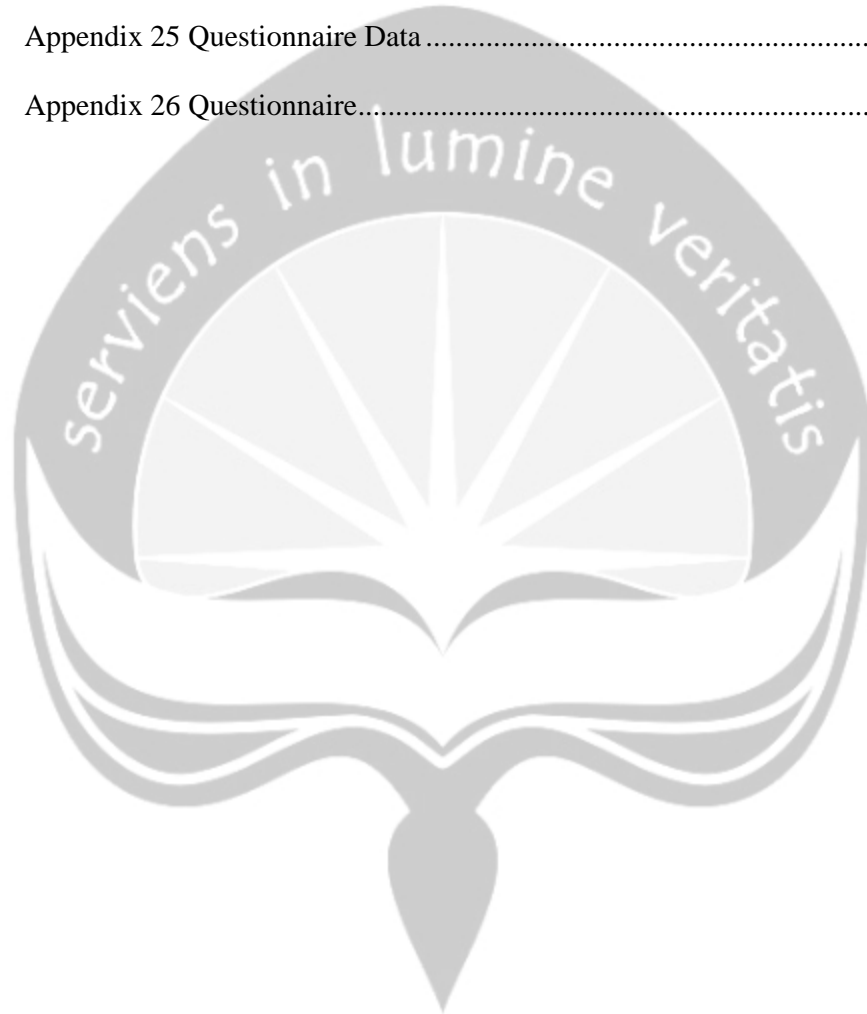


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CHAPTER I

INTRODUCTION

1.1 Research Background

The tourism industry is one of the largest industries on a global scale (including Indonesia), Tourism contributed IDR787,100.0bn (USD58.9bn) to the GDP or 5.8% of GDP in 2017 and contribute to employment at 4,585,000 jobs or 3.7% of total employment in the same year. (World Travel & Tourism Council,2018). Indonesia Tourism Minister Arif Yahya said the tourism industry is the largest industry in contributing to foreign exchange. The tourism industry contributed US\$20M in 2018, a 20% increase from US\$16.8M in 2017. (Detik Finance,2018). The Central Statistics Agency (BPS) found that foreign tourist arrivals to the Republic of Indonesia are 14,04M in 2017 or 21.88% increased from 2016 (The Jakarta Post,2018). In Yogyakarta, the number of domestic tourists and foreign tourist arrival is increased from 4,549,574 in 2016 to 5,229,298 in 2017 (14.94%) (Buku Statistik Kepariwisataaan DIY,2017).

Employee health and well-being is one of the important aspects in the business industry and regulated by the government itself in the Constitution of the Republic of Indonesia No. 13 of 2003. According to the regulation, companies should provide a certain program that can improve their skill (e.g. training) and treat the employee fairly, regardless of their gender, race, ethnicity, and religion. Ensuring employee health and well-being is not just a moral obligation for the companies but also a legal responsibility, especially in the hospitality industry where employees are a

pivotal factor to sustain the companies. Thus, sustainable HRM must be a key factor in the hospitality industry. Specifically, the front-line employee. The front-line employees are the type of employees who operate at 24/7, and they are the ones who face the customer directly. Hence, they need to maintain their physical and psychological condition in a good form. The employees who work in this sector have a high risk to endure job stress that will affect their well-being because they will face a different customer with a different personality as well.

The employees in Grand Senyum Hotel Yogyakarta should provide a high quality of service to make sure that the guest will come back to their hotel in the future. Grand Senyum Hotel Yogyakarta should have employees who are fit physically and mentally, especially the front-line employees because they must deal with the guest directly and should provide a service that meets their expectations. Employees' service can be a competitive advantage in the hospitality industry and can be used to increase their brand loyalty. To provide exceptional service the hotel should maintain the employees' performance. One of the ways to achieve that objective is by improving employee well-being. By improving the employee well-being, the companies can get a benefit such as increased performance, lower job stress, reducing staff turnover and absenteeism.

