawn from the study conducted by Anderson et al. (1994) in New Zealand, employers could not legally use non-standard labour as a source of low cost labour and employ them on markedly inferior terms. Since non-standard labour are not protected by several employment legislatives such as Minimum Wage Act, Parental Leave and Employment Protection Act (Anderson et al., 1994), employers thus took advantage of this loophole. This explains the reason of non-coverage of benefit and compensation that indirectly fashions numerically flexible employees as a cheaper source of labour (Kalleberg, 2003).

2.5 The Linkages between Functional Flexibility and Numerical Flexibility

Though it is possible to practise numerical flexibility and functional flexibility concurrently, it is worth mentioning that “a bifurcated staffing system does not necessarily operate in a seamless fashion” (Smith, 1994, p. 300). Different types of flexibility are sometimes adversely congruent and are not always compatible (Riley, 1996). Echoing Riley’s (1996) arguments, Martínez-Sánchez et al. (2008) add that the two forms of flexibility are rather different because they are operationalised at a different level and governed by different people in the organisation. Van der Meer and Ringdal (2009) argue that organisations are left with the option to either practise functional flexibility or numerical flexibility, but not both.

Whilst some researchers are more inclined to look at organisational flexibility either in the form of functional flexibility or numerical flexibility separately, other researchers seek to explain how organisations are able to concurrently practise these two different forms of flexibility (Kalleberg, 2001, 2003). Fundamentally, functional

flexibility and numerical flexibility can work in tandem as they can be integrated to form an avenue of staffing and organising of labour processes (Smith, 1994). Despite the highlighted reasons, several studies have found that numerical flexibility and functional flexibility are complementary rather than substitutable (Cappelli & Neumark, 2004; Kalleberg, 2001, 2003).

Organisations that are in the urge to practise flexibility may find that operating both numerical and functional flexibility simultaneously is in fact uncomplicated at all (Cappelli & Neumark, 2004). Cappelli and Neumark (2004) assert that it is comparatively more effective to put efforts into multiple mechanisms to achieve a given result than into only one (Cappelli & Neumark, 2004). The answers to whether or not functional flexibility and numerical flexibility can be practised simultaneously or in insolation is summarised in Figure 2.2.

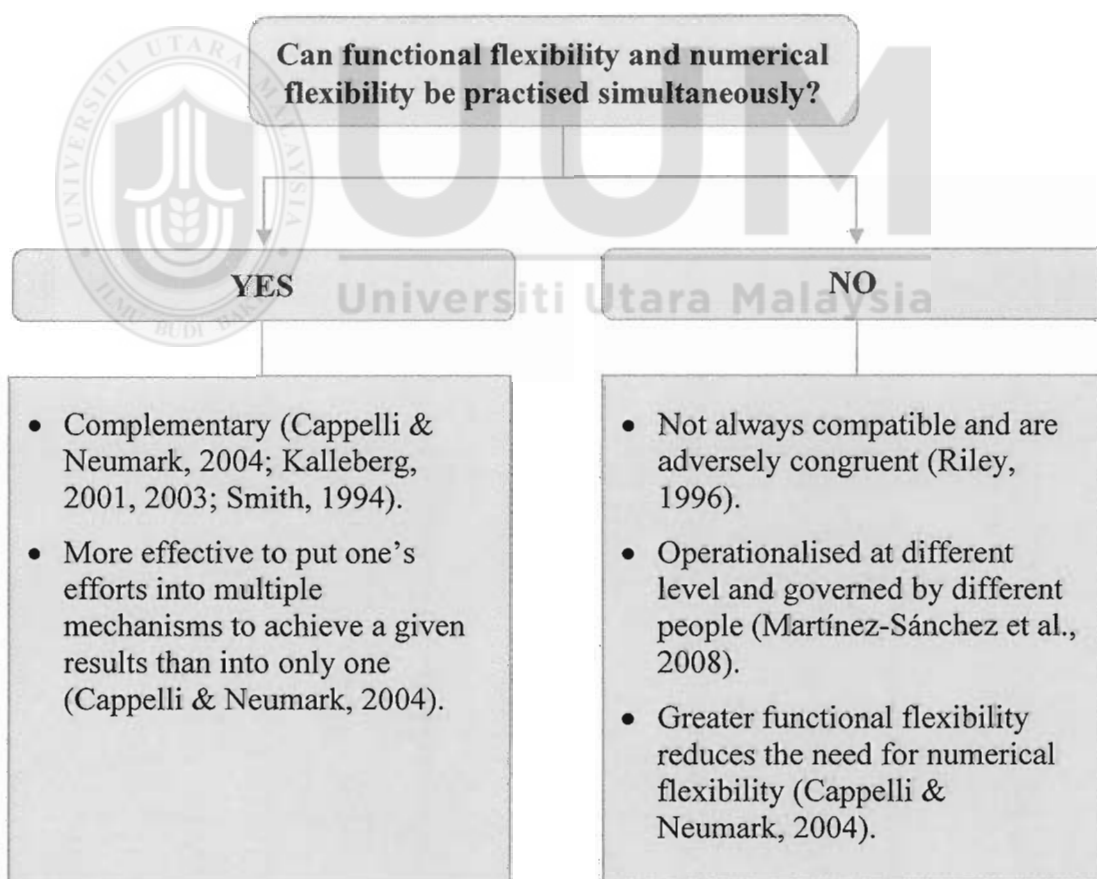


Figure 2.2. The linkages between functional and numerical flexibility
Source: Developed for this study.

2.6 Theoretical Perspective of the Study

According to Beltrán-Martín et al. (2008), it is important to describe the study of flexibility within a theoretical approach that provides structural logic for conceptualisation of the concept. In this study, the resource-based view (RBV) underpins the need to explore how Malaysian higher rated hotels manage their resources and capabilities in order to respond to external environmental impact such as the implementation of minimum wage policy. The RBV further facilitates the investigation on how the resources and capabilities are integrated as a strategy to achieve organisational flexibility.

2.6.1 Resource-Based View

In a dynamic environment, the RBV posits that competitive advantages can be sustained if organisation “possesses strategic flexibility which requires that its resources are inherently flexible, and it has capabilities to redeploy such resources quickly, and at low cost to meet the demands of the changing environment” (Ketkar & Sett, 2010, p. 1173). The studies conducted by De La Lastra et al. (2014) and Beltrán-Martín et al. (2009) in the same subject of organisational flexibility were also founded based on the RBV. With organisational flexibility, organisations are able to enhance their employees’ skill through functional flexibility. Cultivating employees’ skills thus enables organisations to obtain a set of varying routines that can be used in response to dynamic environment (Bhattacharya et al., 2005).

Numerical flexibility on the other hand, complements the practice of functional flexibility especially when organisations need to adjust the number of employees in accordance to fluctuation. With numerical flexibility, organisations are able to align and configure its human resources as needed (Lepak, Takeuchi, & Snell, 2003). Thus, it portrays a quicker response to changing environmental conditions. The RBV therefore provides legitimate rationale to how an organisation’s human resources are indeed a potential source of competitive advantages. The bridging between the fields of strategy and human resource (Wright, Dunford, & Snell, 2001) through the coordination of both functional flexibility and numerical flexibility serves as a tool to survival in the face of environmental changes.

The RBV is attributed to the arrangement of organisation assets and capabilities (Clardy, 2008). In essence, the RBV advocates that to sustain organisational strategy is to embed the strategy into the organisation's resources and capabilities. The RBV is central to this study for two reasons. First, it emphasises the value of human capital (Youndt & Snell, 2004) and second, it portrays that the achieving of competitive advantages is linked to competent and skilled human capital (De La Lastra et al., 2014).

The RBV postulates that organisation strategy is dependent on resource endowments that are formed by an organisation's assets, which is essentially known as the tangible factors of the organisation (Clardy, 2008). Capabilities, on the other hand, are regarded as an organisation's ability to position its assets by means of a set of operational routines or systems (Clardy, 2008; Hooley, Broderick, & Möller, 1998). In general, organisational capability is about employing quality individuals and capitalising their contribution to the organisation through a set of effective human resource practices (Kelliher & Riley, 2002). Capabilities fundamentally prevailed in the skills and competencies of an organisation's human resource (Clardy, 2008). It is through valuable resources that organisations gain and retain competitive advantages (Leeuw & Volberda, 1996).

The development of core competencies enhances individual's strategic skills, and thus creates more valuable resources (Youndt & Snell, 2004). At a corporate level, competencies are determined in terms of the organisation's ability to set its direction and how it manages the acquisition and internalisation of knowledge as well as the portfolio of activities. Competencies at this level ensure that resources are utilised to the fullest. The ability of senior management to identify and to relate to environmental trends and industry events are thus crucial as they are the ones who form strategic competencies (Hooley et al., 1998).

To summarise, the RBV advocates that the extent to which an organisation can learn and adapt is strongly rooted to its resources and capabilities. It explains how organisation grows and competes in dynamic business environments where organisational flexibility as a strategy, forms an important aspect between the organisation and its environment (Leeuw & Volberda, 1996).

2.7 Conceptual Framework

In an unwarranted environment, organisational flexibility unfolds as a verdict for organisations' survivals (Beltrán-Martín et al., 2008). Based on Figure 2.3, the external environment indicates the environmental impact resulted from the current implementation of the national minimum wage policy. In effect, the implementation of the minimum wage policy influences the human resources strategy adopted by organisation. The external environment is illustrated in the conceptual framework, not because it is the central focus of this study, but because it is what constitutes as the background of this study. Similarly, the innovative work processes as indicated in the framework illustrates the possible organisational strategy that can be adopted by organisations to counter off the effect of environmental changes.

Organisational flexibility in the framework indicates the type of management and practices an organisation undertakes, and is implicit to what capabilities are in the RBV theory. The focus of study as evident in the conceptual framework is developed based on the three research objectives that are highlighted in bold. The subject of organisational flexibility, the two forms of organisational flexibility and the outcomes refers to the three areas explored in this study. Figure 2.3 illustrates an initial framework proposed for this study.

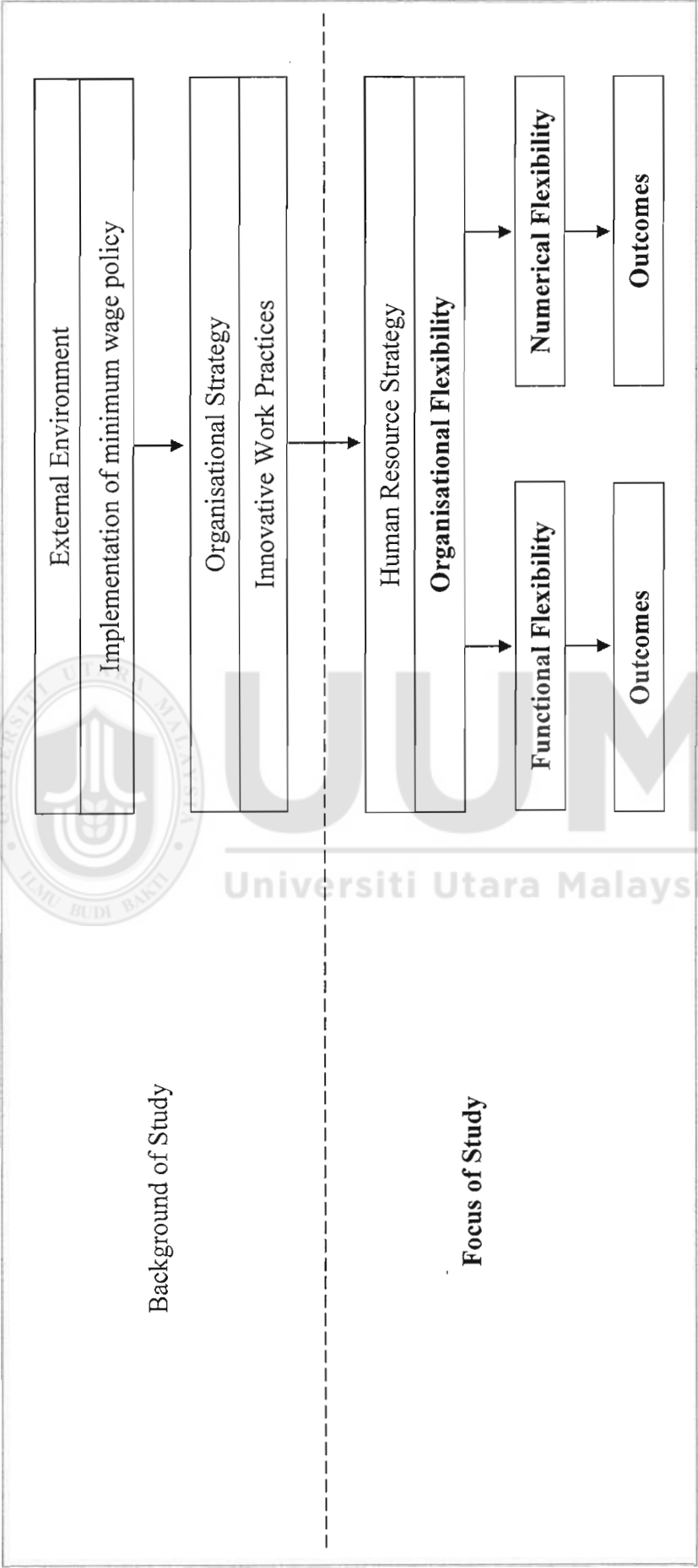


Figure 2.3. Initial conceptual framework
Source: Developed for this study.

2.8 Conclusion

This study investigates how hotel organisations in Malaysia respond to the pressures of increasing labour costs. This thus justifies the adoption of organisational flexibility. Albeit there are evidences that organisational flexibility is a strategy that can be well-operated in hotels (Farrell, 2009), the introduction will not be possible without first taking cognisance of the organisation's management culture (Guerrier & Lockwood, 1989). For organisational flexibility to operate successfully in the long run, it has to be assimilated as a component of organisational adaptability (Knox & Walsh, 2005) and be strategically integrated in to the organisation's human resource policies and strategies (Kelliher & Riley, 2002). In the next chapter, the methodology guiding the investigation of this study is explained.



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CHAPTER 3

METHODOLOGY

3.0 Overview

This chapter begins with the introduction to the chapter in which the terms methodology and method are defined. Subsequent to the construing of related terms, this chapter then moves on to the research design, providing explanations on the research elements that this study adheres to. It rationalises and justifies the reasons to employ a qualitative methodology before it proceeds to the discussion of the interview method. The discussion that follows thereafter progresses on to the data gathering phase that illustrates the sampling strategies of this study. Next, it explains the thematic content analysis used to analyse the data collected. Finally, the ethical considerations of a qualitative research are discussed.

3.1 Introduction

To begin with, it is vital that the terms methodology and method are explained beforehand to prevent the onset of confusions regarding the use of the terms following this study. To provide apprehensible meanings of the different terms used, this chapter briefly explains what methodology and method generally mean and what each term corresponds to in line with the context of this study.

Methodology as Silverman (2000) defines, is “a general approach to studying research topics” (p. 88). It relates to a process where the research design and choice

of particular methods in relation to the research are justified (King & Horrocks, 2010). The term methodology used throughout this chapter and the chapters that follow refer to a research design that guides and determines the direction of this study. In the sphere of this study, methodology is illuminated as an ‘approach’ that

describes a flexible set of guidelines to conduct research (Jennings, 2010). There are primarily two approaches to conduct a research, namely, the qualitative research approach and the quantitative research approach. Considering that the main research question of this study is exploratory in nature, this study thus takes cognisance of the qualitative research methodology.

Subsequently ensue from the decision to follow a qualitative approach, suitable tools for information gathering have to be determined (Jennings, 2010). It is at this stage that 'method' or as Silverman (2000) terms it, "specific research techniques" (p. 79) is brought into picture. Method as Jennings (2010) illustrates is "the specific tools of data and/or empirical material collection and analysis/interpretation/(re)construction that a researcher will use to gather information on the world and thereby subsequently build 'theory' or 'knowledge' about that world" (p. 35). Drawn from these collective meanings of method, the term method used in this study thus refers to the interview techniques or procedures that are used to collect and analyse data.

3.2 Research Design

The research design of this study is explained in terms of the six processes involved in this study. The first section of 3.2.1 discusses the rationale of employing a qualitative methodology. The qualitative methodology is deemed the most suitable methodology because it enables the subject of organisational flexibility, which has not been extensively researched to be thoroughly explored.

Section 3.2.2 justifies the reason of employing the interview method. Though qualitative researchers typically rely on the two most prominent methods, namely observation and interview (Gerson & Horowitz, 2002), this study only focuses on the interview method. The observation method is not employed because to conduct observation in private premises, permission needs to be obtained (Veal, 2006). In the case of this study, researcher was not granted the permission to access into private areas such as management offices due to safety and security reasons.

In Section 3.2.3, the reasons that the selection of sample included only hotels and respondents that are practising organisational flexibility are justified. Section 3.2.4 provides rationalisation to why the data of this study are analysed following Zhang

and Wildemuth’s (2009) qualitative content analysis. The issue of credibility and dependability of this study is addressed through triangulation in Section 3.2.5. Data triangulation is employed to increase the credibility of this study whilst investigator triangulation is employed to increase dependability. Section 3.2.6 discusses the ethical considerations of this study, with interviews only conducted upon respondents’ consents and attention given to data confidentiality and accuracy of data interpretation. The research design of this study is summarised in Figure 3.1 below, in which it also depicts the flow and structure of this chapter.

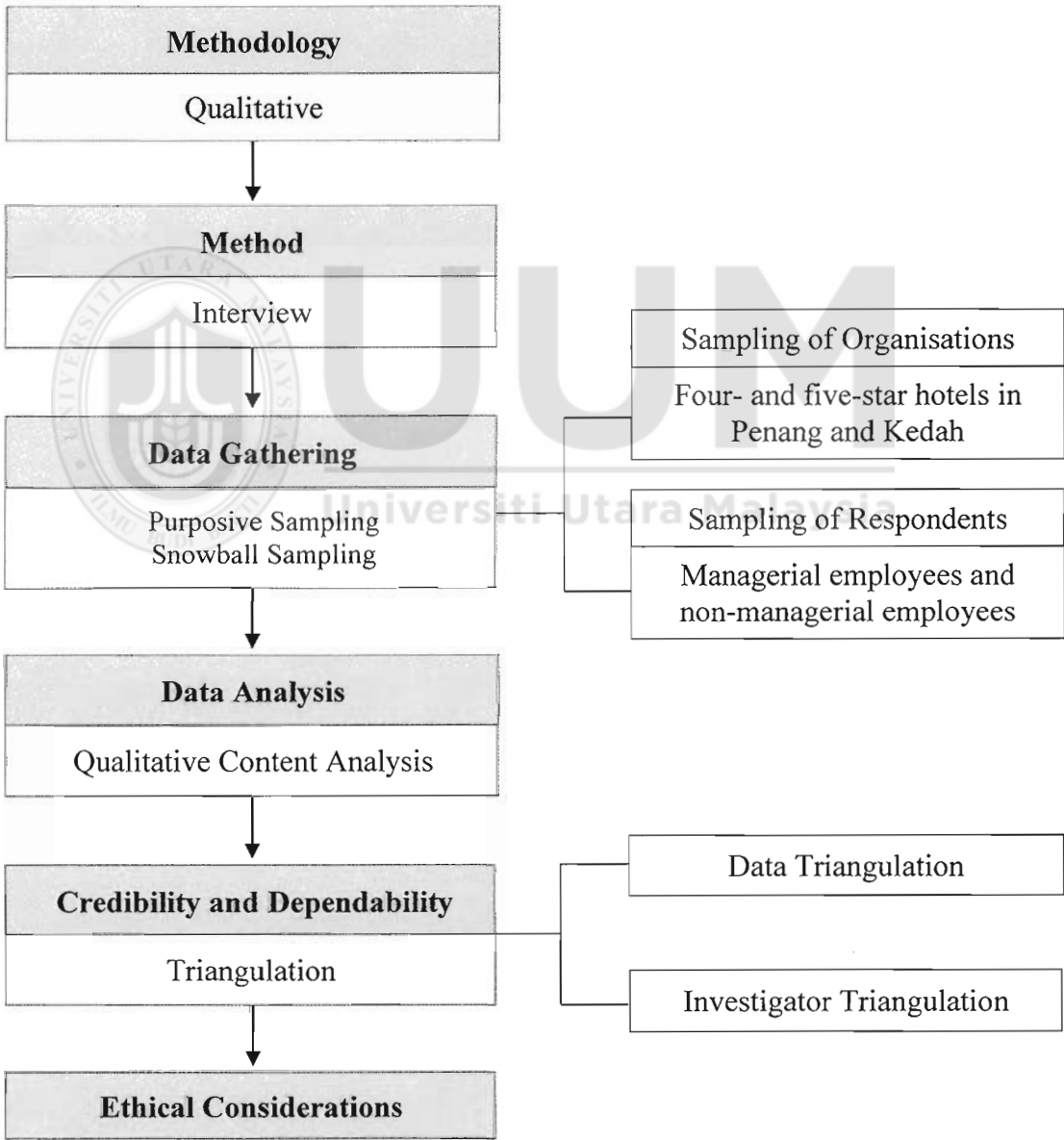


Figure 3.1. Research design
Source: Developed for this study.

3.2.1 Qualitative Research Methodology

Qualitative research uses an emerging approach to inquiry and is inductive in nature (Creswell, 1994, 2007; Jennings, 2010; Veal, 2006). Denzin and Lincoln (1994, 2008) view qualitative research as a field of inquiry, whereas Babbie (2011) analogously sees inquiry as an activity. Qualitative research is an inquiry strategy which connects the researcher to a particular method of data collection and analysis. It encompasses a package of skills, assumptions and practices so that interpretation can be contrived into motion (Denzin & Lincoln, 2008).

Qualitative tourism research “commences in real-world settings, that is in the empirical social world where empirical materials about the tourism phenomenon are gathered, then interpreted/(re)constructed, and theoretical constructions are either generated or modified” (Jennings, 2010, p. 21). It investigates the realm from the inside perspectives of its participants and it views the formation of social life as the result of interaction and interpretations (Decrop, 2004).

Whilst the presence of quantitative studies on the subject of organisational flexibility in the service industry is inevitable (Chen & Wallace, 2011; Deery & Jago, 2002; Knox, 2002a; Riley & Lockwood, 1997), a majority of studies on organisational flexibility in the service industry are qualitative in nature (Desombre et al., 2006; Guerrier & Lockwood, 1989; Kelliher & Riley, 2002, 2003; Knox & Nickson, 2007; Lockwood & Guerrier, 1989; Soltani & Wilkinson, 2010; Walsh, 1990). The fact that this area of study has not been extensively researched especially in the Malaysian hotel industry proves that the use a qualitative approach that emphasises the value-laden nature of inquiry is therefore most apposite (Denzin & Lincoln, 2008).

Aligned with the context of this study, qualitative approach is reckoned to be in coherence with the main research question of this study that seeks to provide answers to the question on how organisational flexibility is being practised in Malaysian higher rated hotels. As qualitative research seeks to understand social phenomena from an insider’s perspectives by analysing experiences of individuals or groups (Decrop, 2004; Flick, 2007a), the use of the qualitative approach to attain the objectives of this study is most suitable (Denzin & Lincoln, 2008). Besides forming the core of a research inquiry (Marshall & Rossman, 2011), qualitative methodology

also provides a deeper understanding of social phenomena (Silverman, 2000). The qualitative methodology is hence the most suitable approach as it offers rich and meaningful insights to the practice of organisational flexibility in Malaysian higher rated hotels.

3.2.2 Interview Method

According to Kvale (1996), “an interview is a conversation that has a structure and a purpose” (p. 6). Babbie (2011) goes on to further elaborate interview as “an interaction between an interviewer and a respondent in which the interviewer has a general plan of inquiry including the topics to be covered, but not a set of questions that must be asked with particular words and in a particular order” (p. 340). The purpose of interview is to acquire qualitative descriptions of the life world of the subject, respective to the interpretation of their meaning (Kvale, 1996).

Interview is employed when the focus of the research is to establish common patterns or themes (Warren, 2002). In interviews, information are obtained by directly asking the respondents questions (Kasim, 2006) and thereby, knowledge is constructed through the interaction between the researcher and respondent (Kvale, 1996). According to Kasim (2006), there are various ways to conduct an interview and the structure varies accordingly, ranging from structured interviews that follow a sequence of well-organised question to open and unstructured interviews where specific themes exist but without pre-set questions (Kvale, 1996).

This study employs a semi-structured interview which is in line with the exploratory nature of this study. This is in accordance to the contention that “an exploratory interview is usually opened with little pre-planned structure” (Kvale, 2007, p. 38). As this study seeks to explore the practice of organisational flexibility, employing semi-structured interviews therefore allow researcher the possibility to probe and generate in-depth and richer information (Minichiello, Aroni, Timewell, & Alexander, 1995).

In a semi-structured interview, the phrasing of questions and its order are rather flexible and it sometimes allows respondents to lead the interviews in unanticipated directions (King & Horrocks, 2010). Whilst adding some structure to the interview, the ordering of the discussion about the issues on the list may vary between

interviews (Jennings, 2010). Although semi-structured interviews are endowed with some form of openness and flexibility to its structure (King & Horrocks, 2010; Kvale, 1996), it upholds the element of researcher's control to ensure that the interview does not deviate to irrelevant subjects (Kasim, 2006).

In this study, each interview session is scheduled within 30 to 90 minutes. The interviews are audio-recorded (taped) and transcribed as note taking. Audio-recording is used with the consent from respondents. Audio-recording is vital because "the need to record data in a durable medium follows from the requirement of replicability" (Krippendorff, 1980, p. 53). However, in cases where respondents are not comfortable that their conversations are being tape-recorded, then note taking is acceptable (Minichiello et al., 1995). All of the respondents of this study agreed for the interview conversation to be audio-recorded.

3.2.2.1 *Interview Guide*

According to Kvale (1996), an interview guide signifies the focuses of the research and its sequences in an interview. It comprises some basic topics that are to be reported on or a sequence of comprehensively detailed questions. In a semi-structured interview guide, topics that are to be covered are outlined along with suggested questions (Kvale, 1996). The interview questions can be evaluated with reference to two dimensions. First, thematic questions with reference to research theme and second, dynamic questions which are formed based on interpersonal relationship that developed during the interview. Thematic interview questions are related to the root, theoretical conceptions and the analysis of the research whilst dynamic questions are related to respondent's experience and their feelings (Kvale, 1996). Both thematic and dynamic interview questions are employed in this study.

