



# Sustainable Human Resource Management Practices in Achieving Employees' Sustainable Performance: Evidence in the Hospitality Sector

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## ABSTRACT

Numerous challenges hinder the efforts of many hospitality businesses to improve and maintain the sustainable performance and commitment of employees, primarily due to escalating job demands and expectations. In this investigation, social exchange theory is applied to examine how sustainable HRM practices, including training and development, employee participation, and employment security practices, impact the sustainable performance of executive-level employees in 4- and 5-star hotels. Despite the limited research on the correlation between sustainable HRM practices and employee sustainable performance, particularly within the high-end hotel industry, this study utilized the PLS-SEM approach to analyse 280 valid responses. The results indicate a significant correlation between training and development and task sustainable performance. Besides, the study identifies a relationship between employee participation and task and relational sustainable performance, while employment security practice appears to have no effect on either task or relational sustainable performance. Although the research primarily targets executives from 4- and 5-star hotels in Malaysia, which may not be representative of other organisational settings, it provides empirical evidence that sustainable HRM practices are directly linked to task and relational sustainable performance, which is beneficial for both researchers and practitioners.

## KEYWORDS

Training and Development; Employee Participation; Employment Security Practice; Task Sustainable Performance; Relational Sustainable Performance.

## RESUMEN

Numerosos retos dificultan los esfuerzos de muchas empresas hosteleras por mejorar y mantener el rendimiento sostenible y el compromiso de los empleados, debido principalmente a la escalada de las exigencias y expectativas laborales. En esta investigación, se aplica la teoría del intercambio social para examinar cómo las prácticas sostenibles de GRH, incluidas la formación y el desarrollo, la participación de los empleados y las prácticas de seguridad en el empleo, influyen en el rendimiento sostenible de los empleados de nivel ejecutivo en hoteles de 4 y 5 estrellas. A pesar de la escasa investigación sobre la correlación entre las prácticas sostenibles de GRH y el rendimiento sostenible de los empleados, especialmente en el sector hotelero de alto nivel, este estudio utilizó el enfoque PLS-SEM para analizar 280 respuestas válidas. Los resultados indican una correlación significativa entre la formación y el desarrollo y el rendimiento sostenible de las tareas. Además, el estudio identifica una relación entre la participación de los empleados y el rendimiento sostenible en las tareas y las relaciones, mientras que la práctica de la seguridad en el empleo no parece tener ningún efecto sobre el rendimiento sostenible en las tareas ni en las relaciones. Aunque la investigación se centra principalmente en ejecutivos de hoteles de 4 y 5 estrellas de Malasia, lo que puede no ser representativo de otros entornos organizativos, aporta pruebas empíricas de que las prácticas de gestión sostenible de los recursos humanos están directamente relacionadas con el rendimiento sostenible en las tareas y las relaciones, lo que resulta beneficioso tanto para los investigadores como para los profesionales.

## PALABRAS CLAVE

Formación y desarrollo; Participación de los trabajadores; Prácticas de seguridad en el empleo; Rendimiento sostenible de las tareas; Rendimiento sostenible de las relaciones

## **1. INTRODUCTION**

The hospitality industry is a significant part of the service sector, which is experiencing rapid growth. Professionalism, workforce development, and consistent motivation are essential for success in this industry. In the service industry, employees play a critical role, and their motivation is vital to improve efficiency in hotels. Hotels can gain a competitive advantage by effectively implementing sustainable human resource management (HRM) practices (Caliskan, 2010; Mehmood et al., 2023). In the tourism and hospitality industry, the ability to provide exceptional services is highly dependent on how human resources are managed (Fenitra et al., 2022). Employees play a crucial role as stakeholders in the establishment and advancement of an organization's human and social capital. They serve as a valuable source of knowledge and assistance in the creation and execution of sustainable human resource management procedures. The primary objective of sustainable human resource management (HRM) practices is to achieve long-term goals and outcomes. These practices prioritize the well-being of employees and the environment, encourage employee participation and growth, foster external partnerships, promote flexibility, ensure compliance with labour regulations, foster cooperation among employees, and uphold principles of equity and equality. Importantly, these practices are designed to achieve these objectives without compromising profitability (Davidescu et al., 2020; Lu et al., 2023). Consequently, organizations should prioritize the implementation of sustainable HRM practices to attract, retain, and enhance the sustainable performance of employees. This focus is essential for maintaining a high-quality workforce and fostering sustainability. Proper execution of sustainable HRM practices can lead to increased employee satisfaction and productivity, benefiting the organisation in the long run (Maxwell, 2004; Maroudas *et al.*, 2008; Teng 2008; Ashton, 2017).

Despite the significance of employee sustainable performance and dedication, many organisations are finding it challenging to maintain them due to increased job demands and expectations. The Sarawak Employment Report 2019-2020 has revealed that operational and business support employees are the least content with their jobs. This discontent is primarily caused by various factors, including low pay, poor management, limited career advancement, inadequate recognition, and insufficient opportunities to apply skills and competencies. Previous research by

Sobaih (2018), Sobaih *et al.* (2019), and Nor *et al.* (2020) have indicated that inadequate rewards, insufficient work benefits, limited career growth prospects, unfavorable work environments, unappealing compensation, insufficient training and development, and lack of acknowledgment can all directly affect an employee's sustainable performance. These factors can result in absenteeism, rudeness, and inefficiency in completing job duties, ultimately affecting long-term sustainable job performance.