Grand Senyum Hotel Yogyakarta is a company that engages in the hospitality industry. Kim, Shin, & Umbreit (2007) and Wildes (2007) as summarized in Huong, Zheng, and Fujimoto (2016) said the hospitality industry is the type of industry with a high-stress level. A prior study found that there are a variety of stressors that affect employee well-being in the hospitality industry (Kara, Uysal, Sirgy & Lee, 2013;

Tsaur & Tang, 2012; O'Neill & Davis, 2012). Kara et al. (2013) in their study mention one of the stressors is a leadership style, other studies also mentioned another factor such as job stress (Tsaur & Tang, 2012), work argument, interpersonal tensions, employee/coworker stressor, a hotel guest stressor, and work overloads (O'Neill & Davis, 2012). Furthermore, the employees in the tourism and hospitality industry have a high level of job stress, job burnout, depression, and low job satisfaction (Shani & Pizam, 2009 in Kundaragi & Kadakol 2015), and low job security (Zopiatis, Constanti, & Theocharous 2014).

Fujishiro and Heaney (2009) in Piyali, Alka, and Apsha (2014) acknowledged that there is a relationship between organizational justice and employee well-being, and these relationships are encompassed several disciplines, including health, psychology, business, occupational health, and safety. Prior studies by Singh, Singh, & Singh (2013) also found that low perception of organizational justice (distributive and interpersonal justice) among the employees will affect the psychological well-being of employees. Colquitt (2001) in Huong, Zheng, and Fujimoto (2016) found that work-related stress will affect job satisfaction, job engagement, and organizational commitment. The four dimensions of organizational justice (distributive justice, procedural justice, informational justice, and interpersonal justice) also affected to the employee well-being in the tourism industry (Huong, Zheng, and Fujimoto, 2016).

The role of the resource manager is not merely managing the resources that exist in an organization. Moreover, maintaining overall human resources, such as seeing the level of employee well-being, is also important. Grand Senyum Hotel

Yogyakarta has numerous employee and they are relying on sustainable HRM to achieve their goals and to get a competitive advantage from another competitor. This study aims to see the impact of four dimensions of organizational justice (distributive justice, procedural justice, interpersonal justice, and informational justice) on employee well-being among the front-line employees who work at Grand Senyum Hotel Yogyakarta. The image from this study might provide an insight into the effect which can later be used as a source of consideration to the related department at Grand Senyum Hotel Yogyakarta to formulate the most effective strategy to improve the employee well-being.

1.2. Research Question

1. How does organizational justice (distributive justice, informational justice, interpersonal justice, and procedural justice) affect employee well-being among front-line employees at Grand Senyum Hotel Yogyakarta?

1.3. Research Delimitation

1. The dimensions of employee well-being that described by Keyes (2002) in Badrinarayan (2016), namely:
 - A. Psychological well-being alludes to the acknowledgment and satisfaction of one's potential. This dimension portrayed by experiences such as autonomy, personal growth, self-acceptance, and positive relatedness

The dimensions of employee well-being that described above will be measured using the Warwick-Edinburgh Mental Well-Being Scale (WEMBS) by NHS Health Scotland (Stelwart-Brown,2008)

2. The dimensions of organizational justice measured by Colquitt (2001) in Huang, Zheng, and Fujimoto (2016), namely:
 - A. Distributive justice, the dimension of organizational justice that focuses on employees' beliefs they have received the appropriate amount of rewards and received awards.
 - B. Procedural justice, the dimension of organizational justice that focuses on employees' perceptions and views on the fairness of all processes, as well as decision procedures in the organization
 - C. Interpersonal justice, the dimension of organizational justice that focuses on the reflects that extent to which people are treated with courtesy, dignity, and respect by the parties involved.
 - D. Informational justice, the dimension of organizational justice that focuses on the enforcement and explanation of decision-making procedures.

1.4.Research Objective

1. To investigate whether the four dimensions of organizational justice (distributive justice, procedural justice, informational justice, and interpersonal justice) among the front-line employees at Grand Senyum Hotel Yogyakarta has any impact on employee well-being

2. To identify which dimension of organizational justice (distributive justice, procedural justice, informational justice, and interpersonal justice) that have the biggest or lowest impact to the employee well-being.

1.5. Significance of the Research

1. For companies: The research will help the related department to establish a better understanding of the effect of organizational justice on employee well-being. The result of this research could help the related department to evaluate and improve its current policy regarding to the employee well-being.
2. For other researchers: This research can be used as sources of information about organizational justice and employee well-being in hospitality companies. The result of this research can also be used to the one who is interested in this topic and wants to expand further research regarding this topic.

1.6. Thesis Structure

CHAPTER I INTRODUCTION

This chapter contains background problems, research objective, research question, research limitation, the significance of the research, and writing structure

CHAPTER II LITERATURE REVIEW

This chapter contains theories about organizational justice, employee well-being, and hypotheses.

CHAPTER III RESEARCH METHODOLOGY

This chapter contains the place and time of research, population, sample and sampling method, data collection methods, data measurement methods, instrument testing methods, and data analysis methods.

CHAPTER IV DATA ANALYSIS AND DISCUSSION

This chapter contains a discussion of the results of the data analysis carried out quantitatively.

CHAPTER V CONCLUSION

This chapter contains conclusions and suggestions for the Grand Senyum Hotel Yogyakarta.