The interview questions employed in this study are newly developed in reference to the literatures. Unlike quantitative studies that often employ tested instruments that are presently available from past literatures (Silverman, 2000), such an approach is not necessary for qualitative studies, especially those that are descriptive and exploratory in nature (Miles, Huberman, & Saldaña, 2014). According to Miles et al. (2014), employing the use of instruments from previous studies is impractical in

qualitative studies because “if you are running an exploratory, largely descriptive research, you do not really know the parameters. So heavy initial instrumentation or closed-ended devices are inappropriate” (p. 39). This is particularly relevant to the objectives of this study that seeks to explore and discover the practice of organisational flexibility in Malaysian higher rated hotels.

The interview of this study is broadly guided by the following general questions (refer to Table 3.1) whilst a detailed interview guide is attached in Appendix 1. In order to avoid the use of jargons, the term functional flexibility in the detailed interview guide are substituted with laymen term such as job rotation, multi-skilling, job enlargement and cross-skilling whilst the term numerical flexibility is substituted with the term casual workers and agency workers as applicable to the context of the hotel under study.

Table 3.1
Interview Guide

Research Objectives	Interview Questions
1. To explore the purpose of practising organisational flexibility in Malaysian higher rated hotels	a) Why is functional flexibility being practised in this hotel? b) Why is numerical flexibility being practised in this hotel?
2. To discover how organisational flexibility is being practised in Malaysian higher rated hotels	a) How is functional flexibility being practised in this hotel? b) How is numerical flexibility being practised in this hotel?
3. To identify the outcomes of practising organisational flexibility in Malaysian higher rated hotels	a) What are the outcomes of practising functional flexibility in this hotel? b) What are the outcomes of practising numerical flexibility in this hotel?

In answering the research objectives, only hotels that are already practising organisational flexibility were interviewed. The English language remains as the main medium of communication throughout the interview session. However, in order to ensure that the interview questions can be understood by all respondents, the interview questions are translated into the Malay language to facilitate respondent who are not comfortable with the English language.

3.2.3 Data Gathering

The sampling strategy section revolves around the subjects pertaining to sampling technique, sample size and the selecting of organisations and respondents. In most cases, the qualitative research methodology is inclined towards purposive sampling (Flick, 2007a). In this study, the purposive sampling technique was employed at the initial stage so decisions on who or what study units are involved in the study can be determined (Jennings, 2010). Snowball sampling then takes place when the first respondent was asked to name other hotels that are also practising organisational flexibility (Bloomberg & Volpe, 2008).

The sampling of organisations and the identifying of suitable respondents to be interviewed from the identified hotels then follow. The exploratory nature of this qualitative research suggests that interviews are conducted until the point of saturation, where further interviews yield little or no new knowledge (Kvale, 1996). Hence, the numbers of interview respondents were not predetermined, but were relied on data saturation. To ensure saturation and consistency of data, the same interview guide as Morse (1994) suggested, was used in all of the interviews.

It is important to note that only higher rated hotels in Penang and Kedah that practise organisational flexibility were selected as the sample of this study. A total of five higher rated hotels were selected in this study with two hotels located in Penang and three hotels located in Kedah. Similarly, only employees who are involved in the practice of organisational flexibility were selected as the respondents of this study. Although the practice of organisational flexibility comprises of functional and numerical flexibility, the sampling of respondents included only employees who are involved in the practice of functional flexibility. Numerically flexible employees

were omitted from this sample because their temporary attachment indicates that information cannot be fully yielded from these employees. The sampling technique used in this study is summarised in Figure 3.2 below.

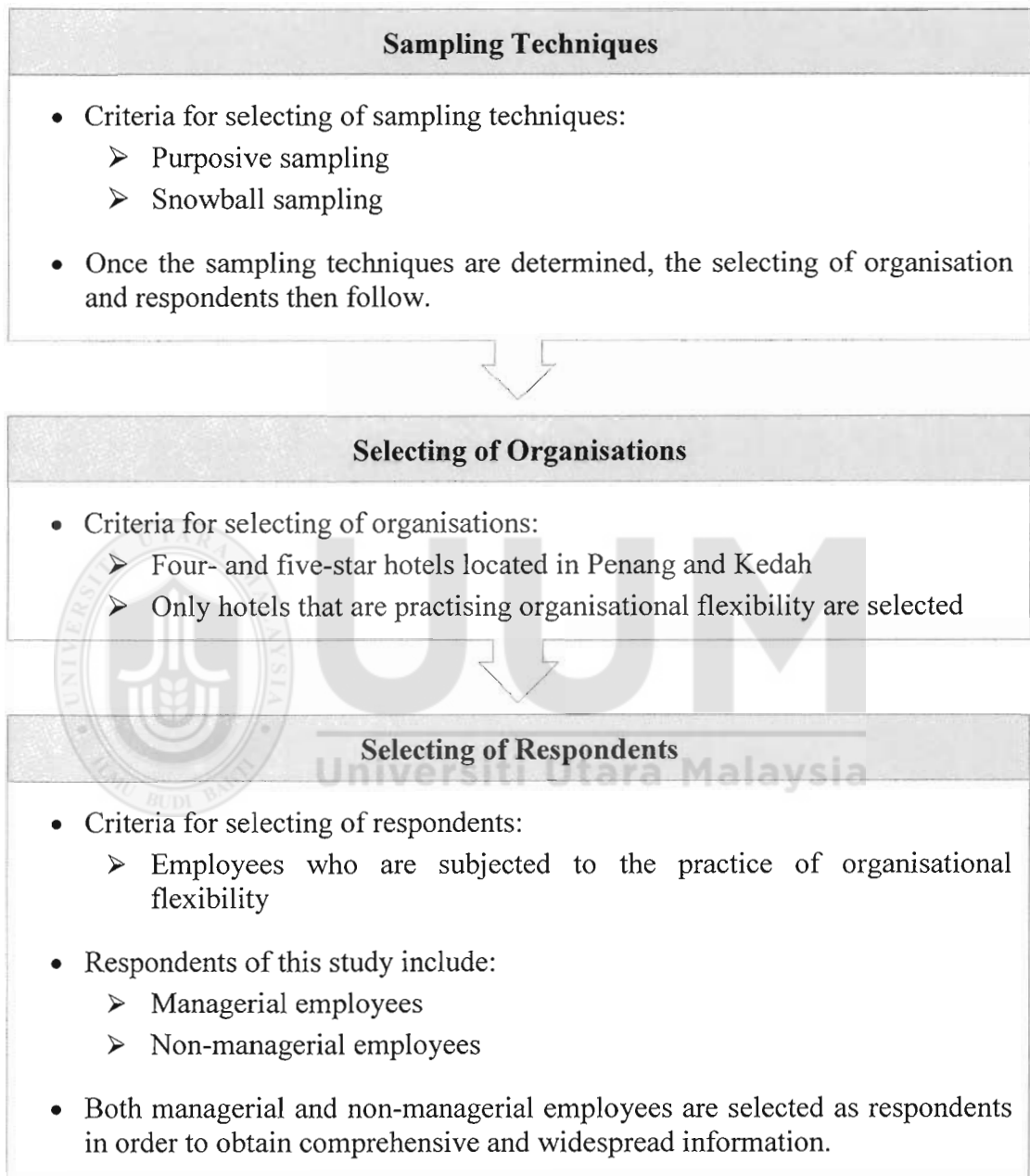


Figure 3.2. Summary of sampling strategy
Source: Developed for this study.

3.2.3.1 Sampling of Organisations

In adhering to the purposive sampling technique employed in this study, only four- and five-star hotels in Penang and Kedah that are practising organisational flexibility were selected as the sample of this study. Only higher rated hotels were selected in this study because these hotels which are usually larger in size and operation remain an important segment of the industry and therefore, contribute to the largest amount of gross value economy output (Department of Statistics Malaysia, 2011). The sampling of organisations is depicted in Figure 3.3 below whilst the detailed elaboration of the sampling strategy is elucidated in subsequent paragraphs.

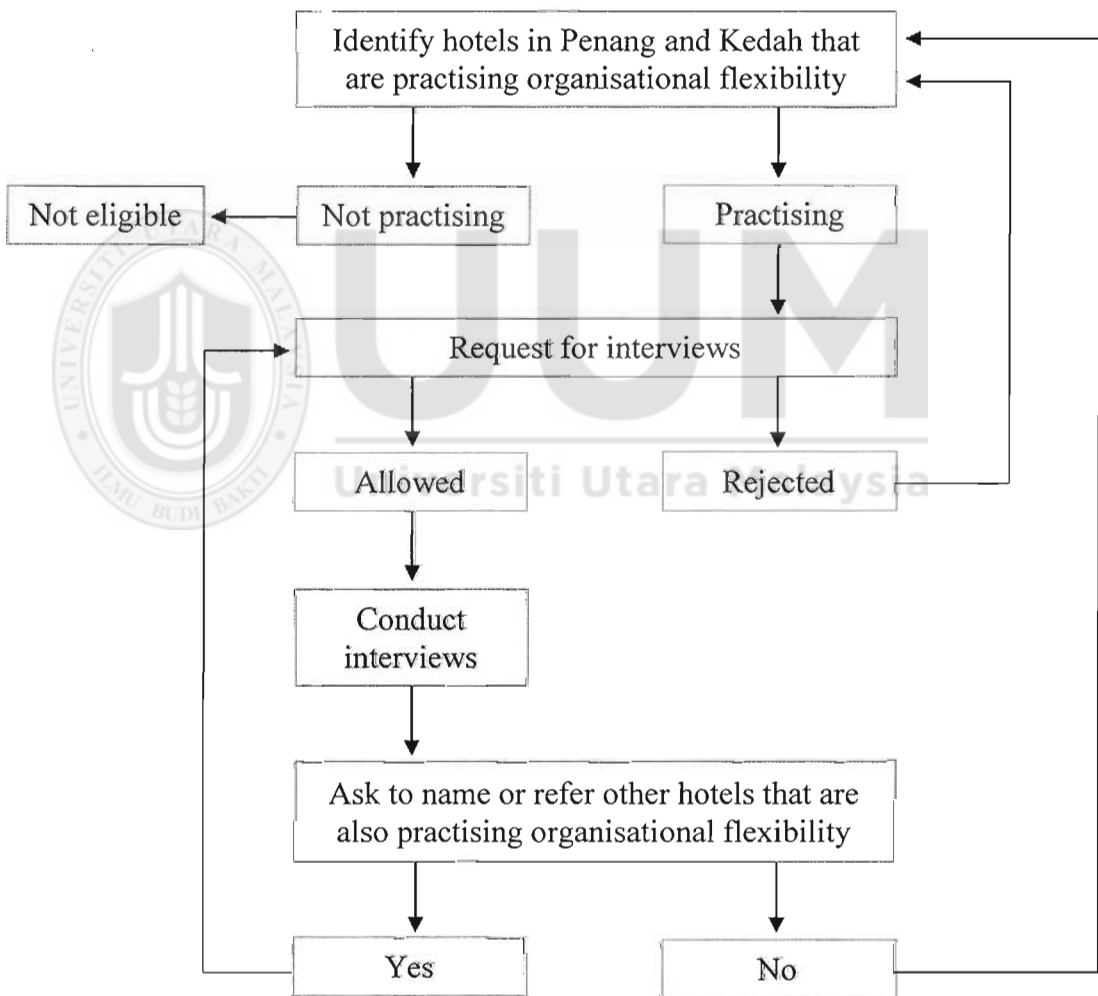


Figure 3.3. Sampling of organisations
Source: Developed for this study.

The sampling of hotel organisations is only drawn from higher rated hotels in Kedah, Penang and Perlis, all of which are located in the northern region of Malaysia where the researcher was based in at the time of data collection. Amongst the three northern region states, higher rated hotels are most numerous in Penang, with a total of 28 higher rated hotels and this is followed by 20 higher rated hotels in Kedah. Perlis is excluded because the only most evident rated hotels is rated a three- or two-star hotels (Ministry of Tourism and Culture, 2016).

As purposive sampling is employed in this study to ensure that only higher rated hotels that practised organisational flexibility are selected, the human resource managers of the four- and five-star hotels in Penang and Kedah were contacted through telephone. In order to identify whether or not the hotels are indeed practising organisational flexibility, they were asked whether or not the hotel practised functional and numerical flexibility. Only hotels that practise both functional and numerical flexibility are selected for this study.

Once it is certain that the hotels practise organisational flexibility, permission to conduct interviews was sought. However, the first few hotels that acknowledged that organisational flexibility was practised refused to participate in this study due to the issue of confidentiality. In such cases, the human resource managers of other hotels were then contacted until one hotel that practises organisational flexibility finally agreed to participate in this study.

The first participating hotel then serves as point of reference to refer other hotels that are also practising organisational flexibility. This is where snowball sampling occurs. The human resource manager of the second hotel was also asked to name other hotels that were practising organisational flexibility and likewise, with the third and fourth hotel. As a result, two hotels in Penang and three hotels in Kedah decided to participate in this study. The number of hotels in this study is not predetermined but it depends on when data saturation occurs in the process of sampling of respondents.

3.2.3.2 Sampling of Respondents

Both the managerial and non-managerial employees who were involved in the practice of organisational flexibility were selected as the sample of this study.

However, only employees who were subjected to the practice of functional flexibility were included because these employees who were permanently attached to the organisation possessed more valuable information. Numerically flexible employees were not included in this study because their temporary attachment with the organisations signifies that the information that they possessed regarding the organisation was limited. This is because it is crucial that the respondents of a qualitative research are the most knowledgeable people in relation to the study so they will be able to provide important information (Morse, 1994; Yin, 2009).

The amount of respondents was not predetermined because interviews were conducted until data were saturated (Kvale, 1996, 2007; Morse, 1994). Hence, the number of respondents in each hotel was also not decided beforehand. Rather, it depends on the hotel's consensus and their arrangements on how many functionally flexible employees were available for interview. Since the practice of organisational flexibility is related to HRM, the interviews were conducted with managerial employees such as human resource managers/representative of the human resource function, departmental managers and head of departments. Non-managerial employees such as supervisors and non-supervisory employees who were involved with the practice of organisational flexibility were also interviewed.

It is important to interview both managerial and non-managerial employees in order to obtain a more comprehensive and widespread information. This corresponds to the recommendation proposed by Miles et al. (2014) to obtain information from different sources so as to complement, corroborate and enhances a study's trustworthiness. The two different types of respondents were interviewed in order to reduce misinterpretation and to ensure validity (Denzin, 1970). According to Bloomberg and Volpe (2008), this strategy of using multiple perceptions and different sources to clarify meaning fulfils the purpose of triangulation. Hence, the selection of multiple research respondents therefore conform to triangulation since credibility and dependability of data is verified as multiple perspectives from different respondents is used to interpret a single set of information.

3.2.4 Data Analysis

Data analysis involves interpreting collected data so that the conjecturing of conclusions to reflect the interests, idea and theories initiating the research inquiry can be attained (Babbie, 2011). The data obtained from a qualitative research do not emerge into numerical representation, but are delineated into ideographic form. This is to maintain congruence with the textual form in which the data are collected and to generate themes and motifs of the collected data before inferences can be constructed (Jennings, 2010).

Specifically in relation to the notion of content analysis, analysis appertains to the more conventional processes of identification and representation of noteworthy and statistically significant patterns that accounted to the description of results (Krippendorff, 1980). Qualitative researchers are required to constantly compare and analyse data so recurring information can be identified (Jennings, 2010). Constant analysis along data collection is essential because the point of saturation can only be reached when data collected have shown recurrences (Kvale, 1996). Through constant comparison, coding manual that are developed during data analysis can be improved with interpretive memos (Zhang & Wildemuth, 2009).

The data analysis of this study will take on the form of qualitative content analysis. "Content analysis is a research technique for making replicable and valid inferences from data to their context" (Krippendorff, 1980, p. 21). It is characterised as a method of inquiry into symbolic meaning of messages (Krippendorff, 1980) based on the systematic identification of repeatedly recurring data which entails the use of a coding system (Wilkinson, 2004). According to Jennings (2010), qualitative content analysis involves the locating of empirical materials, developing the materials and grouping them into categories, evaluating the significance, applicability and strength of the categories and reporting the outcomes.

The inductive structure of qualitative content analysis entails the process of condensing raw data into themes or categories. These themes or categories that are based on valid inference and interpretation emerged as data are being constantly examined and compared (Zhang & Wildemuth, 2009). In other words, qualitative content analysis is also referred to as thematic content analysis. Qualitative content

analysis is applicable to this study because “samples for qualitative content analysis usually consist of purposively selected texts” (Zhang & Wildemuth, 2009, p. 2).

Qualitative data analysis entails, first organising of data, then condensing of data into themes using data coding, and finally reporting and presenting of data in the form of tables, figures, or in the form of a discussion (Creswell, 2007). The analysis of this study is guided by Zhang and Wildemuth’s (2009) study. The below describes how data analysis is performed in a four steps method:

1. Preparing of data: Data collected from interviews are read multiple times and are transformed into text to form transcripts.
2. Unitising: Units may be in the form of single words or longer text or anything that have distinct meaning to the analyst. A qualitative content analysis usually uses themes as the unit for analysis. In this study, thematic units are identified.
3. Coding: Once the themes (units) have been identified, the data are categorised and interpreted so they can be compared and analysed. Based on the study variables and operational definition of this study in Table 3.2, codes are assigned based on the themes.
4. Reporting and representing of findings: To enhance the meaning and to capture the emotion, respondents’ answers are liberally quoted in the findings.

The operational definition guiding the analysis of this study is explicitly described based on the literatures to suit the context of this study. The data of this study is analysed based on the description of the terms that can be found in Table 3.2 below.

Table 3.2
Study Variables and Operational Definition for Content Analysis

Variables	References	Operational Definition
Organisational Flexibility	Kalleberg (2001, 2003)	Organisational flexibility refers to the management of labour. This practice is evident when organisations can effectively match labour supply to demand variation through the use of functional and numerical flexibility.

Table 3.2

Study Variables and Operational Definition for Content Analysis (Continued)

Variables	References	Operational Definition
Functional Flexibility	Desombre et al. (2006); Horstman (1988); Kelliher and Riley (2003)	Functional flexibility entails the redeployment of workers from one task to another and switching of employees between different tasks within the firm. Employees are able to do jobs other than the one they do on a regular basis. The approaches of functional flexibility comprises of multi-skilling, job rotation and cross-exposure.
Multi-skilling	Clark (1999); Devine (2010)	Multi-skilling refers to the cultivation of different skills with the purpose of broadening employees' skills so that they can perform more than one task. Multi-skilling expands job scopes as employees perform a variety of jobs.
Cross-exposure	Knox and Nickson (2007)	Cross-exposure is a formal programme in which employees are temporarily assigned to different departments within an organisation for a certain period of time.
Job Rotation	Campion et al. (1994)	Job rotation refers to the alternate work structuring and lateral transfer of employees between jobs in the same department within an organisation, but for a set period of time.
Numerical Flexibility	Casey, Keep and Mayhew (1999); Horstman (1998); Walsh (1990)	The practice of numerical flexibility that involves reducing the amount of labour focuses on the use of limited term employment contracts. By means of numerical flexibility, organisations limit the duration of employment through the use of casual and agency workers whom can be recruited and terminated quickly.
Casual Worker	Boreham et al. (1996); Houseman (2001); Walsh (1990)	Casual workers refer to the engagement of workers who are immediately available to meet brief and short-notice demand. Casual workers are engaged for additional work on a 'per function' basis or as and when required when existing staff whose hours are already at a maximum could not be redeployed to meet extra demand.
Agency Worker	Houseman (2001); Kalleberg (2001, 2003)	Agency workers refer to individuals who are employed by another organisation to perform jobs at the client's premises, as per the clients' direction.

Source: Developed for this research based on various sources as stated in the table.

3.2.5 Credibility and Dependability

Due to lack of generalisability, Bloomberg and Volpe (2008) suggest that the element of trustworthiness should be addressed in any qualitative research. Flick (2007b) asserts that a research issue should be deliberated from at least two different perspectives. This is because information obtained from only one source of data cannot be relied to withhold the trustworthiness of the research (Patton, 1990). To address the issues of trustworthiness, triangulation needs to be carried out in order to ensure that the data collected are indeed credible and dependable (Bloomberg & Volpe, 2008; Decrop, 2004; Flick, 2007b; Lincoln & Guba, 1985). According to Patton (1990) and Stake (1995), triangulation draws a comprehensive perspective of data and thus, increases credence of a research. Portrayed through the views of Decrop (2004), triangulation is elaborated as follows:

Triangulation means looking at the same phenomenon, or research question, from more than one source of data. Information coming from different angles can be used to corroborate, elaborate or illuminate the research problem. It limits personal and methodological biases and enhances a study's generalizability (p. 158).

The criterion of credibility or more commonly known as validity ensure the accuracy of the research findings. In this sense, the researcher's job is not to check for similarity, but to validate the information of different sources and to provide explanations leading to these differences. The credibility of the research is dependent on reasonable explanations of data differences from divergent sources and in the consistency of overall patterns of the data (Patton, 1990). In order to increase the credibility of this study, data triangulation is employed. The use of data triangulation enables information to be validated and cross-checked for its consistency using different data sources (Decrop, 2004; Flick, 2007b; Patton, 1990). The three approaches of data triangulation, namely time triangulation, location triangulation and person triangulation (Denzin, 1970) that were applicable to the context of this study were deemed most appropriate to be employed in this study:

- a) Time triangulation signifies that data are collected at different time. The data collection of this study was conducted in various phases. Each respondent was interviewed at different time and on different day. Data that were

collected at different time were triangulated with different data that were collected at other time. Even though the data were gathered at different time, the data were resultantly similar, thus enhances the credibility of the data.

- b) Location triangulation signifies that data are collected in various locations. In this study, data were collected at more than one site, involving five hotels at five different locations. Triangulating the data obtained from one hotel in one location with another hotel in another location revealed that whilst there were slight differences in the way each hotel practised organisational flexibility, majority of the data were analogous.
- c) Person triangulation signifies that data are collected from different persons. In this study, data were collected from two different groups of employees, namely managerial and non-managerial employees. Triangulating the information obtained by managerial employees with those of non-managerial employees increased the credibility of this study, especially when the information from one group was parallel to the information obtained from the other group.

In this study, the importance of dependability was also being given attention to. Dependability refers to the extent in which the findings of the research can be replicated. As this study replicates a similar study conducted by Kelliher and Riley (2003), it can therefore be considered that the required reliability has been achieved. To further ensure the dependability of this study, investigator triangulation was employed in this study.

According to Bloomberg and Volpe (2008), data need to be interpreted by other researchers in order to enhance dependability. The use of investigator triangulation in this study is also parallel to the need for inter-rater reliability (Huberman & Miles, 1994), in which the data that are independently coded by different researchers are compared to ensure replication. Should same interpretation and replication occur, dependability requirement is thus met (Decrop, 2004; Krippendorff, 2004). This process of consistency check thus reduces the potential bias of a single researcher (Bloomberg & Volpe, 2008).

The data of this study were reviewed and interpreted by two independent investigators. The investigators were asked to examine some part of the analysed interview transcripts and to confirm or disconfirm prior interpretations. The investigators' interpretations were essentially coherent to the researcher's interpretation though inconsistencies of interpretation between the investigators and researcher were inevitable. Investigators were also asked to include their views should their analysis differs to that of the researcher's. This is so that researcher could take into account the reasoning behind the discrepancies that occurred. Inconsistencies were later compared and key findings that led to discrepancies were considered and where appropriate, merged into the final report. Taking into account the discrepancies reported by the two investigators consequently reduced personal biases, enhanced the quality of this study and resultantly improved the dependability of data.

As Patton (1990) suggests, inconsistencies that occurred in triangulation is common. Although it is possible that the data may be inconsistent, the discrepancies of these data should not be considered invalid. Instead, inconsistencies should be looked at from different perspectives so the reasons leading to the discrepancies can be reconciled (Patton, 1990). In view of this, Flick (2007b) affirms that the principle of triangulation is neither to achieve congruence nor to acquire contradicting findings. Likewise as Flick (2007b) emphasises, the ultimate aim of triangulation is to produce and extend knowledge of the research issue. After all, triangulation is an avenue to display and interpret the different constructions of a phenomenon (Flick, 2007b). Since it was unavoidable that the data may happen to be inconsistent and the findings may either complement or contradict, reasonable explanations on the construction of these phenomena were illuminated.

To summarise, this study employed data triangulation to enhance credibility whereas investigator triangulation was employed to increase dependability. The use of data triangulation enabled information to be cross-checked and validated for its consistency whilst investigator triangulation enabled the data of this study to be reviewed and interpreted by two independent investigators.

3.2.6 Ethical Considerations

In effect, ethical considerations become pragmatic upon entering the research sites (Flick, 2007a). Researchers need to be ethical to ensure that they protect the rights of its participants (Jennings, 2010). Respondents of this study were informed of their consent to participate and to withdraw from the study and their confidentiality too was ensured. These ethical considerations ensure that knowledge is progressed based on research that has been ethically conducted (Jennings, 2010). Ultimately, ethical consideration is essential to ensure respondents' welfare, confidentiality and the accuracy of data reporting. Kvale (2007) asserts that:

An interview inquiry is a moral enterprise. Moral issues concern the means as well as the ends of an interview inquiry. The human interaction in the interview affects the interviewees and the knowledge produced by an interview inquiry affects our understanding of the human condition. Consequently, interview research is saturated with moral and ethical issues (p. 23).

Accordingly, as researcher is made aware of ethical considerations, the following steps will be taken to fulfil ethical responsibilities in conducting the study. In order to obtain respondents' consent to voluntarily participate in the research, respondents were informed about the objectives of the research as to what the purposes of the research are, the research design and the possible risks and benefits of participation and their rights to withdraw from the study at any time. Consents were obtained from all individuals participated in this study through a signed consent form. Second, in relation to confidentiality, respondents were ensured that private data that were identifiable to the respondents would not be reported (Kvale, 2007). Finally, data were treated with utmost value without compromising the accuracy and the interpretation of data during the process of analysing data (Flick, 2007b).

