# PERCEIVED ORGANIZATIONAL SUPPORT MODERATING RELATIONSHIP BETWEEN EMPLOYEE DEVELOPMENT PRACTICE AND SERVICE PERFORMANCE OF FRONT-LINE EMPLOYEES IN HOTEL INDUSTRY IN MALAYSIA

**Suhaila A.K.[1]**
**Che Rusuli M.S.[2]**
**Mohd Nazri Z.[3]**
**Mohammad I.[4]**
**Fauzan H.[5]**

[1,2]Malaysian Graduate School of Entrepreneurship and Business, Universiti Malaysia Kelantan, 16100 Pengkalan Chepa, Kelantan, Malaysia.
[3,4]Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, 16100 Pengkalan Chepa, Kelantan, Malaysia.
[5]Faculty of Hospitality, Tourism and Wellness, Universiti Malaysia Kelantan, 16100 Pengkalan Chepa, Kelantan, Malaysia.

---

*Abstract: The hotel industry is a service-oriented industry that needs the human resource to serve and deliver excellent service to their customers. In this context, front-line employees are very significant to determine the service performance of the hotel industry. This study note that service performance could be achieved through employee development practices. But research pertaining to employee development practice focusing on front-line employees in the hotel industry is under research in Malaysia's context. The aims of this study are to examine the employees' development practices in the hotel industry that influenced service performance. The study adopted the survey approach to collect 57 usable questionnaires from front-line employees in a selected hotel (4 and 5-star hotels) based on stratified random sampling method. Therefore, validity and reliability of the instruments were examined through panel of experts and also the small sample of the data was analyzed using SPSS. It is hoped that the study could give a contribution to the body of knowledge in the hospitality industry to increase their organizational profit.*

*Keywords: Human Resource, Hotel Industry, Service Performance, Practices, Malaysia*

---

**Introduction**

At present, the increasing number of incoming tourists has expanded the business opportunities for the hotel sector, which stimulates more investment on the parts of the hotels. As more and more hotels expand themselves and new ones established, hotels have to struggle in sustaining their market share. For upscale hotels, increasing competition suggests that they need to deliver more outstanding service quality to their customers (Dhar, 2015; Falk & Hagsten, 2015). This is because customers who are willing to pay more will be expecting to receive better service quality (Kandampully & Suhartanto, 2000). Therefore, to ensure the customers' satisfaction, it becomes crucial for the hotels to deliver excellent service to their customers. But very few actions are taken to improve the quality of human resource (Arustei, 2013) and the nature and quantity of the front-line employee development is not fully understood.

There are factors contributed towards improved service performance of the employees in hospitality industry such as service climate (Borucki & Burke, 1999; Johnson, 1996) and human resource development. Therefore, research regarding human resource development in the hospitality industry remains an understudy's topic with rich potential that positively affecting people's lives. A few reasons were given by the industry concerning human resources issues are prevailing high workforce costs and increasing human resource means increasing the cost. Enterprise used human resource practices as critical strategic tools for promoting favorable behavior among employees and leveraging their knowledge, skills, and abilities, which could increase productivity and performance (Bartlett, 2001; Bates & Chen, 2004; Clardy, 2008; Katou, 2009). Therefore, human resource development of employees has been acknowledged as most foundational activity of human resource system (Dhamodharan, Daniel & Ambuli, 2010; Gubbins, Garavan, Hogan & Woodlock, 2006). Most of the companies invested huge amount of money annually for the training and development of their employees. Unfortunately, this amount of spending is not always translated into improved individual and organizational performance (Brinkershoff, 1997; Gubbins, et al., 2006). Even though human resource plays a significant and critical role in service organization especially in hotel industry, little is known about their attitudes towards their service performance.

Nishii et al., (2008) noted individual perceptions of the aims and impact of human resource management and practices inevitably vary. Thus far, relatively few studies have focused on individual experiences of human resource development practices interventions, and so this study contributes to our understanding of how employee's perceptions of human resource development practice are linked with the service performance in hotel industry. According Barlett (2001) empirical investigations of human resource development-performance relationship is rare. Furthermore, this study examines the mediating effect of employee competencies that human resource development affects service performance.

