Article Title

Technology innovations towards reducing hospitality human resource costs in Langkawi, Malaysia

Citation

Abstract

Purpose
Hotel labour costs in Malaysia are increasing. This paper aims to explore Langkawi hotel managers' perceptions about reducing labour costs using various information and communication technology (ICT) innovations.

Design/methodology/approach
Semi-structured interviews were conducted with managers from 19 budget and boutique resorts on Langkawi Island, Malaysia. Qualitative data were recorded, transcribed and content analysed using latent coding.

Findings
All hotel managers reported using some form of ICT. The purpose for ICT adoption found was to increase productivity and efficiency. A hotel's customer mix, the need of the organization and the technology budget available influenced the outcome of technological innovation. Langkawi hotels had successfully implemented Property Management Systems (PMSs), but self-check-in/out kiosks were not seen as important as they do not meet their customers' service expectations.

Research limitations/implications
This study identifies some factors influencing uptake by hotels of technological innovations. This initial qualitative exploration of the technology adoption feasibility in Langkawi suggests that implementation to reduce labour cost is more likely for employee-operated devices rather than customer-operated devices.

Practical implications
This study contributes to the human resource (HR) management literature by providing insight into the reasons hotel managers introduce technology in a developing country context. Results suggest that hotels face challenges in reducing labour costs through technology. These insights may serve to guide policymakers and hotel managers in other developing countries that are planning to use technology to solve their HR issues. Luxury hotels can consider adopting ICT for back-of-the-house operations such as using a HR information system within the HR department and PMS for the hotel overall operation.

Social implications
These findings can increase the Malaysians awareness of ICT importance, especially in the hotel industry.

Originality/value
The Malaysian national minimum wage order policy was introduced in 2012. This policy has resulted in increased labour costs and suggests a need to adopt ICT. This paper is the first to examine the

viewpoints of hotel practitioners as to the viability of this strategy. Whilst many studies on the adoption of ICT in the hotel industry focus on its impact on productivity and firm's performance using quantitative methods, this study used qualitative methods to explore hotel managers' perceptions on its feasibility to reduce dependence on labour.

Conclusion

Though this research was planned for Malaysia's hospitality industry development, it left lessons to learn. It is showed that hotels in Langkawi implemented ICT for reducing labor costs from a human resource management perspective. Also, it is suggested that hotel managers in developing countries should implement ICT for their management in terms of cost-saving.

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