3.3 Conclusion

The qualitative interview research was employed because a detailed understanding on the practice of organisational flexibility in Malaysian higher rated hotels was essential. The qualitative methodology and the semi-structured interview method employed in this study were deemed the most appropriate. The qualitative methodology enabled this study to be explored at greater depth. Purposive sampling

and snowball sampling that typically involve the selection of the best respondents from two different levels ensured the credibility and dependability of this study. As with many other qualitative researches, content analysis was employed in this study to analyse the data. In order to ensure that this study complies with the researching ethics, ethical considerations were discussed. In the next chapter, the data and information obtained from the interviews is presented.



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CHAPTER 4

FINDINGS

4.0 Overview

This chapter presents the findings drawn from the data collected through 18 interviews. The findings are presented based on the three research objectives that have been highlighted in Chapter One. Respondents' profile is discussed in the first section whilst the purposes organisational flexibility is being practised in Malaysian higher rated hotels are elaborated in the next section. The approaches taken to practise functional flexibility and numerical flexibility are discoursed in the third section and the analyses of the outcomes of organisational flexibility are elaborated in the last section of this chapter. Each section in this chapter ends with a conclusion in which the findings are concluded in accordance to the research objectives.

4.1 Respondents' Profile

The alphabetical code "H" represents the hotel participated in this study whilst "R" denotes the interviewed respondent. The numeric code following the alphabetical code indicates the number of hotels and respondents in this study. H1 represents the first hotel whilst H2 denotes the second hotel. H1, a five-star hotel and H2, a four-star hotel are located in Penang whilst H3, H4 and H5 are a four-star hotels located in Langkawi. R1 refers to the first respondent whilst R2 refers to the second respondent and the remaining respondents are sequentially coded. A total of 10 respondents in the managerial level and eight respondents in the non-managerial level from five hotels were interviewed. There were five representatives from H1, three from H2, six from H3, one from H4 and three from H5. The number of respondents in each hotel depends on the availability of respondents in each hotel. The profile of respondents is illustrated in Table 4.1.

Table 4.1
Respondents' Profile

Hotel Code	Star Rating	Location	Respondent Code	Designation
H1	Five-star	Penang	R1	Food and Beverage Assistant Manager
			R2	Food and Beverage Manager
			R3	Front Office Manager
			R4	Human Resource Executive
			R5	Food and Beverage Supervisor
H2	Four-star	Penang	R6	Chief Engineer
			R7	Human Resource Director
			R8	Housekeeping Manager
H3	Four-star	Kedah	R9	General Manager
			R10	Human Resource and Administrative Executive
			R11	Food and Beverage Executive
			R12	Housekeeping Supervisor
			R13	Waitress
			R14	Bellman
			R15	Human Resource Manager
			R16	Human Resource Manager
H4	Four-star	Kedah	R17	Housekeeping Manager
H5	Four-star	Kedah	R18	Housekeeping Supervisor

4.2 The Purposes of Practising Organisational Flexibility

Parallel to the first research objective of this study that seeks to explore the purpose of practising organisational flexibility in Malaysian higher rated hotels, this section discusses a number of purposes organisational flexibility is practised in Malaysian higher rated hotels. Since organisational flexibility is instituted along two forms, namely functional and numerical flexibility, the findings for the purposes of practising organisational flexibility are therefore presented separately.

4.2.1 Functional Flexibility

There are several reasons why functional flexibility is practised in Malaysian higher rated hotels. Hotels practise functional flexibility for the purposes of developing employees' skills and coping with fluctuating demand. Functional flexibility is also practised with the intention to increase employees pay, in addition to the purposes of reducing employees' idle time. Hotels also practise functional flexibility with the hope to reduce labour cost and to improve customer service. Other reasons functional flexibility is practised are to cover for absences and to facilitate succession planning. Table 4.2 below provides a snapshot of the purposes, whilst the detailed findings are presented in the following subsections.

Table 4.2

Brief Outline of the Purposes of Functional Flexibility

Organisational Flexibility	Purposes
Functional flexibility	To develop employees' skills To cope with fluctuating demand To increase employees' pay To reduce employees' idle time To reduce labour cost To improve customer service To cover for absences To facilitate succession planning

4.2.1.1 To Develop Employees' Skills

It is essential to practise functional flexibility because it provides employees with the opportunity to develop their skills, which eventually leads to employees' career development. According to the General Manager (R9) of a four-star hotel in Kedah (H3), it is important to build employees' skills because employees as the human resource of an organisation are ultimately the essence of organisational productivity. R9 stated, "You got to make sure they are competent, motivated and multi-skilled. Only then you can get the best out of your human resource, and only then you can see there is productivity". The Human Resource Director (R7) of a four-star hotel in Penang (H2) shared the same view. According to R7, the element of functional flexibility that emphasises the importance of skill development is essentially part of the job description:

The secondary objective is to develop and improve your Competencies and Skills as an on-going activity and apply the same in your area of responsibility. You will play a big part in your own development by self-directed learning and active participation in the 'On-the-Job' training as well as formal training programmes. The Hostess + Cashier, Captain Position Profile and the Food & Beverage Hostess + Cashier, Captain... This activity may extend outside your assigned area of responsibility to prepare you for career progression opportunities and/or job satisfaction. (R7, Human Resource Director of H2, a four-star hotel in Penang)

Pursuant to the views of the Human Resource Executive (R4) of a five-star hotel in Penang (H1), functional flexibility is practised with the intention to instil managerial quality into potential employees. R4 mentioned, "Maybe you see a person with the potential to become a manager, so you feel like that person should know everything so we shuffle them because you want them to become like overall". Therefore, an employee who is thought to be eligible for promotion is given the chance to develop their skills through functional flexibility. Likewise, according to the Food and Beverage Executive (R11) of a four-star hotel in Kedah (H3), an employee must have the knowledge and skills to perform a variety of tasks in order to be promoted to a managerial position:

If you want to be a manager, you must have all the skills. Say you are a waiter but you have the skills of a captain, so we can see your potential from there. So we will train you, ask you to do multi-task to help you sharpen your skills. (R11, Food and Beverage Executive of H3, a four-star hotel in Kedah)

4.2.1.2 To Cope with Fluctuating Demand

In order to ensure operation smoothness in times of fluctuation, hotels practise functional flexibility. This is so that existing employees can be redeployed when current manpower is unable to cope with increasing demand. The Human Resource Director (R7) of a four-star hotel in Penang (H2) commented, “If you ask me from the human resource view, we need the element of multi-tasking because when you need more manpower when the hotel is busy, you need to mobilise staff and that is when multi-tasking comes in”. The Human Resource Manager (R15) of a four-star hotel in Kedah (H4) also affirmed, “We cannot predict which department is busy at what time. That is why we must have multi-skilling, then it is very easy to handle because then can easily move the staff”.

4.2.1.3 To Increase Employees' Pay

Employees are encouraged to practise functional flexibility because with their additional skills, they can choose to take on extra work in other departments after their main working hours. According to the Housekeeping Manager (R8) of a four-star hotel in Penang (H2), there are various options that are readily available for employees who are keen to earn extra income. R8 was cited saying, “They can choose to work in other departments like food and beverage as part-time workers during their day off”. Meanwhile, in one of the four-star hotels in Kedah (H4) where clean wage system is implemented, employees are not entitled for service charges. Functional flexibility therefore is practised in order to provide employees with the opportunity for overtime claims. The Human Resource Manager (R15) of the four-star hotel in Kedah (H4) explained, “Our hotel does not have service point. We go for clean wage system, so we create the opportunity for them to earn more”.

4.2.1.4 To Reduce Employees' Idle Time

Functional flexibility is practised so that employees who are unoccupied during slack period can be redeployed to higher demand areas. The Food and Beverage Assistant Manager (R1) of a five-star hotel in Penang (H1) elucidated, “If there is nothing to do here, we have to help other colleagues who are struggling in other outlets. So we will send some of our staff to go and help in other busier outlets”. The practice of functional flexibility that focuses on redeployment signifies that employees who are unoccupied can be redeployed to areas that require assistance.

The Human Resource Manager (R15) of a four-star hotel in Kedah (H4) substantiated, “You know sometimes staff lack the initiatives to do things. When there is nothing to do, they just sit down there, relax and do nothing. This is not good for the hotel”. Without functional flexibility, employees only specialised on a limited task and this causes unproductivity due to increased idle time:

Like you can see now, 3pm is our check-in time, so you will have guests queuing up to check-in. So now, if you follow back the old school, the receptionist will only be busy from 3pm onwards. The rest of the time, they will have nothing to do besides at times handling guest complaints. In the past, one manning in the front office serves only for four hours. So if one shift is eight hours and if they only work for four hours, then that means the rest of the four hours they are doing nothing. But when we combine these two positions, now we have the front office staff. They can do both check-in and check-out, not just as cashier or receptionist like the old school. So now we fully utilise our manning. So from 10am to 3pm, our front office staff will be doing the check-out process. The moment they completed their check-out, they will have a group of guests checking in from 3pm to around 6pm. So that is why we need to multi-skill, so that one manning can serve eight hours solid. (R7, Human Resource Director of H2, a four-star hotel in Penang)

4.2.1.5 To Reduce Labour Cost

In the effort to save labour costs, functional flexibility is practised with the purpose to reduce the quantity of employees. The Human Resource Director (R7) of a four-star hotel in Penang (H2) stressed, “We need to control our costs because we face problem due to minimum wage. So by controlling the headcount, we actually control

our costs”. Echoing to the need to reduce labour costs, the General Manager (R9) of a four-star hotel in Kedah (H3) corroborated:

One important factor is the cost because the highest cost in the hotel is overhead which is payroll. If you get lower number of employee to do the same job, then you do not need to hire so many employees, so you save the manpower cost... and at the same time, you are managing the cost, the highest cost in hotel management which is manpower. (R9, General Manager of H3, a four-star hotel in Kedah)

According to the Human Resource Director (R7) of a four-star hotel in Penang (H2), a specific job title that limits employees to only one type of job is a common approach in the past. R7 and the General Manager (R9) of a four-star hotel in Kedah (H3) argued that though a specific job title has its advantage as it is the work structure is technically uncomplicated, it has its weakness too. The practice of job specialisation that limits the job scope signifies that more employees need to be employed. This subsequently increases labour cost. Thus, in order to save labour cost, functional flexibility is practised so that several jobs can be merged to form a generic job title:

Following the old school there is a lot of down time, but of course, the old school is very structured. But if it is structured, it will need more people to handle... Here, we do not have a separate “Cashier” and “Reception” because this almost double up the manpower cost at front office. What we do here is we standardise the positions to be called “Front Office Assistant”. We combine these two jobs into one because technically, when you combine the check-in and check-out jobs, you have less hanky-panky, less confusion and less manpower cost. (R7, Human Resource Director of H2, a four-star hotel in Penang)

Although functional flexibility may result in labour cost saving due to reduced number of employees, the Front Office Manager (R3) of a five-star hotel in Penang (H1) contended that labour cost saving should not be the ultimate purpose of practising functional flexibility in higher rated hotels. This is because the reduction in the number of employees may possibly compromises service quality:

In terms of cost-cutting, this is not the way because our hotel is a five-star hotel. We cannot afford to cut down the staff because once we cut down the staff, then the service will be lacking. So that is why there is no such thing as cutting down the manpower. (R3, Front Office Manager of H1, a five-star hotel in Penang)

4.2.1.6 To Improve Customer Service

Functional flexibility is practised with the aim to enhance guests' experience by ensuring that their needs and wants are met. The Human Resource Executive (R4) of a five-star hotel in Penang (H1) stated, "When you talk about five-star hotels, you think about personal service... We have a lot of foreigners, their expectation is even higher. There are a lot of things to do. There is no way we can do it without multi-skilling". Hence, in order to ensure that guests' needs and wants can be met, employees need to be functionally flexible so that they are equipped with the necessary skills and knowledge to efficiently attend to guests' needs:

One of the reasons we have to do it is to prevent guests from waiting for too long. For example, we currently have three people and all three of them are occupied with guests, taking orders or serving and suddenly another guest is asking for bill. If you cannot multi-skill and to do cashiering, how are you going to print the bill and present it to the guest? So the guest will have to wait there until you finish with your current job and then only bring the guest the bill? (R1, Food and Beverage Assistant Manager of H1, a five-star hotel in Penang)

4.2.1.7 To Cover for Absences

It is common for hotels to face unpredictable operational issue such as absenteeism that needs immediate attention. In order to ensure smoothness of operation, hotels need to avoid disruption in their daily operation by practising functional flexibility. With functional flexibility, employees are rotated and cross-exposed to enable them to multi-skill. The Housekeeping Manager (R8) of a four-star hotel in Penang (H2) reasoned, "We cannot predict if there will be any issues such as absenteeism, no show or maybe medical leave. So if they can multi-task, I can arrange for people to replace those who do not turn up". Thus, functional flexibility is practised so that employees can be redeployed to facilitate replacement:

An employee who is absent can be replaced by an employee who has the skill to do his/her job and in the case of an employee who is on medical leave, someone can take over their job. So in the case of emergency, they will be people who can assist and substitute those who are absent. For example, if the bartender is not around, those who have experience and skill to make drinks can then assist. (R11, Food and Beverage Executive of H3, a four-star hotel in Kedah)

4.2.1.8 *To Facilitate Succession Planning*

Functional flexibility acts as a contingency plan to facilitate succession planning. According to the Chief Engineer (R6) of a four-star hotel in Penang (H2), “We cannot hold a person responsible in certain field or area, because what if one day the staff resigns? That is why we want to multi-task”. Supplementing the views of R6, the Front Office Manager (R3) of a five-star hotel in Penang (H1) justified, “With multi-tasking, everybody knows their jobs very well. If the person is not available or resign, then we have someone to replace”. The involvement of employees in various jobs thus ensures that a vacancy can be filled up internally:

One of my roles is to ensure that there is somebody who can succeed me, because you know if I am to move, who will fill up my shoe? So if your staff is mobile... what do you get? You get everything. You get to fill up your position, your succession planning. In a good hotel management environment or when you have full fledge human resource, that is important. (R9, General Manager of H3, a four-star hotel in Kedah)

4.2.1.9 *Summary*

The most common purposes of practising functional flexibility are to develop employees' skills, to cope with fluctuating demand and to increase employees' pay. The more common purposes of practising functional flexibility are to reduce employees' idle time, to reduce labour cost, to improve customer service and to cover for absences. The less common purpose of practising functional flexibility is to facilitate succession planning.

Out of all five hotels, only H1, H2 and H3 practise functional flexibility for all eight purposes whilst in H4 and H5, functional flexibility is practised for different reasons. The themes and findings of the purposes are illustrated in Table 4.3 below whilst the purposes that are grouped based on how frequently the purposes are mentioned by respondents in the interview are illustrated in Table 4.4. Grouping the purposes based on how frequently it is mentioned resultantly leads to the purposes being summarised into different categories. These categories, as evident in Table 4.4 are summarised into the most common, more common and less common purposes functional flexibility is practised.

Table 4.3

Summarised Findings of the Purposes of Functional Flexibility

Purposes	Mentioned by
To develop employees' skills There is a need for employees to learn additional skills Employees need to be skilful in order to be promoted	R1, R2, R3, R4, R6, R7, R8, R9, R10, R11, R15, R16, R17 and R18 R1, R2, R3, R4, R6, R7, R8, R9, R10, R11, R14, R15 and R16
To cope with fluctuating demand To assign unoccupied employees to busy areas when demand is high	R1, R2, R3, R4, R7, R9, R10, R11, R12, R14, R15, R16, R17 and R18
To increase employees' pay Functionally flexible employees earn extra income through overtime work	R1, R3, R7, R8, R11, R12, R15 and R16
To reduce employees' idle time To ensure that employees remain occupied during period of low demand	R1, R2, R7, R8, R9, R15 and R17
To reduce labour cost Generic job title is used to reduce the number of employees Lower number of employees reduces labour costs Cost saving affects service quality	R3, R4 and R7 R6, R7, R9, R10 and R15 R3
To improve customer service To enhance guests' experience through the meeting of their needs and wants	R1, R3, R4, R6, R7, R11, R14 and R17
To cover for absences To facilitate replacement of absentees	R1, R2, R3, R5, R7, R8, R11, R12, R16 and R17
To facilitate succession planning To fill up a vacancy when someone resigns from the job	R3, R4, R6 and R9

Table 4.4

Categorised Findings of the Purposes of Functional Flexibility

Categories	H1	H2	H3	H4	H5	Total
Most common purposes						
To develop employees' skills	✓	✓	✓	✓	✓	5
To cope with fluctuating demand	✓	✓	✓	✓	✓	5
To increase employees' pay	✓	✓	✓	✓	✓	5
More common purposes						
To reduce employees' idle time	✓	✓	✓	✓	✓	5
To reduce labour cost	✓	✓	✓	✓	x	4
To improve customer service	✓	✓	✓	x	✓	4
To cover for absences	✓	✓	✓	x	✓	4
Less common purpose						
To facilitate succession planning	✓	✓	✓	x	x	3
Total	8	8	8	5	6	35

4.2.2 Numerical Flexibility

Hotels in this study practise numerical flexibility to cope with fluctuating demand and to reduce labour cost. In addition, numerically flexible employees are also employed to facilitate employees' dismissal when faced with critical situation. Table 4.5 below outlines the purposes of practising numerical flexibility.

Table 4.5

Brief Outline of the Purposes of Numerical Flexibility

Organisational Flexibility	Purposes
Numerical flexibility	To cope with fluctuating demand To reduce labour cost To enable employees' dismissal during critical situation

4.2.2.1 To Cope with Fluctuating Demand

Numerical flexibility is being practised when existing manpower cannot cope with high level of demand. The Human Resource Director (R7) of a four-star hotel in

Penang (H2) rationalised, “For Food and Beverage Department and Banquet Department, you need part-timers because when I plan for manning, I cannot plan that there will be functions every day. You know hotel businesses are sometimes very busy and sometimes not so busy”. Hence, numerical flexibility is practised alongside functional flexibility to act as a buffer against existing manpower. This is so to reduce the workload burden of existing employees who are already occupied with their own job:

Say like now, almost every department is busy and the fun adventure department is also busy. It is not like this every day. Some days it is quite quiet also but it depends on the functions also. We got morning breakfast, lunch and dinner, afternoon coffee break and also supper. So during busy days like now where every department is also busy, I must take casual workers to help them out because there are not enough people. The staff are already busy themselves, so they cannot help out at other places. So no choice, sometime we need to hire some casual workers too because we do not have enough people. (R15, Human Resource Manager of H4, a four-star hotel in Kedah)

4.2.2.2 To Reduce Labour Cost

The practice of numerical flexibility enables hotels to reduce labour cost through savings of miscellaneous costs such as training cost, allowances and fringe benefits. The Housekeeping Manager (R8) of a four-star hotel in Penang (H2) claimed, “If we hire foreign workers or even casual workers, we can save on miscellaneous costs such as medical, allowances and training costs. We also save on leave because these employees do not have leave at all”.

4.2.2.3 To Enable Employees’ Dismissal during Critical Situation

Practising numerical flexibility enables employers to dismiss employees when faced with crises such as poor economic condition, the spread of contagious disease and recession that results in low business volume. During such critical situation, the number of employees needs to be reduced. This is made possible through numerical flexibility because numerically flexible employees who act as buffers to permanent employees can be conveniently dismissed off. This is due to the fact that numerically flexible employees are only temporarily attached to the organisation and they can thus be disposed of when necessary. The Human Resource Director (R7) of a four-

star hotel in Penang (H2) explained, “Permanent staff, we have 320 but with 80 non-permanent staff as a cushion. Let us say recession, the first group to leave is the 80 people. They have to go first because we have to bring down the staffing drastically”.

4.2.2.4 Summary

The purposes of practising numerical flexibility are categorised into two major categories, the most common and the least common purposes. The categories emerged based on the frequency the purposes are practised in each hotel. Based on the frequency, it is therefore summarised that the most common purpose of practising numerical flexibility is to cope with fluctuating demand whilst the least common purposes of practising numerical flexibility are to reduce labour cost and to facilitate employees’ dismissal during critical situation.

Out of all five hotels, only H2 practises numerical flexibility for all three reasons whilst H1, H4 and H5 only practise numerical flexibility to cope with fluctuating demand. H3 however does not practise numerical flexibility, as there is no evident of reported purposes of numerical flexibility. Table 4.6 summarises the themes and findings of the purposes of practising numerical flexibility whilst Table 4.7 distinguishes the purposes based on the most and least common purposes.

Table 4.6
Summarised Findings of the Purposes of Numerical Flexibility

Purposes	Mentioned by
To cope with fluctuating demand	
To employ additional employees during busy period	R2, R4, R5, R6, R7, R8, R15 and R16
To reduce labour cost	
Numerical flexibility is practised with the intention to save on miscellaneous costs	R8
To enable employees’ dismissal during critical situation	
To facilitate employees’ dismissal when faced with unavoidable circumstances	R7

Table 4.7

Categorised Findings of the Purposes of Numerical Flexibility

Categories	H1	H2	H3	H4	H5	Total
Most common purpose						
To cope with fluctuating demand	✓	✓	×	✓	✓	4
Least common purposes						
To reduce labour cost	×	✓	×	×	×	1
To enable employees' dismissal during critical situation	×	✓	×	×	×	1
Total	1	3	0	1	1	6

4.2.3 Summary

There are various reasons as to why hotels practise functional and numerical flexibility. Although the findings demonstrate that there are more purposes to practise functional flexibility, the purposes may vary across each hotel and in some cases, hotels practise functional and numerical flexibility for the very same purposes. For instances, functional and numerical flexibility are practised with the same intention of reducing labour cost and coping with fluctuating demand. The purposes of practising functional and numerical flexibility are summarised in Table 4.8 below.

Table 4.8

Summary of the Purposes of Organisational Flexibility

Purposes	Functional Flexibility	Numerical Flexibility	Total
To develop employees' skills	✓	×	1
To cope with fluctuating demand	✓	✓	2
To increase employees' pay	✓	×	1
To reduce employees' idle time	✓	×	1
To reduce labour cost	✓	✓	2
To improve customer service	✓	×	1
To cover for absences	✓	×	1
To facilitate succession planning	✓	×	1
To enable employees dismissal' during critical situation	×	✓	1
Total	8	3	11

4.3 The Approaches Taken to Practise Organisational Flexibility

This section provides answer to the second objective of this study. In order to discover how organisational flexibility is practised in Malaysian higher rated hotels, the approaches employed by each hotel to practise functional flexibility and numerical flexibility are identified.

4.3.1 Functional Flexibility

To ensure that the approaches taken to practise functional flexibility such as multi-tasking, cross-exposure and job rotation can be successfully practised, the practice of functional flexibility needs to be inculcated as part of the organisation culture. The organisational culture sets a precedent for functional flexibility to be accepted as a work practice within an organisation. According to the General Manager (R9) of a four-star hotel in Kedah (H3), “They (employees) will understand because you have already practise multi-skill in your workplace. So, if there is no multi-skill, then they will feel awkward. It is a culture thing. Culture is not built overnight”.

Employees adapt to the norms and values of functional flexibility because it has been incorporated into their work routine. The Housekeeping Supervisor (R12) of a four-star hotel in Kedah (H3) clarified, “You must make them aware of the work culture since day one. If they have being trained to multi-task at the beginning stages, then they will not feel that there is a change and that multi-tasking is a burden”. In table 4.9 below, the approaches taken to practise functional flexibility are listed.

Table 4.9

Brief Outline of the Approaches of Functional Flexibility

Organisational Flexibility	Approaches
Functional flexibility	Multi-skilling Job rotation Cross-exposure

4.3.1.1 Multi-Skilling

Multi-skilling is the main approach to practise functional flexibility in this study. All five hotels in this study acknowledged that multi-skilling is practised in their hotels. Throughout the interviews, the term multi-skilling and multi-tasking were used interchangeably. This is because multi-tasking essentially leads to multi-skilling. According to the Human Resource Executive (R4) of a five-star hotel in Penang (H1), multi-tasking occurs when “employees are being involved in more than one type of jobs” whilst multi-skilling according to the Human Resource Manager (R16) of a four-star hotel in Kedah (H5) is a result of multi-tasking. R16 asserted, “There is no staff that knows everything but if they multi-task, they can then master different skills”. As a result of multi-tasking, employees’ skills developed alongside their involvement in various jobs. In other words, multi-tasking leads to multi-skilling because employees are trained a variety of skills in the course of multi-tasking. Hence, the term multi-skilling also denotes multi-tasking.

Although multi-skilling is evident in all hotels, the Human Resource Director (R7) of a four-star hotel in Penang (H2) highlighted that multi-skilling only occurs in departments that are usually the busiest. The Human Resource Manager (R16) of a four-star hotel in Kedah (H5) clarified, “Not all departments and everyone can multi-skill. It depends, like for housekeeping department it is possible because they have the most sections and the jobs are different there”. According to the Food and Beverage Assistant Manager (R1) of a five-star hotel in Penang (H1), technical jobs such as chefs, audio-visual technicians, plumber and painter are not required to multi-skill as these jobs entail specialised skills. R1 reasoned, “You cannot ask them (plumber) to change the electrical wiring, they cannot do because they have their own skill... Same goes to chef. Example like pastry chef, they have their own specialities, you cannot simply ask them to go to other outlet”.

Similarly, the extent of the practice of functional flexibility too varies. For instances, employees are allowed to multi-task within department in all hotels however only H3 and H4 permit employees to multi-task within and across departments. The General Manager (R9) of a four-star hotel in Kedah (H3) emphasised that employees are allowed to multi-task “as long as the idea is reasonable, they have the knowledge,

and they know what to do”. According to the Human Resource Manager (R15) of a four-star hotel in Kedah (H4), employees of H4 are encouraged to multi-task across departments in order for them to learn more about the products and services of the hotel. R15 stated, “They need to go to other departments to learn more things about the hotel and its services... You need everybody in the hotel to know your product, and only then you can sell your product”.