Competencies play an important role in the human resource development practice, especially in linking the individual within the organization to the organizational strategy. The popularity of competency management has increased in the last three decades. It is estimated that over 60% of organizations use a competency framework as a fundamental element of their training strategy (Chartered Institute of Personnel and Development [CIPD], 2007). A competency can be defined as a basic personal characteristic that is a determining factor for acting successfully in a job or situation (McClelland, 1993). A competency framework can be seen as an integrated set of competencies. Research on competencies show that competency is strongly connected to performance on the job (McClelland, 1993; Jackson & Schuler, 2003). Furthermore,

competencies can be improved by means of a training intervention (Lucia & Lepsinger, 1999). Therefore, competencies are seen as the ultimate mediator between training interventions and performance on the job.

In hotel and tourism industries, maintaining the relationship between customer and tourist with the front-line employee are the main indicator for successful of these industries. According to Muzalifah and Izah (2011), front line employee is important to determine the long-term relationship among peers in organization as well as customer or tourist through human interaction. Thus, service failure in hospitality and other industry are results of perceptual nature and human interactions that are related to passion and emotions (Willian & Buswell, 2003). Research on service management, the emphasis is to seek ways to manage customer-contact employees (front line) effectively so as to ensure that their attitudes and behavior are conducive to the delivery of quality services to customer's needs (Crosno et al., 2009).

The service employees are as a brand ambassador and in order to build stronger service brands for the public the service organization and their performance reflects of their service brands (Wallace and Chernatony, 2009). Employee's performance brings the brands for the customers and at the same time creating customer loyalty and retention (Zeithaml et al., 2006). Gilley and Eggland (1989) state that the mission of HRD, that is, what it does, is (a) to provide individual development through adult learning to improve performance related to a current job; (b) to provide career development focused on performance improvement related to future job assignments; and (c) to provide organizational development that results in both optimal utilization of human potential and improved human performance, which together improves the efficiency of the organization.

In this study of perceived organizational support as a moderator to the research model. Even though perceived organizational support may directly impact performance, but this study postulate perceived organizational support as moderating affecting the links between human resource development and performance (i.e., employee performance customer satisfaction and service performance). According the social exchange theory suggested that employees will reciprocate to the extent of the perceived commitment they received from their organization (Eisenberger, et al., 1986). For example, the higher perceived organizational support, the higher their job satisfaction and job performance, in particular, will be due to an intense sense of obligation to repay their organizations (Eisenberger, 1986). Since employees in a collectivistic society are more likely to perceive themselves to be part of the organization, perceived organizational support may function as an important confounding variable on the relationship between human resource development practice and service performance (Rhoades and Eisenberger, 2002). Furthermore, the specific objectives are as follows;

a) To examine the relationship between human resource development practice (formal training, informal coaching and empowerment) and service performance.
b) To examine the moderating effects of perceived organizational support in the relationship between human resource development and service performance.

Based on the preceding literature reviews, five hypotheses were stem out to test the relationship in theoretical framework. These hypotheses are:

H1: There is a positive relationship between human resource development practices and service performance.

H2: There is a positive relationship between human resource development practice and service performance through high level of perceived organizational support in organization.

H3: Perceived organizational support moderate relationship between human resource development and service performance.

## Literature review

### *Service Performance*

Performance is "to do, to accomplish" (Nash, 1983). Performance is defined as accomplishment or output in a productivity of system in the form of service or goods (Swanson, 1999). Previous work on service performance has focus on either organization or individual level analysis. In work addressing organizational factors a common theme is that if an organization values service and established practices that facilitate and reward excellence service, a climate from service is likely to emerge (Shhneider, 1990). The service climate will in turn influence service performance which will ultimately impact customer satisfaction (Borucki & Burke, 1999; Johnson, 1996). This study emphasizes the impact of managerial practice and employees' perceptions of service performance at the hotel industry. On the other hand, this study will be focus on service performance at the individual level of analysis (Barrick & Mount, 1991; Frei & McDaniel, 1998) have linked human resource development practice to their service performance.

