HOSTEL MANAGEMENT FOR FOREIGN WORKERS: PROBLEMS IN NON-PURPOSE BUILT BUILDING

CHONG VOON PING

A project report submitted in partial fulfilment of the
requirements for the award of the degree of
Master of Science in Facilities Management

Faculty of Geoinformation Science And Engineering
Universiti Teknologi Malaysia

NOVEMBER 2005

DEDICATION

To my beloved wife, Brenda and daughters, Adeline and Alicia,

Who bring incredible joy to my life….

Who have given me the moral support to complete the master course….

ACKNOWLEDGEMENT

I would like to take this opportunity to express my sincere gratitude and appreciation to Professor Rosdi Ab Rahman for his invaluable guidance, advice, comments and encouragements throughout the whole journey of supervision to complete this project.

My special gratitude also goes to Dr. Hishamuddin Mohd Ali as the course coordinator, Associates Professor Dr. Abdul Hakim Mohamad, Associates Professor Dr. Buang Alias and all the lecturers who have taught me in this course.

Lastly, a special thanks to the staff and management of Well Growing Management Services and many others who have assisted me in various ways while in the process of completing this project. To all of them, I am greatly indebted.

Thank you.

ABSTRACT

The Malaysian government has implemented various incentives to encourage the MNCs to set up their plant and operations in Malaysia. The expansion programmes of these MNCs in Malaysia have resulted in a heavy inflow of foreign workers from third world and developing countries. As a result of that, it has created a great opportunity for hostel management organisations to serve the market. Based on observation, managing the lodging and accommodation for foreign workers appeared to be the most troublesome to the hostel management organisations. This is because the foreign workers employed were from different culture and background which requires special knowledge and skills in hostel management. Besides that most of the hostel management organisations do not own a hostel building for hostel business operations. This has created an additional problem to the hostel management organisations. As a result, it generates enough interest for it to be investigated further. For this purpose, two objectives have been formulated for this study. The first objective is to identify the problems faced by the hostel management organisations when they do not own a purpose-built building for hostel operation. The second objective is to identify the problems faced by the Management Corporation in managing the building facilities when a large portion of the multi-storey building is used as hostel. Research population for this study are segmented into three different groups, namely hostel management organisation, hostel occupants and Management Corporation. Data collected for this study were analysed using Frequency Analysis and Likert Scaling. Findings of this study conclude that hostel management organisations do have problems when operating in a non-purpose built building for hostels. Similarly, Management Corporation also faces several problems when portions of units in their complex are being used as hostels. This study also highlights the advantages and disadvantages of using apartment as hostel for foreign workers which appeared to be a good reference for other apartments in Johor Bahru.

ABSTRAK

Kerajaan Malaysia telah melaksanakan pelbagai rancangan dan insentif untuk menggalakkan syarikat multinasional menubuhkan kilang dan beroperasi di Malaysia. Program pengembangan syarikat multinasional di Malaysia telah menyebabkan aliran masuk pekerja asing yang ramai dari negara ketiga dan negara sedang membangun. Keadaan ini telah menimbulkan peluang baik bagi organisasi pengurusan asrama menceburi pasaran berkenaan. Pengurusan tempat sewa dan penginapan bagi pekerja asing merupakan satu perkara yang amat sukar bagi organisasi pengurusan asrama. Ini adalah kerana pekerja asing tersebut berasal dari kebudayaan dan latarbelakang yang berbeza dan oleh demikian ia memerlukan kemahiran dan pengetahuan yang khas untuk melaksanakan pengurusan asrama yang berkesan. Selain daripada itu, kebanyakan organisasi pengurusan asrama yang tidak mempunyai bangunan khas bagi operasi bisnes asrama menambahkan lagi kesulitan dalam operasi pengurusan asrama. Perkara ini telah menimbulkan minat penulis untuk menjalankan penyelidikan mengenai masalah yang dihadapi oleh organisasi pengurusan asrama yang tidak memiliki bangunan khas untuk perlaksanaan operasi asrama. Untuk mencapai tujuan tersebut, dua objektif telah dirumuskan untuk kajian ini. Objektif pertama adalah mengenalpasti masalah yang dihadapi oleh organisasi pengurusan asrama yang tidak memiliki bangunan khas untuk operasinya. Manakala objektif kedua adalah untuk mengenalpasti masalah yang dihadapi oleh Pejabat Pengurusan (*Management Corporation*) dalam pengurusan fasiliti bangunan apabila sebahagian besar daripada bangunan bertingkat telah digunakan sebagai asrama pekerja asing. Populasi penyelidikan untuk kajian ini telah dibahagikan kepada tiga kumpulan, iaitu organisasi pengurusan asrama, penghuni asrama dan Pejabat Pengurusan. Data-data yang diperolehi dianalisiskan dengan menggunakan kaedah Analisis Frekuensi dan Analisis *Likert Scaling*. Keputusan kajian tersebut telah memberi kesimpulan bahawa organisasi pengurusan asrama menghadapi masalah dalam pengurusan asrama apabila mereka tidak memiliki bangunan khas untuk menjalankan operasi pengurusan asrama. Begitu juga dengan Pejabat Pengurusan yang menghadapi masalah dalam pengendalian pangsapuri apabila kebanyakan daripada unit pangsapuri digunakan sebagai asrama pekerja asing. Kajian ini juga menunjukkan kebaikan dan keburukan berkenaan dengan penggunaan pangsapuri sebagai asrama pekerja asing yang menjadi satu rujukan yang baik untuk pangsapuri lain di Johor Bahru.