H1, H2 and H5 on the other hand, do not allow employees to multi-task across departments due to safety and security reasons. The General Manager (R9) of a four-star hotel in Kedah (H3) contended, “What we say is multi-skill within the parameter. You cannot expect someone from housekeeping to go kitchen because we have safety concerns; the ventilation and all. Likewise, you cannot ask someone who do not know electric to go and do electricity”. According to the Human Resource Manager (R16) of a four-star hotel in Kedah (H5), employers need to be cautious when practising multi-skilling because they will be held liable in the occurrence of accident. A proper framework such as a written job description that serves as a guide to what can and cannot be done is necessary to further prevent hotels from unforeseen issues:

When multi-skill in their department itself, it is fine, but not outside the department. If let say someone is involved in an accident, who is going to answer for that? We have to answer; why you assign this staff to do this? What is his job description? What is the manual? What is the policy and procedure? So if you ask him to multi-skill in other departments and when accident happens, they will ask you why you ask him to go to that department? So we have to answer because if accident happens, we have to declare to SOCSO (Social Security Organisation). We have to report the accident and everything and it also involves the DOSH (Department of Safety and Health). So there is a lot of work and it is quite complicated. (R16, Human Resource Manager of H5, a four-star hotel in Kedah)

Although it is apparent that all hotels in this study permit employees to multi-skill within department, the practice differs amongst each hotel. For example, an air-conditioner technician in H2 is allowed to do basic plumbing whilst in H4 and H5, this is not allowed. In another instance, a public area cleaner in H3 is allowed to clean the room whilst in H2, this is not possible due to safety and security reason. The Human Resource Director (R7) of a four-star hotel in Penang (H2) argued, “If

you train public area cleaner to clean the rooms and if thing goes missing, who will be responsible? That is why I cannot use the public area general cleaner to clean the rooms due to safety and security reasons”.

The level of involvement for managerial employees differs from one hotel to another. For example, all managerial employees are required to multi-skill in order to enable them to oversee the entire operation of a particular department. The Human Resource Manager (R16) of a four-star hotel in Kedah (H5) affirmed, “Of course as a manager you must multi-skill. So if your title is Front Office Manager, you need to know everything about front office skills and knowledge, but then you cannot do the jobs of Housekeeping Manager or Maintenance Manager”. However, unlike most hotels where managerial employees are only involved with multi-skilling within departments, managerial employees in H3 are also required to multi-skill across departments. The Human Resource and Administrative Executive (R10) of a four-star hotel in Kedah (H3) explained:

I also have to overlook IT (information technology) and finance. Sometimes even our Resort Manager is also involved in the operation. If we have big functions like banquet, our Front Office Manager too will go and help out at banquet too. (R10, Human Resource Executive of H3, a four-star hotel in Kedah)

Similarly, non-managerial employees are also required to multi-skill. According to the Human Resource Manager (R16) of a four-star hotel in Kedah (H5), “Supervisors must have multi-skilling knowledge so they can be more efficient, more flexible in any situation, to make decision and are reliable for the organisation”. Non-managerial employees who do not hold a supervisory position are also required to multi-task. However, these employees are only expected to multi-skill after they have completed their main duties:

In a shift, I have to do everything from waitressing to bartender. Like when there are not enough people, I would have to take orders, set tables and become the cashier as well. I would also have to set the bar ready and mop the floor. I would also be expected to clean the dishes. But during busy days, for example, general cleaning, I only do the most basic cleaning. During those times, I have to focus on guests first. So there will be someone else that will do the public area and there will be another person who is at the bar. At times when they do

not have enough people at the public area, like when they are on leave, then we help them at the public area. (R13, Waitress of H3, a four-star hotel in Kedah)

Even though both managerial employees and non-managerial employees are involved in multi-skilling, apparently it is younger employees who are keener to multi-skill. The Housekeeping Supervisor (R12) of a four-star hotel in Kedah (H3) rationalised, “Previously I do not mind. It is different for the younger people. We, the older people lack energy and we also have children. So we would rather spend our time at home”. The Food and Beverage Executive (R11) of a four-star hotel in Kedah (H3) substantiated:

So if to compare the younger generation staff to the older generation staff, the younger generation is more willing to learn and to gain new knowledge. I do not have to force them to do it (multi-skill). Unlike the senior staff, they are very used to the old ways of doing things and can be quite reluctant to change at times. (R11, Food and Beverage Executive of H3, a four-star hotel in Kedah)

4.3.1.2 Job Rotation

In this study, all hotels except H2 acknowledged that job rotation is practised. According to the Food and Beverage Assistant Manager (R1) of a five-star hotel in Penang (H1), employees are rotated to different sections within the same department as part of on-the-job training:

Like beverage, what we do is training and besides that, they would get the opportunity for them to be in the bar itself, to learn more about beverage and also in the fine dining restaurant. This is because in fine dining restaurant, the services are different because when we have private function there. So we give the opportunity to the staff to go and work there. We call that as an on-the-job training. It is like, whilst you work, you learn something new. So it is also for the purpose of on-the-job training. (R1, Food and Beverage Assistant Manager of H1, a five-star hotel in Penang)

To implement job rotation, employees are trained by other senior employees whilst they work. According to the Front Office Manager (R3) of a five-star hotel in Penang (H1), on-the-job training is conducted because operational employees cannot be spared to attend classroom training. R3 articulated, “Our own duty manager will train

them. Since we are at the operation side, we are unable to sit in the class for training. The only way is on-the-job training”. The Housekeeping Supervisor (R12) of a four-star hotel in Kedah (H3) explained how on-the-job training is implemented:

We will show them (the maids) and have them follow us when we go to the public area. So we train them by showing them what they have to do. So for example, if the staff from public area is willing to learn about room, we ask the public area staff to follow a maid to learn. So we let them do it for two to three days. They work together with the maid and so they learn from them and when they can do it themselves already, we allow them to do without the supervision of maid. So they usually learn the basic stuff. (R12, Housekeeping Supervisor of H3, a four-star hotel in Kedah)

Unlike multi-skilling which is practised almost routinely, on-the-job training only occurs during low season. According to the Food and Beverage Executive (R11) of a four-star hotel in Kedah (H3), job rotation is conducted in a rather ad hoc manner where employees are trained in other jobs during low season. R11 mentioned, “During low season, we train our staff to do some other jobs. For example, one staff has no experience as cashier. So what I do is I put that staff as a cashier and train that staff”. However, employees are only rotated to different job areas that require a different set of skills. Employees are not rotated to job areas in which the skills are similar to the jobs that the employees are currently performing because then there will be no room for skill development:

For front office, they do not have different outlets in front office. Even though we have two different lobbies, the operation is the same. So they do not have to go to other lobby to learn because it is the same system. But for food and beverage it is different. We have fine dining, we have à la carte, lounge and bar. All are different services. That is why they have to shuffle so they can learn other services. (R4, Human Resource Executive of H1, a five-star hotel in Penang)

However, there are reasons that job rotation may not be practical under certain circumstances. According to the Housekeeping Manager (R8) of a four-star hotel in Penang (H2), employees are not rotated with the concern that productivity will be affected. R8 elucidated, “We are unable to rotate them for some reasons. Like the linen, rooms and public area category is not the same so if I put the room cleaners into linen, then productivity in the room area will be insufficient”.

4.3.1.3 Cross-Exposure

Cross-exposure which is practised in only three hotels is a less common practice of functional flexibility. Dissimilar to job rotation where employees are constantly rotated as part of on-the-job training, cross-exposure is a one off programme where employees are cross-exposed to another department for a certain period of time, ranging from a few days to a few months before they can return to their former department upon the completion of the cross-exposure programme. According to the Food and Beverage Assistant Manager (R1) of a five-star hotel in Penang (H1), “Cross-exposure, you got the time and the duration. So probably you will be cross-exposed for three to four months from this date to this date. Then after that, you will have to go back to your previous department”.

However, cross-exposure is not a common approach taken to practise functional flexibility. Dissimilar to multi-skilling and job rotation which are being practised almost routinely, cross-exposure is a programme that requires proper planning and objective. The Human Resource Director (R7) of a four-star hotel in Penang (H2) emphasised, “Cross-exposure is a programme that requires a proper agenda or objective. It is like a training programme, it cannot be done just for the sake of doing it. We need to have a proper planning”.

Cross-exposure also serves as a basis to promote better understanding between departments. It is pertinent to cross-expose employees to another department in which the operations of the departments are mutually dependent. According to the Front Office Manager (R3) of a five-star hotel in Penang (H1), employees can better understand how the operation of one department affects the operation of another department through cross-exposure. R3 was quoted saying, “Before they start their job in front office, they (front office employees) will be sent to housekeeping because they need to know how to tidy up the room and so on and so forth”.

However, cross-exposure may not be an effective method to enhance understanding because it is a one-off programme in which employees are only cross-exposed for a limited and shorter period of time. The Chief Engineer (R6) of a four-star hotel in Penang (H2) claimed, “Cross-exposure happens only once so to better understand how other departments work... I think it helps but not very effective because it is

only a few days”. The Human Resource Manager (R16) of a four-star hotel in Kedah (H5) revealed that cross-exposure also serves as an act of punishment to penalise employees of their wrongdoings. In addition, employees are also cross-exposed to another department that interest them should they realised that they have taken a wrong career path:

For example, a front office staff says “I have chosen a wrong career. In five years’ time, I want to be a Restaurant Manager”. If he is a good staff that can be moulded, we give him the opportunity to cross-expose to the Food and Beverage Department for a month. This is not very often, but is case to case, depending on the individual. (R7, Human Resource Director of H2, a four-star hotel in Penang)

4.3.1.4 Summary

All hotels in this study employ a minimum of two functional flexibility approaches, with multi-skilling being the most common approach. This is followed by the more common approach of job rotation which is practised in all hotels except in H2 whilst cross-exposure as the less common approach is only practised in H1, H2 and H5. H1 and H5 employ all three approaches whilst H2, H3 and H4 employ only a maximum of two approaches. The findings and themes of the approaches of functional flexibility are encapsulated in Table 4.10 whilst the categories of approaches of functional flexibility in each hotel are summarised in Table 4.11.

Table 4.10
Summarised Findings of the Approaches of Functional Flexibility

Approaches	Mentioned by
Multi-skilling	
Multi-skilling develops alongside employees' involvement in other tasks	R1, R2, R3, R4, R5, R6, R7, R8, R9, R11, R12, R14, R15, R16 and R17
Multi-skilling is a must for managerial employees	R1, R2, R3, R4, R6, R7, R8, R9, R10, R11, R15, R16 and R17
Non-managerial employees also multi-skill	R5, R12, R13, R14 and R18
Multi-skilling occurs in multi-section departments	R4, R8 and R16
Multi-skill occurs within department only	R1, R2, R4, R5, R7, R8 and R16
Multi-skill occurs across departments	R9, R10, R11, R14 and R15
Specialised jobs do not involve multi-skilling	R1, R4, R6 and R7
Multi-skilling is not practised due to security reasons	R7, R8, R9 and R16
Younger employees are more inclined to multi-skill	R11 and R12

Table 4.10

Summarised Findings of the Approaches of Functional Flexibility (Continued)

Approaches	Mentioned by
Job rotation	
Is also regarded as on-the-job training	R1, R2, R3, R4, R9, R11 and R14
Employees are trained by senior employees during the course of job rotation	R1, R3, R11 and R12
Occurs as on-the-job training during period of low occupancy	R3, R9 and R11
Job rotation may affect productivity	R8
Cross-exposure	
Cross-exposed for few days to few months	R1, R4, R6 and R16
Cross-exposed to departments where the operations are mutually dependent	R3, R4, R6 and R8
Shorter term cross-exposure is ineffective	R6
Cross-exposure enhances employee's career development	R1, R7 and R16
Cross-exposure as a form of punishment	R16

Table 4.11

Categorised Findings of the Approaches of Functional Flexibility

Approaches	H1	H2	H3	H4	H5	Total
Most common approach						
Multi-skilling	✓	✓	✓	✓	✓	5
More common approach						
Job rotation	✓	x	✓	✓	✓	4
Less common approach						
Cross-exposure	✓	✓	x	x	✓	3
Total	3	2	2	2	3	12

4.3.2 Numerical Flexibility

The findings of this study revealed that there are two approaches adopted by Malaysian higher rated hotels to practise numerical flexibility. As outlined in Table 4.12, it is evident that the approaches taken by Malaysian higher rated hotels to practise numerical flexibility are casual workers and agency workers.

Table 4.12

Brief Outline of the Approaches of Numerical Flexibility

Organisational Flexibility	Approaches
Numerical flexibility	Casual Worker Agency Worker

Numerical flexibility is practised when existing manpower is insufficient. In hotels, staffing level of permanent employees is usually based on a minimum of 40 per cent and a maximum of 60 per cent occupancy rate. Thus, when the occupancy rate exceeds the targeted 60 per cent, the increased demand would need to be met through the use of additional employees. Hotels therefore need to employ numerically flexible employees to substantiate the increasing demand:

If we do not have enough staff, we are unable to sustain, then the services will crack. A lot of times, hotels would keep their breakeven of staff at 40 per cent, nothing more than 60 per cent. Hotels have standard rules like if you are running more than 40 per cent occupancy, you are breaking even. If today, the occupancy is 40 per cent, then it is breakeven. 40 per cent of expenses – your manpower cost, operating cost. Our occupancy is at 80 to 90 per cent. So I need more staff and then I push up 1 to 1 ratio to 1 to 1.3 or 1.4 to get this manning, with the support from foreign workers... As I said, because of the risk when it comes to unpredictable situations, for our permanent staffing, we can cope up to 80 per cent staffing. Many hotels hire permanent staff to cope up to 60 per cent occupancy, but like I said again, I push for more. When hotel reaches 80 per cent, my existing staff have reached their maximum productivity level. Like for today, the occupancy is 98 per cent, who would do the balance of 12 per cent? So this is the time we need part-timers. (R7, Human Resource Director of H2, a four-star hotel in Penang)

4.3.2.1 *Casual Worker*

In this study, the terms casual workers and part-timers are used interchangeably by respondents. Casual workers are only employed as backup to permanent employees on certain occasions such as during special events and large-scale functions as well as during high occupancy. According to the Human Resource Director (R7) of a four-star hotel in Penang (H2), “Casual workers are not hired every day... For example, today, I have 300 guests in the ballroom, I have another 100 at the beach front, so we need casual workers because our own team is not big enough”.

Casual workers are hired when existing manpower has already reached their maximum productivity. The Human Resource Director (R7) of a four-star hotel in Penang (H2) revealed, “I actually loan some workers from next door hotel to work as part-timers as I understand yesterday is a busy day and if we continue to ask them (permanent employees) to work double shift, they are going to be mad”. Considering that casual workers are usually available on short notice, they thus become the preferred employment source. The Human Resource Executive (R4) of a five-star hotel in Penang (H1) stated, “These casual workers they are available on short-notice, they are mostly students from hospitality school”. The constant fluctuation facing the hotel industry signifies that it is necessary to employ casual workers. The Food and Beverage Manager (R2) of a five-star hotel in Penang (H1) mentioned, “Like banquet function, happens once in a while, not consistently like a restaurant. If let say we hire more permanent staff for the banquet department, that would increase the cost of the department”.

However, casual workers are only employed to perform the most basic and general tasks at the back office. According to the Front Office Manager (R3) of a five-star hotel in Penang (H1), casual workers are not allowed in the front office due to monetary matters. R3 claimed, “I believe most hotels do not allow part-timers to work at the front office because it involves money collection”. The Human Resource Director (R7) of a four-star hotel in Penang (H2) corroborated, “Part-timers are under the general workers category. You cannot even expect them to deliver the kick ass services, so we place them at the back office and use them as the support staff to do set ups”. R16 too shared similar views:

Part-timers are only hired to do cleaning at the back office. We cannot put them in the front office because they cannot have direct contact with guests because this will affect the operation such as complaints from the guests. That is why we only take in casual workers for back up operation. Casual workers only do general work such as to do clearance. (R16, Human Resource Manager of H5, a four-star hotel in Kedah)

The employment of casual workers is evident in all hotels except in H3. The General Manager (R9) of a four-star hotel in Kedah (H3) reasoned, “We do not have part-timers like casual workers here. We only have our permanent staff”. As a result, H3 seeks assistance from their sister hotels when faced with increasing demand:

The biggest banquet we ever had was 1200 and 900 pax. We have three hotels here under the same owner and same management. So normally for big functions, we will ask their team from all the hotels to help us out. (R10, Human Resource and Administrative Executive of H3, a four-star hotel in Kedah)

Even though casual workers may seem to be of great assistance in times of dire need, hotels nevertheless try to minimise the employment of casual workers for several reasons. According to the Human Resource Director (R7) of a four-star hotel in Penang (H2) and the Human Resource Manager (R15) of a four-star hotel in Kedah (H4), casual workers result in higher labour cost because they are paid an hourly wages of RM4.50 to RM5.00. R7 and the General Manager (R9) of a four-star hotel in Kedah (H3) asserted that the lack of commitment is also one of the reasons to not employ casual workers.

The fact that the turnover rate of casual workers is relatively high prevents hotels from employing casual workers. The Human Resource Director (R7) of a four-star hotel in Penang (H2) asserted, “It is not easy to train them because of turnover and you cannot expect them to be super star”. According to the Chief Engineer (R6) of a four-star hotel in Penang (H2), the turnover rate would subsequently lead to wastage of training resources. R6 attested, “Even though they are part-timers, we also need to teach them. We are wasting a lot of resources there to teach them. The moment they know already, they say goodbye to you”. Echoing to this matter, the Front Office Manager (R3) of a five-star hotel in Penang (H1) substantiated, “Two months, three

months then they will go again. I will have to start over and over again and instead of Front Office Manager, I will become Training Manager”.

The limited supply of casual workers also makes it difficult for certain hotels to employ casual workers. The Food and Beverage Supervisor (R5) of a five-star hotel in Penang (H1) mentioned, “You want to get a local casual worker, it is quite difficult because they are mostly students who are still studying”. Likewise, according to the General Manager (R9) of a four-star hotel in Kedah (H3), the location of a hotel also determines the availability of the supply of casual workers. R9 compared, “Langkawi is really different from Kuala Lumpur and Penang because there are not many colleges here, so where do you get all these people”.

4.3.2.2 *Agency Worker*

In this study, managers sometimes regard agency workers as foreign workers who are employed through an agency. According to the Human Resource Director (R7) of a four-star hotel in Penang (H2), agency workers are paid a similar rate to those of casual works based on an hourly rate of RM4.50. However, since these workers are employed through an agency, their wages are paid to the agency instead. The agency then pays them at an hourly rate of RM3.50.

Similar to casual workers, agency workers are also assigned the most general tasks that involve general cleaning jobs, where a majority of them are assigned to the Housekeeping Department. The Human Resource Director (R7) of a four-star hotel in Penang (H2) stated, “Majority of the company foreign workers are placed in the general cleaner category, mainly in the housekeeping, stewarding and banquet department where they mostly deal with room cleaning and public area cleaning. Out of the 40 foreign workers, almost 50 per cent is in housekeeping”.

The productivity level of agency workers according to the Housekeeping Manager (R8) of a four-star hotel in Penang (H2) is higher in comparison to other employees. This is a result of their lower absenteeism rate in addition to the fact that they are not entitled to any leave. R8 and the Human Resource Director (R7) of a four-star hotel in Penang (H2) maintained that agency workers are also more willing to comply with longer working hours. This is supported by the General Manager (R9) of a four-star

hotel in Kedah (H3). According to R9, “Locals are pampered. If you hire local and you ask them to do something, they will ask you why. But if you hire a Bangladeshi and ask them to do, they will just do. They do not question you”. Local people tend to be more selective, making it difficult to employ local employees:

Local mentality starts to look down on housekeeping as a career. Hotel school graduate will never think of that, the moment they got a diploma, they do not want to be room attendant. Maybe one out of 30 would like to be in housekeeping. People start to be choosier like the current manpower market is. Housekeeping to them is like a chambermaid, they do not like the thought of that. To hire room attendant from the fresh local market is very hard, even of service charge is high. So basically, it is because of the manpower market's pride. Let me share with you. Some of our room attendants we hire locals. They do not want to work over time, because they need to take care of their kids. Foreign workers, you do not need to ask. They will come to you telling you they want to work overtime every day. (R7, Human Resource Director of H2, a four-star hotel in Penang)

In accordance to the views of the Food and Beverage Supervisor (R5) of a five-star hotel in Penang (H1), the employment of agency workers is an option because “in terms of availability, we can consistently have them. They can work monthly. When we need them, they are there... Foreign workers, they are available all the time. You just have to ring the agency and ask them”. However, not all hotels prefer to employ agency workers. The Human Resource Executive (R4) of a five-star hotel in Penang (H1) for instances contended that she prefers to redeploy their staff whenever possible because hiring agency workers takes a lot of work and is also expensive.

4.3.2.3 *Summary*

In line with the second research objective, it is discovered that except for H2, all hotels employ only one approach of numerical flexibility. Out of the two approaches of numerical flexibility, casual workers appear to be the most preferred approach. The findings and themes for the approaches are summarised in Table 4.13 whilst the frequency the approaches are employed by hotels in the course of practising numerical flexibility is categorised into the most and least common approaches, as evident in Table 4.14.

Table 4.13

Summarised Findings of the Approaches of Numerical Flexibility

Approaches	Mentioned by
Casual worker	
Backup for permanent employees	R1, R2, R6, R7, R9, R10, R15 and R16
Employed to perform the most basic tasks	R3, R6, R7, R9 and R16
More expensive due to the hourly wages	R2, R7, R9 and R15
Less committed to their jobs	R3, R6, R7 and R9
Casual workers have high turnover rate	R3, R6 and R7
Shortage of supply	R5, R9, R15 and R16
Agency worker	
Also referred to as foreign workers	R6, R7, R8, R9 and R16
Wages are not paid directly to the workers	R7
Assigned to the general cleaner category	R8 and R8
Their productivity level is higher	R7, R8 and R9
Can be easily obtained through the agency	R5, R6 and R8
Takes a lot of work and is expensive	R4 and R16

Table 4.14

Categorised Findings of the Approaches of Numerical Flexibility

Categories	H1	H2	H3	H4	H5	Total
Most common approach						
Casual worker	✓	✓	×	✓	✓	4
Least common approach						
Agency worker	×	✓	✓	×	×	2
Total	1	2	1	1	1	6

4.3.3 Summary

The findings of this study revealed that functional and numerical flexibility are simultaneously practised in all the hotels of this study. Although it can be concluded that functional flexibility and numerical flexibility complement one another, it is apparent that hotels prefer to practise functional flexibility in comparison to

numerical flexibility. Based on Table 4.15, H2 which employs all five approaches of organisational flexibility remains the most flexible. This is followed by H1 that employs a total of four approaches whilst H3, H4 and H5 that employs only a total of three approaches seem to be less flexible.

Table 4.15
Summary of the Approaches of Organisational Flexibility

Approaches	H1	H2	H3	H4	H5	Total
Functional flexibility	3	3	2	2	2	12
Numerical flexibility	1	2	1	1	1	6
Total	4	5	3	3	3	18

4.4 The Outcomes of Practising Organisational Flexibility

To answer research objective three, this section identifies the outcomes of practising functional flexibility and numerical flexibility. The outcomes of both functional flexibility and numerical flexibility are discussed in terms of the positive and negative outcomes.

4.4.1 Functional Flexibility

In this subsection, the findings on the positive and negative outcomes of functional flexibility are presented in two separate subsections. The first subsection focuses solely on the positive outcomes whilst the next subsection discusses only the negative outcomes of functional flexibility.

4.4.1.1 Positive Outcomes

Practising functional flexibility not only increases service quality, it also increases guests' satisfaction. In addition, being functionally flexible also leads to increased job security and provides employees with greater autonomy. The findings further reveal that labour cost also reduces in line with functional flexibility. It is discovered that productivity and the value of service points also increase alongside the practice of functional flexibility. Based on the findings, it is also evident that practising

functional flexibility leads to increased employability and reduced monotony and job burden. In Table 4.16, the positive outcomes of functional flexibility are listed whilst each of the outcomes is explicitly described in the subsections that follow.