### *Human Resource Development (HRD) Practice*

Human Resource Development (HRD)is "the integrated use of training and development, and career development to improve individual, group, and organizational effectiveness" (McLagan, 1989). Human Resources Development (HRD) as a philosophy, concept, and model has generated numerous theories on a number of dimensions. In its early stages, HRD was defined by Leonard Nadler (1970) as "a series of organized activities conducted within a specific time and designed to produce behavioral change" (p. 3). Later, the definition of HRD became controversial even if traditionally defined in the context of the individual, the work team, or the organization (Mclean, Bartlett & Cho., 2003). Human resource development is any process or activity that, either initially or over the long term, has the potential to develop adult's work-based knowledge, expertise, productivity and satisfaction, whether for personal or group, team gain, or the benefit of an organization, community, nation, or ultimately, the whole humanity (McLean and McLean, 2001). Organizations used human resource as a critical strategic tool for promoting favorable behavior among employees and leveraging their knowledge, skills and abilities which should increase productivity and performance (Bartlett, 2001; Bates &Chen, 2004; Clardy, 2008; Katou, 2009). For this reason, human resource development of employees has been acknowledging as the most foundational activity of human resource system HRD program are designed and implemented to improved employee capability to perform effectively and meet performance expectations (Schwoerer, May, Hollensbe & Menel, 2005). With an extensive of training and development opportunities to employees, they need to upgrade their knowledge and skills. Training is indeed a positive predictor of knowledge and skills of individuals (Bates & Chen, 2004; Clardy, 2008). Employees exposed to various HRD programs are good position to improve their capability and thus effectively leverage their capacity in conducting their tasks (Liao et al., 2009; Schwoerer et al., 2005). Training opportunities for employees to learn various task-related knowledge, skills and ability also enhance their sense of task efficacy (Choi & Chang, 2009).

4

Employees' task relevant capabilities or knowledge, skills and attitude are critical condition for efficient and effective operation of various organizational functions (Gubbins et al., 2006, Tharenou, 1997). In additions, human resource development practices are likely to strengthen employees' membership perception and commitment to the organization, which lead to increase their efforts towards achieving organizational goal beyond the minimum task requirement (Bartlett, 2001). The enhanced level and quality of in-role and extra-role task efforts driven by increased competence and commitment of employees contribute to the effectiveness of organizational functioning. Although scholars have presumed that this intervening role of employee outcomes explains the relationship between human resource practices and firm performance (Huselid, 1995), empirical evidence of this mediated relationship is still quite limited, particularly at the organizational level (Combs et al., 2006).

### Formal Service Training

Service training is related with the programmed organized by the service organization designed to improve the task-related skills and behavior skills of its employees (Yang, 2012). Training is an initial exposure of workers related to the delivery of services performed by the organization to the employee. Training services are considered management strategies to meet high customer demand and market needs in the services offered (Harel &Tzafrir, 1999). Most of the training activities carried out by the human resources management, training centers and training operators or experts paid by the organization to provide training to the employees of the organization. Training related services is defined as a formal and systematic process that aims to develop the competencies, knowledge, and skills of employees' aspects of the organization in the organization (Davis, Davis & Van Wert, 1998). Training is also a medium of service management to deliver the organization's strategy, value, new equipment and new methods to do tasks (Kassicieh &Yourstone, 1998). Thus, it can be examined that the role of training for employees not only to provide the skills and knowledge to an employee, but also as a medium to communicate any changes in the organization's internal and external expectations against an employee organization.

### Informal Coaching

Coaching is a continuous daily process involves the guidance and support given to employees to enhance their knowledge, skills and abilities (Orth, Wilkinson & Benfari, 1987). Ellinger et al., (2003) defines coaching refers to the process of day-to-day guidance and directly to help employees resolve employee problems. In other words, coaching is an aspect of live training given to employees in the workplace that are carried out continuously and in informal situations. Coaching is done by the management (supervisor or senior) during working hours as part of the relationship between supervisors and workers as on-job training activities. The experience gained from the process of coaching will be a facilitating in the process of learning about the work (Phillips, 1994). While the coaching program within the organization is still in the initial phase of implementation in the organization. Most organizations have begun to use this coaching practice informally within the organization to their employees to perform their work more systematic and effective. This is because the practice of coaching has shown a positive influence on the overall performance of the organization.