The primary focus of this research is the hospitality industry in Malaysia, where the hospitality industry is critical in shaping the local culture and people. The study specifically examines employee perspectives in 4- and 5-star hotels in Malaysia, which is a relatively new research site that provides valuable insights into the hospitality industry. The Malaysian government has introduced several initiatives to attract skilled individuals with environmental awareness to the region. The reasons for conducting this research at 4- and 5- stars hotels in Malaysia are because 4- and 5- stars hotels which are known as luxury hotels have the financial and personnel resources required to implement a range of strategies to enhance their operations. As a result, this research can investigate employees' perspectives on the execution of sustainable HRM practices in hotels in improving and achieving sustainable employee performance.

In contrast to their upscale counterparts, budget hotels often grapple with constraints related to resources and opportunities, which hinder their ability to effectively train their employees and achieve sustainable performance (Pascual-Fernández *et al.*, 2020). The figure presented in Figure 1 delineates the central theme of this study, which is to investigate the effects of sustainable human resource management (HRM) practices. More precisely, the objective is to examine the impact of practices such as employee participation, training and development, and employment security on two crucial dimensions of employee performance: task sustainable performance and relational sustainable performance.

While sustainable HRM practices hold considerable importance within the hospitality sector, particularly in the context of high-end hotels in Malaysia, it is noteworthy that there exists a paucity of comprehensive studies exploring the profound implications of these practices on employee sustainable performance (Jeronimo *et al.*, 2020; Mousa & Othman, 2020). The notable absence in the current research

panorama acts as a motivating factor for the present study. Its primary aim is to address this research gap and enhance the existing body of knowledge by conducting a thorough investigation into the complex relationship between sustainable HRM practices and the sustainable performance of executive employees in the hotel industry. Through this investigation, the research aspires to shed light on how these sustainable HRM practices influence the long-term performance of employees and, by extension, the overall success and sustainability of hotel operations.

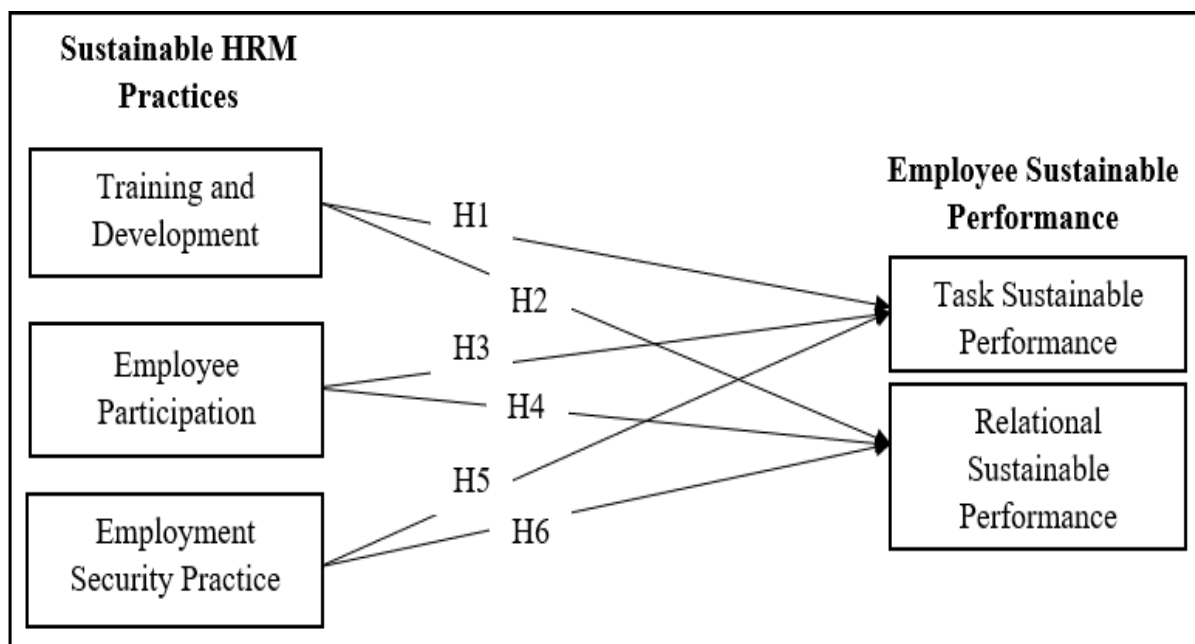


Figure 1. Research Model

## **2. THEORETICAL BACKGROUND**

The social exchange theory, which is commonly employed in the study of organisational behaviour and employment relationships, serves as the foundation for the proposed study. This theory postulates that interpersonal relationships are established through a sequence of interactions involving mutual dependence between the parties involved. When employees perceive that they are appreciated by their organisation, they are more likely to comply with the principles of social exchange (Saks, 2006). According to these principles, if an organisation provides valuable resources to employees, they will reciprocate by offering something valuable in return (Homans, 1958; Blau, 1964; Zhang *et al.*, 2011). The social exchange theory also clarifies how employees compensate the organisation for the resources provided to

them in their work (Findley Musgrove *et al.*, 2014). If the exchange benefits both parties, the frequency and scope of the exchange may increase.

The social exchange theory suggests that when an organisation fails to adhere to certain HR policies and procedures, it can affect employees' job performance either positively or negatively. Past study, as affirmed by Greasidou and Valachis (2022), reinforces this assertion, suggesting that investing in the development of HRM practices indicates a clear trust on the part of employers. This trust is notable because employers don't always have assured returns on their investment in HR development. In simpler terms, investing in employee development communicates to employees that they are esteemed, and the employer has made a long-term commitment to their growth (Jung & Takeuchi, 2019; Jun & Eckardt, 2023). In sum, the study argues that sustainable HRM practices can instil a sense of accountability in employees to provide outstanding service, as supported by the social exchange theory. Therefore, employees exhibit positive attitudes and behaviours that align with the organization's objectives and service principles. In essence, the implementation of HR practices such as growth opportunities can enhance employees' sustainable performance.