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INTRODUCTION

1.1   Background of the Study

The Malaysian economy has experienced very strong GDP growth rates since the late 1980's. In line with Malaysia's target to become a developed country towards year 2020, Malaysian government has encouraged a lot of Multi National Companies (MNCs) to set up their plant and operations in Malaysia.

Expansion programmes of these MNCs into Malaysia have resulted in a heavy inflow of foreign workers from third world and developing countries such as Indonesia, Bangladesh, Pakistan, Nepal, Vietnam and etc. to cope with the mass production operation into the country.

Manpower solution providers were then introduced to the manufacturing industries in 1980's to overcome the manpower problems which arise in the industrial sector. Manpower solution providers grow steadily parallel with our country robust economy and steady support from the local and foreign manufacturers.

This manpower solution providers have been serving most of the manufacturing sectors namely, automotive, metal, plastic, rubber, wood, electronic, household, garment, food and beverage, paper, construction and etc. They owned a full range of service facilities such as hostels, logistics and well trained management support team to provide efficient services.

In the continuous changing and unpredictable business environment, they always look forward for a brighter tomorrow and new challenges ahead. Manpower solution providers are strategic partners in managing and relieving the burden of the human resource of these MNCs by ensuring prompt deliveries to suit the production schedule, cost and satisfaction.

Hostel management division appeared to be the most troublesome to the Human Resource department of the manufacturer because the foreign workers employed come from different country with various different culture and background. This has caused a challenge for Human Resource department of the factories to have a good hostel management system or outsource the hostel management to an expertise in hostel management for better effectiveness and efficiency.

Outsourcing is an increasingly common way of doing business. There are sounds financial reasons for not managing hostel management themselves but outsource to expertise that may be able to do the job better, cheaper and more quickly.

Facilities Managers' time is increasingly dominated by managing the factory workers in hostel management organisation. This has required Facilities Managers to develop new skills in order to be competence in their job. Facilities professionals

had to be multi-skilled, multi-functional, good managers of people from a variety of backgrounds.

Successfully working with manpower solution provider and hostel management organisation on a strategic level is another challenge faced by the Facility Manager of MNCs or manufacturers. Today's outsourced contractors are "partners" who "add value" to a company operations. Partners are looking for long-term relationship, where trust means more than mere on time delivery. It means sharing cost bases, profit ratio and business objectives. To a degree, it means sharing information that the manufacturer might prefer to keep in-house.

Based on the statement mentioned above, a specific problem area with regards to the problems faced by the hostel management organisation for foreign workers has been selected for this study.

1.2   Problem Statement

There are lots of problems that the hostel management organisation for foreign workers has to face and solve. For the purpose of this study, the problem area is narrowed down to the following aspects:-

- The problems faced by the hostel management organisation for foreign workers which do not have full control over the non-purpose built building used as hostel operation.

1.3   Objectives of Study

1. To identify the problems faced by the hostel management organisations when they do not own a purpose-built building for hostel operation.