### Employee Empowerment

Empowers of employees refer to the level of employee discretion in making decisions about activities related to the work done (Conger & Kanungo, 1988; Bowen & Lawler, 1992; Lashley, 1995). During the process of providing the service, the employee must have the responsibility

and authority to make decisions related to the customer if no manager on the spot, and other staffs do not have the ability to solve the problem of the services required by customers (Gronroos, 1990; Rust, Zahorik & Keiningham, 1996).The purpose of employee empowerment is to empower employees to respond quickly to customer demand, making employees more courteous when interacting with customers and provide an opinion to the organization to improve service to customers (Bowen & Lawler, 1992; Hubrecht & Teare, 1993 Morrison, 1994). According to Conger and Kanungo (1988), empowers employees to give effect to the diligence and efforts of employees in doing the work. In other words, the authorization of service to help workers to respond efficiently and effectively to customer's needs more quickly. Authorization is essential to service workers because these workers need the flexibility to make quick decisions on customer satisfaction (Hartline and Ferrell, 1996).

### *Employee Competence*

Employee's task related capabilities or knowledge, skills and attitude are desperate situation for efficient and effective operation of various organizational functions (Gubbins et al., 2006, Tharenou, 1997). In additions, human resource development practices are likely to strengthen employee's membership perception and commitment to the organization, which lead to increase their works towards attaining organizational goal outside the minimum task requirement (Bartlett, 2001). The higher level and quality of in-role and extra-role task efforts determined by increased competence and commitment of employees provide to the effectiveness of organizational functioning. Although researchers have assumed that this interfering role of employee outcomes elucidates the relationship between human resource practices and firm performance (Huselid, 1995), empirical evidence of this mediated relationship is still quite limited, particularly at the organizational level (Combs et al., 2006).

### *The Moderating Effects of Perceived Organizational Support*

This study considers perceived organizational support as a moderator in the current research model. Although perceived organizational support may direct impact on performance, this study postulate perceived organizational support as moderator that affect the link between human resource development and service performance of front-line employees in hotel industry. Social exchange theory suggests that employees will reciprocate to the extent of the perceived commitment they received from their organization (Eisenberger et al., 1986). The higher perceived organizational support, the higher their job satisfaction and job performance, in particular, will be due to an intense sense of obligation to repay their organizations (Eisenberger et al., 2001). Since employees in a collectivistic society are more likely to perceived themselves to be part of the organization, perceived organizational support may function as an important confounding variable on the relationship between human resource development and job-related outcomes (Rhoades and Eisenberger, 2002).

Perceived organizational support has been defined as the extent to which employee perceive that their contribution is valued by their organization and that the firm cares about their well-being (Eisenberger et al., 1986). Perceived organizational support has been preciously investigated as the willingness of an organization to provide employees with adequate working conditions and assignments (Eisenberger et al., 1986). Perceived organizational support is derived from social exchange theory. Social exchange refers to the voluntary actions of individuals in the expectation of some perceived return associated with and typically bestowed upon performing the desire action (Blau, 1964). According DeConinck and Johnson (2009), the theory of social exchange, employees who are given organizational support work harder due to their heightened commitment to the organization. It can be speculated that the negative

effects of surface acting on job performance ten to be attenuated when a high level of perceived organizational support perceived, whereas the positive effects of deep acting on job performance tend to be strengthened. Another explanation for the moderating effect on deep acting and job performance can be found in the social exchange (Nixon et al., 2011), specifically the suggestion that employees who perceived organizational support reciprocate by working harder. In other means, employees work efforts are manifested through their sense-making of the endorsement provided by their organization, which enhance their job performance (Duke et al., 2009). Based on this line of reason, this study hypothesis that among front line employees perceived organizational support specifically moderated on the relationship between human resource development practice and service performance.

