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## The Influence of Empowerment, Rewards, and Training on Service Recovery Performance among Frontline Hotel Employees in Malaysia

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### Abstract

Service recovery performance is very important to the hotel industry because it contributes to customer satisfaction and loyalty. Since the nature of jobs in the hotel industry that is characterized by low pay, long working hours, heavy workloads and inconvenient working schedules can affect the frontline employees' job performance, knowledge on factors influencing their service recovery performance is crucial. Though many studies on service recovery performance have been carried out in the context of developed countries, little research addressing this issue has been carried out in developing countries. Moreover, studies investigating the role of empowerment, rewards and training in influencing service recovery performance among frontline hotel employees are scarce. Therefore, the present study aims to examine the influence of empowerment, rewards and training on service recovery performance among 4-star and 5-star hotels employees in Malaysia. The data was obtained from the 313 frontline hotel employees throughout Malaysia and analyzed using structural equation modeling – partial least square (SEM-PLS) approach. The results showed that empowerment, rewards and training have a significant positive influence on service recovery performance. The findings indicated that service recovery performance can be enhanced by the proper practice of employee empowerment, establish appropriate employee rewards scheme and provide relevant training. Theoretically, the findings contribute to the existing body of knowledge by confirming the applicability of the social exchange theory for human resource management in the context of the service industry. Practically, it provides insight to hoteliers about the need to administer appropriate practice of empowerment, establishing competitive rewards system and provide training for career advancement.

Keywords: Training, Empowerment, Rewards, Service Recovery Performance

## Introduction

The competitiveness of luxury hotels depends on the quality of its service delivery because hotel customers demand a high standard of quality service. Maintaining the quality service is often difficult as it requires a high interaction between the customers and the service employees (Lewis & McCann, 2004) at the same time a high demand from the customer itself. Customer may show their dissatisfaction by making a complaint because of the service failure. When there is a complaint, it requires an effective service recovery effort by the frontline employees in handling the situation (de Jong & de Ruyter, 2004). If the service recovery situation was not properly handled, it may lead to the negative word of mouth communication and double deviation effect (Bitner, Booms & Tetreault, 1990). The customer creates a perception of a service quality based on how the employee performs the service (Masdek, Aziz, & Awang, 2011b).

The role of the frontline employees is crucial when rendering the service to the customer especially when dealing with the aggrieved customer. Ekiz, Khoo-Lattimore and Memarzadeh (2012) reported that luxury hotels in Malaysia are suffering from service failure due to inexperienced, misbehaved and unprofessional staffs. Unfortunately, Kamal, Salomawati and Suraini (2012) found that 70% of Malaysian customers who had experienced service failures were not satisfied with service recovery performance among mid-scale and luxury hotels in Malaysia. These indicate the important to manage the employees especially the frontline in dealing with the service encounter in a day to day operation. In fact in the study on 2-stars to 5-star hotels in Kuala Lumpur by Choo and Tan (2017), it was reported that the frontline hotel employees are lack of expertise in handling the service recovery process. Shahril, Aziz, Othman and Bojei (2015) stressed that the luxury hotels should learn from the service failure as it creates a long-term relationship with the customer, thus employee committed to provide efficient service recovery and can take action during the service breakdown. The hospitality industry has to instill an effective service recovery handling that can help to return a dissatisfied to a satisfied customer after the service failure occurs (Yavas, Karatepe, Babakus, & Avci, 2004). An effective service recovery effort by identifying the factors that help to improve the performance of the employee seems to be essential.

Given the importance of service recovery performance to the hotel industry, research on the antecedents has covered the personal, organizational and job-related base. Personal-related antecedent includes personality traits (Yavas, Karatepe, & Babakus, 2010) and emotional exhaustion (Kim et al., 2012). Organizational-base comprises of management commitment to service quality (Rod & Ashill, 2010). Meanwhile, job-related base relates to role ambiguity (Boshoff & Allen, 2000) and job demand (Rod & Ashill, 2009). Literature supports that empowerment, rewards and training are the factors that have an influence towards the service recovery performance (Karatepe, Baradarani, Olya, Ilkhanizadeh, & Raof, 2014; Kirkbir & Cengiz, 2007).

