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THE HUMAN RESOURCE INVESTMENT IN HOTEL SECTOR: A CASE STUDY OF THE DIP PROGRAM

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Abstract:

Recent investigations suggest that human capital investment influences and largely impacted the organization's performance and success. Other human resource practices such as training and development may also improve the level of human capital in the firm. In this study, the human resource investment that aims to improve the level of knowledge and skills of mid-level managers, as well other features such as their managerial and leadership skills, employee engagement, and empowerment, that was practiced by The Datai Langkawi, will be the main focus. The program initiated by The Datai Resort in Langkawi called the 'Datai Investing People' or 'DIP' program, is a certification for an executive program for their mid-level managers and supervisors. A qualitative interview was conducted with nine of the DIP program participants, in investigating the impact and challenges of the DIP program. The data from the interview were recorded, transcribed verbatim, and analysed using thematic analysis. It was found that overall, participants of the DIP program were satisfied and mentioned improved managerial and leadership skills, personal development, and improvement, and improved interdepartmental communication and engagement as the impact of the DIP program. Meanwhile, among the challenges found are the approaches and method and unfamiliar classroom setting and environment of the DIP program. Furthermore, the program has successfully conducted and achieved its intended outcome for The Datai. As a pioneer of such a program, this could be a catalyst to promote human resource practices among hotels, in ensuring an improved

organization's performance and human capital's knowledge and skills development.

Keywords:

Human Capital, Human Resource Management, The Datai Langkawi, DIP program, Hotel Sector

Introduction

In the hotel sector, human resources are potential assets in the search of competitive advantage and is particularly pertinent in the hospitality industry. Human Resource Management or HRM practices are programs or activities planned and put into action in order to increase and develop employee's skills, knowledge and experience, which will improve their competencies and help achieve performance's expectancies (Otoo et al., 2018). HRM practices can stimulate positive behaviour in individuals through the practice of training and development (Clardy, 2008; Yuvaraj & Mulugeta, 2013). Furthermore, HRM practices will also significantly impact the innovation in performance (Nieves & Quintana, 2018). In addition, Alola, Avci and Ozturen (2018) adduced that HRM practices have been positively linked to the success of an organization, and the effort to sustain human capital will positively increases productivity. Moreover, Alola et al. (2018) also concluded that the employee training is important as it help develop employees' resistance to any form of negative behaviour in the hotel industry, and aids in reducing employees' turnover. HRM practices are important, especially for the hospitality industry, inclusive small and large hotels (Boella & Goss-Turner, 2013; Cetinel, Yolal, & Emeksiz, 2008).

However, in recent years, almost every hotel firms claims to be people-oriented and trust the importance of human resource management (HRM), but in practice, only a small number follow through on these claims. HRM practices are often seen as an exclusive activity targeted at training for an immediate problem solving at work rather than long term development of work. Therefore, it is important to study the human resource development practices of hotel firms that aims at improving their employees' development and skills. This paper will be focusing on the Datai Investing in People, or DIP program that was conducted by The Datai Resort, Pulau Langkawi, Malaysia, as part of the hotel's significant initiative of HRM training and development effort.

Background of Case Study – The Datai Investing in People Program (DIP)

The 'Datai Investing in People' or DIP program is a pioneer Human Resource Development or HRD effort of The Datai Resort, Langkawi, and it is of importance to study the program's success and employee's perception, after taking part in the certification program. The DIP is an initiative of education program developed for The Datai Resort's staff members, allowing them to earn certification during the resort's initial closure for regeneration. The fact that The Datai management was able to sustain most of their staff albeit full closure and investing in their education instead, is an admirable and great effort in valuing and appreciating their staff. The DIP program is designed based on two tracks, the Executive Advance Certificate in Hospitality Management, and the Certification Education Programme. The former program is tailored to the mid managers and supervisory level, and the latter was developed for the rank

and file employees. The Datai is the first resort in the Asian region to offer such certification education programs to its employees to support and groom their staff members to prolong their talent and delivery of service excellence. Hence, the resort has designed every aspect and principles of this program to provide their staff with opportunities to grow and excel, by nurturing their talent in the hospitality industry.