**Research Method**
This study needs to examine the relationships of the human resource development among frontline hotel employees towards improvement of the service performance, this study will be followed the quantitative approach. The survey instrument is based on the construct of human resource development practice, employee's competencies, perceived organizational support and service performance. The 5-point Likert scale questionnaire consisted of 50 items in 5 sections, supporting quantitative analysis, covering the key factors of each construct and background of the hotel industries. The questions of survey extracted according to the relevant studies of human resource development practices, employees' competencies, perceived organizational support and service performance to examine the research hypotheses that has been developed. This study also focuses to hotel industries in east coast Malaysia consists of Kelantan, Terengganu and Pahang from 3 to 5-star hotels. In accorded with the stratified sampling, around 200-400 employees will be chosen randomly among targeted hotels. The data of this study analyzed using Factor Analysis (FA) and Reliability Analysis through principle component analysis using SPSS 21.0. The purpose of factor analysis is to identify the key components for human resource development, employee competencies and perceived organizational support. The varimax rotations method with Kaiser Normalization has been used in analyzed the data. For further analysis, this study uses the Partial Lease Square (PLS) to test the model of the relationship between human resource development (HRD) practices towards improve the service performance of the hotel industry. Therefore, this study explores the interrelationship between human resource development practice and service performance through mediating effect of employee competencies and moderating effect of perceived organizational performance.

**Results**

*Construct Validity*
Construct validity testifies to how well the results obtained from the use of the measure fit the theories around which the test is designed (Sekaran and Bougie, 2010). The question here is does the instrument tap the concept as theorized? This can be assessed through convergent and discriminant validity. First, we looked at the respective loadings and cross loadings from Table 1 to assess if there are problems with any particular items. We used a cut-off value for loadings at 0.5 as significant (Hair et al., 2010). As such, if any items which has a loading of higher than 0.5 on two or more factors then they will be deemed to be having significant cross loadings. From Table 1 we can observe that all the items measuring a particular construct loaded highly on that construct and loaded lower on the other constructs thus confirming construct validity.

**Table 1: Loading and Cross Loading**

|       | Empowerment | Formal Training | Informal Coaching | Service Performance |
|-------|-------------|-----------------|-------------------|---------------------|
| E11   | **0.886**   | 0.401           | 0.590             | 0.467               |
| E12   | **0.859**   | 0.351           | 0.638             | 0.372               |
| E13   | **0.918**   | 0.389           | 0.605             | 0.370               |
| E14   | **0.869**   | 0.369           | 0.595             | 0.344               |
| T1    | 0.393       | **0.833**       | 0.478             | 0.261               |
| T2    | 0.375       | **0.873**       | 0.519             | 0.272               |
| T3    | 0.343       | **0.837**       | 0.512             | 0.193               |
| T4    | 0.342       | **0.844**       | 0.486             | 0.208               |
| T5    | 0.341       | **0.812**       | 0.496             | 0.196               |
| C6    | 0.567       | 0.528           | **0.811**         | 0.377               |
| C7    | 0.482       | 0.474           | **0.809**         | 0.379               |
| C8    | 0.524       | 0.443           | **0.814**         | 0.314               |
| C9    | 0.574       | 0.421           | **0.821**         | 0.342               |
| C10   | 0.625       | 0.527           | **0.792**         | 0.314               |
| SP10  | 0.298       | 0.157           | 0.279             | **0.759**           |
| SP11  | 0.310       | 0.259           | 0.337             | **0.782**           |
| SP12  | 0.310       | 0.214           | 0.383             | **0.773**           |
| SP13  | 0.452       | 0.207           | 0.362             | **0.865**           |
| SP14  | 0.417       | 0.262           | 0.368             | **0.840**           |
| SP9   | 0.276       | 0.167           | 0.287             | **0.740**           |