Table 4.16
Brief Outline of the Positive Outcomes of Functional Flexibility

Organisational Flexibility	Positive Outcomes
Functional flexibility	Stronger sense of teamwork Improved service quality and guests' satisfaction Reduced labour costs Greater autonomy Increased job security Increased productivity Increased employability Higher value of service points Reduced monotony Decreased job burden

Stronger Sense of Teamwork

The practice of functional flexibility encourages employees to help each other when need arises. This subsequently leads to improved teamwork. The Food and Beverage Assistant Manager (R1) of a five-star hotel in Penang (H1) explained, “We help each other because our motto here is ‘working under one roof’. So here (Food and Beverage Department), we are a team. We never separate them as belong to one outlet or what”. The Waitress (R13) of a four-star hotel in Kedah (H3) admitted that she enjoys being involved in functional flexibility because “it is also fun to help at the banquet department as we can work together”. The Bellman (R14) of a four-star hotel in Kedah (H3) also expressed his delight of being functionally flexible:

I quite like it. I do not see any form of disadvantages so far because I can see teamwork with my friends. So we are quite happy working like this. We help each other. So I help them when they need me, and when I need their help, they too will help me. So far, there is not a case where I need help and my friends do not want to help. They are all very helpful. (R14, Bellman of H3, a four-star hotel in Kedah)

Improved Service Quality and Guests' Satisfaction

The practice of functional flexibility sees that customer service improves in line with increased guests' satisfaction. Employees practising functional flexibility become more well-versed and knowledgeable. As a result, they are able to go the extra miles to assist guests with their needs and wants. The Front Office Manager (R3) of a five-star hotel in Penang (H1) stated, "Of course guests will be happy because this is what they pay for, excellent service because these people (Guest Service Assistants), they are like the information centre. My staff can recommend places of interest, they can book flight". In resonance with R3, the Human Resource Director (R7) of a four-star hotel in Penang (H2) illustrated:

We do encourage the staff to do more from their original role. So this is also part of our culture and to provide KAS (Kick Ass Service), employees need to multi-task. Example, merchandising staff, when they provide service in the main shop, there is a lot of guests. Out of the group of guests, there are two guests on wheel chair. They (staff) can do nothing for the guests that is on wheel chair and serve those who walk-in. Since not every corner has handicap facility, our staff are trained to carry those guest on wheel chair, with their endorsement to help bring them up to the shop. Most of the time, with that small little thing, they gain the 'wow' factor. (R7, Human Resource Director of H2, a four-star hotel in Penang)

Service quality also improves in line with enhanced guests' satisfaction. Unoccupied employees who are functionally flexible employees are able to assist in busier areas. The practice of functional flexibility that improves employees' efficiency thus leads to expedited check-in and check-out. The reduced waiting time resulted from the practice of functional flexibility subsequently improves service quality:

During rainy season, the gardeners will be a little freer. So during that time, if we have lots of check-outs to do, the gardeners will then help out also in housekeeping. Our owner have mentioned that if there are 27 check-outs and above, the gardener will definitely have to help the housekeeping in order to avoid guests complain for not having rooms at 3 o'clock, which is the check-in time. So we have to be quick, then guests will not complain. (R18, Housekeeping Supervisor of H5, a four-star hotel in Kedah)

Reduced Labour Cost

The practice of functional flexibility results that enables hotels to control the number of employees subsequently leads to reduced labour cost. According to the Chief Engineer (R6) of a four-star hotel in Penang (H2), savings in labour cost is apparent as the practice of multi-skilling successfully reduces the number of employees:

If you do not have multi-tasking, you need more people and that will increase cost. But with multi-tasking, cost will decrease. For example, with multi-tasking, I do not need to hire so many people. Without multi-tasking, I need to hire one air-conditional technician and another plumber and etcetera. Now, one man can do both. Also last time, in food and beverage, they have a few cashiers to do cashiering. But now no more, waiters and waitresses also can do cashiering. So do you think it the company is saving cost? Yes, definitely. (R6, Chief Engineer of H2, a four-star hotel in Penang)

In addition, practising functional flexibility also reduces the need to engage additional employees. The Chief Engineer (R6) of a four-star hotel in Penang (H2) maintained that the mobilisation of existing employees reduces the need to incur additional cost from the engagement of external employees:

Engaging external contractors are expensive these days. If because of minor things and need to hire contractor, you know it is not cost saving. So yes, in terms of cost wise, definitely because some of the other things like for example minor things can be done by our staff. Then we save cost because we do not need to hire extra people. (R6, Chief Engineer of H2, a four-star hotel in Penang)

Greater Autonomy

Functional flexibility empowers employees with greater autonomy to solve minor issues and to deal with guests' complaints. With functional flexibility, employees can make decision without having to rely on others. According to the Food and Beverage Executive (R11) of a four-star hotel in Kedah (H3), employees are empowered so they can take charge of a situation in the absence of a manager:

I do empower them too, the captains and supervisors. Usually, when it comes to complaints, supposedly I am the one who usually have to handle the complaints. So what I do is that I train them on how to handle complaints and now most of my staff can handle complaints already. So in case if I am on leave, they can handle if anything

happens. (R11, Food and Beverage Executive of H3, a four-star hotel in Kedah)

Although it is evident that functional flexibility leads to increased autonomy, the Housekeeping Manager (R8) of a four-star hotel in Penang (H2) mentioned that non-permanent employees and lower ranked employees are not allowed to make decisions. Whilst supervisors and managers are usually given the authority to make decisions, the Human Resource Manager (R16) of a four-star hotel in Kedah (H5), stressed that there is also a limit to decision-making even amongst managerial employees:

Supervisors have the authority to make certain decisions that are given by the company, but not normal staff. Supervisors have the authority to settle issues, but minor ones not major. Same goes to manager. We have a certain level that we can resolve, above than that, we have to refer to our Resort Manager or General Manager because whatever we decide will affect the operation of the whole hotel. (R16, Human Resource Manager of H5, a four-star hotel in Kedah)

Increased Job Security

The practice of functional flexibility which resultantly improves employees' competencies and capabilities through their involvement in a variety of jobs increases employee's job security. Functionally flexible employees are regarded as a valuable organisational asset, which subsequently increases their importance and worth in the organisation:

I feel very happy and this is beneficial for me because through this multi-tasking, I learned more and I am being valued as an important person. Example like when there is some royal family in the hotel, the Chief Executive Office always tell everyone, "Make sure Mr D. is around when the family is here". I feel very important and it is like I am playing a major role here and people trust me, rely on me and they trust that I can do it. It is not like to show off, but I feel important that I had to be there during that particular period. (R1, Food and Beverage Assistant Manager of H1, a five-star hotel in Penang)

A knowledgeable and capable employee is also in favour of career advancement opportunities. The Human Resource Director (R7) of a four-star hotel in Penang (H2) concurred, "People who believe in multi-task and accept multi-task have a better

opportunity for internal promotion”. As an example, R7 stated, “This boy joined us as a carpenter and he has been promoted as maintenance supervisor because he can do almost everything”. In another instance, the Food and Beverage Manager (R2) of a five-star hotel in Penang (H1) believed that the skill he has developed through functional flexibility has earned him the position he is now holding. The Food and Beverage Supervisor (R5) of a five-star hotel in Penang (H1) who is a senior respondent that has been in tenured for nearly 14 years disputed that functional flexibility does not necessarily lead to career advancement:

I am still a supervisor, so you see. I have been here for almost 14 years. I came in as a captain and I was only promoted to a rank higher as a supervisor. I did all of the multi-tasking and was been shuffled for so many times, but then no upgrading has being done to me and I am still in the same position after so many years of shuffling. So if you ask me if I think I have career progression opportunities? I will say within the hotel no, but will I be hired with a higher position if I leave this job? I will say might. (R5, Food and Beverage Executive of H1, a five-star hotel in Penang)

Increased Productivity

Through functional flexibility, employees’ productivity increases in line with reduced idle time. The practice of functional flexibility encourages employees to take the initiative to assist their colleagues who are busy in other areas. The Food and Beverage Assistant Manager (R1) of a five-star hotel in Penang (H1) mentioned, “Sometimes at their free time, my second head waiter or others will ask if they can go and assist in other busy outlets”. The Waitress (R13) of a four-star hotel in Kedah (H3) stated, “So now that it is not peak period, I would find something to do instead of just sitting and do nothing”. Improved productivity subsequently leads to increased profitability:

Multi-skilling is good because of chain effect. When service quality improves, productivity increases. Then we can see profitability as productivity increases. So organisation sustainability also improves. So when productivity improves, salary also increases because of profitability. So it is actually a chain effect you see. (R9, General Manager of H3, a four-star hotel in Kedah)

Increased Employability

Employees who are involved in functional flexibility experience increased employability. This is because the additional skills learned through functional flexibility resultantly leads to better job prospect. The Human Resource Manager (R16) of a four-star hotel in Kedah (H5) maintained, “You will have something that the other staff do not have. So when you go to other company, you can demand in terms of salary, promotion and benefits because you have the skill and experience”. In addition, functionally flexible employees may also fair better chances in terms of employability. The Front Office Manager (R3) of a five-star hotel in Penang (H1) testified, “It is like forming a base for their future employment. It will boost their resume for sure. At least there could be signs like in the future, if they find other jobs, their skills can also help too”.

Higher Value of Service Points

Although employees are not being directly compensated in terms of wages due to job expansion, the practice of functional flexibility nonetheless leads to higher value of service points. According to the Human Resource Director (R7) of a four-star hotel in Penang (H2) and the General Manager (R9) of a four-star hotel in Kedah (H3), the lesser the number of employees, the higher the service points are. The reduction in the number of employees thus results in higher value of service points:

Each of the employees will get service charge points when it is accumulated. For example, if you have 100 employees, if you give 1.00 point per employee, you have 100 points accumulated. If you give 2.00 points, you get 200 points. We have 100 employees who get service charge entitlement. Now from the bill, 10 per cent is to be distributed to that 100 points or 200 points. Now if you have 100 employees, one employee receive 1.00 point. If you have 80 employees, then you get higher in terms of value per point, 1.25 point per employee. So in order for you to get 80, you need to implement multi-skilling. (R9, General Manager of H3, a four-star hotel in Kedah)

Reduced Monotony

According to the General Manager (R9) of a four-star hotel in Kedah (H3), a routine work which is less challenging may prove to be boring. The Human Resource Executive (R4) of a five-star hotel in Penang (H1) stated, “If you stick to one thing, I do not think you can work long”. A wider job variety resulted from the practice of functional flexibility therefore reduces boredom:

Compared to my previous job, I feel that the previous job is more boring because I was doing the same job for 22 years. Every day I come in and do the same job. But now, since the expansion, I feel that it is less boring because there are different things to do every day. (R12, Housekeeping Supervisor of H3, a four-star hotel in Kedah)

Decreased Job Burden

The presence of a multi-skilled non-managerial workforce reduces the burden of managerial employees. Due to functional flexibility, employees are now more capable and skilful in handling guests’ needs and wants. The Food and Beverage Executive (R11) of a four-star hotel in Kedah (H3) disclosed, “Multi-skilling is beneficial for me too. Ever since I trained the captains and supervisors to deal with complaints, they have since helped to ease my burden. Now, I do not have to stay till late evening for most of the days”.

Summary

It is discovered that practising functional flexibility results in many positive outcomes, both to the hotel and also the employees themselves. Amongst all five hotels, H3 is the only hotel that experiences all ten positive outcomes. Out of the ten positive outcomes, H1 reportedly experiences eight of the positive outcomes and this is followed by H2 with a total of six positive outcomes. H4 and H5 on the other hand, experience minimal positive outcomes. The findings of the positive outcomes are grouped in accordance to the themes, as evident in Table 4.17. The most, more, less and least common outcomes are summarised in Table 4.18 based on the frequency as reported by respondents.

Table 4.17

Summarised Findings of the Positive Outcomes of Functional Flexibility

Positive Outcomes	Mentioned by
Stronger Sense of Teamwork Enhances understanding amongst different teams	R1, R3, R6, R8, R10, R11, R13, R14, R15, R17 and R18
Improved Service Quality and Guest's Satisfaction Service quality and guest satisfaction improves due to increased employees' efficiency	R1, R3, R4, R6, R7, R11, R14, R17 and R18
Reduced Labour Cost Redeploying multi-skill employees prevent the incurring of additional costs	R2, R6, R7, R8, R9, R10 and R15
Greater Autonomy Non-managerial employees are given the autonomy to make minor decisions Non-managerial employees are not allowed to make decisions	R2, R10, R11, R16 and R17 R8 and R16
Increased Job Security Competent and capable employees are duly valued Functionally flexible employees retain better promotion opportunities Functional flexibility does not increase job security	R1, R2 and R7 R2, R3, R6, R7, R10, R11 and R14 R5
Increased Productivity Productivity increases because the ability to multi-skill reduces employees' idle time	R1, R7, R9 and R13
Increased Employability Functionally flexible employees have better employment opportunity in the labour market	R3, R5, R12 and R16
Higher Value of Service Points Service points increases because the amount of service charges are shared amongst lesser employees	R7, R9 and R17
Reduced Monotony A greater variety of job due to functional flexibility reduces job monotony as it alleviates job boredom	R1, R4, R9, R10, R12, R13 and R14
Decreased Job Burden Functionally flexible employees reduces managers' burden	R11

Table 4.18

Categorised Findings of the Positive Outcomes of Functional Flexibility

Positive Outcomes	H1	H2	H3	H4	H5	Total
Most common outcome						
Stronger sense of teamwork	✓	✓	✓	✓	✓	5
More common outcomes						
Improved service quality and guests' satisfaction	✓	✓	✓	x	✓	4
Reduced labour cost	✓	✓	✓	✓	x	4
Less common outcomes						
Greater autonomy	✓	x	✓	x	✓	3
Increased job security	✓	✓	✓	x	x	3
Increased productivity	✓	✓	✓	x	x	3
Increased employability	✓	x	✓	x	✓	3
Higher value of service points	x	✓	✓	x	✓	3
Least common outcomes						
Reduced monotony	✓	x	✓	x	x	2
Decreased job burden	x	x	✓	x	x	1
Total	8	6	10	2	5	31

4.4.1.2 *Negative Outcomes*

Whilst it is undeniable that practising functional flexibility results in a number of positive outcomes, the practice of functional flexibility nevertheless leads to several negative outcomes. The findings of this study revealed that practising functional flexibility does not only result in job intensification, but it also causes dissatisfaction amongst employee union.

Practising functional flexibility is also reported to have affected job quality and productivity. Inevitable, the results revealed that practising functional flexibility may also require for employees to be demoted and this consequently causes dissatisfaction. The negative outcomes resulted from practising functional flexibility is listed in Table 4.19 below.

Table 4.19
Brief Outline of the Negative Outcomes of Functional Flexibility

Organisational Flexibility	Negative Outcomes
Functional flexibility	Job intensification Employee union dissatisfaction Deterioration of job quality Dissatisfaction due to demotion Counter productivity

Job Intensification

Job intensification occurs due to increased responsibilities and complexity that often coexist with functional flexibility. The Human Resource and Administrative Executive (R10) of a four-star hotel in Kedah (H3) exclaimed, “Sometime you feel like personal attachment. Sometimes you feel stress because of too many jobs. I feel it because sometime I feel like there are too many tasks to handle”. However, once employees have become accustomed to functional flexibility, it therefore reduces stress. The Housekeeping Supervisor (R12) of a four-star hotel in Kedah (H3) was quoted saying, “Initially, I feel that this (multi-skilling) is difficult for me because I have to do many jobs. Now that I am used to it, it no longer feels a burden”.

Yet, functional flexibility does not necessarily lead to job intensification because the amount of hours work is still the same. The General Manager (R9) of a four-star hotel in Kedah (H3) asserted, “How much work you do also, it is still eight hours. But I must say it is a bit stressful if you do not know how to manage”. Considering that functional flexibility cannot be measured, the increasing workload that occurs in line with functional flexibility is thus not accompanied by compensation:

It is very hard to say if you multi-skill, I give you extra RM0.50 per month. Then the staff will ask, “Boss, how much of multi-skill do you want?” So, the moment you use money to justify multi-skill pay up, it will be problematic because there is no element to measure. (R7, Human Resource Director of H2, a four-star hotel in Penang)

Employee Union Dissatisfaction

The practice of functional flexibility causes dissatisfaction amongst employee union because functional flexibility is viewed as a form of exploitation. According to the Human Resource Manager (R16) of a four-star hotel in Kedah (H5), hotels need to be cautious when practising functional flexibility. R16 emphasised, “This hotel is a union hotel, so we must be careful of what we do. The union will question why do staff has to do two works at one time”. Hence, the terms associated to functional flexibility such as multi-tasking or multi-skilling is concealed because the union often misinterpret functional flexibility as a form of exploitation:

All union do not believe in multi-tasking. To them, multi-skill is exploitation. To them, multi-skill means bullying the work man. You offer one job but at the end you ask the staff to do this and that. That is why we never use the term multi-skill or multi-task here, because we know of the “taboos” of using this word... You know the union are very old school because they always want the best for the employees. They are in the hotel industry for over 30 years so they are antique. (R7, Human Resource Director of H2, a four-star hotel in Penang)

In order to avoid the issues in relation to functional flexibility with the union, a five-star hotel in Penang (H1), a four-star hotel in Penang (H2) and two four-star hotels in Kedah (H3 and H5) consolidated several job descriptions to form a generic job title. According to the Human Resource Executive (R4) of a five-star hotel in Penang (H1), the job title of ‘Guest Service Agent’ which consolidates a few front office jobs that include the jobs of a cashier, receptionist and concierge is used. The Human Resource Director (R7) of a four-star hotel in Penang (H2) emphasised that a formal and detailed written job description that contains the main duties, side duties and less common duties is essential when practising functional flexibility:

All staff will have to sign the job description on the first day when they report for duty. Even during the interview, some of them will ask about job description, so I will show them the job description. We have main tasks, we have supporting initiates like side duties and less common duties. All must be listed out in the job description, but we never tell them the word multi-task. So later if the union ask, we have proof that the employees are already aware. Besides, employees also will not feel cheated if we tell them during the interview itself. (R7, Human Resource Director of H2, a four-star hotel in Penang)

To put functional flexibility into practice, employee union needs to be made aware of the benefits of practising functional flexibility. The Human Resource Director (R7) of a four-star hotel in Penang (H2) and the General Manager (R9) of a four-star hotel in Kedah (H3) claimed that the statistics in terms of higher service points is an important document that can be used to convince the union that functional flexibility is not a form of exploitation. The total amount of service points which is shared by lesser employees due to the practice of functional flexibility has its advantages, especially when employees are rewarded with higher value of service points.

Deterioration of Job Quality

The practice of functional flexibility signifies that employees are more focused on task completion and meeting targeted productivity instead of on the quality of jobs. The Waitress (R13) of a four-star hotel in Kedah (H3) alleged, “When I have to do many other things, my job is being simply done. Sometimes I just simply do because what is important is finishing the tasks”. As a result, job quality is affected as employees failed to maintain productivity and quality at the same time:

Normally, in other hotels, in an eight hours shift, maid cleans only 12 rooms. But here, they have to go to the extent of 20 rooms. In Hotel X, we take 25 minutes to clean an occupied room and 45 minutes for checked-out room. But here (H3), if you do the calculation for an eight hours shift, one room regardless whether it is occupied or checked-out, we have to clean it within 25 minutes to meet the targeted 20 rooms. So obviously, there will be a drop in terms of quality. But honestly, if we need to maintain excellent quality and clean 20 rooms at the same time, it is actually quite difficult to do. (R12, Housekeeping Supervisor of H3, a four-star hotel in Kedah)

Whilst quality may be an important element in any hotel operations, the Chief Engineer (R6) of a four-star hotel in Penang (H2) asserted that quality should not be the most important factor when practising functional flexibility:

Not all jobs really need qualities. For example, everybody can do painting but the quality and productivity is different. For me, quality is not really important, unless for special jobs. Because when you have this multi-tasking so all my people can do, not to say 100 per cent perfect but at least can cover some minor problems. Even though is not specialised on the problem but at least can still make it run. (R6, Chief Engineer of H2, a four-star hotel in Penang)

Dissatisfaction due to Demotion

Practising functional flexibility results in demotion since there are jobs that may require for employees to be assigned to a lower position job. When this happens, it causes dissatisfaction of the employee who is being demoted:

I do waitressing job, but I feel like a cleaner sometimes. This is especially in terms of the job scope, especially to mop the floor. It seems inappropriate to mop the floor and to serve the guests at the same time. What will the guests think if they see the same person who mop the floor and later serve them? It is not too good because one is a cleaning job, the other is a serving job. (R13, Waitress of H3, a four-star hotel in Kedah)

For others, demotion is not a major issue because employees are only required to temporarily assist in other lower position. According to the Food and Beverage Supervisor (R5) of a five-star hotel in Penang (H1), "I am still a supervisor but at times, I also help out as a service staff. I do not see that as demotivating me because I am used to it and it is also part of my job". Likewise, the Food and Beverage Executive (R11) of a four-star hotel in Kedah (H3) revealed, "During busy period, even the captain or me will have to clear the plate. We do not wait for the waiter to do it. We must lead by example".

Counter Productivity

Functional flexibility affects productivity because employees who are less competent in their secondary skills may not be as productive as employees who routinely do the job. As a result, supervisors need to do another round of check in order to warrant excellent quality. This according to the Housekeeping Manager (R8) of a four-star hotel in Penang (H2) is counterproductive:

Some staff are not expert in certain part of multi-tasking, so they are not as good as those who do the job every day... So sometimes, the quality and productivity may be affected as if one of them, like soil linen who is not really good in cleaning the room. So they may not clean the room as required or they might be a bit slow. Then the room staff leader has to do additional jobs, which is redo and recheck the cleaning process that soil linen people has missed out and sometimes we need to send more staff to help them. (R8, Housekeeping Manager of H2, a four-star hotel in Penang)

Summary

Functional flexibility leads to minimal negative outcomes. Based on all the outcomes, H4 and H5 reportedly experience far fewer negative outcomes than the rest of the hotels in this study. The themes and findings of the negative outcomes that emerged from this study is summarised in Table 4.20 whilst the most common, more common, less common and least common outcomes are summarised in Table 4.21.

Table 4.20

Summarised Findings of the Negative Outcomes of Functional Flexibility

Negative Outcomes	Mentioned by
Job Intensification	
Job intensification occurs due to increased workload and responsibilities	R3, R4, R6, R9, R10, R11, R12, R13, R14 and R17
Employees do not experience job intensification once they become used to the practice	R7, R11, R12, R13, R14 and R18
Not compensated for the increasing workload	R2, R6, R7, R9 and R12
Increasing responsibilities are not viewed as a burden because employees work the same hours	R4, R7 and R9
Deterioration of Job Quality	
Employees are more focused on task completion	R2, R12, R13 and R14
Quality is not the most important factor	R6
Employee Union Dissatisfaction	
Employee union regards functional flexibility as exploitation	R7 and R9
Terms related to functional flexibility is not used to avoid problems with the union	R4, R7 and R16
To overcome this issue, hotels need to have a formal written consolidated job description	R7
Dissatisfaction due to Demotion	
Employee are dissatisfied when being assigned to lower ranked job	R13 and R15
Demotion is not an issue	R1, R3, R5, R11 and R13
Counter Productivity	
Task needs to be redo as quality is affected due to insufficient competences	R6 and R8

Table 4.21
Categorised Findings of the Negative Outcomes of Functional Flexibility

Negative Outcomes	H1	H2	H3	H4	H5	Total
Most common outcomes						
Job intensification	✓	✓	✓	×	✓	4
Employee union dissatisfaction	✓	✓	✓	×	✓	4
More common outcome						
Deterioration of job quality	✓	✓	✓	×	×	3
Less common outcome						
Dissatisfaction due to demotion	×	×	✓	✓	×	2
Least common outcome						
Counter productivity	×	✓	×	×	×	1
Total	3	4	4	1	2	14

4.4.2 Numerical Flexibility

The outcomes of practising numerical flexibility are discussed in this subsection. The details of each of the outcomes are elaborated in the subsections that follow whereby the positive outcomes are discussed in the first subsection. The findings on the negative outcomes in presented in the second subsection.

4.4.2.1 Positive Outcomes

Like the practice of functional flexibility, practising numerical flexibility also decreases job burden amongst employees. In addition, productivity also increases in line with the practice of numerical flexibility. The positive outcomes of numerical flexibility are highlighted in Table 4.22 below. The detailed findings are presented in the two subsections that follow.

Table 4.22
Brief Outline of the Positive Outcomes of Numerical Flexibility

Organisational Flexibility	Positive Outcomes
Numerical flexibility	Decreased job burden Increased productivity

Decreased Job Burden

The hiring of numerically flexible employees decreases the job burden of permanent employees. The additional assistance provided by numerically flexible employees enable permanent employees to cope with increasing demand. The Chief Engineer (R6) of a four-star hotel in Penang (H2) was quoted saying, “They (numerically flexible employees) help the permanent employees. If anything, permanent employees are happier because that burdened job load has been reduced”.

Increased Productivity

Productivity increases due to numerical flexibility because the presence of non-permanent employees such as agency workers resulted in an overall higher productivity level. Numerically flexible employees portrayed higher productivity level since they are not entitled to any form of leave. In addition, the hourly wages become a significant motivation for numerically flexible employees to be more productive. The Housekeeping Manager (R8) of a four-star hotel in Penang (H2) compared, “I will say foreign workers have higher productivity than permanent workers because they are paid hourly, so the more hardworking they are, the more they earn, and since they do not have leave, their absenteeism rate is also lower”.

Summary

The practice of numerical flexibility results in positive outcomes of increased productivity. Practising functional flexibility also decreases job burden amongst permanent employees. The positive outcomes of numerical flexibility are only evident in H2 and H3 whilst other hotels (H1, H4 and H5) reportedly do no experience any form of positive outcomes. The themes and findings of the positive

outcomes of numerical flexibility is summarised in Table 4.23 whilst the categorisation in accordance to the most and least common outcomes are illustrated in Table 4.24.

Table 4.23
Summarised Findings of the Positive Outcomes of Numerical Flexibility

Positive Outcomes	Mentioned by
Decreased Job Burden Numerically flexible employee decreases job burden amongst permanent employees	R6, R7 and R11
Increased Productivity Agency workers are more productive because they are not entitled for leave	R8

Table 4.24
Categorised Findings of the Positive Outcomes of Numerical Flexibility

Positive Outcomes	H1	H2	H3	H4	H5	Total
Most common outcome Decreased job burden	x	✓	✓	x	x	2
Least common outcome Increased productivity	x	✓	x	x	x	1
Total	0	2	1	0	0	3

4.4.2.2 *Negative Outcome*

The only negative outcome experienced due to the practice of numerical flexibility is increased labour cost. Unlike the practice of functional flexibility, practising numerical flexibility results in the contrary of reduced labour cost. The negative outcome of numerical flexibility is outlined in Table 4.25 whilst the detailed finding is described in the subsection that follows.

Table 4.25

Brief Outline of the Negative Outcome of Numerical Flexibility

Organisational Flexibility	Negative Outcome
Numerical flexibility	Increased labour cost

Increased Labour Cost

According to the Housekeeping Manager (R8) of a four-star hotel in Penang (H2), numerical flexibility is practised with the effort to promote labour cost saving. Numerically flexible employees who are not entitled to any form of allowances and benefits are therefore a cheaper source of labour.

Nevertheless, majority of respondents argued that numerically flexible employees may not necessarily lead to labour costs savings. This is because numerically flexible employees whom are paid hourly wages are in fact more expensive as compared to permanent employees. The Human Resource Manager (R15) of a four-star hotel in Kedah (H4) claimed, “They (casual workers) are more expensive because they are currently paid hourly wages. One hour I need to pay them RM5.00”.

Summary

In this study, numerical flexibility is reported to have only caused increasing labour cost. The finding and theme of the negative outcome of numerical flexibility is summarised in Table 4.26. Based on Table 4.27, it is evident that increased labour cost due to the practice of numerical flexibility is experienced by all of the hotels, except for H5.