The DIP program runs on several module related to hotel's operation, such as front office, housekeeping, food and beverage, hospitality law, hospitality accounting and finance, among others. Each module was offered for a full 5 days, with the last day reserved for participants' presentation and assessment. The content of each module was developed for the purpose of highlighting the current trends and issues, challenges, innovation, and case studies, to allow for interactive and deep learning sessions with the participants. The trainers for each module are selected among Universiti Utara Malaysia's academicians. The training for this executive program took place at Kompleks Kraf, Pulau Langkawi, where the meeting room was arranged to resemble a classroom setting. In addition, the participants also took part for a session held at Universiti Utara Malaysia itself, with the purpose to expose the participants to a real university environment. This was truly a different training for most of the participants who had never attend any formal higher education experience.

The DIP program, through the Executive Advance Certificate track, was not only design to expose the participants to every aspects of the hotel's operation, they also need to come up with innovative and creative operational ideas that may be applied when the resort reopens its business to the public. Eventually, at the end of every module, the participants were divided into groups, and each group must present their ideas to the panels. Each of the presentations will be evaluated by the trainers from Universiti Utara Malaysia, as well as the department heads from The Datai. The evaluation was also meant to measure the development of each of the participants, to encourage new ideas to improve the hotel's operation and to serve as a platform to promote innovation among the employees.

Consequently, the DIP program can be regarded as an pioneer HRD practice that can help increase the human capital of The Datai, as well as create competitive advantage for the resort that coincides with the Datai DNA, a proud image of the excellent quality service offered at The Datai. The DIP program has enhanced the work of HR department in the hotel and its effectiveness by promoting the idea that excellence in management supports the organization's success. Any program that promotes improvement of employees' performance can accelerate the achievement of the hotel's mission through the effectiveness of leadership, which focuses on the human capital as a resource in the organization (Alshare et al., 2020).

For the purpose of this case study, this paper will highlight the impact of the Executive Advance Certificate towards the middle managers and supervisors at The Datai. There are two objectives for this case study. The first is to explore the impact of DIP program to the employees and the second is to understand the challenges experienced by the employees when participating in this program. The Executive Advance Certificate is a program that integrates a curriculum emphasizing on work related concept and a cross-departmental exposure, a holistic approach to initiate participants' evaluation from a management viewpoint. The Middle Management and Supervisors track earns participants the 'Advance Certificate of Excellence for Executives

in Hospitality Management' from Universiti Utara Malaysia as the trainer, and in partnership with Overview Sdn. Bhd, as the consultant company for this program.

Methodology

This study is aimed at investigating the success of the 'Datai Investing in People' or DIP program, as perceived by the staff who took part in the mid-management and supervisor's track. There are altogether 48 employees who took part as participants for this track that started from July 2017 and extended until March 2018. A year after the DIP program ended, qualitative study using in-depth semi structured interview was conducted to collect data from the participants on their perception after taking part in this program. The gap of one year between the DIP program and the interview was to allow the participants to work and experience the changes that it had to offer towards their work performance. The qualitative interview is appropriate in meaning-making of their perception of the DIP program.

In the first phase of the interview, an initial letter of intent was sent to the Human Resource department of The Datai Resort. This was done to get the consent from the top management for the interview session. After the consent was given, the interview was scheduled in December 2019 and the Human Resource Department will arrange for the interview slots. The selection of the respondent was on voluntary basis and 9 participants have agreed to it. The profile of the 9 respondents is presented in **Table 1** next.