### **3. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT**

#### **3.1) TRAINING AND DEVELOPMENT AND EMPLOYEE SUSTAINABLE PERFORMANCE**

According to Horng and Lin (2013), the hospitality industry is allocating more resources toward training programs to meet industry demands. Previous research in the hospitality field has shown that training has a substantial influence on the sustainable performance of hotel employees (Du Plessis *et al.*, 2015). The luxury hotel sector considers training and development to be critical activities in human resource management (HRM) (Gowrishankar, 2017). Effective training empowers employees by providing them with knowledge, fostering positive attitudes, and enabling them to apply what they have learned in practical situations, resulting in favourable outcomes for hotels (Lee & Bugler, 2017). Training and development programs can significantly increase employee knowledge, skills, and job performance, which can lead to the creation of new ideas, processes, and practices. Otoo and Mishra (2018) revealed that

training and development enhance employee effectiveness and capabilities, making them more competitive and expanding their existing skill sets. Moreover, these programs create synergies that encourage employees to establish collaborative relationships in their respective areas of expertise (Kaynak, 2003; Singh, 2018). Based on these findings, the study puts forth the following hypotheses:

H<sub>1</sub>: T&D is positively and significantly related to task-sustainable performance.

H<sub>2</sub>: T&D is positively and significantly related to relational-sustainable performance.

### **3.2) EMPLOYEE PARTICIPATION AND EMPLOYEE SUSTAINABLE PERFORMANCE**

The "ladder of participation" pertains to the extent to which employees are allowed to participate in decision-making processes (Arnstein, 1969; Chang, 2005; Li *et al.*, 2014). Increased participation by employees is linked to enhanced organisational effectiveness as it streamlines employee and corporate engagement (Gollan, 2005). Employee participation encompasses employee voice, involvement, and empowerment, and can range from committee membership to cultivating relationships (Scott-Ladd & Marshall, 2004; Markey *et al.*, 2016; Linda & Visagie, 2017). The involvement of employees in decision-making can foster cooperation and enhance employee sustainable performance in terms of efficiency and effectiveness. Collaborative decision-making allows employees to apply their expertise and skills to solve problems and enhance work practices, leading to positive outcomes and better job performance (Summers & Hyman, 2005; Linde & Visagie, 2017). A bureaucratic leadership style that lacks opportunities for employee participation may result in negative consequences, such as increased employee turnover, reduced job satisfaction, and decreased organisational loyalty (Zhu *et al.*, 2011; Zhu *et al.*, 2015; Wohlgemuth *et al.*, 2019). Drawing on the preceding discussion, the subsequent hypotheses have been developed:

H<sub>3</sub>: Employee participation is positively and significantly related to task-sustainable performance.

H<sub>4</sub>: Employee participation is positively and significantly related to relational-sustainable performance.

### **3.3) EMPLOYMENT SECURITY PRACTICE AND EMPLOYEE SUSTAINABLE PERFORMANCE**

As Pearce (1998) explains, employment security relates to the emotional well-being of employees and their beliefs about having a stable job, which can differ depending on the organisation in which they are employed. The level of job stability that employees perceive can impact their long-term commitment to the company (Probst, 2003; Loi *et al.*, 2011; Liu *et al.*, 2017). However, due to the increasing use of technology, there is a growing concern that machines may replace human workers, leading to a sense of job insecurity and the possibility of future job loss (De Witte, 2005; Nam, 2019). Consequently, employees may feel uncertain about their job security, which can cause employment insecurity. To address this issue, organisations can adopt employment security practices to satisfy employees' job security needs and protect their equal rights. According to past studies conducted by Diaz-Fernandez *et al.* (2015), Jimenez-Jimenez and Sanz-Valle (2008), and Farouk *et al.* (2016), allocating resources towards employment security can result in dedicated workers who possess self-assurance, are inclined to take chances, and contribute to inventive practices. In light of the discovered results, the following hypotheses have been validated:

H<sub>5</sub>: Employment security practice is positively and significantly related to task-sustainable performance.

H<sub>6</sub>: Employment security practice is positively and significantly related to relational-sustainable performance.

### **3.4) EMPLOYEE SUSTAINABLE PERFORMANCE**

Employee sustainable performance is the enduring ability of individuals within an organization to maintain elevated levels of productivity, job satisfaction, and overall well-being over an extended period while actively contributing to their business's long-term sustainability goals (Chang *et al.*, 2018) Within the framework of leadership's role in promoting employee sustainable performance, transformational leadership takes a central position. Transformative leadership style involves the promotion of

sustainability, the cultivation of an ethical and socially responsible organizational culture, and the provision of a supportive work environment (Changar & Atan, 2021). These factors significantly influence employees' commitment to sustainable practices (Li et al., 2019). This notion gains further support from prior studies that underscore the pivotal role of transformative leadership in facilitating sustained employee performance (Park et al., 2022). The impact of transformational leaders on employees' dedication to sustainability creates a ripple effect within the organization.

Additionally, past research conducted by Tortia et al. (2022) has provided empirical evidence that organizations demonstrating a strong commitment to sustainability and actively involving employees in sustainable projects are associated with heightened levels of employee satisfaction and productivity. This heightened job satisfaction and productivity ultimately contribute to sustained employee performance. Equally critical in achieving this sustainability is the consideration of both employee engagement and well-being. These encompass various aspects, such as increased job satisfaction, the maintenance of a healthy work-life balance, and adequate support for employees' mental and physical health.