Table 4.26

Summarised Findings of the Negative Outcome of Numerical Flexibility

Negative Outcome	Mentioned by
Increased Labour Cost	
The hourly wages paid to numerically flexible employees are actually expensive	R2, R6, R7, R8, R9 and R15

Table 4.27

Categorised Findings of the Outcome of Numerical Flexibility

Negative Outcome	H1	H2	H3	H4	H5	Total
Most common outcome						
Increased labour cost	✓	✓	✓	✓	×	4
Total	1	1	1	1	0	4

4.4.3 Summary

Parallel to the third research objective, it is discovered that the practice of organisational flexibility as a whole results in more positive than negative outcomes. In comparison, the findings demonstrated that functional flexibility results in more positive outcomes than numerical flexibility. The findings have also demonstrated that practising functional flexibility leads to more positive than negative outcomes.

Whilst the outcomes are generally positive, some of the positive outcomes appear to be in contradiction with the negative outcomes. Functional flexibility for instances, results in the positive outcome of reduced monotony. Yet, the same positive outcome of reduced monotony is also the reason leading to the negative outcome of job intensification. Likewise, as productivity increases alongside functional flexibility, it on the other hand also affects productivity. Drawing on this conclusion, it is apparent that the negative outcomes resulted from the practice of organisational flexibility can be offset by the many positive outcomes.

Even though functional flexibility has demonstrated more positive evidences than numerical flexibility, both functional and numerical flexibility to a certain extent produces similar positive outcomes. Both the practices for instances, result in the positive outcomes of increased productivity and decreased job burden. Like functional flexibility, the finding demonstrates that the negative outcome resulted from numerical flexibility such as increased labour cost can also be countered off the by the positive outcome of functional flexibility. The positive outcomes of both functional and numerical flexibility are summarised in Table 4.28 whilst the negative outcomes are listed in Table 4.29.

Table 4.28
Summary of the Positive Outcomes of Organisational Flexibility

Positive Outcomes	Functional Flexibility	Numerical Flexibility	Total
Stronger sense of teamwork	✓	×	1
Improved service quality and guests' satisfaction	✓	×	1
Reduced labour cost	✓	×	1
Greater autonomy	✓	×	1
Increased job security	✓	×	1
Increased productivity	✓	✓	2
Increased employability	✓	×	1
Higher value of service points	✓	×	1
Reduced monotony	✓	×	1
Decreased job burden	✓	✓	2
Total	10	2	12

Table 4.29
Summary of the Negative Outcomes of Organisational Flexibility

Negative Outcomes	Functional Flexibility	Numerical Flexibility	Total
Job intensification	✓	×	1
Employee union dissatisfaction	✓	×	1
Deterioration of job quality	✓	×	1
Dissatisfaction due to demotion	✓	×	1
Counter productivity	✓	×	1
Increased labour cost	×	✓	1
Total	5	1	6

4.5 Conclusion

It is evident that the purposes organisational flexibility is practised vary across hotel. Similarly, the extent of the approaches taken also differs from one hotel to another. Whilst all hotels employ both functional and numerical flexibility, functional flexibility appears to be the more prominent practice. The findings of this study have also established that practising organisational flexibility leads to more positive than negative outcomes. The findings presented in this chapter are discussed in the next chapter alongside the implications and recommendations for future studies.

CHAPTER 5

DISCUSSION AND CONCLUSION

5.0 Introduction

The practice of organisational flexibility is explored in terms of the purposes, approaches and outcomes of practising organisational flexibility. In this chapter, the results obtained from the interviews that were presented in previous chapter are discussed and concluded in order to answer the research objectives of this study. Considering that organisational flexibility is instituted along two forms of practices, namely functional flexibility and numerical flexibility, the organisation of this chapter thus is structured according to the two forms of practices. The discussions are separated into the purposes, approaches and outcomes of functional flexibility and the purposes, approaches and outcomes of numerical flexibility.

5.1 Functional Flexibility

In accordance to the three research objectives of this study, the purposes, approaches and outcomes of practising functional flexibility are discussed in this section.

5.1.1 The Purposes of Practising Functional Flexibility

In exploring the purposes functional flexibility is practised in Malaysian higher rated hotels, this section discusses the findings based on the most common purposes, more common purposes and less common purpose. The purposes that are mentioned the most by all hotels are categorised as the most common purposes functional flexibility is practised. For the purposes that are mentioned by only four hotels, it implies that those purposes are the more common purposes. Meanwhile, if only three hotels

acknowledge that functional flexibility is practised for any of the purposes, the purposes is thus categorised as less common purposes.

All five hotels in this study recognise that the most common purposes of practising functional flexibility are to develop employees’ skills, to cope with fluctuating demand, to reduce employees’ idle time and to increase employees’ pay. Four out of five hotels concede that organisational flexibility is practised in their hotels for the more common purposes of reducing labour costs, improving customer service and covering for absences. Meanwhile, three hotels reveal that the less common purpose of practising functional flexibility is to facilitate succession planning. The purposes are outlined in Table 5.1.

Table 5.1
Categories of the Purposes of Functional Flexibility in Brief

The Purposes of Functional Flexibility	
Most Common Purposes	To develop employees’ skills To cope with fluctuating demand To increase employees’ pay
More Common Purposes	To reduce employees’ idle time To reduce labour costs To improve customer service To cover for absences
Less Common Purpose	To facilitate succession planning

5.1.1.1 *Most Common Purposes*

This section discusses the most common purposes functional flexibility is being practised in all five hotels interviewed in this study. The three most common purposes of practising functional flexibility, as reported by all five Malaysian higher rated hotels are to develop employees’ skills, to cope with fluctuating demand and to increase employees’ pay.

To Develop Employees' Skills

This study finds that functional flexibility is practised in the effort to develop employees' skills. The findings of this study uncover that it is important to develop employees' skills because skill development enhances an employee's managerial quality and career progression. Managers are of the opinion that skills that are developed through the involvement in different tasks enhance employees' prospects for career promotion. This finding provides evidential support to the proposition that skills variation and experiences are amongst the most important determinant of career promotion (Campion et al., 1994; Guerrier & Lockwood, 1989). According to Campion et al. (1994), functional flexibility which acts as a means to increase employees' experience is an instrument to enhance employees' career progression.

In addition, this study also discovers that it is important to develop employees' skills because skilled and competent employees are the contributing source of increased productivity. Managers argue that developing of employee skills through functional flexibility enables organisation to make the best of their employees. The development of employees to be competent and capable is advantageous to the organisation. This finding thus offers further support to the argument that it is critical for organisation to focus their effort in developing the competences and skills of its human capital who is essentially an organisation's source of productivity and profitability (Meliou & Maroudas, 2011; Pot, 2011).

To Cope with Fluctuating Demand

The findings of this study indicate that functional flexibility is being practised in Malaysian higher rated hotels due to the unpredictable nature of fluctuating demand. The result of this study discloses that hotels do not maintain maximum staffing capacity at all times due to the constantly fluctuating demand. As such, labour shortages could possibly occur especially when demand increases. In view of this, managers acknowledge that hotels need to practise functional flexibility to facilitate labour adjustment.

In accordance to the findings of this study, it is learnt that functional flexibility is practised to enable hotels to adjust and plan their staffing level as per demand

variation. Hotels practise functional flexibility so that functionally flexible employees who can multi-skill can be redeployed to assist in other busier jobs. Practising functional flexibility hence allows hotels to maintain their operation without having to increase staffing level. This finding resultantly proves that changes in demand can be met through functional flexibility by means of altering the content of jobs so that existing employees can be redeployed across jobs when the need arises (Desombre et al., 2006; Kelliher & Riley, 2003; Riley, 1996).

To Increase Employees' Pay

The evidences obtained from the interviews demonstrate that functional flexibility is practised to provide employees with the opportunity to earn additional income. The findings of this study revealed that it is the low paying condition of the hotel industry that instigates the practice of functional flexibility in Malaysian higher rated hotels. Taken into consideration the low wages scenario, functional flexibility is practised with the intention that it not only increases employees pay through the increment of service points but also through the involvement in overtime and casual work.

The finding that functional flexibility is practised for the purpose to increase employees' pay is however in contradiction with Kelliher and Riley's (2003) contention. According to Kelliher and Riley (2003), practising functional flexibility leads to a loss of overtime opportunities as organisations seek to reduce labour costs. Although reducing labour cost implies the loss of overtime pay opportunities, this study discovers that functional flexibility enables employees to earn more from overtime pay because it is more convenient to redeploy existing employees in comparison to engaging of numerically flexible employees.

The use of functional flexibility to increase employees' pay becomes even more significant in hotels that practices clean wage system, whereby service points are non-existence. Employees need to be involved in functional flexibility because the ability to multi-skill enables employees to take on part-time job in addition to their full-time job. This finding provides further support to the adoption of a multi-hiring practice that encourages employees who would like to earn additional income to take on casual work in the same organisation (Knox & Nickson, 2007).

5.1.1.2 More Common Purposes

This section discourses the three more common purposes of practising functional flexibility in Malaysian higher rated hotels. As reported by a total of four hotels, functional flexibility is practised the more common purposes of reducing employees' idle time, reducing labour cost, improving customer service and covering for absences.

To Reduce Employees' Idle Time

This study discovers that functional flexibility is practised in line with the effort to reduce employees' idle time. It is essential to reduce employees' idle time because as demand decreases, employees become unproductive due to increasing idle time. Managers raise their concern that such a situation would possibly affect hotel businesses because profitability is linked to employees' productivity. However, in the effort to reduce employees' idle time, hotels need to first achieve efficient labour utilisation through the redeployment of employees.

Practising functional flexibility enables hotels to efficiently utilise manning as unoccupied employees can be redeployed to other busier work areas. The findings obtained from this study espouse the practicality of practising functional flexibility with the intention to achieve greater labour efficiency (Dahlén, Ericsson, & Fujii, 1995; Desombre et al., 2006; Easton, 2011; Kelliher & Riley, 2003). Kelliher and Riley (2003) concur that practising functional flexibility increases workload variation, which resultantly prevents employees from being idle.

To Reduce Labour Cost

The evidences found in this study suggest that the use of functional flexibility as a means to reduce labour cost is more common in Malaysian higher rated hotels. Based on the evidences, it is established that the practice of functional flexibility that leads to the use of a generic job title is relevant to the context of labour cost reduction. The practice of functional flexibility that broadens employees' job scopes enables hotels to operate with fewer employees. This finding is consistent with previous literatures (Cordery, 1989; Kelliher & Riley, 2002; Riley & Lockwood, 1997; Rönmar, 2006).

Kelliher and Riley (2002) contend that the merging of jobs which leads to the eradication of job demarcation enables hotels to operate with fewer but more efficient multi-skilled employees.

However, one respondent argues that functional flexibility should not be practised with the aim to reduce labour costs. Hotels cannot afford to reduce the number of employees because to deliver excellent service, hotels need a substantial amount of employees to maintain their operation. The fact that service personalisation is one of the most significant characteristics of higher rated hotels, reducing the number of employees could therefore disrupt service quality. This finding is consistent with Nankervis' (1995) discovery where the reduction in the number of employees is found to have negatively impact on service quality.

To Improve Customer Service

Respondents maintain that it is important to ensure excellent customer service considering that guests of higher rated hotels usually have higher expectation than those who patronises lower rated hotels. Hence, employees not only need to have profound knowledge of the hotel operation, but they also need to possess a range of different skills so they can efficiently respond to guests' needs and wants. As the essence of service quality, employees' ability to deliver excellent service quality is one of the key determinants of customer satisfaction.

The finding of this study is coherent to previous literatures that draw attention to the association between functional flexibility with employees' skills and customer service (Fraser & Hvolby, 2010; Nankervis, 2000; Pelit, Öztürk, & Arslantürk, 2011). According to Fraser and Hvolby (2010), practising functional flexibility enhances service quality because the experience of engaging in different functions provide employees with not only the efficiency to coordinate and communicate effectively, but it also improves employees' problem solving skills.

To Cover for Absences

Managers assert that absentees need to be replaced quickly, otherwise it will disrupt hotel operation. Past literatures have highlighted the importance to seek for

replacement (Guinsberg & Bayat, 2012; Molleman & Slomp, 1999). Absences cause manpower shortages which if not being replaced quickly, can affect the overall hotel operation due to insufficient productivity (Guinsberg & Bayat, 2012; Molleman & Slomp, 1999). Thus, functional flexibility is practised to facilitate redeployment when hotels are faced with manpower shortages.

The use of functional flexibility to facilitate redeployment by means of skills redundancy has also been identified as a strategy to cover for absences in past studies (Fraser & Hvolby, 2010; Hopp & Van Oyen, 2004; Molleman & Slomp, 1999). To avoid the incurring the cost of hiring extra employees, skill redundancy enables other employees who also possess the skills and knowledge in the job of the absentees to be redeployed to facilitate replacement (Fraser & Hvolby, 2010).

5.1.1.3 Less Common Purpose

This section uncovers the less common purpose functional flexibility is practised in Malaysian higher rated hotels. Based on the findings, it is gathered that three hotels in this study practise functional flexibility for the less common purpose of facilitating succession planning.

To Facilitate Succession Planning

This study reveals that succession planning is indeed crucial because it ensures the availability of a successor upon the emerging of job vacancy. The importance of practising functional flexibility in relation to the possible repercussions of depending on only one employee to perform a designated job is highlighted in the interviews with managers. Managers revealed that it is important that jobs are shared amongst employees because sole dependency exposes hotels to the risk of skill shortages in the event of resignation. Having considered the possible repercussions, functional flexibility is practised to encourage job sharing so that vacant positions can be substituted by employees from the present workforce.

This finding is consistent with past studies where functional flexibility is regarded as an effective strategy to promote job sharing (Brunold & Durst, 2012; Riley, 1992). A pool of substitutes exists because the practice of functional flexibility that results in

skill dispersion enables employees to share and disseminate necessary knowledge that is relevant to a job within the entire organisation (Riley, 1992).

5.1.1.4 Summary

The findings of the first research objective are mostly consistent with previous studies though there a contradiction occurs. The new discovery that functional flexibility is practised to provide employees with the opportunity to increase employees’ pay is in contradiction with past studies that regard functional flexibility as the source leading to the loss of overtime pay. The supporting and contradicting literatures are summarised in Table 5.2 below.

Table 5.2
Summarised Discussion of the Purposes of Functional Flexibility

Purposes	Support	Contradict
To develop employees skills	✓	–
To cope with fluctuating demand	✓	–
To reduce employees’ idle time	✓	–
To increase employees’ pay	✓	✓
To reduce labour cost	✓	–
To improve customer service	✓	–
To cover for absences	✓	–
To facilitate succession planning	✓	–

(–) indicates that discussions are not applicable

5.1.2 The Approaches Taken to Practise Functional Flexibility

To practise functional flexibility, this study finds that hotels needs to first integrate functional flexibility as part of the organisational culture. It is essential to incorporate functional flexibility as a norm and work routine in order for employees to accept and become accustomed to the practice. Previous scholars have also related the success of functional flexibility to an organisation’s culture (Guerrier & Lockwood, 1989; Kelliher & Riley, 2002; Knox & Walsh, 2005).

According to Guerrier and Lockwood (1989), the implementation of functional flexibility will not be possible without first considering the organisational culture because organisational culture is ultimately the strongest internal factor influencing HRM (De La Lastra et al., 2014). Hence, in the effort to facilitate employees' adaptation to functional flexibility, organisations need to incorporate flexibility into a work routine that is coherent to the organisational culture (Kelliher & Riley, 2002; Knox & Walsh, 2005). To foster the practice of functional flexibility, hotels in this study incorporate multi-skilling, job rotation and cross-exposure into their organisational culture.

The findings gathered in this study signify that multi-skilling which is practised in all five hotels is the most common approach to practise functional flexibility. This is followed by the more common approach of job rotation which is practised in four hotels and the less common approach of cross-exposure which is only practised in three hotels. In Table 5.3 below, the approaches taken to practise functional flexibility are classified based on the most, more and less common approaches.

Table 5.3

Categories of the Approaches of Functional Flexibility in Brief

The Approaches of Functional Flexibility	
Most Common Approach	Multi-skilling
More Common Approach	Job rotation
Less Common Approach	Cross-exposure

5.1.2.1 Most Common Approach

The most common approach taken by all hotels in this study in the effort to promote functional flexibility is multi-skilling.

Multi-Skilling

In this study, the term multi-skilling and multi-tasking are used interchangeably. The notion that multi-tasking ultimately results in multi-skilling explain the reason multi-

skilling and multi-tasking are used analogously. It is learnt that employees' involvement in more than one task subsequently leads to multi-skilling as employees' skills expand in line with task variation. This finding is in consonance with Cordery's (1989; 1992) and Hopp and Van Oyen's (2004) studies, in which multi-tasking is reckoned to have resultantly led to multi-skilling because the ability to perform multiple tasks leads to an increase of employee skill.

In general, the practice of multi-skilling is evident in all hotels in this study. However, there appear to be slight differences in the way multi-skilling is practised in each hotel. Based on the findings, it is discovered that although multi-skilling within department is encouraged in all hotels in this study, multi-skilling across department nonetheless is not permissible in some hotels due to safety and security reasons. Employees are not allowed to multi-skill across department because the significant differences of skills in each department may not only endanger employees' safety, but it also poses problems to the hotel operation at large.

Similar result was also recorded in past study (Levenson, 2012). According to Levenson (2012), multi-skilling should not occur between different department because the integration of dissimilar tasks can obstruct organisational effectiveness. In addition, the differences in terms of departmental culture and behaviour may also pose as a challenge for employees to multi-skill across department (Guerrier & Lockwood, 1989).

The findings revealed that there are two conditions that govern the practice of multi-skilling in Malaysian higher rated hotels. Firstly, multi-skilling only occurs in departments that are usually the busiest. Secondly, multi-skilling is only practised in departments that consist of various sections. This finding supports Kelliher and Riley's (2003) argument that the scope to practise functional flexibility is only significant in jobs that involve a variety of activities and complexities. It is only logical that the capacity to multi-skill only exists in complex jobs because a simple job does not require multiple skills (Kelliher & Riley, 2003).

Managers assert that there are certain employees who are not subjected to multi-skilling, even in busier departments such as those in the Housekeeping, Food and

Beverage and Engineering Department. For instances, painters from the Engineering Department and chefs from the Food and Beverage Department are exempted from multi-skilling because their jobs entail specialised skills. This finding provides empirical evidences to Guerrier and Lockwood's (1989) assertion that it is difficult to impart multi-skilling into jobs that are predominantly skilled and specialised. Deeply rooted skills and occupational identity makes it difficult for employees with specialised skills to perform other jobs that are not within their specific skills set (Guerrier & Lockwood, 1989).

Whilst it is learnt that there are certain non-managerial employees who are not subjected to multi-skilling, the case differs for managerial employees. This study found that all managerial employees are required to multi-skill because they need to possess all the necessary skills for them to oversee the entire operation of the department. Despite the fact that it is a norm for managerial employees to multi-skill within department, the information yielded from the interviews revealed that the practice of multi-skilling amongst managerial employees extends across department especially when hotels are faced with labour shortages.

The findings of this study further indicate that younger employees are more willing to practise multi-skilling as they are more inclined to changes. Thus leading to the conclusion that the intention to be multi-skill decreases in line with age. This study lends support to Origo and Pagani's (2008) theory that age plays a significant role in multi-skilling.

5.1.2.2 More Common Approach

The second more common approach employed by a total of four hotels in this study to practise functional flexibility is job rotation.

Job Rotation

Pursuant to the findings of this study, it is found that job rotation which is practised as part of on-the-job training only occurs within the same department at times of low demand. In particular, employees are only rotated to jobs that require different skill because only then the opportunity for skill development exists. This provides

empirical evidences to the thesis that one of the primary motivations of job rotation is to address the need to enhance employees' skills by creating a greater variety of experiences (Ariga, 2006; Brunold & Durst, 2012; Earney & Martins, 2009).

In this study, job rotation is practised as on-the-job training during off-peak period because employees cannot be spared for training when occupancy level is high. Managers concede that it is only rational to conduct on-the-job training because there is a possibility that off-the-job training would affect hotel operation due to manpower shortages. This study substantiates Guerrier and Lockwood's (1989) thesis that job rotation is best practised when hotels are not constrained by tight staffing.

Even though most hotels attempt to counter-off the effect of job rotation by only rotating employees during off-peak period, one respondent repudiates the feasibility of this strategy. Job rotation is considered as impractical because it not only leads to manpower shortages but it also causes insufficient productivity which is resulted from employees' incompetence secondary skills. This study is in contradiction with the findings of previous studies (Brusco, Johns, & Reed, 1998; Easton, 2011; Friedrich et al., 1998; Gnanlet & Gilland, 2014; Guerrier & Lockwood, 1989; Nembhard, Nembhard, & Qin, 2005).

Friedrich et al. (1998) assert that the issue of productivity surrounding the practice of job rotation should not be a major deterrence to practise job rotation because lower productivity is only experienced at the initial stage of job rotation where employees are still less competent. As such, productivity improves once employees become more competent after being involved in the secondary skills for a period of time. Likewise, employees do not need to be fully competent in the secondary skills because organisations are still able to benefit from functional flexibility even with a 50 per cent of productivity level in the secondary skill (Brusco et al., 1998; Kelliher & Riley, 2003).

5.1.2.3 Less Common Approach

Amongst the three approaches employed by hotels in this study, cross-exposure is the less common approach that is practised in only few hotels.

Cross-Exposure

Dissimilar to job rotation where employees are only rotated within department during off-peak period, cross-exposed employees are assigned to another department where the operations are mutually dependent. Employees are only cross-exposed for a limited period of time, ranging from a few days to a few months regardless of the level of business. Cross-exposure occurs between departments that are mutually dependent with the purpose of enhancing employee's understanding on how jobs in different departments are interrelated.

Although majority of respondents agree that cross-exposure is useful to promote understanding, one respondent argues that cross-exposure may prove ineffective especially if employees are only cross-exposed for a short duration of time. This is because it is impossible for employees to gain full insights of the operation within a short period of time. Even though it is noted that a short term cross-exposure may be less effective, this study generally supports Earney and Martins' (2009) assertion that employees' knowledge and understanding improves in line with cross-exposure. Employees' involvement in another department enables them to gain better insights of the hotel operation from a wider perspective.

Apparently, this study discovers that the practice of cross-exposure vary significantly between hotels. Whilst in most hotels cross-exposure is implemented as a means to promote understanding between departments, in some hotels, employees are cross-exposed for the purpose of skill and career development. Meanwhile in other hotels, cross-exposure serves as a form of penalty to punish employees who have committed offense at the workplace. Although cross-exposure may seemingly be applicable in many situations, it is not the most desirable approach. This is because the implementation of cross-exposure requires considerable effort from the management.

Managers concur that cross-exposure is not the most preferable approach because unlike multi-skilling and job rotation, cross-exposure is implemented as a programme that has a set of distinctive agenda and objective. The implementation of cross-exposure involves a complicated procedure hence requires considerable effort in the planning process. This discovery supplements the findings in previous literatures (Hopp & Van Oyen, 2004). The decision to implement a cross-exposure

programme needs to be considered carefully because it involves many complex and uncertain factors such as labour and product dynamics, as well as task and worker heterogeneity (Nembhard et al., 2005).

5.1.2.4 Summary

In search for the answers to what are the approaches taken to practise functional flexibility, this study uncovers that the approaches employed to practise functional flexibility vary from one hotel to another. Based on the findings, multi-skilling and job rotation are the more preferred approaches because these approaches can be easily integrated as a part of a routine work practice. In addition, the implementation of multi-skilling and job rotation is also rather straightforward considering that it can be practised in a rather ad hoc manner.

Unlike job rotation and multi-skilling, cross-exposure is a programme that requires considerable effort to plan and implement and thus making it the least common approach of functional flexibility. Whilst the findings on the approaches of functional flexibility are generally consistent with previous literatures, this study discovers that job rotation is not practised due to the issue of lower productivity, which is in contradiction with past studies. The supporting and contradicting findings are summarised in Table 5.4.

Table 5.4
Summarised Discussion of the Approaches of Functional Flexibility

Approaches	Support	Contradict
Multi-skilling	✓	—
Job rotation	✓	✓
Cross-exposure	✓	—

(—) indicates that discussions are not applicable

5.1.3 The Outcomes of Practising Functional Flexibility

The outcomes of practising functional flexibility are discussed in terms of its positive and negative outcomes.

5.1.3.1 Positive Outcomes

Based on the evidences, it is discovered that the practice of functional flexibility is beneficial in many ways. In the following subsections, the positive outcomes resulted from the practice of functional flexibility are discussed. Like the purposes and approaches of functional flexibility, the positive outcomes are also classified into most, more, less and least common outcomes, as evident in Table 5.5 below. Positive outcome that is mentioned by all five hotels is classified as the most common outcome whilst outcomes that are mentioned by four hotels are classified as the more common outcomes. For outcomes that are experienced by three hotels, those are classified as less common and for outcomes that are experienced by only one or two hotels, those are regarded as the least common outcomes.

Table 5.5
Categories of the Positive Outcomes of Functional Flexibility in Brief

The Positive Outcomes of Functional Flexibility	
Most Common Positive Outcome	Stronger sense of teamwork
More Common Positive Outcomes	Improved service quality and guests' satisfaction Reduced labour cost
Less Common Positive Outcomes	Greater autonomy Increased job security Increased productivity Increased employability Higher value of service points
Least Common Positive Outcomes	Reduced monotony Decreased job burden

Most Common Positive Outcome

As reported by all five hotels, the most common positive outcome resulted from functional flexibility is stronger sense of teamwork.

Stronger Sense of Teamwork

The results derived from this study demonstrate that the practice of functional flexibility results in a stronger sense of teamwork. The movement between different work areas and departments resulted from the practice of functional flexibility improves co-operation amongst colleagues. Respondents reveal that the ability to multi-skill enables them to assist their colleagues when necessary and this encourages the spirit of co-operation. This study provides empirical evidences in support of past studies where teamwork is found to have increased alongside functional flexibility due to the sharing of workload, feedback and support amongst employees (Fraser & Hvolby, 2010; Hopp & Van Oyen, 2004; Van den Beukel & Molleman, 2002).

More Common Positive Outcomes

As reported by a total of four hotels, the more common positive outcomes resulted from functional flexibility are improved service quality and guests' satisfaction and reduced labour cost.