2. To identify the problems faced by the Management Corporation in managing the building facilities when a large portion of the multi-storey building is used as hostel.

1.4 Significance of Study

The findings of this study would be useful to the following groups of individuals:

1)   Facility Manager

The findings of this study are useful to the Facility Manager who handles the hostel management for the organisation. The information gathered in this study will serve as a basis of advice to the Board of Directors for decision making.

2)   Human Resource Manager

The Human Resource Manager will find this study useful because it will serve as an important guideline in providing the accommodation to the foreign workers.

3) Investors

For those investors who wish to penetrate into the business of hostel management services would find this study useful for implementing a successful strategic business plan.

4) Real Estate Agents

These findings are very useful to the real estate agents because the findings will serve as a basis of advice that the real estate agents could use to advise the clients who are looking for buildings for hostel operation.

1.5   Scope of Study

I.   The purpose of this study is to focus on two major areas. The first focus area would be the problems faced by the hostel management organisations for foreign workers which do not own a purpose-built building for hostel operation. The second focus would be the problems faced by the Management Corporation in managing the building facilities when a large portion of the multi-storey building is used as hostel.

II.   The information of this study would be used by the hostel management organisations to identify the list of possible problems to be faced when renting the multi-storey building for hostel operation and the building facilities issues that to be considered prior enter into the tenancy of the building.

III.   Three groups of people have been chosen for this study. That is the hostel management organisations for foreign workers, the management staff of the Management Corporation and the hostel occupants. Therefore this study will reveal the problems faced by the hostel management organisations when they do not have full control over the non-purpose built building and the poor building facilities that upset the hostel occupants.

IV.   This study focuses on the hostel management for female foreign workers working in electronic factory. The feedback and information gathered from the primary and secondary data in this study would be used as a guide for the hostel management team to make decision in selecting the place for hostel operation.

1.6   Limitations of the Study

As the research is conducted only in one hostel management organisation which manages the hostel for female foreign workers for electronic factory (Venture Group of Companies) in Johor Bahru, the sample cannot infer to other accommodation management businesses such as hostel management for students; hostel management for tourist; bed and breakfast budget hotels and etc. However, the result of this study could infer to the hostel management business for foreign workers with similar requirement of the building.

1.7   Methodology of Study

The methodology of this case study will be carried out in five main stages stated as below:-

Stage 1

In the first stage of this study, author will identify the problem statement and objectives of the study.

The problem statement for this study was derived from the author's business dealing as a real estate agent with the hostel management organisations in Johor Bahru. The objectives of this study are identified in accordance to the problem statement derived. Besides that, significance, scope and limitation of the study are also identified and put forward in this stage.

Stage 2

A theoretical research is conducted at this stage. All information and sources with regards to hostel management will be gathered accordingly from books, articles, journal and internet. The information collected will then serve as the secondary data of this study.

Stage 3

The data collection process will be carried out at this stage. The data collection for this study will be classified into primary and secondary data as described below:-

- **Primary Data**

The primary data would be gathered from the interviews with the management staff of the hostel management organisations and the Manager of the Management Corporation. Whilst the group administered questionnaires would be the method used to gather primary data from the hostel occupants. Besides that, site observation which carried out by the author will also contribute as part of the primary data for this study.
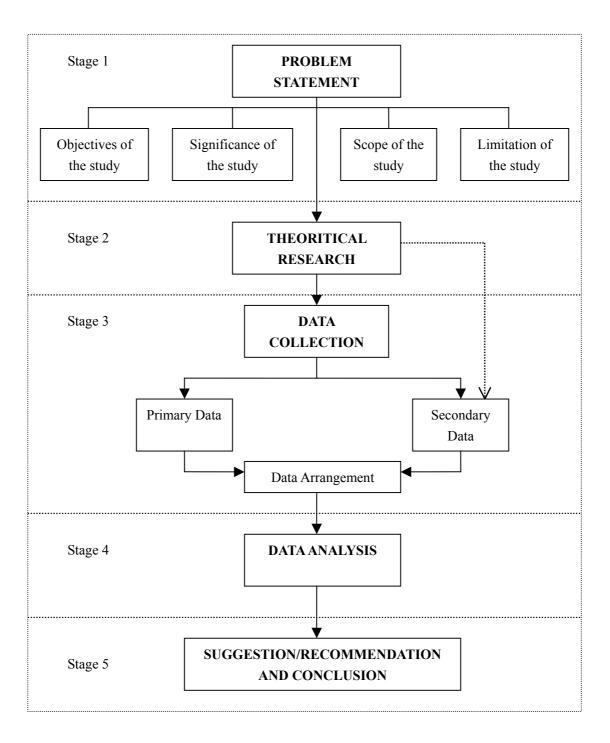
- **Secondary Data**