### **3.4.1) TASK-SUSTAINABLE PERFORMANCE**

In recent years, there has been a growing focus on the concept of task sustainable performance (TSP) because of its capacity to foster sustainable development within organizations. TSP refers to the ability of employees to maintain high levels of performance while also considering the long-term impact of their actions on the environment, society, and the economy. In previous studies, employee job performance has been traditionally viewed as consisting of two dimensions (Borman & Motowildo, 1993). One aspect of organisational performance is task performance, which is intricately linked to the technical aspect of the organisation and encompasses the execution, upkeep, and fulfillment of functional obligations. To achieve success in these tasks, familiarity with the procedures, data processing, and decision-making associated with the technical core is necessary, as noted by Borman and Motowidlo (1997). High task sustainable performance not only indicates proficiency in executing technical requirements, but also implies flexibility in performing related human capital tasks, suggesting knowledge, skills, and abilities that are valued in related industries



(Aguinis & O'Boyle, 2014; Becton et al., 2017). In the hospitality industry, evaluating an employee's task sustainable performance involves customer feedback, which considers how well employees fulfill their job description, meet job performance requirements, and carry out other tasks (Zoghbi-Manrique-de-Lara & Ting-Ding, 2017). Lee *et al.* (2017) characterizes sustainable task performance as intangible, involving simultaneous production and consumption, and necessitating customer co-production. Consequently, employee behaviour plays a crucial role in delivering high-quality service that exceeds formal role requirements to meet customer needs.

### **3.4.2) RELATIONAL-SUSTAINABLE PERFORMANCE**

The concept of relational sustainable performance pertains to work activities that are not directly connected to an organisation's technical base, but can still be beneficial, such as volunteering and assisting others (MacKenzie *et al.*, 1998). Besides task-sustainable performance, relational sustainable performance is also important for organisational effectiveness because it contributes to institutional, social, and psychological contexts related to job procedures and tasks (Borman & Motowidlo, 1993). Previous research on the correlation between HRM practices and employee sustainable performance has mostly focused on task performance and disregarded contextual performance (Tufail *et al.*, 2016; Edgar *et al.*, 2018). However, past literature suggests that relational sustainable performance can considerably enhance an organisation's effectiveness and efficiency (McEvoy *et al.*, 2012). In the hospitality industry, sustainable relational performance is critical to job performance, and employees can support the technical foundation by engaging in activities that cover the hotel's technical, social, and psychological environment. Examples of such activities include coming up with new ideas to improve hotel operations, protecting the hotel from potential issues, and displaying eagerness and determination to complete tasks and support organisational objectives (Zoghbi-Manrique-de-Lara & Ting-Ding, 2017).

## **4. METHODOLOGY**

### **4.1) SAMPLING PROCEDURE AND PARTICIPANTS**

This research was conducted in the Sarawak region, focusing on the hospitality industry's transformative impact on the local culture. Specifically, the study concentrated on 4- to 5-star hotels in Kuching, Miri, and Sibul within Sarawak, Malaysia. These cities were chosen based on their status as the top three largest cities according to TripAdvisor 2019 and the availability of 4- and 5-star hotels. The selection also considered the Ministry of Tourism, Arts and Culture's information on the number of such hotels in each city, with Kuching having five, Miri seven, and Sibul one.

The study aimed to investigate employees' perspectives in the hospitality industry, aligning with the Malaysian government's initiatives to attract talent with environmental knowledge (NewsDesk, 2018). Data were collected from executive-level employees in these hotels, given their financial capacity and manpower for implementing a broad range of practices. The choice of G\*Power Version 3.1.9.2 software facilitated determining the minimum sample size, requiring a power of at least 0.95, a significance level of 5%, and an effect size of 0.15, resulting in a sample size of 138 (N=138).

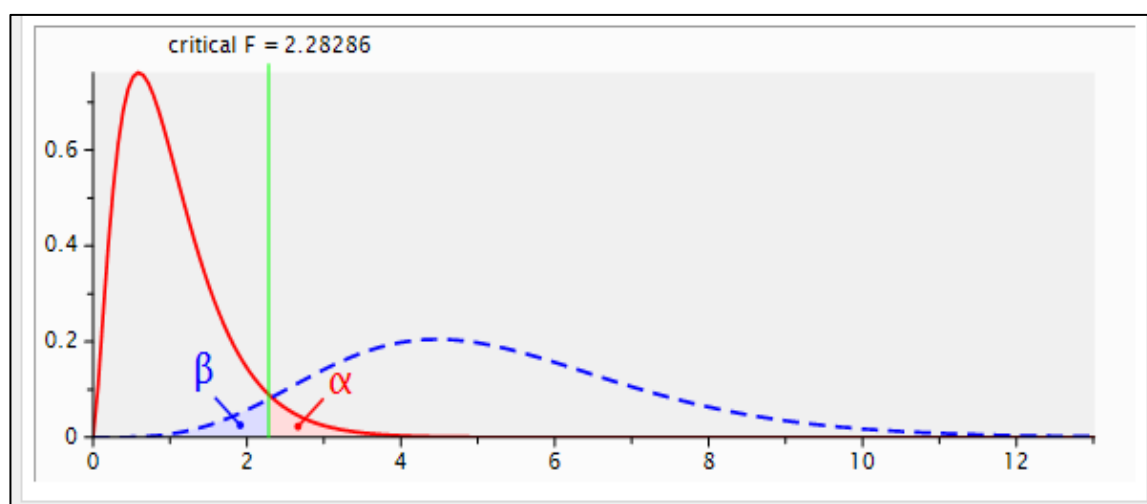


Figure 2. Results of G\*Power Analysis

## 4.2) MEASURES

In this study, a cross-sectional analysis was conducted using a self-administered questionnaire to measure various variables, which were rated using a seven-point Likert scale based on prior research. The questionnaire comprised five items for training and development (Ong & Koh, 2018), six items for employee participation and employment security practice respectively (Quansah, 2013), as well as 10 items for