The overview of previous studies on the topic especially in the hotel industry focusing at Malaysia is lacking. The literature uncovered only one studies (e.g. Masdek, Aziz, & Awang, 2011a) despite many studies conducted in the developed countries. Therefore, this paper aims to find the

relationship between these factors towards the service recovery performance among the frontline employees of the four and five-star hotels in Malaysia.

## **Literature Review**

### ***Hotel Industry in Malaysia***

Malaysia Travel and Tourism Industry has been identified as one of the largest contributor to the national Gross Domestic Product in 2017 amounting to USD 8.272 billion (10.4%) and it will continuously to grow to 12.450 billion (11.7%) in 2028 at a growing rate of 3.8% (WTTC, 2018). The industry also shown a positive growth in the Gross National Income (GNI) where it contributed 81.1 billion in 2017 and it be expected to escalate in the year 2020 to 104 billion (Civil Service Delivery Unit, 2017). The growth of the industry is due to active promotion by the Ministry of Tourism through various program and tourism product. It also is also expected that the growth of the tourist arrival will be 30 million in 2018 (Ganesan, 2018). Overall the hotel supply from 2016 to April 2017 is increasing from 4799 hotels to 4961 (Tourism Malaysia, 2016). The number of hotel classified under 4 star and 5-star rating in 2013 was 241 and in 2016 the number of is increasing to 255 unit (Ministry of Tourism and Culture, 2017). With the growth in the number of hotel especially in the 4 star and 5-star category, the market share become highly competitive demand a quality service to be provided to the hotel customer. Therefore, there is a demand to the frontline hotel employees' role in providing the quality service.

### ***Service Recovery***

In general, Gronroos (1990) defined service recovery as a corrective action that is carried out actively and immediately by the service person when any situation become in order. On the other hand, Miller, Craighead, & Karwan (2000, p.38) have defined service recovery as " those actions designed to resolve problems, alter negative attitudes of dissatisfied customers and to ultimately retain this customer". Specifically, service recovery performance has been identified by several researcher as the perception of the frontline service employees upon their abilities and action to resolve a service failure and thus trying to satisfy the customer (e.g. Ashill et al., 2005; Babakus, Yavas, & Karatepe, 2003; Yavas et al., 2003). In the context of the study, Liao (2007) definition has been adopted as it refers to the performance of the employee.

### ***Empowerment***

Empowerment has been associated with the decision made by the employee after they were given the authority and accountability by their superior (Yavas et al., 2003). In another word, the employee is taking full responsibility in their decision in assisting the customer when dealing with the service recovery situation. Based on several finding by the service management researcher, empowerment has been defined as sharing power (Savery & Luks, 2001), use of employee initiative and judgement in performing job (Chebat & Kollias, 2000; Hartline & Ferrell, 1996) and freedom and ability to make decision and commitments (Slåtten, 2011). Taking into consideration the concept and definitions of the empowerment, the study defines empowerment as a set of managerial activities and practices which provide employees with power, authority and control, and involves the transmission of power to those who are less powerful in an organization (Ergeneli, Ari, & Metin, 2006).

### ***Rewards***

One of the factors that are important in motivating the employee to deliver a quality service especially when dealing with the customer complaint is rewarding the employee (Bowen & Johnston, 1999; Yavas et al., 2003). In addition, rewards also affect employee satisfaction at the same time would increase their performance outcome (Bustamam, Teng & Abdullah, 2014). This study has adopted the definition by Yavas et al. (2003) where rewards are being characterized as an inducement mechanism that employee receives from their organization either in the form of financial and non-financial such as social identity, compensation, esteem and status. Lawler and Cohen (1992) highlighted that rewards are considered as one of the management tools that contribute to the effectiveness of the organization by influencing the employee's behavior and motivate them to perform their work.

### ***Training***

Training is essential in the service industry in order to provide a consistently high level of service. The employee must not be trained in technical or functional skill only; at the same social training such as listening to a customer problem, handling a difficult situation and providing immediate response to unforeseen circumstance is also important (Karatepe & Vatankhah, 2015). Boshoff and Allen (2000) have defined training as receiving education to provide high-quality service to the customer and learn how to handle dissatisfied customer. Meanwhile, Mondy and Noe (2005) define training as the continuous effort designed to improve employee competency and organizational performance. Trained employee would be able to handle any difficult situation (e.g customer complaint) in which it may have an impact on whether or not the service recovery effort is effective.