Improved Service Quality and Guests' Satisfaction

It is discovered that service quality and guests' satisfaction improve as a result of functional flexibility. The involvement in functional flexibility that exposes employees to a variety of work enhances employee skills, experiences and knowledge. Employees' ability to attend to guests more efficiently thus leads to improved service quality and guests' satisfaction. This study empirically substantiates the findings that employees' diversified experience and skill variation are the keys to attain excellent service quality (Desombre et al., 2006; Fraser & Hvolby, 2010; Hopp & Van Oyen, 2004; Kelliher & Riley, 2002). Desombre et al. (2006) assert that service quality improves in line with functional flexibility because

employees' improved capabilities and efficiency allow the provision of service to be more holistic and customer-centred.

Reduced Labour Cost

Hotels in this study experience savings of labour cost in relation to the practice of functional flexibility. The practice of functional flexibility that leads to the merging of several job descriptions results in savings of labour cost. This is because hotels no longer need to employ abundant of employees to perform each individual job considering that hotels are able to operate with lesser number of employees who are functionally flexible. This present study validates the corroboration that the practice of functional flexibility enables hotels to operate with lesser number of employees (Cordery, 1989; Cordery et al., 1992; Desombre et al., 2006; Hopp & Van Oyen, 2004; Kelliher & Riley, 2003; Riley, 1996).

In addition, this study uncovers that the practice of functional flexibility also leads to labour cost savings as it reduces the need to engage additional numerically flexible employees. The presence of functionally flexible workforce who can be redeployed flexibly reduces the need to engage additional numerically flexible employees. This finding is in agreement with Knox and Walsh's (2005) findings that labour costs savings are experienced in line with reduced numerical flexibility. According to Knox and Walsh (2005), labour costs savings are apparent due to the abolition of additional wage loading following the employment of numerical flexibility.

Less Common Positive Outcomes

A total of three hotels in this study experience the less common positives outcomes of greater autonomy and higher value of service points. The less common positive outcomes are also experienced in terms of increased job security, productivity and employability.

Greater Autonomy

In accordance to the findings of this study, it is deduced that non-managerial employees who are involved in the practice of functional flexibility are given greater

autonomy. Managers reported that functionally flexible employees are given greater autonomy because they possess a wider variety of experiences through their involvement in a variety of jobs. As a result of greater autonomy, efficiency also improves because greater control reduces inter-reliance. This finding is in consonance with previous studies that greater autonomy resulted from functional flexibility enables employees to exert greater decision independently without having to rely on others (Boshoff & Allen, 2000; Cordery, 1989; Origo & Pagani, 2008; Petit et al., 2011).

However, this study finds that the functionally flexible non-managerial employees are not given the autonomy to make major decision. Instead, they are only given the autonomy to solve minor issues such as dealing with guests' complaints in the absence of a manager. This is because their involvement in functional flexibility only exposes them to non-executive experiences that do not involve major decision-making. As a result, they are restricted from making major decision because their limited experience signifies that they are not capable to make good judgement.

Increased Job Security

Employees experience an increased in job security because their ability to multi-skill is regarded as an important asset which is highly valued by the organisation. Contrary to the assertion that job security is affected as employees become more dispensable due to skill dispersion (Desombre et al., 2006; Kalleberg, 2003; Kelliher & Riley, 2002; Molleman, 2009), this study corroborates the findings of previous literatures that an increased in job security is evident because functionally flexible employees who are regarded as an organisation's valuable asset are less vulnerable to job threat due to their ability to multi-skill (Delery & Doty, 1996; Friedrich et al., 1998; Kelliher & Riley, 2002).

In addition, this study uncovers that the increasing career prospect resulted from being functionally flexible also leads to enhanced job security. Employees experience increased job security because the ability to multi-skill warrants promotion opportunities. This findings is thus consistent with previous literatures (Ariga, 2006; Dekker, 2010; Kalleberg, 2003; Knox & Walsh, 2005; Nankervis,

2000). According to Nankervis (2000), functionally flexible employees experienced increased job security because their ability to multi-skill and to adapt flexibly provides them with a broader range of potential career options.

Although it is evident that functional flexibility leads to career advancement, a senior employee maintains that he has only been promoted to a rank higher despite the fact that he has been rotated for an extended period of time. This provides fundamental support to Demougin and Siow's (1994) and Devereux's (2000) arguments that job rotation is a form of lateral transfer to retain non-promotable senior employees.

Increased Productivity

The findings revealed that productivity increases in line with functional flexibility because the ability to multi-skill reduces employees' idle time. As a result of functional flexibility, employees' idle time reduces as they can be redeployed to perform other tasks when demand is low. This provides empirical evidences that flexible labour management and work arrangements are positively correlated to productivity (Johnston & Jones, 2004; Kelliher & Riley, 2003; Meliou & Maroudas, 2011). Productivity improves because employees' involvement, skills and competence development enhance greater efficiency and thus reduces employees' idle time in line with workload variation (Kelliher & Riley, 2003; Pot, 2011).

Increased Employability

This study unveils that the skills and experiences developed through functional flexibility extent an employee's marketability and attractiveness in the broader labour market. This study provides significant evidences that employability increases in line with functional flexibility (Friedrich et al., 1998; Kalleberg, 2001, 2003; Van den Berg & Van der Velde, 2005). According to Kalleberg (2001) and Friedrich et al. (1998), employees subjected to functional flexibility retain better employment opportunities in the labour market due to skill portability and a rising qualification and experience level.

Higher Value of Service Points

Based on the interview information obtained from this study, it is found that service point increases in line with functional flexibility. The practice of functional flexibility that enables hotels to operate with lesser employees indicates that service points are of higher value because the total amount of service charges is shared amongst lesser employees. Due to the practice of functional flexibility, each employee thus receives a higher proportion of the service charges. This study establishes that a reduction in the number of employees thus increases the value of the service point.

Least Common Positive Outcomes

The two least experienced positive outcomes resulted from functional flexibility are reduced monotony and decreased job burden, as reported by two and one hotel respectively.

Reduced Monotony

Hotels in this study reportedly experience reduced monotony in line with the practice of functional flexibility. A decreased in monotony is evident because the practice of functional flexibility that emphasises on employees' participation in a variety of jobs alleviates job boredom. Through functional flexibility, job boredom reduces because employees are prevented from the negative repercussion of performing and repeating the same job. This finding is consistent with past studies where functional flexibility is found to have resulted in reduced monotony due to job variation (Desombre et al., 2006; Friedrich et al., 1998; Kelliher & Riley, 2003).

In addition, functional flexibility is also found to have essentially decreases voluntary turnover due to reduced work monotony. A monotonous job leads to voluntary turnover because a repetitive work is less challenging and boring. This finding provides empirical support to past researches that a monotonous job increases dissatisfaction, boredom and stress and this subsequently results in voluntary turnover in the form of resignation (Hopp & Van Oyen, 2004; Petit et al., 2011; Yang, Wan, & Fu, 2012).

Decreased Job Burden

It is discovered that job burden amongst managerial employee decreases in line with functional flexibility. Managerial employees experience a decrease of job burden alongside the presence of functionally flexible employees. Functionally flexible employees become less reliant on managers because the practice of functional flexibility that leads to improved efficiency and competence provides employees with greater independence to assess and decide in the absence of their managers.

5.1.3.2 Negative Outcomes

In accordance to the obtained interview information, it is learnt that the practice of functional flexibility leads to numerous repercussions such job intensification, employee union dissatisfaction and deterioration of job quality. The findings also reveal that practising functional flexibility not only leads to dissatisfaction due to demotion, but it also affects productivity. The explicit discussions of the negative outcomes resulted from the practice of numerical flexibility are discussed in the following subsections whilst Table 5.6 below provides a clearer picture to the classification of the negative outcomes.

Table 5.6
Categories of the Negative Outcomes of Functional Flexibility in Brief

The Negative Outcomes of Functional Flexibility	
Most Common Negative Outcomes	Job intensification Employee union dissatisfaction
More Common Negative Outcome	Deterioration of job quality
Less Common Negative Outcome	Dissatisfaction due to demotion
Least Common Negative Outcome	Counter productivity

Most Common Negative Outcomes

The most common negative outcomes of functional flexibility as reported by all five hotels in this study are job intensification and employee union dissatisfaction.

Job Intensification

In this study, job intensification is experienced due to the practice of functional flexibility. Employees acknowledge that job intensification occurs due to the merging of several job descriptions which consequently enlarges employees' job scopes. As a result, employees often feel stressed and burdened by the increasing workload and complexity following the practice of functional flexibility. Although this study offers empirical support to the argument that functional flexibility results in job intensification, (Desombre et al., 2006; Friedrich et al., 1998; Kelliher & Riley, 2002), the findings discovered that the outcome of job intensification resulted from the broadening and expansion of job scopes is not a persistence issue. Respondents assert that the issue of job intensification is only experienced at the initial stage of functional flexibility and it dissipates once employee begins to acclimatise to the work culture.

Whilst it is evident that job intensification occurs due to job enlargement, job intensification however is not accompanied by salary adjustment. Functionally flexible employees ultimately are still subjected to the same amount of working hours even with the presence of functional flexibility. In addition, there is no exact way to measure how functionally flexible an employee is. This finding lends support to the thesis that a performance-based pay is not applicable for job that entails multi-tasking, quality control and teamwork because the accuracy of a performance measure associated with each task differs across the tasks (Brenčič & Norris, 2010; Holmstrom & Milgrom, 1991; Ingram & Fraenkel, 2006; Sigala, Jones, Lockwood, & Airey, 2005). Sigala et al. (2005) explain:

The measurement problem was described as the problem encountered when outputs/inputs can be defined but cannot be measure. However, even if outputs/inputs can be measured in some ways, there may be problems in terms of using suitable units of measurement. For example, there are distinctions to be made between input metrics such as 'per member of work-force', 'per man-hour' and 'per £100 wages' as the different units reflect different tangible and intangible elements. (p. 63)

Employee Union Dissatisfaction

It is learnt that dissatisfaction amongst the union occurs in relation to the practice of functional flexibility. Functional flexibility as perceived by the union is a form of exploitation. However, managers contend that employee union dissatisfaction should not be the reason that hinders the practice of functional flexibility. The dispute between the union and employer in view of functional flexibility can be resolved if a generic job title that merges several job description is present.

Likewise, this study discover that is important that employees need to be made aware of such job arrangement even during the recruitment stage itself in order to avoid employees from feeling of being exploited. This finding offers empirical support to Kelliher and Riley's (2002) proposition to have a formal guideline that administers the practice and structure of functional flexibility. According to Kelliher and Riley (2002), the concern of exploitation can be addressed if there is a clear framework on the functioning of employee redeployment. In order to facilitate redeployment, employees need to first be assigned a "home" department where a clear line of authority determines the manager's ultimate control over the employee's time (Kelliher & Riley, 2002). Doing so facilitates in calibrating a well-defined task boundaries that ensures that the job scopes do not expand without a clear direction.

More Common Negative Outcome

The more common negative effect of deterioration of job quality resulted from the practice of functional flexibility is evident in a total of three hotels.

Deterioration of Job Quality

In accordance to the findings, it is learnt that job quality is affected as functionally flexible employees find it difficult to maintain productivity and quality at the same time. Functionally flexible employees who are required to multi-skill are more likely to neglect job quality because their focus is shifted towards task completion and not quality. This study is at variance with past studies that associate the degrading of job quality with numerically flexible employees (Kalleberg, 2001; Smith, 1994). Whilst past studies discover that job quality is usually affected by low skilled and

uncommitted numerically flexible employees, this study reveals that it is functional flexibility that causes the deterioration of job quality.

However, one respondent contend that quality should not be the primary focus when practising functional flexibility, considering that there are jobs that do not require excellent quality. This finding however is in contradiction with past literature (Riley & Lockwood, 1997). In view of this, Riley and Lockwood's (1997) counter argument maintains that setting a quality standard is essential as quality is the determinant of productivity. It is crucial that functional flexibility and quality share the same framework of policy because the principles of substitution if it is managed appropriately may have the effect of pushing quality downwards (Riley & Lockwood, 1997).

Less Common Negative Outcome

As evident in two hotels, the less common negative outcome resulted from the practice of functional flexibility is dissatisfaction due to demotion.

Dissatisfaction due to Demotion

Based on the interviews, it is discovered that dissatisfaction occurs due to the issue of demotion surrounding the practice of functional flexibility. However, only one lower ranked non-managerial employee expresses dissatisfaction due to demotion. Dissatisfaction occurs amongst lower ranked non-managerial employees because the issue of demotion surrounding the practice of functional flexibility implies a loss of job identity and status, especially when employees are being redeployed to an even lower ranked job.

Meanwhile, a majority of higher ranked employees in both the non-managerial and managerial positions do not perceive demotion as an issue. Managers assert that their responsibilities are not limited to overseeing and managing their subordinates, but it also includes leading by example. In order to encourage functional flexibility, managers themselves have to lead by example in ways that they will have to assist and support their subordinates. This is coherent to the arguments that the role of managers these days are no longer centred around planning, co-ordinating and

controlling, but it also includes motivating, supporting and coaching of employees in order to foster effective leadership (Hales, 2005; Johnson, 2004).

Least Common Negative Outcome

Practising functional flexibility results in the least common negative outcome of counter productivity, as evidently reported by only one hotel.

Counter Productivity

This study discovers that productivity is affected because functionally flexible employees are less competent in the secondary skills. As a result of the insufficient competences of functionally flexible employees, counter productivity occurs because supervisors are required to perform additional rounds of check in order to maintain excellent service quality.

This finding is in contradiction with Smith's (1994) study that links numerical flexibility to counter productivity. Although Smith (1994) argues that counter productivity occurs because the inconsistent job quality of numerically flexible employees requires for other employees to once more organise their efforts around the expected inconsistencies, this study uncovers opposing evidences. This study reveals that supervisors are required to once again perform another round of check due to the insufficient competences of functionally flexible employees.

5.1.3.3 Summary

This study discovers that practising functional flexibility in the hotel industry increases the value of service points and decreases job burden amongst managerial employees. In addition, this study offers a new perspective that it is functional flexibility that affects job quality and productivity, and not numerical flexibility as often cited in the literatures. Dissimilar to past findings where job security is affected due to the principle of labour substitution which is ascribed to the practice of functional flexibility, respondents experience an increased in job security and employability in line with the practice of functional flexibility. Whilst majority of the findings corroborates to past literatures, only two findings are in contradiction with

past studies. The positive outcome of increased job security and the negative outcome of deterioration of job quality unleash new discovery. The summarised discussions are highlighted in Table 5.7.

Table 5.7

Summarised Discussion of the Outcomes of Functional Flexibility

Outcomes	Support	Contradict
Positive outcomes		
Stronger sense of teamwork	✓	—
Improved service quality and guests' satisfaction	✓	—
Reduced labour cost	✓	—
Greater autonomy	✓	—
Increased job security	✓	✓
Increased productivity	✓	—
Increased employability	✓	—
Higher value of service points	✓	—
Reduced monotony	✓	—
Decreased job burden	—	—
Job intensification	✓	—
Employee union dissatisfaction	✓	—
Negative outcomes		
Deterioration of job quality	—	✓
Dissatisfaction due to demotion	✓	—
Counter productivity	✓	—

(—) indicates that discussions are not applicable

5.2 Numerical Flexibility

Parallel to the three research objectives of this study, this section discusses the findings of the purposes, the approaches and the outcomes of practising numerical flexibility.

5.2.1 The Purposes of Practising Numerical Flexibility

In answering the first research objective, the purposes of practising numerical flexibility are classified into the most and least common purposes of practising

numerical flexibility. The numbers of hotels that practise numerical flexibility for each of the purpose determine whether the purposes are the most common or least common. Considering that only four hotels practise numerical flexibility with the purpose of coping with fluctuating demand whilst only one hotel discloses that numerical flexibility is practised for the purpose of reducing labour cost and facilitating employees’ dismissal during critical situation, the classification is therefore discussed in terms of the two most significant comparison of the most and least common purposes. Table 5.8 outlines the most common purpose and least common purpose of practising numerical flexibility.

Table 5.8
Categories of the Purposes of Numerical Flexibility in Brief

The Purposes of Numerical Flexibility	
Most Common Purpose	To cope with fluctuating demand
Least Common Purposes	To reduce labour cost To enable employees’ dismissal during critical period

5.2.1.1 *Most Common Purpose*

Similar to functional flexibility, the most common purpose of practising numerical flexibility is to cope with fluctuating demand. Out of the five hotels, four hotels acknowledge that numerical flexibility is practised to cope with fluctuating demand.

To Cope with Fluctuating Demand

Like functional flexibility, this study finds that numerical flexibility is also practised to allow hotels to match labour supply to demand. However, numerical flexibility is only practised when functionally flexible employees who workloads are already at a maximum are unable to meet increasing demand. In such circumstances, managers are left with no option but to increase staffing level through the engaging of additional numerically flexible employees. The evidences gathered in this study corroborate the use of numerical flexibility as a contingency plan to facilitate the

adjustment of labour quantity in line with fluctuating demand (Houseman, 2001; Smith, 1994; Walsh, 1990). Considering that the engaging of numerically flexible employees on an ad hoc basis enables organisations to increase and decrease staffing level as per demand variation, practising numerical flexibility therefore prevents organisations from having to continually operate with maximum staffing level (Walsh, 1990).

5.2.1.2 Least Common Purposes

This section discusses the least common purposes of practising numerical flexibility in Malaysian higher rated hotels. The least common purposes of practising numerical flexibility to reduce labour cost and to enable employees' dismissal during critical situation are only evident in one hotel.

To Reduce Labour Cost

It is learnt that the use of numerical flexibility as a means to reduce labour cost is not the most common purpose of practising numerical flexibility as suggested by previous literatures. With only one respondent that regards numerical flexibility as a cost saving strategy, this finding thus is inconsistent with previous literatures that associate numerical flexibility with the reduction of labour cost (Farrell, 2009; Houseman, 2001; Kalleberg, 2001, 2003; Michie & Sheehan, 2005; Van Jaarsveld et al., 2009; Walsh, 1990). A majority of respondents reported that numerical flexibility is not practised with the intention to reduce labour cost because the wages paid to numerically flexible employees when accumulated are comparatively more expensive than the wages of full-time employees.

To Enable Employees' Dismissal during Critical Situation

According to the findings of this study, numerical flexibility is practised because it allows hotels to dismiss off excessive employees during critical period. Numerically flexible employees are engaged because their temporary attachment with the organisation signifies that these employees can be dismissed off in critical situation. Based on the interviews, it can thus be determined that hotels engage numerically

flexible employees because the possibility to dismiss them according to an organisation's consensus shields permanent employees against dismissal in the face of critical situation.

This finding offers support to past studies based on the premise that the convenient dismissal of numerically flexible employees acts as a buffer to protect permanent employees from job instability, insecurity and involuntary turnover (Cappelli & Neumark, 2004; Kalleberg, 2001, 2003; Lambert, 2008). The practice of numerical flexibility enables organisation to protect their permanent employees at the expense of numerically flexible employees. Numerically flexible employees who are only attached to the organisation on an impermanent basis have fairly weak relationship with the organisation and thus, they are the amongst the very first to be dismissed when organisations are faced with critical circumstances (Kalleberg, 2001, 2003).

5.2.1.3 Summary

In seeking for the answers to what are the purposes of practising numerical flexibility, this study contradicts the most cited reason that numerical flexibility is practised with the intention to reduce labour cost. The findings that numerical flexibility is practised in order to cope with fluctuating demand and to enable employees' dismissal during critical period are coherence with previous literatures. Table 5.9 provides a summary of the purposes of numerical flexibility.

Table 5.9

Summarised Discussion of the Purposes of Numerical Flexibility

Purposes	Support	Contradict
To cope with fluctuating demand	✓	–
To reduce labour cost	–	✓
To enable employees' dismissal during critical situation	✓	–

(–) indicates that discussions are not applicable

5.2.2 *The Approaches Taken to Practise Numerical Flexibility*

In this study, numerical flexibility is only practised when the occupancy rate exceeds 60 per cent. Managers affirm that hotels need to obtain additional support from numerically flexible employees because the standard staffing level which is usually maintained based on a 40 to 60 per cent occupancy rate would possibly lead to manpower shortages as demand increases. This finding is in consonance with Krakover's (2000) theory that numerical flexibility enables hotels to adjust the number of labour according to demand because the capacity of labour is positively linked to the rates for bed occupancy.

The findings of this study revealed that the practice of numerical flexibility is only delimited to two approaches, namely the employment of casual workers and the use of agency workers. The employment of casual workers is the most common approach of practising numerical flexibility. Though not all hotels employ casual workers, there are still a significant number of hotels in which the employment of casual workers is evident. The employment of agency workers is found to be the least common where it is only practised in two hotels. The approaches taken to practise numerical flexibility are classified in Table 5.10 in accordance to the most and least common approaches.

Table 5.10

Categories of the Approaches of Numerical Flexibility in Brief

The Approaches of Numerical Flexibility	
Most Common Approach	Casual worker
Less Common Approach	Agency worker

5.2.2.1 *Most Common Approach*

The most common approach of numerical flexibility is casual workers, with a total of four hotels acknowledging to have employed agency workers.

Casual Worker

Throughout the interviews, the terms casual worker and part-timer are used interchangeably. This is a common phenomenon considering that both casual workers and part-timers share the same characteristics of being employed for a short period of time (Buonocore, 2010). In accordance to the findings of this study, it is learnt that the employment of casual workers is associated to the location of a hotel. In comparison to hotels in Penang, the employment of casual workers in Langkawi is less prevalent due to labour scarcity. This is because in such a small island, the supply of labour is particularly limited.

This study discovers that casual workers are only employed in the department that faces constant fluctuation such as the Food and Beverage Department and the Banqueting Department. The fluctuating demand facing the hotel industry necessitates the use of casual workers. The engagement of casual workers prevents hotels from the cost of having to continually maintain maximum staffing level.

This finding of this study provides support to the proposition that the intention to meet service demands can be achieved through numerical flexibility (Houseman, 2001; Smith, 1994; Van Jaarsveld et al., 2009; Walsh, 1990). Considering that numerically flexible employees are employed on an ad hoc basis, hotels can thus increase and decrease staffing level in line with level of demands (Smith, 1994). Practising numerical flexibility allows hotels to conceal impermanent demands at minimum cost and at the same time, to revert staffing level back to minimum when as demand decreases (Walsh, 1990).

Casual workers are usually employed as general worker that provides auxiliary support to existing employees who have already reached their maximum productivity during high demand level. Whilst permanent employees are assigned the more crucial tasks, casual workers are only assigned the simplest and less critical tasks. Considering that casual workers do not usually have the necessary product, brand knowledge and skills to interact with guest, they are thus assigned to the back office. The segregation of tasks between casual workers and permanent employees substantiates Smith's (1994) and Farrell's (2009) proposition that labour division creates disparity in the work environment. An inequitable segregation subsequently

leads to dissatisfaction (Farrell, 2009) because the creation of a 'polarised division of labour' signify that permanent employees are required to carry out the more complex jobs whilst numerically flexible employees are only required to perform the most basic tasks (Smith, 1994).

Although the employment of casual workers is generally evident in most hotels in this study, hotels try to minimise the use of casual workers for several reasons. Hotels refrain from engaging casual workers because their lack of commitment will consequently affect service quality. The issue of lack of commitment surrounding the employment of casual workers are also documented in past studies (Knox & Walsh, 2005; Van der Meer & Ringdal, 2009). According to Van der Meer and Ringdal (2009), casual workers are found to have lower commitment because the volatile labour relation resulted from their temporary attachment discourages them from investing their time and effort in their jobs.

In addition, the findings also reveal that hotels avoid from having to constantly engage casual workers because they are relatively an expensive source of labour. Majority of respondents argue that casual workers are not necessarily a cheaper source of labour because the hourly wages paid to casual workers are comparatively the same with the hourly minimum wages of permanent employees. Casual workers are therefore a relatively expensive source of labour because the cumulative hourly wages of casual workers would actually result in higher labour cost. This study offers a contradicting view to previous literatures that affiliate numerical flexibility to cheaper labour cost (Houseman, 2001; Kalleberg, 2001, 2003). Although Houseman (2001) argues that numerically flexible employees who are not entitled for any form of fringe benefits are a source of cheaper labour, this study found that the cumulative wages of numerically flexible employees would actually result in higher labour cost.

Another issue surrounding the employment of casual worker is largely associated to the high turnover rate. The engaging of casual workers leads to high turnover rate because the short-term engagement means that casual workers are only temporarily attached to an organisation. Due to the high turnover rate, casual workers are only assigned the most basic tasks that require very simple skills in order to enable the circumvention of training cost. It is necessary to circumvent the training cost because

recurring of training is a waste of resources. This study provides empirical support to Cheng and Brown's (1998) and Joiner, Bartram, and Garreffa's (2004) argument that the costs of training and retraining of new employees increases in line with the turnover rate of casual workers.

5.2.2.2 Least Common Approach

The less common approach of practising numerical flexibility in Malaysian higher rated hotels is agency workers, with only a total of two hotels in this reportedly employ agency workers.

Agency Worker

In this study, respondents have repeatedly used the term foreign worker and agency workers interchangeably because a large proportion of agency workers are comprised of non-local employees. Considering that agency workers are contracted from a supplying labour dispatch agency, they therefore do not belong to the hotel. As a result, their wages are not directly paid to the workers themselves but to the employment agency instead, in which a proportion of their wages are paid to the agency as a fee. Consistent with previous studies (Houseman, 2001; Kalleberg, 2001, 2003), this study recognises that this is a rather common practice even among other type of organisations in both developed and developing countries.

In the hotel industry, agency workers are mostly employed in the Housekeeping Department because local people tend to be more selective in the current labour market. Local people begin to resist housekeeping jobs because it is perceived to be a menial job. The finding that such a situation is common in a developing country like Malaysia is also in consonance with studies conducted in other developed countries (Cheng & Brown, 1998; Lockwood & Guerrier, 1989). According to Cheng and Brown (1998), local Singaporean begins to depreciate housekeeping job as their educational standards and expectations rises. Meanwhile in the United Kingdom, the housekeeping job is perceived to be of low skill and low paying job that involves the cleaning of dirty rooms (Lockwood & Guerrier, 1989).