employee sustainable performance, which classified into 5 items for task sustainable performance and another 5 items for relational sustainable performance (Borman & Motowidlo, 1997; Alibegovic, et al., 2009; Bhargkavi, 2016). These items were based on the current study and slightly amended to cater to the Sarawak context.

### **4.3) STATISTICAL ANALYSIS**

This research employed a quantitative methodology, involving the collection of survey data. To ensure data quality, the gathered information underwent processing using Statistical Package for Social Science (SPSS) 28.0 software. During the data cleaning process, any instances of straight-lining responses were identified and eliminated. The proposed model was assessed using WarpPLS 8.0 software (Kock, 2023). Following the approach outlined by Hair *et al.* (2017), the study conducted a two-step analysis of the model. Firstly, the reliability and validity of the measuring components were evaluated, and the measuring model was tested. Secondly, the structural model was scrutinized to examine the suggested relationships between the measurable constructs.

## **5. RESULTS**

### **5.1) PROFILE OF RESPONDENTS**

A total of 500 questionnaires were distributed, resulting in a response rate of 56% with 280 valid responses. This has exceeded the minimum sample size of 138. Subsequently, all the straight-lining issues were eliminated after conducting preliminary data through Statistical Package for Social Science (SPSS) 28.0. A detailed profile of respondents is presented in Table 1.

<b>Profile</b>	<b>Category</b>	<b>Frequency</b>	<b>(N=280) Percentage (%)</b>
<b>Gender</b>	Male	95	33.9
	Female	185	66.1
<b>Age</b>	21 to 30 years old	75	26.8

	31 to 40 years old	146	52.1
	41 to 50 years old	45	16.1
	51 to 60 years old	8	2.9
	Above 60 years old	6	2.1
<b>Marital Status</b>	Single	213	76.1
	Married	67	23.9
<b>Ethnic</b>	Malay	19	6.8
	Chinese	213	76.1
	Indian	10	3.6
	Iban	32	11.4
	Kadazan	6	2.1
<b>Education Level</b>	Diploma	48	17.1
	Degree or Professional	209	74.6
	Master	15	5.4
	PhD	8	2.9
<b>Number of years worked in current organization</b>	Less than 1 year	60	21.4
	Between 1 to 3 years	168	60.0
	Between 4 to 6 years	29	10.4
	Between 7 to 9 years	15	5.4
	More than 10 years	8	2.9
<b>Job Position</b>	Executive	280	100
	Non-Executive	0	0.0

Table 1: Profile of Respondents

The statistical findings presented here offer a detailed breakdown of a profile consisting of 280 individuals across several categories. These findings provide insights into the demographic composition, including gender, age distribution, marital status, ethnicity, education level, years of work experience in the current organization, and job positions. First of all, the gender distribution shows that 66.1% of the individuals in the sample are female, while 33.9% are male. This reveals a notable gender imbalance, with a higher representation of females. Age-wise, the largest group falls within the 31 to 40 years old category, making up 52.1% of the sample. The next most substantial group consists of individuals aged 21 to 30 years old, representing 26.8% of the

participants. The remaining age groups, 41 to 50 years old (16.1%), 51 to 60 years old (2.9%), and above 60 years old (2.1%), account for smaller portions of the sample. In terms of marital status, the majority of individuals are single, comprising 76.1% of the sample, while 23.9% are married. This indicates that the majority of the individuals are not currently married. In addition, the ethnic distribution shows a substantial presence of Chinese individuals at 76.1%, making them the dominant group in the sample. The other ethnicities, including Malay (6.8%), Iban (11.4%), Indian (3.6%), and Kadazan (2.1%), are comparatively smaller in representation. Education levels within the sample vary, with the majority (74.6%) holding a degree or professional qualification. The next most significant group consists of individuals with a diploma (17.1%). Smaller proportions hold master's degrees (5.4%) and PhDs (2.9%). On the other hand, regarding work experience, the largest group has been with their current organization for 1 to 3 years, accounting for 60.0% of the sample. The second-largest group comprises individuals with less than 1 year of experience (21.4%). Smaller segments include those with 4 to 6 years (10.4%), 7 to 9 years (5.4%), and more than 10 years (2.9%) of experience in their current roles. Lastly, all individuals in this profile occupy executive positions (100%), with no representation of non-executive roles. This indicates that the sample is exclusively comprised of individuals in executive job positions.

## 5.2) ASSESSMENT OF MEASUREMENT MODEL

Henseler *et al.* (2016) recommended the use of reflective modeling for all constructs in this investigation, with the measurement model's evaluation performed by analysing the individual items' reliability, construct reliability, convergent reliability, and discriminant validity. The results are reported in Table 1, demonstrating that all factor loadings exceeded the minimum threshold value of 0.70 (Chin, 2010; Hair *et al.*, 2014), indicating adequate internal consistency.