### ***Underlying Theory***

The relationship between the variables in the model is based on the social exchange theory (SET) (Blau, 1964) with reference to the framework developed by Boshoff and Allen (2000). The social exchange theory underpinned a reciprocity principle where it involves a social exchange relationship (Cropanzano & Mitchell, 2005). It is interpreted as if someone received a favor from someone which then develop a feeling of appreciation, gratitude and indebtedness it will later return that feeling through a reciprocal behavior (Blau, 1964; Cropanzano & Mitchell, 2005). Specifically, when frontline hotel employees perceived the relationship with the organization as a social exchange through the empowerment given, rewards that they received, skill and knowledge they gained from the training in return the frontline hotel employees are prone to handle the service recovery situation well. As the focus of the study is towards the frontline hotel employees, therefore the reason for choosing the empowerment, rewards and training as the variables is because it has been recognized as the effective management practices (Combs, Liu, Hall, & Ketchen, 2006). According to Babakus, Yavas, Karatepe and Avci, (2003) the combination of these three variables will give a significant impact on organizational effectiveness. Frontline employee empowerment effort cannot be rationalized unless it is combined with training and rewards (Bowen & Lawler III, 1992). At the same time training will not be effective unless empowerment and rewards is in place (Forrester, 2000). Therefore, the

effectiveness of the management practices can be manifested with the simultaneous emphasis on training, empowerment and rewards.

### **Conceptual Research Model and Hypotheses**

Figure 1 illustrates the study model and the relationship between the variable used in the study. The latent variables identified were empowerment, rewards and training. Many types of research (e.g. healthcare, insurance and public service) have postulated a significant relationship between the empowerment, rewards and training with service recovery performance. Empowerment, rewards and training have been accepted as the indicator to high performance work practice (Karatepe et al., 2014), management commitment to service quality (Bowen & Lawler, 1995; Hartline & Ferrell, 1996) service recovery effort (Kim & Oh, 2012), perceived managerial attitude and working environment factors (Kirkbir & Cengiz, 2007).

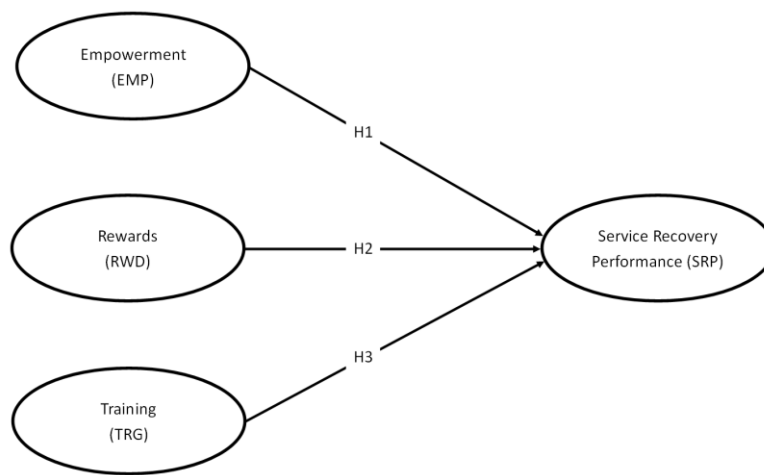


Figure 1: Conceptual Research model

Several researches (e.g. Masoud & Hmeidan, 2013; Piaralal, Bhatti, Piaralal, & Juhari, 2016; Yavas, Karatepe, & Babakus, 2010) in the service sector such as hotel and insurance company have supported the notion that empowerment influence the service recovery performance. Masoud and Hmeidan (2013) in the study conducted among 330 four and five-star frontline hotel in Jordan found that empowerment was significantly related to the service recovery performance. Another study by Yavas et al. (2010) upon 723 hotel frontline employees in Turkey also resulted in a similar finding. Meanwhile, Piaralal et al. (2016) conducted a study among 350 customer service employees in Malaysia life insurance company found that the empowerment influenced the service recovery performance. Based on Ashill, Carruthers and Krisjanous (2005), empowerment has been recognized to inflate the organizational development, attract qualified individuals, increase employee performance (e.g. service recovery performance, creative performance) and employee behavior (e.g. job embeddedness and work engagement) (Karatepe & Karadas, 2012; Kim & Oh, 2012). Therefore, it is postulated that:

Hypothesis 1 (H<sub>1</sub>): Empowerment has a positive influence on service recovery performance

Studies on the relationship between rewards and service recovery performance have shown an inconclusive result in different study setting. The studies (e.g. Rod and Ashill 2009; Karatepe et al., 2014) have resulted in a positive significant relationship between rewards and service recovery performance. A study by Rod and Ashill (2009) upon 170 frontline employee who works at the call center in a retail bank in New Zealand reported that rewards are found to be significant to the service recovery performance. In the hotel setting, the study conducted by Karatepe et al. (2014) among 165 frontline employees of four and five-star hotel in Turkey reported a similar empirical finding. Studies by Ashill et al. (2005) upon 104 frontline of healthcare services and Rod, Carruthers and Ashill (2006) upon 120 frontline employees in public sector service documented a contradictory result. Taking the importance of rewards (financial or non-financial) as factor that attract and retain employees, motivate the employees, stimulate and reinforce the behavior of the employee (Bustamam et al., 2014) at the same time rewards also becoming part of the service quality that associates with service delivery performance (Liao & Chuang, 2004; Lytle & Timmermann, 2006), therefore it is postulated that:

Hypothesis 2 (H<sub>2</sub>): Rewards has a positive influence on service recovery performance

In reviewing the literature relevant to training, researchers (e.g. Combs et al., 2006; Karatepe et al., 2014; Yavas et al., 2010) claimed that training relates to the high-quality performance. Specifically, training has shown a significant relationship with the service recovery performance in the studies related to the financial institution, hotel and insurance company (e.g. Ardahan, 2007; Masoud & Hmeidan, 2013; Piaralal et al., 2014; Rod & Ashill, 2009). Reflecting on the study within the hotel industry, Ardahan (2007) conducted among 203 frontline employees of five star in Turkey found that the training was significant to the service recovery performance. A similar finding was also reported by Masoud and Hmeidan (2013) when conducted a study among 330 frontline employees from four and five-star hotel in Jordan. When the proper training program is conducted in the organization, in return the employees are committed to the organization (Boshoff & Allen, 2000). This will have a direct impact to the operation where with the skill and knowledge that the frontline employees gained after the training, they will be able to handle the service recovery effectively. Therefore, it is postulated that:

Hypothesis 3 (H<sub>3</sub>): Training has a positive influence on service recovery performance

## **Methodology**

### ***The Sampling Technique***

A cross-sectional survey design was carried out with the data collected from the full-time operational frontline hotel employees in the 4-star and 5-star hotels in Malaysia. They were those who work with the front office and food and beverage department that have a direct interaction with the customer and handle customer request and problem. For examples such as the front desk assistant, bell attendant, concierge, waiter and waitress, bartender and cashier. A judgmental

sampling technique was employed which the researcher believed that the respondent (frontline employees) are in the best position to provide the holistic insight on issues investigated.

### **Data Collection Method**

The statistic from the Ministry of Tourism Malaysia indicated that there was 241 number of 4-star and 5-star hotels in Malaysia at the time of the study. The hotel's human resource personnel were either be contacted through phone or email by the research team to seek permission to conduct the research in their respective hotel. Due to certain reasons were given by the hotels, in total there were only 43 hotels that allowed the data collection to be conducted. Each state there were only one to five hotels (four and five stars) with a minimum questionnaire distributed were within 10 to 30 questionnaires per hotel. Table 1 shows the breakdown of the questionnaire distribution among the states. Data were collected within two weeks with the assistant from the human resource personnel of the hotels. The research team was not allowed to personally distribute the questionnaire as the management afraid that it might interfere with the hotel daily operation.