Table 1: Interview Respondents' Profile

Respondent	Department/ operation	Age	Education background	Nationality	Duration of working at The Datai
NT	Front Office	29	Master	Malaysian	One year
SR	Concierge	35	SPM	Malaysian	Four years
KA	Recreation	45	SPM	Malaysian	Two years
KF	Concierge	40	SPM	Malaysian	20 years
WB	Purchasing	26	Diploma	Malaysian	Two years
JF	Food & Beverage	42	SPM	Malaysian	Four years
MZ	Housekeeping	28	Diploma	Malaysian	15 years
AF	Kitchen	26	Degree	Malaysian	Three years
FH	Accounting	40	SPM	Malaysian	17 years

Source: Researchers' own study

The semi structured interview protocol was developed and submitted for review with the Human Resource Department beforehand. The interview protocol for the case study covered the areas of post perception on DIP Program, impact of the program, factors that influence satisfaction or dissatisfaction on DIP program and the challenges of the DIP program. The

interview began on the first week of December 2019 for two days. Each of the interview lasted from 45 minutes to one hour. The interview was audio recorded with the approval from the respondent and the Human Resource department of the hotel. All the data from this case study interviews were used for academic purposes only. Interview transcripts were transcribed verbatim and thematic analysis was applied to analyse the data.

Validity of Qualitative Interview Data

To ensure the validity of this interview, several methods was applied. The first was to employ a moderator during the interview. A moderator's task during the interview was to avoid personal bias and ensure that the responses given were genuine and not influenced by the interviewer. This study also employed respondent validation, whereby the transcribed interview was then sent to the interviewee for them to check the accuracy and authenticity. The respondent validation came back as being true and no refinement of the researcher's understanding was required. Finally, this length of this study was also based on triangulation practice. Although not all 48 participants volunteered for this study, the data from the nine interviews were initially analyzed and it was found that no more interviews were required as it has reach data saturation. Moreover, the data analyzed became more consistent thus it can be concluded that the interview data was valid.

Results and Findings

Thematic analysis was applied to generate a meaning making of the interview transcripts. The themes generated from the interview was grouped into two major themes, based on the two objectives set for this study which are to explore the impact of DIP program to the employees and to understand the challenges experienced by the employees when participating in the DIP program. Therefore, the subthemes identified for the impact of DIP program are (1) improved managerial skill; (2) personal development and improvement; (3) improved interdepartmental communication. The subthemes generated for challenges of the DIP program are (1) approaches and methods of DIP and (2) unfamiliar classroom setting and environment. The subthemes for the impact of DIP program will be discussed first in the next section, followed by the subthemes of the challenges of DIP program.

Improved Managerial and Leadership Skills

All the participants for the Executive Advance Certificate track were either holding a mid-managerial or supervisory level position. Therefore, they must possess leadership and management skills, and these can be considered s crucial value for human capital. However, it was found that some of the respondent confessed that they were unable to take full responsibility as managers and immediate supervisor to their subordinates due to lack of confidence. This is added by the perception that seniority played a larger role when giving instructions, rather than position. Some of the DIP participants interviewed has worked at The Datai for less than 5 years and as expected, they would face the barrier of having to give instruction to more senior staffs, a common issue when practicing leadership roles. Nonetheless, the participants agreed that the DIP program has given them confidence in performing the task of a manager and supervisor, contributed by the endless training, sharing theoretical perspective and the opportunity to participate in interactive discussion as part of the content of the program.

“The overall work management for me is better now. Before DIP, I work in receiving but did not explore the administration side. After I join this program, I started to manage it. Before that I never had the confidence. I join DIP and practice work in management. I am grateful for this study because now I learned how to manage”, (WM, Purchasing, Diploma).

“I can see that who join DIP program have changes in terms of self-management, working with another associates, guest, external or internal in this hotel. We follow rules of punctuality, work, management, operation. I give a simple example, PLOC (planning, lead, organize and control). It is simple and in this DIP program we have learned the costing, timeline, leadership and many benefits that bring back to work in Datai”, (JF, F&B, SPM).

“Before that we felt relax with our current position. After this program we understand how the management works and start to think of upper management role”, (MZ, Housekeeping, Diploma).

Based on the response from the three participants, it can be concluded that the DIP program has enabled the participants to gain more confidence in performing the managerial and supervisory role. The DIP program also prepared them in understanding the principles of leadership and strategizing approaches and methods to become a successful leader. The participants were encouraged to critically think of how they can improve on their managerial skills. It was also observed that the participants appeared to be more confident and many of them were given the opportunity to progress to a higher-level position after the DIP program ended and the hotel reopened for business.