Construct	No of Items	Items Deleted	Items	Loadings	AVE	CR	Cronbach's Alpa
Training and Development	6	0	TD1	0.939	0.863	0.974	0.968
			TD2	0.920			
			TD3	0.933			

			TD4	0.919			
			TD5	0.931			
			TD6	0.932			
Employee Participation	6	0	EP1	0.921	0.849	0.971	0.964
			EP2	0.926			
			EP3	0.919			
			EP4	0.916			
			EP5	0.933			
			EP6	0.912			
Employment Security Practice	6	0	ESP1	0.903	0.854	0.967	0.957
			ESP2	0.926			
			ESP3	0.934			
			ESP4	0.933			
			ESP5	0.924			
Task Sustainable Performance	5	0	TSP1	0.892	0.809	0.955	0.941
			TSP2	0.884			
			TSP3	0.903			
			TSP4	0.906			
			TSP5	0.911			
Relational Sustainable Performance	5	0	RSP1	0.916	0.856	0.968	0.958
			RSP2	0.928			
			RSP3	0.937			
			RSP4	0.932			
			RSP5	0.914			

Note: TD signifies training and development, EP stands for employee participation, ESP denotes employment security practices, TSP refers to task sustainable performance, and RSP indicates relational sustainable performance.

Table 2. Summary of reliability and validity of the constructs

Sarstedt *et al.* (2014) suggest that acceptable values for composite reliability (CR) and Cronbach's alpha range from 0.70 to 0.95 for evaluating construct reliability. The average variance extracted (AVE) exceeding 0.50 is considered suitable for assessing convergent validity. Table 2 displays that all AVEs, ranging from 0.707 to 0.916, surpass the 0.50 threshold, signifying acceptable convergent validity. Discriminant validity was evaluated using the Fornell-Larcker criterion, which compares each

construct's correlation with other constructs in the model to the square root of AVE. As presented in Table 3, all constructs meet the discriminant validity criteria, with bold values denoting higher square roots of AVE than the correlation with other constructs.

	1	2	3	4	5
1	<b>0.929</b>				
2	-0.014	<b>0.921</b>			
3	0.023	-0.158	<b>0.924</b>		
4	0.243	0.003	-0.002	<b>0.899</b>	
5	-0.180	0.415	-0.052	-0.055	<b>0.925</b>

Note: 1-Training and development; 2- Employee participation; 3-Employment security practice; 4 – Task sustainable performance; 5 – Relational sustainable performance

Table 3. Discriminant Validity of Constructs

### 5.3) ASSESSMENT OF STRUCTURAL MODEL

The effectiveness of training and development, employee participation, and employment security practices in promoting sustainable performance in the workplace was examined in this study, as presented in Figure 3 and Table 4. The analysis indicated that three out of six hypotheses were supported, with a significance level of  $p < 0.05$ . Specifically, Hypothesis 1 ( $\beta = 0.195$ ,  $p < 0.004$ ), Hypothesis 3 ( $\beta = 0.218$ ,  $p < 0.002$ ), and Hypothesis 4 ( $\beta = 0.416$ ,  $p < 0.001$ ) were all supported. However, the values for task sustainable performance ( $R^2 = 0.17$ ) and relational sustainable performance ( $R^2 = 0.23$ ) were weak, as per the criteria set by Hair et al. (2017). To ensure there were no issues with multicollinearity among the constructs, VIF values were assessed, and Table 3 demonstrates that all values were below the threshold of five (Hair et al., 2011), indicating no concern for multicollinearity.

Hypotheses	Relationship	$\beta$	Std. Error	P-Value	VIF	$f^2$	Decision
<b>Direct Relationships</b>							

<b>H1</b>	TD -> TSP	0.195	0.073	0.004	1.029	0.049	<b>Supported</b>
<b>H2</b>	TD -> RSP	-0.179	0.074	0.008	1.031	0.043	Not Supported
<b>H3</b>	EP -> TSP	0.218	0.073	0.002	1.014	0.052	<b>Supported</b>
<b>H4</b>	EP -> RSP	0.416	0.070	<0.001	1.050	0.187	<b>Supported</b>
<b>H5</b>	ESP -> TSP	-0.257	0.072	<0.001	1.015	0.072	Not Supported
<b>H6</b>	ESP -> RSP	0.044	0.076	0.283	1.026	0.004	Not Supported

Note: \*p<0.05, \*\*p<0.01; TD represents training and development, EP represents employee participation, ESP represents employment security practice, TSP represents task sustainable performance and RSP represents relational sustainable performance