Based on Table 1 a total of 870 questionnaires were distributed to the frontline hotel employees. At the end of the two weeks, a total number of 537 questionnaires were returned yielding a response rate of 61.7%. From the total number of returned questionnaires only 313 are usable for analysis. The rest of the questionnaires were rejected due to several reasons (e.g. incomplete response, straight lining response, respondents was not a full-time staff).

Table 1: Distribution of Questionnaire in Different Regions of Malaysia

Region	No. of Hotel Visited	Number of Questionnaires Distributed		
		4-star Hotels	5-star Hotels	Total
<b>NORTHERN</b> (Kedah, Penang, Perak)	9	60	110	170
<b>CENTRAL</b> (Selangor & Kuala Lumpur)	14	90	225	315
<b>SOUTHERN</b> (Negeri Sembilan, Melaka, Johor)	8	120	30	150
<b>EASTERN</b> (Pahang, Terengganu, Kelantan)	8	105	40	145
<b>SABAH</b>	2	50	-	50
<b>SARAWAK</b>	2	20	20	40
<b>TOTAL</b>	<b>43</b>	<b>445</b>	<b>425</b>	<b>870</b>



### **Measures**

An instrument for data collection was the questionnaires developed by adopting measures used in previous related studies to ensure validity and reliability. The empowerment construct was measured with eight (8) items adapted from Hayes (1994). The items for rewards were adapted from Ashill, Carruthers, and Krisjanous (2005) with seven (7) items and the training construct was measured using five (5) items that were taken from Boshoff & Allen (2000). The measures were tested in many related studies in the context of a financial institution (Babakus, Yavas, Karatepe, et al., 2003), hotel (Karatepe, 2013), and healthcare (Kim & Oh, 2012). The service recovery performance construct was measured by five (5) items adapted from Boshoff and Allen (2000). Previous researchers suggested that the measurement of service recovery performance is carried out via a self-report measure as it justified that the frontline employees are the in the best position to evaluate the performance outcomes and their perception converge with the customer (Bitner, Booms, & Tetreault, 1994; Schneider & Bowen, 1985).

In the present study, empowerment, rewards and training constructs were measured by using a five-point Likert scale ranging from “1 = strongly disagree” to “5=strongly agree”. On the other hand, service recovery performance construct was measured using a seven-point Likert scales ranging from “1=strongly disagree” to “7= strongly agree”. As recommended by Podsakoff, MacKenzie, Lee and Podsakoff (2003), this strategy is vital to address single-source response bias. Moreover, it could elude the existence of covariation when the same scale is used throughout the questionnaire. Before the actual data collection was carried out, all items were pre-tested through an expert interview to ensure content validity and pilot-tested to ensure internal validity (AVE) and reliability (CR) is established.

### **Data Analysis and Findings**

#### ***Respondents Profile***

Table 2 presents the respondent's profile for the present study. Majority of the respondents were male (54%) and the highest percentage of the respondent's age were in between 24 to 29 with 46.3%. Most of the respondents were Malay (78.9%). The respondents that have a lower level of academic background account to 44.4%. There were 55% respondents from the food and beverage department and 52.7% of the respondents have less than 2 years of working experience with the hotel.

Table 2: Respondent's Profile

Profile	Description	Frequency	Percentage
	Female	144	46.0%
Age	18-23	66	21.1%
	24-29	145	46.3%
	30-35	67	21.4%
	36-41	21	6.7%
	42-47	12	3.8%
	48-53	2	0.6%
Ethnicity	Malay	247	78.9%
	Chinese	25	8.0%
	Indian	24	7.7%
	Other	17	5.4%
Education	Secondary school/High school	139	44.4%
	Certificate/Diploma	137	43.7%
	Advance Diploma/Degree	87	27.7%
	Master's Degree	1	0.3%

Table 2: Respondent's Profile (cont')

Profile	Description	Frequency	Percentage
Work Department	Food and Beverage	172	55%
	Front Office	141	45%
Organization Tenure	0.6-2 years	165	52.7%
	3-5 years	79	25.2%
	6-8 years	38	12.1%
	9-11 years	9	2.9%
	12-14 years	11	3.5%
	15 years and above	11	2.5%

### ***Assessment of the Measurement Model***

The proposed research model was analyzed through the Structural Equation Modelling-Partial Least Squares (SEM-PLS) approach using SmartPLS software version 3. The analysis was carried out through two-stage approach: 1) assessment of the measurement model (validity and reliability) and 2) assessment of the structural model (testing the hypothesized relationships) (Hair Jr., Hult, Ringle & Sarstedt, 2014).