The secondary data would be gathered from the reference books with relevant topic pertaining to hostel management, internet articles on hostel management, Malaysia property journals and the apartment monthly in house bulletin.

Stage 4

The primary data and secondary data which have collected at stage 3 will be analysed accordingly.

Stage 5

At this stage, the result obtained from the analysis will be used for suggestions or recommendations and conclusion for this study. The research methodology for this study is illustrated in Figure 1.1 below:

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┌──────────────────────────────────────────────────────────────────┐
│ Stage 1            ┌─────────────────────┐                        │
│                    │     PROBLEM         │                        │
│                    │    STATEMENT        │                        │
│                    └─────────────────────┘                        │
│  ┌───────────┐  ┌──────────────┐  ┌──────────┐  ┌──────────────┐  │
│  │Objectives │  │Significance  │  │Scope of  │  │Limitation of │  │
│  │of the     │  │of the study  │  │the study │  │the study     │  │
│  │study      │  │              │  │          │  │              │  │
│  └───────────┘  └──────────────┘  └──────────┘  └──────────────┘  │
├──────────────────────────────────────────────────────────────────┤
│ Stage 2            ┌─────────────────────┐                        │
│                    │   THEORITICAL       │                        │
│                    │    RESEARCH         │                        │
│                    └─────────────────────┘                        │
├──────────────────────────────────────────────────────────────────┤
│ Stage 3            ┌─────────────────────┐                        │
│                    │     DATA            │                        │
│                    │   COLLECTION        │                        │
│                    └─────────────────────┘                        │
│   ┌──────────────┐                      ┌──────────────┐          │
│   │ Primary Data │                      │  Secondary   │          │
│   │              │                      │    Data      │          │
│   └──────────────┘                      └──────────────┘          │
│            ┌─────────────────────┐                                │
│            │  Data Arrangement   │                                │
│            └─────────────────────┘                                │
├──────────────────────────────────────────────────────────────────┤
│ Stage 4            ┌─────────────────────┐                        │
│                    │   DATA ANALYSIS     │                        │
│                    └─────────────────────┘                        │
├──────────────────────────────────────────────────────────────────┤
│ Stage 5    ┌───────────────────────────────────────┐             │
│            │  SUGGESTION/RECOMMENDATION             │             │
│            │    AND CONCLUSION                      │             │
│            └───────────────────────────────────────┘             │
└──────────────────────────────────────────────────────────────────┘
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Figure 1.1: Research methodology (Adopted from Lim, 2005)

1.8   Chapter Outline

There are six chapters for this write-up. It is organised, presented and elaborated as below:-

Chapter 1: Introduction

Chapter 1 will discuss on the effect and important of hostel management. It covers the area of the discussion on the problem statement, objectives of the study, significance of study, scope of study and limitations of the study. This chapter also briefly stated the methodology and outline of the research.

Chapter 2: Literature Review

Chapter 2 will discuss the key issue of the study. The literature, theories, ideas and concept of the expert on hostel management and related field will be explained in detail in this chapter.

Chapter 3: Introduction of the case study: Well Growing Management Services

Chapter 3 shall mention about the company profile in brief and the provision of hostel management services.

Chapter 4: Research Methodology

Chapter 4 described the research process created for this study. This includes the method used to gather data and quantitative techniques that adopted in order to produce the information which required for this study.

Chapter 5: Analysis and Findings

The analysis and findings of this study will be presented in Chapter 5. The ideas, opinions and comments from the targeted research groups will be gathered accordingly to achieve the objectives of this study.

Chapter 6: Conclusion and Recommendation

This would be the final chapter that summarises the findings reported in Chapter 5. Prospective of findings, limitations of the research and recommendation for future studies will be stated accordingly in this chapter.

CHAPTER 2

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