Table 4. Overview of Path Coefficients and Hypothesis Testing

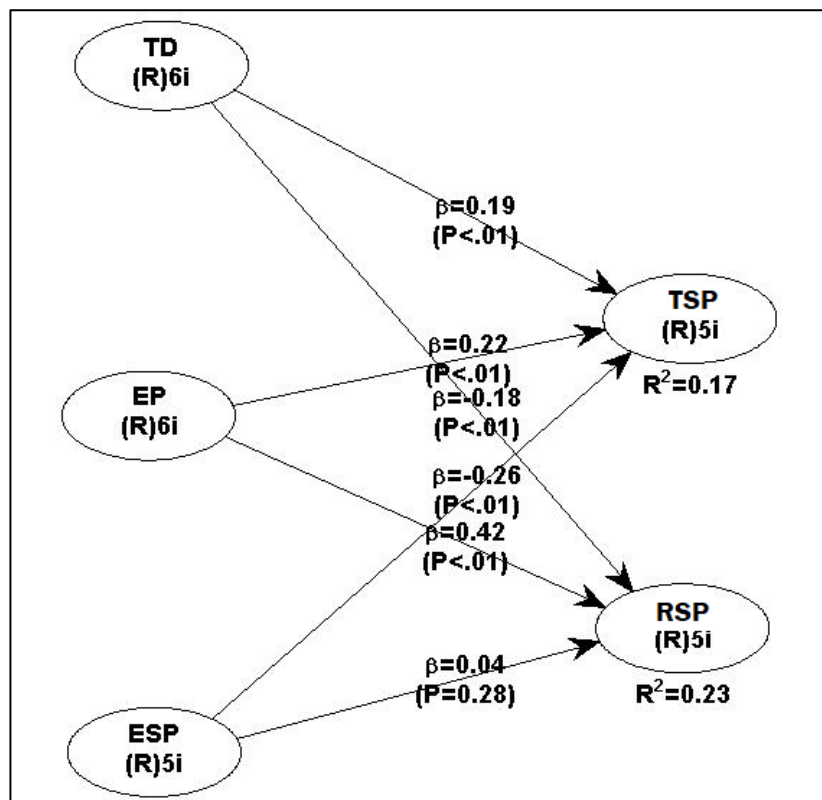


Figure 3. Results of Path Analysis

Following this, the predictive ability was evaluated using the PLSpredict method. This method utilizes a holdout sample along with 10-fold procedure to form individual-level forecasts at either the item or construct level (Shmueli *et al.*, 2019). When



compared with the linear regression (LM) model, a strong predictive capacity is signalled by most item (PLS-LM) differences being lesser. This is succeeded by an intermediate predictive power when the bulk of differences are lesser and lastly, a diminished predictive power if only a few conform to the criteria. As depicted in Table 5, especially in the current PLS model, the majority of prediction errors (PLS\_RMSE) were less compared to those in the LM model, indicating a reasonable predictive power.

<i>Item</i>	<i>PLS_RMSE</i>	<i>LM_RMSE</i>	<i>PLS-LM</i>	<i>Q<sup>2</sup> predict</i>
<b>Sample (n = 138)</b>				
<b>JP_1</b>	1.677	1.748	-0.071	0.021
<b>JP_2</b>	1.743	1.850	-0.107	0.054
<b>JP_3</b>	1.764	1.883	-0.119	0.007
<b>JP_4</b>	1.581	1.658	-0.077	-0.014
<b>JP_5</b>	1.755	1.863	-0.109	0.026
<b>JP_6</b>	1.671	1.795	-0.124	0.167
<b>JP_7</b>	1.735	1.845	-0.106	0.131
<b>JP_8</b>	1.625	1.738	-0.112	0.147
<b>JP_9</b>	1.667	1.779	-0.111	0.156
<b>JP_10</b>	1.720	1.825	-0.104	0.136

Table 5: Summary of path coefficients and hypotheses testing

## **6. DISCUSSIONS**

This study's objective is to investigate the impact of training and development, employee participation, and employment security practice on the sustainable performance of executive employees in 4- and 5-star hotels. Hypotheses 1, 3, and 4 were upheld, whereas hypotheses 2, 5, and 6 were not. The results have revealed a positive relationship between training and development and task-sustainable performance, supporting Hypothesis 1. Previous literature by Otoo and Mishra (2018) has shown that investing in human capital through training and development can improve task performance, and this relationship is supported by social exchange theory. However, the analysis indicated that training and development did not affect

relational sustainable performance, which contrasts with Hypothesis 2. Prior research has found that the impact of sustainable HRM practices on employee sustainable performance varies because task-sustainable performance requires specific job-related actions, while relational sustainable performance necessitates comparable actions across all organizational levels (Mustafa *et al.*, 2022). Therefore, assessing relational sustainable performance is more complex than evaluating task sustainable performance.

Furthermore, the outcomes of the statistical analysis indicate a positive association between employee participation and sustainable performance, thereby validating Hypotheses 3 and 4. Employee participation refers to the degree to which employees are involved in decision-making processes, encompassing various forms such as formal committees or informal discussions with their managers (Scott-Ladd & Marshall, 2004; Linde & Visagie, 2017). As noted by Wohlgemuth *et al.* (2019), employee participation provides workers with the necessary skills, knowledge, and resources to contribute to decision-making, effectively implement strategies, and distribute power and information. This, in turn, leads to proactive behaviour and enhances both task and relational sustainable performance among employees.

The findings of the research were unexpected, as this study was unable to establish a connection between employment security practices and sustainable employee performance, resulting in the rejection of Hypotheses 5 and 6. Previous research has suggested that employment security practices contribute to improved employee sustainable performance, innovation, and commitment (Diaz-Fernandez *et al.*, 2015; Jimenez-Jimenez & Sanz-Valle, 2008; Farouk *et al.*, 2016). Moreover, ensuring job security addresses employees' need for fair treatment and a sense of security. Nevertheless, the present study did not provide support for these hypotheses. It is plausible that the organization did not ensure financial stability for its employees, potentially causing work-related stress and negative emotions that could adversely impact employees' sustainable job performance.

## **7. CONCLUSION, THEORETICAL AND PRACTICAL IMPLICATIONS**

This study aims to investigate the impact of sustainable human resource management (HRM) practices, encompassing training and development, employee

participation, and employment security practices, on the sustainable performance of employees in 4- and 5-star hotels in Malaysia. The findings indicate a positive correlation between training and development and employees' task-sustainable performance, while employee participation is significantly linked to both task and relational-sustainable performance.