The validity of the measurement model was tested using convergent, reliability and discriminant test. The convergent validity is to measure the correlation within the same constructs that correlates positively with the other measures (Hair Jr. et al., 2014). Considering the outer loading

of the indicator and the average variance extracted (AVE) of each construct that meets a value of 0.5 or higher indicates the constructs meet up the criteria of the convergent validity. The result of the convergent validity indicated that each construct has a greater value of 0.5 or higher. The reliability of the construct is also evaluated with composite reliability (CR) as it resulted in comparatively higher reliability compared to the conservative measure of Cronbach's alpha in measuring reliability. The measurement of composite reliability (CR) takes into account the difference of the outer loading of the indicator constructs. The CR that meet the value of within 0 to 1 indicates that a higher value has a high reliability. The consistency reliability (CR) of the study range from 0.919 to 0.929 indicated a high reliability of the model construct. Table 3 presents the item loadings (bolded figures in cross-loading columns), consistency reliability (CR) and convergent validity for the present study.

Table 3: The Cross Loading, AVE and CR of the construct

Construct	Items	Cross-Loading				AVE	CR
		EMP	RWD	SRP	TRG		
Empowerment	EMP1	<b>0.7631</b>	0.3866	0.4307	0.5200	<b>0.6059</b>	<b>0.9246</b>
	EMP2	<b>0.8436</b>	0.3720	0.4607	0.4511		
	EMP3	<b>0.7900</b>	0.3591	0.4519	0.4962		
	EMP4	<b>0.8260</b>	0.3140	0.3957	0.4683		
	EMP5	<b>0.7805</b>	0.3322	0.4806	0.4929		
	EMP6	<b>0.7493</b>	0.3275	0.3255	0.3538		
	EMP7	<b>0.7293</b>	0.2854	0.3945	0.3848		
	EMP8	<b>0.7377</b>	0.3871	0.3662	0.3402		
Rewards	RWD1	0.3463	<b>0.8266</b>	0.3412	0.2816	<b>0.6238</b>	<b>0.9197</b>
	RWD2	0.3584	<b>0.8776</b>	0.3730	0.3899		
	RWD3	0.4159	<b>0.8828</b>	0.3077	0.4189		
	RWD4	0.4229	<b>0.7861</b>	0.2132	0.3542		
	RWD5	0.2203	<b>0.6313</b>	0.1748	0.1807		
	RWD6	0.3503	<b>0.8125</b>	0.3032	0.3543		
	RWD7	0.3281	<b>0.6764</b>	0.3409	0.2766		
Service Recovery Performance	SRP1	0.4906	0.3828	<b>0.9018</b>	0.4951	<b>0.7263</b>	<b>0.9298</b>
	SRP2	0.4117	0.3038	<b>0.8850</b>	0.4316		
	SRP3	0.4902	0.3143	<b>0.8560</b>	0.3845		
	SRP4	0.3541	0.3240	<b>0.8267</b>	0.3674		
	SRP5	0.5158	0.3192	<b>0.7868</b>	0.4276		
Training	TRG1	0.4543	0.3637	0.3865	<b>0.7785</b>	<b>0.6998</b>	<b>0.9209</b>
	TRG2	0.4483	0.3794	0.3763	<b>0.8424</b>		
	TRG3	0.4404	0.3362	0.4485	<b>0.8638</b>		
	TRG4	0.5050	0.3121	0.4231	<b>0.8589</b>		
	TRG5	0.5332	0.3522	0.4421	<b>0.8364</b>		

<sup>a</sup> Average Variance Extracted (AVE) = (sum of squared factor loading)/(sum of squared factor loadings) + (sum of error variances).  $AVE = SIS / (SIS+SEV)$