Bold values are loadings for items which are above the recommended value of 0.5

### Reliability and Validity Analysis

We used the Cronbach's alpha coefficient to assess the inter item consistency of our measurement items. Table 2 summarizes the loadings and alpha values. As seen from Table 2, all alpha values are above 0.6 as suggested by Nunnally and Berstein (1994). The composite reliability (CR) value is 0.9. Interpreted like a Cronbach's alpha for internal consistency reliability estimate, a composite reliability of 0.70 or greater is considered acceptable (Fornell and Larcker 1981). As such we can conclude that the measurements are reliable. Next, the study tested the convergent validity which is the degree to which multiple items to measure the same concept are in agreement. As suggested by Hair et al. (2010) we used the factor loadings, composite reliability and average variance extracted to assess convergence validity. The loadings for all items exceeded the recommended value of 0.5 (Hair et al. 2010). Composite reliability values (see Table 2), which depict the degree to which the construct indicators indicate the latent, construct ranged from 0.740 to 0.918 which exceeded the recommended value of 0.7 (Hair et al. 2010). The average variance extracted (AVE) measures the variance captured by the indicators relative to measurement error, and it should be greater than 0.50 to justify using a construct (Barclay et al. 1995). The average variance extracted, were in the range of 0.631 and 0.780. Table 2 summarizes the results of the measurement model. The results show that all the four constructs empowerment, formal training, informal coaching and service performance are all valid measures of their respective constructs based on their parameter estimates and statistical significance (Chow and Chan 2008).

## Table 2: Results of Measurement Model

| | Items | Loadings | AVE | CR | Cronbach's Alpha |
|---|---|---|---|---|---|
| Empowerment | E11 | 0.886 | 0.780 | 0.934 | 0.906 |
| | E12 | 0.859 | | | |
| | E13 | 0.918 | | | |
| | E14 | 0.869 | | | |
| Formal Training | T1 | 0.833 | 0.706 | 0.923 | 0.896 |
| | T2 | 0.873 | | | |
| | T3 | 0.837 | | | |
| | T4 | 0.844 | | | |
| | T5 | 0.812 | | | |
| Informal Coaching | C6 | 0.811 | 0.655 | 0.905 | 0.869 |
| | C7 | 0.809 | | | |
| | C8 | 0.814 | | | |
| | C9 | 0.821 | | | |
| | C10 | 0.792 | | | |
| Service Performance | SP9 | 0.740 | | | |
| | SP10 | 0.759 | 0.631 | 0.911 | 0.883 |
| | SP11 | 0.782 | | | |
| | SP12 | 0.773 | | | |
| | SP13 | 0.865 | | | |
| | SP14 | 0.840 | | | |

Composite reliability (CR) = (square of the summation of the factor loadings)/{(square of the summation of the factor loadings) + (square of the summation of the error variances)} b Average variance extracted(AVE) = (summation of the square of the factor loadings)/{(summation of the square of the factor loadings) + (summation of the error variances)}

### *Discriminant Validity*

Next this study proceeded to test the discriminant validity. The discriminant validity of the measures (the degree to which items differentiate among constructs or measure distinct concepts) was assessed by examining the correlations between the measures of potentially overlapping constructs. Items should load more strongly on their own constructs in the model, and the average variance shared between each construct and its measures should be greater than the variance shared between the construct and other constructs. As shown in Table 3, the correlations for each construct are less than the squared root of average variance extracted by the indicators measuring that construct indicating adequate discriminant validity. In total, the measurement model demonstrated adequate convergent validity and discriminant validity.

## Table 3: Discriminant Validity of Constructs

| Constructs | Empowerment | Formal Training | Informal Coaching | Service Performance |
|---|---|---|---|---|
| Empowerment | **0.883** | | | |
| Formal Training | 0.427 | **0.840** | | |
| Informal Coaching | 0.687 | 0.593 | **0.810** | |
| Service Performance | 0.440 | 0.270 | 0.427 | **0.795** |