This study goes beyond social exchange theory by proposing that social exchange relationships have a critical influence on shaping employees' perceptions of sustainable human resource management (HRM) practices. This theoretical framework has considerable significance for the hospitality industry as previous research has seldom examined the connection between HRM practices and sustainable employee performance, particularly in high-end hotels. The results of the research offer empirical support for a notable positive correlation between sustainable HRM practices and the sustainable performance of employees. Furthermore, the scales utilized in this study, adapted from previous research (Borman & Motowidlo, 1997; Quansah, 2013; Ong & Koh, 2018), exhibited high levels of reliability and validity, suggesting their appropriateness for future research across different settings and cultures.

In the theoretical standpoint, the findings have highlighted the need for a nuanced understanding of the relationship between training and development and employee sustainable performance (i.e., task sustainable performance and relational sustainable performance). The distinction between task sustainable performance and relational sustainable performance suggests that the impact of training and development may not be uniform across all aspects of an employee's performance, specifically on relational sustainable performance. Practitioners should consider the organizational and contextual factors that influence relational sustainable performance, as it may require a more comprehensive and multi-level approach. Besides, present study reinforces the significance of employee participation in improving sustainable performance. It suggests that actively involving employees in decision-making processes not only empowers them but also contributes to both task and relational sustainable performance. This underlines the value of fostering a culture of participation within organizations. In addition, the research challenges the conventional wisdom regarding employment security practices and their impact on employee

sustainable performance. It suggests that mere job security might not be sufficient to guarantee sustainable performance if employees perceive financial instability or work-related stress.

Conversely, it is crucial for hospitality management to recognize the significance of sustainable HRM in gaining a competitive edge. High turnover rates are common in the hospitality industry due to factors like heavy workloads, stress, and long hours, resulting in substantial costs for employee replacement that can impact profitability and competitive advantage. Hence, implementing sustainable HRM practices effectively can improve employees' sustainable performance, promote their safety and security, and enable them to access training and development opportunities to maintain and enhance their skills.

In the practical point of view, organizations should adopt a strategic approach to training and development, considering the nuanced impact on different facets of sustainable performance. Tailoring training programs to address both task and relational aspects of performance could lead to more effective results. On the other hand, managers in hospitality industry should actively involve employees in decision-making processes. This might involve implementing formal participation structures or fostering a culture of open communication. Such practices can potentially lead to a more engaged and proactive workforce, positively impacting performance. Furthermore, organizations need to reevaluate their employment security practices ensuring financial stability for employees and minimize work-related stress. This may include proactive financial planning, transparent communication, and stress management programs. This research findings have highlighted the importance of organizational flexibility and adaptability. In light of the findings, organizations should be prepared to modify their HRM practices based on the empirical evidence and contextual factors to maximize the employee sustainable performance.

In addition, the study has provided valuable knowledge to the Ministry of Tourism, Arts, and Culture (MOTAC), emphasizing the notable influence of sustainable HRM practices such as training and development, employee participation, and employment security on the sustainable performance of employees in 4- and 5-star hotels in Malaysia. As a suggestion, it is recommended that MOTAC could create and enforce HRM policies and practices that are consistent with the United Nations Sustainable Development Goals (SDGs) to support environmental sustainability, social

responsibility, and economic growth. Besides, it encourages the adoption of sustainable HRM practices by providing incentives, training, and resources to hotels that demonstrate a commitment to sustainable development. Subsequently, the government needs to ensure that the adoption of sustainable HRM practices is aligned with the culture, values, and goals of the hotel, as well as the expectations of its customers and employees.

Despite its significant theoretical and practical implications, the present study has certain potential limitations that require further investigation. The primary limitation is that it concentrates solely on employees at the executive level who are employed at 4- and 5-star hotels in Malaysia, and the findings may not be generalizable to other organisational levels. To overcome this limitation, future research could include a mediating variable that promotes the impact of HRM on employee sustainable performance, irrespective of the relationship's complexity. Psychological contract fulfillment is a potential mediator that could be explored in future research, as it reflects the extent to which organisations fulfill their promises and obligations to employees, and high-performance HRM practices are likely to positively influence it. Integrating this mediator into future research could provide valuable insights into the relationship between sustainable HRM practices and employee sustainable performance.

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## Appendix

Variables	Measurement Items
Training and Development	In my company, extensive training programmes are provided for employees in all aspects.
	In my company, I have training opportunities to learn and grow.
	In my company, I am selected for training programmes that are suitable for the needs of my job.
	Training needs are identified through a formal performance appraisal mechanism.
	Training programmes have improved my decision making and problem-solving skills.
Employee Participation	My supervisor asks me for my opinions when determining my work.
	I feel involved in important decisions in organization.
	I feel free to suggest changes in my jobs.
	I participate in decision making.
	Management give recognition for job performance.
Employment Security Practice	Everyone is treated with respect at work, regardless of who they are.
	My employment is completely secured with this organization.
	If the organization were facing economic problems, employees would be the last to get downsized.

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	<p>There is formal, fair and reasonable process for handling grievances and complaints.</p> <hr/> <p>It is very difficult to dismiss employees.</p>
Task Sustainable Performance	<p>I produce high quality of work.</p> <hr/> <p>I proficiently complete all duties central to the job.</p> <hr/> <p>I complete job duties in timely manner.</p> <hr/> <p>I ensure that all items necessary to perform the jobs are present.</p> <hr/> <p>I prioritize work schedule according to deadlines.</p>
Relational Sustainable Performance	<p>I take initiatives to solve work problems.</p> <hr/> <p>I always persist in overcoming obstacles to complete a task.</p> <hr/> <p>I am enthusiastic while tackling a difficult problem.</p> <hr/> <p>I put in extra hours to get the work done on time.</p> <hr/> <p>I always exercise personal discipline and self-control at work</p>

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