<sup>b</sup> Composite Reliability (CR) = (sum of the factor loadings)<sup>2</sup>/[(sum of the factor loadings)<sup>2</sup> + (sum of the error variances)].  $CR = (SIS)^2 / [(SIS)^2 + SEV]$

The discriminant validity measures the construct distinctiveness from another construct in the proposed model (Hair Jr. et al., 2014). Two criterion used in indicating a measurement of the discriminant validity is the cross loading and Fornell-Larcker criterion. The cross loading indicates that the indicator's outer loading on the associated constructs should exceed any of its cross-loadings on other constructs. Meanwhile, the Fornell-Larcker criterion indicates that the square root of each construct's AVE in the model should be greater than its highest correlation when compared with any other construct (Hair Jr., Hult, Ringle, & Sarstedt, 2017). Table 4 shows the result of the discriminant validity of the construct where the diagonal values were between 0.778 to 0.852 demonstrated adequate discriminant validity as the square root of the AVE value shown were greater when correlating with the other construct.

Table 4: Fornell & Larker criterion analysis

Construct	EMP	RWD	SRP	TRG
Empowerment (EMP)	<b>0.778</b>			
Rewards (RWD)	0.444	<b>0.790</b>		
Service recovery performance (SRP)	0.537	0.388	<b>0.852</b>	
Training (TRG)	0.570	0.415	0.499	<b>0.837</b>

*Diagonals (bolded) represent the square root of the average variance extracted while the off-diagonals are correlations among constructs. Diagonal elements should be larger than off-diagonal elements to establish discriminant validity.*

### Assessment of the Structural Model

In the second stage of PLS-SEM approach, the hypotheses developed for the present study were measured through a bootstrapping procedure using a 1-tailed test. The PLS-SEM bootstrapping method using 1,000 resampling techniques with 313 cases was applied to test of the significance of the path structural model. The result indicated the R<sup>2</sup> value of service recovery performance was 0.357 that explained 35.7% variance in the service recovery performance was explained with the present of empowerment, rewards and training. The path structural result showed that empowerment ( $\beta=0.333$ ,  $p<.01$ ), rewards ( $\beta=0.134$ ,  $P<.01$ ) and training ( $\beta=0.252$ ,  $p<.01$ ) had a positive and significant relationship with the service recovery performance. Therefore, the H1, H2 and H3 were supported. Table 5 showed the summary of the path relationship of the construct and Figure 2 depicted the result of the structural model assessment.

Table 5: The Path Relationship of the Construct

Hypotheses	Relationship	Beta Value	Standard Error	t-Value	Decision
H1	EMP → SRP	0.3336	0.0583	5.7234***	Supported
H2	RWD → SRP	0.1349	0.0476	2.8329***	Supported
H3	TRG → SRP	0.2523	0.0609	4.1447***	Supported

\*\*\* $p < 0.001$ ,

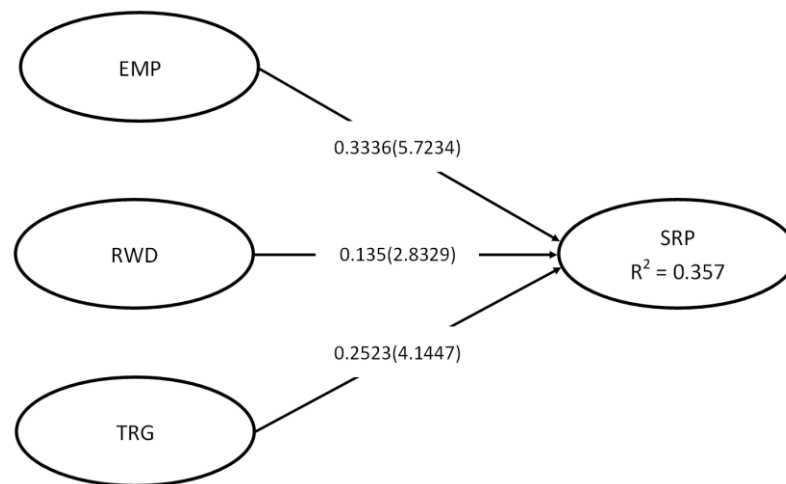


Figure 2: Result of the structural model assessment

### Discussion and Conclusion

This study explores the relationship between empowerment, rewards, training and service recovery performance. The result of the study found that all the three hypotheses were supported. The analysis of the data found that there was a positive significant relationship between the empowerment and service recovery performance. Reviewing past researches (e.g. Ashill et al., 2005; Boshoff & Allen, 2000; Karatepe, Baradarani, Olya, Ilkhanizadeh, & Raof, 2014), similar results were also found in several areas of studies such as banking healthcare and hotel industry.