Diagonals (in bold) represent the square root of AVE

*Hypotheses Testing*

Figure 1 and Table 4 present the results which the $R^2$ value was 0.202 suggesting that 20.2% of the variance in extent of service performance can be explained by human development practice.
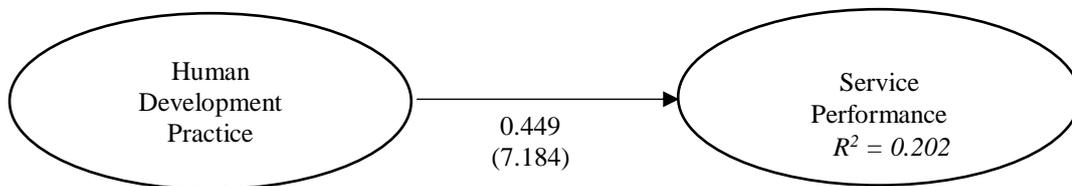


**Figure 1: HD to SP**

**Table 4: Path Coefficient and Hypothesis Testing**

| Hypothesis | Relationship | Coefficient | *t* value | *p* value | Decision |
|---|---|---|---|---|---|
| H1 | Human Development Practice -> Service Performance | 0.449 | 7.184 | 0.000 | Supported |

Next, the $R^2$ value was 0.298 suggesting that 29.8% of the variance in extent of service performance can be explained by human development practice and moderated organizational support.
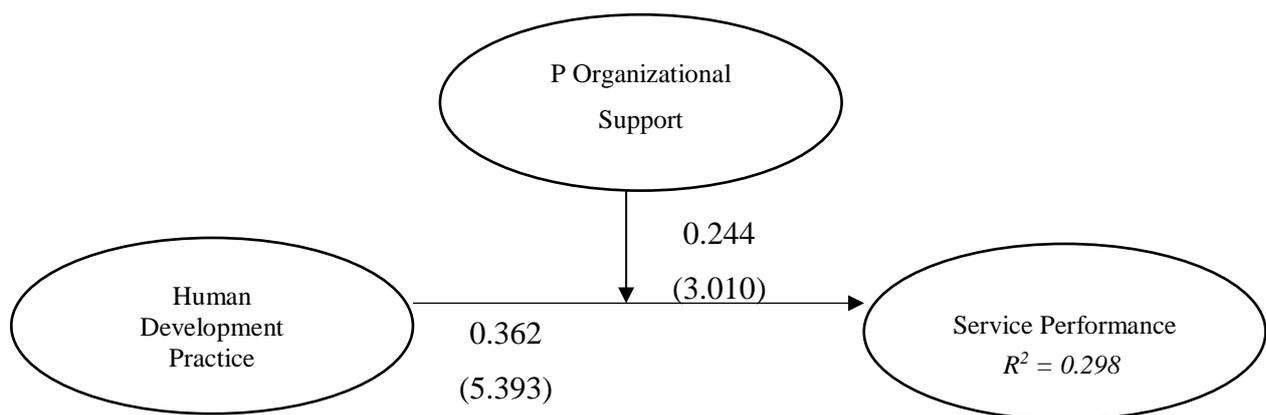


**Table 4: Path Coefficient And Hypothesis Testing**

| Hypothesis | Relationship | Coefficient | *t* value | *p* value | Decision |
|---|---|---|---|---|---|
| H1 | Human Development Practice -> Service Performance | 0.362 | 5.393 | 0.00 | Supported |
| H2 | Human Development Practice * POrgSupport -> Service Performance | 0.244 | 3.010 | 0.00 | Supported |

A moderator is a qualitative (e.g. sex, race, class, etc.) or quantitative (e.g. level of reward) variable that affects the direction and/or the strength of the relationship between a predictor variable and criterion variable (Baron & Kenny, 1986). To test the moderating effect, the influence of the predictor variable on the criterion variable, the direct effect of the moderating variable on the criterion variable and the influence of the interaction variable on the criterion variable are estimated (Helm et al., 2010). The moderator hypotheses are supported if the interaction path is significant (H2), independently of the magnitude of the path coefficients H1.