In addition, this study also discovers that the productivity level of agency workers is comparatively higher than local permanent employees. Managers assert that agency workers portray higher productivity level in line with lower absenteeism rate as they are not entitled to any form of leave. Considering that agency workers are paid based on the amount of hours worked, they are therefore more hardworking and willing to work longer hours. This finding provides further support to the argument that agency workers are not only more diligent, they are also more willing to comply with the odd working condition of the hotel industry (Soltani, Lai, Phillips, & Liao, 2009).

It is also learnt that hotels in this study resorted to the employment of agency workers due to the ease of obtainability. The availability of agency workers on short notice expands the possibilities of employing agency workers because they can be easily obtained through the supplying agency. This finding supplements the fact that the employment of agency workers is preferable since they can be obtained on an as-needed or just-in-time basis (Buonocore, 2010; Soltani et al., 2009).

Despite the advantageous, agency workers are not the most feasible approach. Instead, this study finds that the practice of functional flexibility is preferred over the use of agency workers. Unlike the hiring of agency workers that involves additional costs and a long and complicated process, the practice of functional flexibility such as multi-skilling on the other hand is more appropriate considering that the engaging of existing employees is more convenient and less complicated. This finding corroborates the findings in past studies that in addition to the complex procedures, it is the agency fees and higher administrative costs that hamper the employment of agency workers (Soltani et al., 2009; Van der Meer & Ringdal, 2009).

5.2.2.3 *Summary*

Even though it is evident that numerical flexibility is being practised in all the hotels in this study, the approaches to practise numerical flexibility differ amongst hotels. Although both casual workers and agency workers share the same characteristics of being easily attainable, the process of employing these employees is significantly different. This seems to be the more apparent reason on why casual worker is preferred over the employment of agency workers.

Unlike the complex procedure involved with the employment of agency workers who are largely foreign workers that require a valid work permit, the employment of casual workers are generally less complex due to the ease of entry as it involves only local source of labour. Although there appear to be contradictions with past studies, the findings are largely in support of previous literatures, as illustrated in Table 5.11.

Table 5.11
Summarised Discussion of the Approaches of Numerical Flexibility

Approaches	Support	Contradict
Casual worker	✓	✓
Agency worker	✓	–

(–) indicates that discussions are not applicable

5.2.3 The Outcomes of Practising Numerical Flexibility

This section elucidates the findings on the positive and negative outcomes of practising numerical flexibility.

5.2.3.1 Positive Outcomes

Although numerical flexibility may not be the most preferred practice of organisational flexibility, it is inevitable that practising numerical flexibility also results in a few positive outcomes. In Table 5.12 below, the positive outcomes are classified into the most and least common.

Table 5.12
Categories of the Positive Outcomes of Numerical Flexibility in Brief

The Positive Outcomes of Numerical Flexibility	
Most Common Positive Outcome	Decreased job burden
Least Common Positive Outcome	Increased productivity

Most Common Positive Outcome

As reported by a total of two hotels, the most common positive outcome resulted from the practice of numerical flexibility is decreased job burden.

Decreased Job Burden

The evidences gathered in this study reveal that job burden decreases in line with both the practice of numerical and functional flexibility. This study discloses that the practice of numerical flexibility decreases job burden amongst permanent employees. Permanent employee experiences a decreased in job burden because the assistance provided by numerically flexible employees relieves permanent employees from extra workload. This finding is coherent to Smith's (1994) study where numerical flexibility is found to have facilitated full-time employees in times of increasing demand. Through numerical flexibility, permanent employees are able to maintain continuity and service quality because the assistance provided from numerically flexible employees evade them from having to cope with extra workload that intensifies in line with increasing demand (Smith, 1994).

Least Common Positive Outcome

Only one hotel reported of experiencing the least common positive outcome of increased productivity as a result of practising numerical flexibility.

Increased Productivity

From the interviews, it is realised that productivity not only increases in conjunction with functional flexibility, but productivity also increases alongside numerical flexibility. The practice of numerical flexibility also improves productivity because numerically flexible employees portray significantly lower absenteeism rate as they are not entitled to any leave. The fact that the wages of numerically flexible employees are determined based on the amount of hours they work, they are thus more motivated to be productive. The finding is hence at variance with the thesis that numerically flexible employees are less productive (Farrell, 2009; Smith, 1994; Van der Meer & Ringdal, 2009).

5.2.3.2 *Negative Outcome*

According to the results of this study, practising numerical flexibility too has its repercussion. The repercussion of practising numerical flexibility is listed in Table 5.13 below and this is followed by a detailed description in succeeding section.

Table 5.13
Categories of Negative Outcome of Numerical Flexibility in Brief

The Negative Outcome of Numerical Flexibility	
Most Common Negative Outcome	Increased labour cost

Most Common Negative Outcome

Out of all five hotels, only four hotels practised numerical flexibility. All four hotels reportedly experienced some sort of increased labour cost as a result of practising numerical flexibility.

Increased Labour Cost

In contradictory to the fact that numerical flexibility is practised in the effort to reduce labour cost, this study finds that labour cost increases alongside numerical flexibility. Numerical flexibility increases labour cost as it involves the engaging of additional employees. This is because the hourly wages of numerically flexible employees ranging from RM4.50 to RM5.00 are generally more expensive in comparison to the mandated RM5.62 minimum hourly wages of full-time employees.

This finding thus contradicts the assertion that numerical flexibility is employed to reduce labour cost (Farrell, 2009; Houseman, 2001; Kalleberg, 2001, 2003; Michie & Sheehan, 2005; Van Jaarsveld et al., 2009; Walsh, 1990). Although Houseman (2001) and Kalleberg (2001, 2003) argue that numerically flexible employees are generally a cheaper source of labour due to savings in terms of fringe benefits, this study discerns that employing numerically flexible employees is actually uneconomical. This is because the cumulative hourly wages paid to numerically flexible employees actually cost more than the savings of fringe benefits.

5.2.3.3 Summary

The discoveries of research objective three that seeks to discover the outcomes of practising numerical flexibility are generally in contradiction with previous literatures. The findings that numerically flexible employees are essentially more productive because they are more diligent are contradictory to previous studies that associate numerical flexibility to counter productivity.

In addition, the outcome of reduced labour cost which is frequently associated to the practice of numerical flexibility is also not supported in this study. Contrary to past studies, the findings of this study reckon that it is numerical flexibility that results in increased labour cost. With regards to this, it is learnt that it is the ability to operate with fewer functionally flexible employees that leads to reduced labour cost and not numerical flexibility. Nevertheless, this study offers empirical support to previous literatures that job burden decreases in line with the practice of numerical flexibility. Table 5.14 provides a summary on whether the outcomes of practising numerical flexibility are supporting or contradicting past studies.

Table 5.14

Summarised Discussion of the Outcomes of Numerical Flexibility

Outcomes	Support	Contradict
Positive outcome		
Decreased job burden	✓	—
Negative outcomes		
Increased productivity	—	✓
Increased labour cost	✓	—

(—) indicates that discussions are not applicable

5.3 Implications of Studies

The implications of this research are discussed in terms of its implications for theory and its implications for managers. The details of these implications are discussed in the following subsections.

5.3.1 Implications for Theory

This study proves that organisational flexibility is not only an important aspect of labour management for hotels in developed country, but also for hotels in developing country. Considering the large amount of employees employed in these hotels, practising organisational flexibility is thus relevant, particularly due to the issue of labour scarcity and the increasing of labour cost. This study discovers that organisational flexibility continues to be an active avenue in support of effective labour utilisation. It is reckoned that a modern and innovative HRM that is necessary for organisation survival can be utilised regardless of the size and the background of a hotel. However, a proper planning and framework needs to be in existent.

Besides that, the findings of this study also act as a source to substantiate the lack of organisational flexibility research in the Malaysian hotel industry. Considering the limited availability of the literatures of organisational flexibility in the Malaysian hotel industry (R. Ahmad, Solnet, & Scott, 2010; Nankervis, 1995, 2000), the evidences gathered through this study provides valuable insights into the development of organisational flexibility in the Malaysian hotel industry. Although the practice of organisational flexibility may appear to be mostly apparent in developed country (Guerrier & Lockwood, 1989; Kelliher & Riley, 2003; Knox & Walsh, 2005; Riley, 1992; Riley & Lockwood, 1997), the findings of this study substantiated that it is feasible to implement organisational flexibility in a developing country like Malaysia. Consistent with Kelliher and Riley's (2002) discovery, this study indicates that it is feasible for organisations in developing country to implement organisational flexibility so long it is facilitated by a set of coherent policies and practices.

Although there are a number of other approaches that is inherently synonymous to the practice of organisational flexibility, this thesis found that multi-skilling, job rotation, cross-exposure, casual workers and agency workers are the most significant approaches of organisational flexibility employed in Malaysian higher rated hotels. Drawing on this finding, it can therefore be concluded that the practice of organisational flexibility differs accordingly as it depends on the context and the

background of a study (Awang et al., 2008; Friedrich et al., 1998; Kuruvilla & Erickson, 2002; Origo & Pagani, 2008; Van der Meer & Ringdal, 2009).

For instances, as opposed to the findings of this study where multi-skilling is regarded as the central element of functional flexibility, the studies conducted by Friedrich et al. (1998) based on a European context found that it is not multi-skilling but job rotation that is central to the practice of functional flexibility in European organisations. Likewise, each hotel in this study has a different way of practising organisational flexibility although these hotels are limited to only higher rated hotels in two distinctive locations. This significantly strengthens the proposition that there are various factors influencing the practice of organisational flexibility, dependent on the context and background of a study.

There are contradictory views that functional flexibility and numerical flexibility may or may not be complementary. The results of this study contributes to the literature by providing empirical evidences which support the theory that functional flexibility and numerical flexibility are complementary (Cappelli & Neumark, 2004; Kalleberg, 2001, 2003; Smith, 1994). Based on the findings of this study, it can be concluded that both functional flexibility and numerical flexibility is an integral part of HRM especially in higher rated hotels. The implication of this is that to effectively practise organisational flexibility, the practice of functional flexibility and numerical flexibility have to be in coexistence.

5.3.2 Implications for Practice

The development of this thesis provides important implications for industry experts such as hotel managers, human resource practitioners and for those in the industrial relations. This study offered top management a framework to identify the main approaches that they should focus on in order to obtain both functional and numerical flexibility. The findings of this study are especially crucial for hotel organisations since it provides some useful information on how hotels are able to simultaneously practise functional and numerical flexibility. In higher rated hotels, the presence of both functional flexibility and numerical flexibility is crucial as both the practices are found to complement and substantiate the flaws of the other.

The evidences gathered through this study advocate that investment made by hotels in the effort to implement organisational flexibility is most likely to pay off. This assertion is backed by the findings of this study where organisational flexibility is discovered to have exerted significantly more positive outcomes than negative ones. Hence, the barriers faced in the process of practising organisational flexibility should not be of an issue impeding organisations to practise organisational flexibility.

This study provides a better grasp of the relations between the two types of flexibility, namely functional flexibility and numerical flexibility and as such it provides managers with the option on which practice to focus on. This thesis gives managers the option to either maximise employees' productivity or to response in terms of cost reduction, which in return may have important implications for organisational performance, labour management relations and job quality. Although it is suggested for functional flexibility and numerical flexibility to be practised simultaneously, considerations must be made carefully. The decision maker needs to ensure that the decision to employ certain approaches is aligned to the organisational goals and strategy (Van der Meer & Ringdal, 2009; Van Jaarsveld et al., 2009).

The outcomes serve as an important source of reference for hotels because it is essential to determine what are the benefits and the challenges that hotels may face in deciding whether or not to practise organisational flexibility. In determining whether or not to practise organisational flexibility, managers need to first understand the purpose of organisational flexibility and what are the potential outcomes and challenges that they may face. They should also be aware of the options that are available when selecting the approaches that best fit their organisations.

5.4 Limitations and Recommendations for Future Studies

There are several limitations identified in this study and as such, leaves the gaps for exploration in future studies. The first limitation sees that this study is focused on only one type of hotel establishment, namely Malaysian higher rated hotels. Even so, the results from one hotel to another hotel in this study vary, thus signifying that the practice of organisational flexibility may differ in lower rated hotels in other locations. As a result, concern about whether the current results can be generalised

across the wider hotel industry remains valid and should be addressed in future studies. The issue of generalisability is a potential concern because the sample of the study which is obtained through purposive and snowball sampling is relatively small (only 18 respondents). The results of this study can therefore be considered as an indicative of a 'snap shot' of the higher rated hotels. This circumstance hence suggests for future studies to examine the practice of organisational flexibility in different types of hotel establishments across Malaysia. Doing so paints a better picture of the practice of organisational flexibility in the Malaysian hotel industry.

The second limitation is particularly due to the fact that the findings are only gathered from functionally flexible employees even though the information is obtained from both managerial and non-managerial employees. Numerically flexible employees were not included in the sample of this study because it was not permissible due to their lack of knowledge. Therefore, future research could benefit from including this group of employees to produce a more widespread view from their perspectives, such as doing a focus group study.

Considering that studies pertaining to the practice of organisational flexibility in the Malaysian hotel industry is still in its latent form, this study focuses only on radical matters so that the fundamental and important elements of organisational flexibility can be discovered. This study therefore only provides underlying elementary information of the practice of organisational flexibility particularly in the hotel industry and this is why the qualitative methodology is deemed the most suitable. However, due to the limited studies in the topic of organisational flexibility in the Malaysian hotel industry, more researches need to be conducted so that the linkages presented in this study such as how practising functional flexibility is linked to labour cost reduction can be determined. In order to better strengthen the findings of this study, it is recommended that the quantitative methodology is employed in future studies so that the linkages and causal relationship of organisational flexibility can be established.

The results of this study indicate the importance to frame the practice of organisational flexibility alongside other human resource practices such as recruitment, compensation, training and development. This however is not the focus

of this study. It is therefore recommended for future studies to look into the area of human resource practices and its linkages with organisational flexibility.

Much remains to be done in the effort to refine the perspectives of organisational flexibility to form a systematic theory. It is therefore recommended that future studies specify and test theories of how organisations are able to combine the advantages of functional flexibility and numerical flexibility whilst minimising the conflicts and other disadvantages created by the coexistence of these two types of organisational flexibility. This could aid to better refine this study, although the two forms of flexibility have been studied.

5.5 Conclusion

This study addresses the subject of organisational flexibility in Malaysian higher rated hotels. In addressing the subject matter, this study seeks to examine the purposes of practising organisational flexibility in Malaysian higher rated hotels. As a result, this study found that there are numerous purposes on why organisational flexibility is practised in Malaysian higher rated hotels, though the findings finally narrowed down to reflect on the importance of profitability. In answering the first research question, the findings of this study in general mirrored the importance of organisational flexibility for the purpose of organisational survival in a competitive business environment.

Next, this thesis pursues the answers to how organisational flexibility is practised in Malaysian higher rated hotels. In answering the second research objective, this study found that not all hotels within this study took the same approach. There appear to be some form of variations in terms of the approaches taken to practise organisational flexibility amongst different hotels. Albeit the differences, the findings of this study sum up to the feasibility of practising functional and numerical flexibility concurrently regardless of the distinct approaches. Whilst there lack uniformity in terms of the approaches taken to practise organisational flexibility across all hotels, the results of this study indicate that functional flexibility and numerical flexibility are simultaneously practised in Malaysian higher rated hotels.

This study thus provides further support to the proposition that functional flexibility and numerical flexibility are complementary (Cappelli & Neumark, 2004; Kalleberg, 2001, 2003; Smith, 1994) and therefore contradicts the claims that functional flexibility and numerical flexibility are mutually exclusive (Farrell, 2009; Riley, 1996; Van der Meer & Ringdal, 2009). According to Kalleberg (2001), functional flexibility and numerical flexibility need to be practised concurrently because only then a trade-off associated with the different practice can be complemented.

Whilst it is true that functional flexibility and numerical flexibility can be simultaneously practised, the results of this study indicate that the practice of functional flexibility is preferred over numerical flexibility. This is distinctively apparent considering that the approaches employed to practise functional flexibility outweighs the approaches of numerical flexibility in all five hotels. This study thus substantiates that greater functional flexibility reduces the need for numerical flexibility (Cappelli & Neumark, 2004; Riley & Lockwood, 1997).

In conclusion, it is a common practice for hotels to employ a variety of different practices in the effort to practise organisational flexibility. However, in deciding the best approaches, hotels need to take into account the advantages and challenges of employing the particular approaches because it is crucial to only employ the approaches that best fit the organisational goals (Lockwood & Guerrier, 1989).

After having established the need and the means to practise organisational flexibility, this study solicited the possible outcomes that could occur from practising organisational flexibility. This study demonstrated that both positive and negative outcomes are present when practising functional and numerical flexibility. However, it is evidential that it is functional flexibility that contributes to more significant outcomes, be it positive or negative. Likewise, for each practices, this study found that there are both positive and negative consequences.

Whilst it is inevitable that there are several negative repercussions from practising organisational flexibility, this study discovers that the repercussions are usually abated by the benefits. The negative implication of job intensification for instances is offset by the positive outcome of reduced monotony. Similarly, the positive outcome

of increased productivity takes precedence over the issue of counter productivity. Although the negative outcomes may seem plausibly inconsequential, Lockwood and Guerrier (1989) assert that the outcomes are an important source of reference because the decision to practise organisational flexibility is determined based on the benefits and the challenges that an organisation may face.

The answers obtained from the three research questions of this study thus leads to several contributions towards the development of organisational flexibility in the hotel industry. By addressing the key questions of this study in the context of the hotel industry, the practice of organisational flexibility is being reflected to be an integral part of a hotel HRM. Based on this study, it can be concluded that the effort to achieve organisational flexibility lies within the effective utilisation of an organisation resources and capabilities. Finally, a conclusion of this study is illustrated in the refined conceptual framework as illustrated in Figure 5.1 where the findings of this study are incorporated.



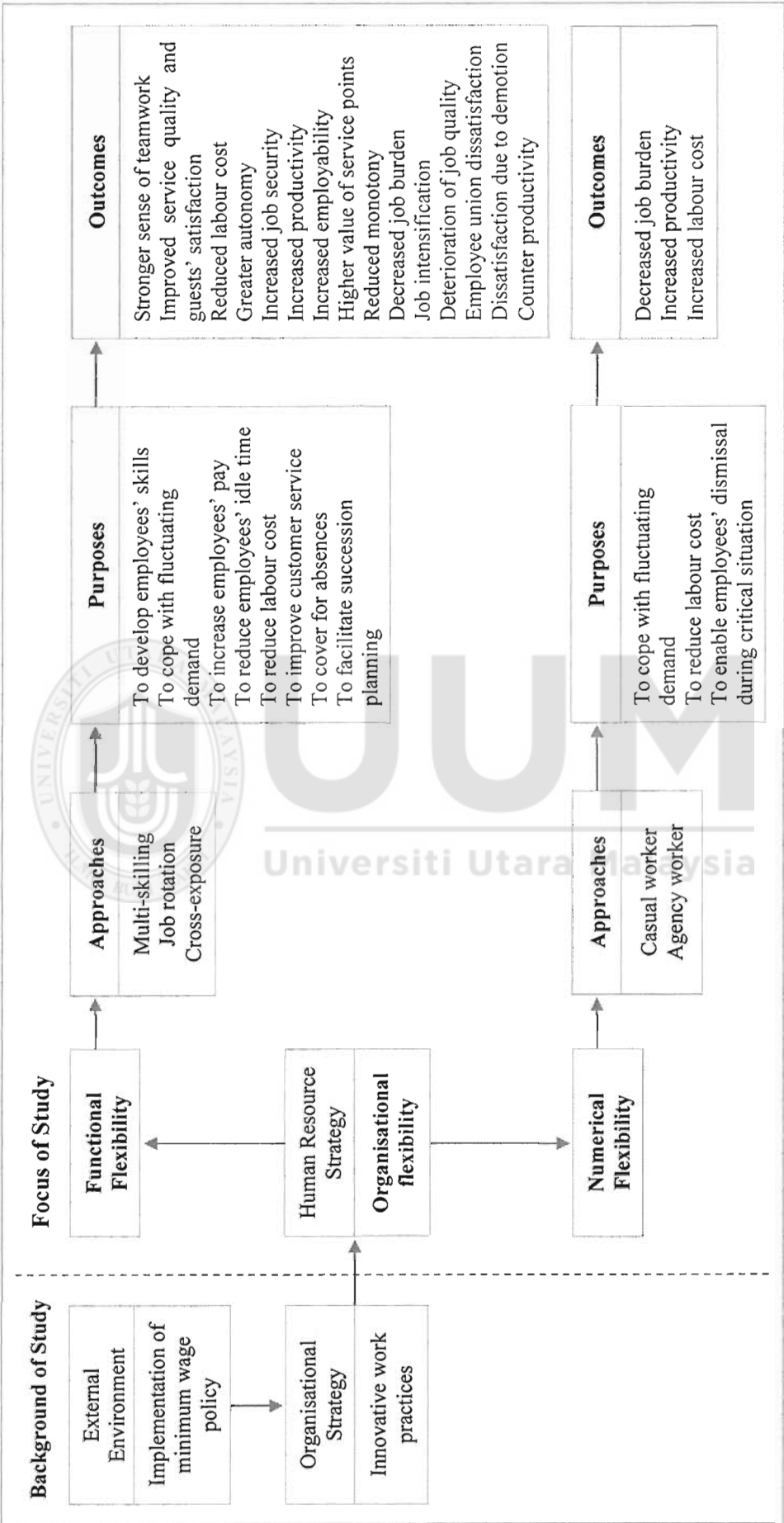


Figure 5.1. Final conceptual framework
Source: Developed for this study

Note: (Blue) indicates positive outcomes
(Red) indicates negative outcomes

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APPENDIX

Interview Guide

Participant's Information		Ref. No.		
Hotel		Date		
Name		Time	Start	
Title			End	
Department		Location		

Section A: Introduction

First of all, thank you for allocating your time to allow this to interview take place. This research may benefit practitioners with the knowledge on how hotels are able to practise organisational flexibility.

Purpose of this research

This study explores the practice of organisational flexibility. In particular, this research intends to discover the purposes and outcomes of practising organisational flexibility. It is hoped that this research will also contribute to a better understanding on how organisational flexibility affects other human resource practices.

Status of this research

This research is a requirement for obtaining a Master of Science in Tourism and Hospitality Management by Universiti Utara Malaysia. Should you require further confirmation, please contact my supervisor Dr.Rozila Ahmad on 04-928 5741.

Ethical concerns of this research

I ensure that this study is confidential and both you and your organisation will not be identified in the report. This say, any form of information obtained from participants are strictly confidential and will not be made available to the public nor given to a third party. As steps will be taken to disguise all participants, incidental identification of your organisation will not be possible. As this study adheres to certain ethical conducts, please be informed that this study is conducted on a voluntary basis and you can withdraw from this study at any time.

Note

In order to help with the data analysis, the interviews will be tape recorded. Should you have further questions about the interview procedure or the purpose of this study, it is my due responsibility to clarify. The summary of the results will be provided upon request.

Section B: Opening Questions

I will begin by asking you some general questions about your organisation.

1. Is organisational flexibility being routinely practised? If not, why?
2. Please tell me more about your job scope (responsibilities) in your current position.
3. How does organisational flexibility relate to your department?



Section C: The Practice of Organisational Flexibility

<p style="text-align: center;">Research Objective One</p> <p style="text-align: center;">To explore the purpose of practising organisational flexibility in Malaysian higher rated hotels</p>	
<p style="text-align: center;">Interview Questions on Functional Flexibility</p>	<p style="text-align: center;">Interview Questions on Numerical Flexibility</p>
<ol style="list-style-type: none"> 1. What are the reasons to practise job rotation, multi-skilling, job enlargement, job empowerment, team working and cross-training in this hotel? 2. What are the other reasons (beside the aforementioned) to practise job rotation, multi-skilling, job enlargement, job empowerment, team working and cross-training are being practised in this hotel? 3. When does this hotel usually practise job rotation, multi-skilling, job enlargement, job empowerment, team working and cross-training? 	<ol style="list-style-type: none"> 1. What are the reasons to employ part-time workers, casual workers, temporary workers and agency workers in this hotel? 2. What are the other reasons (beside the aforementioned) to employ part-time workers, casual workers, temporary worker and agency workers are employed in this hotel? 3. When does this hotel usually employ part-time workers, casual workers, temporary worker and agency workers?

Research Objective Two

To discover how organisational flexibility is being practised in Malaysian higher rated hotels

Interview Questions on Functional Flexibility	Interview Questions on Numerical Flexibility
<p>For managerial employees</p> <ol style="list-style-type: none"> 4. How does this hotel practise job rotation, multi-skilling, job enlargement, job empowerment, team working and cross-training? Is it within department or between departments? 5. How do you estimate the need for job rotation, multi-skilling, job enlargement, job empowerment, team working and cross-training in this hotel? 6. What are the departments in this hotel where job rotation, multi-skilling, job enlargement, job empowerment, team working and cross-training are mostly needed? 7. How does this hotel select which employees to participate in job rotation, multi-skilling, job enlargement, job empowerment, team working and cross-training? 	<p>For managerial employees</p> <ol style="list-style-type: none"> 4. How does this hotel employ part-time workers, casual workers, temporary workers and agency workers? 5. How do you estimate the need to employ part-time workers, casual workers, temporary workers and agency workers in this hotel? 6. What are the department in this hotel where part-time workers, casual workers, temporary workers and agency workers are mostly needed?

Research Objective Three

To identify outcomes of practising organisational flexibility in Malaysian higher rated hotels

Interview Questions on Functional Flexibility

8. What are the positive outcomes obtained from practising job rotation, multi-skilling, job enlargement, job empowerment, team working and cross-training in this hotel?
9. What are the negative outcomes obtained from practising job rotation, multi-skilling, job enlargement, job empowerment, team working and cross-training in this hotel?

Interview Questions on Numerical Flexibility

7. What are the positive outcomes obtained from employing part-time workers, casual workers, temporary workers and agency workers in your hotel?
8. What are the negative outcomes obtained from employing part-time workers, casual workers, temporary workers and agency workers in your hotel?

Section D: Additional Information

1. Are there any other questions that I could have asked?
2. Is there any further information that you would like to add in relation to the practice of organisational flexibility?
3. Do you mind if I come back to you if I need to clarify any points?

Your contribution to this research is greatly appreciated.

Thank You!



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