The result conjectured that the presence of empowerment in service recovery situation is important. In this situation, a frontline hotel employee who has been given an empowerment by the management would be able to make any decision in handling any service recovery situation without having to refer to their superior. This in line with Walker and Miller (2012) statement that employee will have better control and commitment to their work if empowered as compared to those who are non-empowered. The act of empowering frontline employees not only promote employee motivation and self-efficacy level at the same time increase their self-competence and sense of work (Huertas-Valdivia, Llorens-Montes, & Ruiz-Moreno, 2018) This not only fasten the service recovery effort at the same time it shows the trust of the management towards its employee.

The significant relationship of rewards towards the service recovery performance indicated that the hotel frontline employees are expecting something in return after successfully handling the service recovery situation. Rewards not only in the form of monetary (i.e. salary and bonuses) it can be also in the form of non-monetary (i.e. praise, recognition). The hotel industry need be able to identify types of rewards that is suitable to be given to their employees as it can become a motivator not only to employee itself but also to others. If the rewards given does become a motivator to the employee it will affect employees satisfaction, hence affecting their performance outcome (Bustamam et al., 2014).

Meanwhile, providing training to the frontline employees is essential as it could develop their skill, knowledge and ability in their daily task. Frontline employees may require training that comprehend both technical and social skill. Dealing with service recovery situation demand the employees to handle the situation in a diplomatic way. Customer may feel dissatisfied if the service recovery situation is not being handled effectively by the frontline employees (Babakus, Yavas, Karatepe, et al., 2003). Through proper training received by the frontline employees in relation to handling service recovery situation thus, enable the staff to deal with the customer which to regain the customer satisfaction regarding the service provided. If the management fails to invest in the training it may lead to several problems such as a decline in service standard, increase in customer complaint and lack of communication (Karatepe et al., 2014).

The influence of empowerment, reward and training in relations to service recovery performance is vital as the empirical result supports the anecdotal evidence of the relationship. These three factors (empowerment, rewards and training) are interconnected with each other in giving a joint impact to the service recovery performance. In order for the frontline employees to successfully deal with the service recovery situation, the management must have provided the frontline employee with these three factors. For example, to handle service recovery situation the management not only giving empowerment per se to their frontline employee without first providing them training and equipping them with the knowledge on how to handle a service recovery situation. In making sure that the management show an appreciation to the employee after the service recovery situation is professionally handled, rewarding the employee for the effort will seem to be appropriate. Through rewards, it helps to motivate the employee and increase their satisfaction.

### ***Significance of the Study***

The findings of the present study contribute to the existing body of knowledge by confirming the applicability of the social exchange theory for human resource management in the context of the service industry. Practically, it provides insight to hoteliers about the need to administer appropriate practice of empowerment, establishing competitive rewards system and provide training for career advancement.

### ***Limitation and Suggestion for Future Research***

The present study merely focused on 4-star and 5-star frontline hotel employees only as part of the study sample. Therefore, the present findings may not be generalizable to the entire hotel industry in Malaysia. In addressing the limitation of the present study, it is suggested that future researchers include employees of another category of hotel star rating as part of the respondents.

In addition, the present study only examined three factors influencing service recovery performance. Thus, it is suggested that future research to include another predictor that may influence service recovery performance such as teamwork, psychological capital and customer orientation. Besides a presence of mediators, such work engagement and job embeddedness between the variables and the service recovery performance would able to give more complete understanding to the relationship. On a closing note, the relationship of the empowerment, rewards

and training towards service recovery performance can be generalized by replication the study with a bigger database by including one, two and three-star hotel frontline employees.

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