**Conclusion**
This study revealed the significant of relationship effect in hospitality industry specifically HDP towards SP issues such as the employee performance, customer satisfaction and service quality in Malaysia. The improvement of human resource in term of skills and knowledge will lead superior service performance in organization, at the same time; will improve human creativity, operational effectiveness and high-quality service delivery among frontline employee in hotel services industry. Finding of this study hope will also guide the management of hotel industry and policy makers to restructure their policies regarding human talent development to improve the quality of services by the hotelier, which crucial for hotel industry today toward dynamics and competitive environment. Last but not least, the inclusion of mediating also has given a significant effect on the relationship between variables which will contribute to the body of knowledge in hotel industry in Malaysia. However, the study has limitations, which offer avenues for future research and it should extend the results by adopting a qualitative approach. Second, only the views of line managers were included in this study. For a more comprehensive understanding of HDP, future studies should triangulate the views of front-line staff and top management to understand their commitment to individual and organizational learning and how these influence organizational and destination competitiveness (Prayag & Hosany, 2015). Another area of research would be to investigate the influence of organization culture, hotel size, ownership structure, and length of operation on HDP and organizational performance in small state economies. Likewise, comparing HDP and SP in different state in Malaysia would improve understanding of this contemporary management function in the hospitality industry.

**References**
Aksu, A.A. (2005). Defining training needs of five-star hotel personnel: an application in the Antalya region of Turkey. *Managerial Auditing Journal, 20(9),* 945-953.

Arustei, C.C. (2013). Employees organizational commitment challenges – a hotel industry perspective. *Management Dynamics in the Knowledge Economy, 1(3),* 497-519.

Berraies, S., Chaher, M., and Ben Yahia, K. (2014). Employee empowerment and its importance for trust, innovation and organizational performance, *Business Management and Strategy,5(2),* 82-103.

Crosno, J.L., Rinaldo, S.B., Black, H.G, and Kelly, S.W. (2009). Half full or half empty, the role of optimism in boundry spanning positions. *Journal of Service Research,11(3),* 259-309.

Dhar, R. L. (2015). Service quality and the training of employees: The mediating role of organizational commitment. *Tourism Management*, *46*, 419-430.

Falk, M., & Hagsten, E. (2015). Modelling growth and revenue for Swedish hotel establishments. *International Journal of Hospitality Management*, *45*, 59-68.

Fisk, G.R.P., and Stephen, J.J., (2006). Improvisation in service performance: lessons from jazz. *Managing Service Quality: An International Journal.* Vol.6 (3), pp. 247-268.

Gilley, J. W., & Maycunich, A. (2000). *Organizational learning, performance and change: An introduction to strategic human resource development*. New York, NY: Perseus Publishing.

Karatepe, O.M., and Uludag, O. (2008). Supervisor support, work-family conflict and satisfaction outcomes: an empirical study in the hotel industry. *Journal of Human Resource in Hospitality and Tourism,7(2),*115-134.

Medik.S. (1994). *The business of Hotels*, Butterworth-Heinemann, Oxford.

Muzalifah, M. and Izah M.T. (2011). Determinant of job performance in front hotel employees in Malaysia using structural equation model: a proposed conceptual framework. *International Journal of Business and Behavioral Sciences,1(1),*32-42.

Murphy, P.E., & Price, G.G. (2005). Tourism and sustainable development. In W.F. Theobald, Global Tourism (3rd Edition), Burlington: Elsevier, 167-192.

Prayag, G., & Hosany, S. (2015). Human resource development in the hotel industry of Mauritius: myth or reality? *Current Issues in Tourism*, *18*(3), 249-266.

Rathmell, J. (1966). What is meant by services? *Journal of Marketing*, *30(October)*,32-6.

Swanson, R.A. (1999). The foundation of performance improvement and implication for practice. *Advance Developing of Human Resource,* 1-25.

Wallace, E. and De Chernatony, L., (2009). Service employee performance: Its components and antecedents. *Journal of Relationship Marketing*, *8,* 82-102.

Yang, Y.C. (2012). High-involvement human resource practices, affective commitment and organizational citizenship behavior in service setting. *The Service Industries Journal.32(8)*, 1209-1227.

Yeh, C.M. (2013). Tourism involvement, work engagement and job satisfaction among frontline hotel employees. *Annals of Tourism Research*, *42(July)*, 214-239.