Personal Development and Improvement

On the other hand, the DIP program was also designed to allow the participants to learn about other department's operation, task and responsibilities. Although they were from different department in The Datai, the DIP program was design to cover the content about several departments of a hotel. First impression of the participants was this could be perceived as irrelevant. However, after the DIP program was completed, the participants admitted the program has helped their self-development and improvement of knowledge.

“So, we know the responsibility of general manager and understand staff's pressure. We understand about another department's function”, (JF, F&B, SPM).

“In this DIP program, I have learned new things. Before I join this program, I don't know the function of other departments and other people's task in hotel. Now at least I learn the basic”, (KF, Concierge, SPM).

As a manager, a person must continuously develop and improve their skills and expertise. Evidence of self-development not only helped the participants to succeed in the job and secure job promotion, as employers will look for committed staffs who have the knowledge and always eager to learn more, when considering internal promotion. Moreover, most of the DIP participants for the Executive Advance Certificate track was promoted since the program ended.

Improved Interdepartmental Communication and Engagement

The third theme developed from the interview was improved interdepartmental communication. It was mentioned by the DIP participants that at the beginning of the program, they hardly knew each other. Perhaps with the hundreds of staffs working in various departments, they rarely meet and talked to each other. It is understandable when working in a hotel environment that staffs often stay close and maintain contact with only those within the same department. The opportunity to interact, carry out teamwork and group discussion as the method of training in the DIP program has allowed the interdepartmental communication among the DIP participants improved even after the program ended.

“I realize there are so many people that I am not close with them although we are in same company. The reason is we are from different department. We never work together. After that we have relate with DIP program then we become friends and help each other”, (KA, Recreation, SPM).

“We don’t understand the issues with other department because we don’t know what they are doing, but now we understand. The internal communication between departments are very good now”, (NT, FO, Master).

“This program helps to increase our understanding how other’s work. We work better now, and we know our group from DIP”, (JF, F&B, SPM).

It was found that the DIP participants kept close contact after the DIP program ended and a few of them has got the chance to do cross training in other department in order to increase their understanding and experience in the hospitality industry. The teamwork has improved tremendously, and this has contributed to the overall positive working condition and environment for everyone at The Datai Resort. Employees engagement was also improved, as mentioned by the DIP participants.

Challenges of the DIP Program

The final theme developed from the interview was the challenges of the DIP program for the participants. This is an important perspective to explore and it will guide the design for the next DIP program in the future. Based on the review of the 48 participants’ profile, they have various educational and demographic profile. Consequently, some participants would be facing a different kind of challenges when they took part in the DIP program. The challenges as mentioned by the interview respondents are classified into two subthemes; (1) approach and method applied in the DIP program; and (2) unfamiliar classroom setting and environment.

Approach and Method of The Program

Most of the DIP participants were promoted to their current the mid-managerial and supervisory position based on the time they have been working for The Datai. It can be said that the participants were so accustomed to the hotel’s working environment and the daily physical work. Therefore, the design for the DIP program must include innovative and creative method that could encourage interaction, participation and creativity to promote interest. However, part of the design for the program does include a few methods that failed to attract the participants.

“I think the last week of this program have games, but the games are not interesting. It does not give any impact. The objective for the games is not achieve. I saw conflict between trainers, so the students become confused”, (NT, FO, Master).

Unfamiliar Classroom Setting and Environment

Some of the DIP participants have graduated from high school but was never exposed to any formal higher education such and colleges and universities.

“During that time, we need to sit down and listen to the lecture. The first week was difficult for me, most of the time need my listening skill. Along the way, I learned to adjust myself. It is a really good experience because I never knew how university and campus life was. So, this program it is very good for me” (SM, Concierge, SPM).

“In terms of learning is quite challenging, we need to follow many things. Such as time, discipline, attitude. It is because working in hotel are not the same. For example, the personality of hotelier, we need to learn to be like a student such as (the way) we speak, we need to control. After the third or fourth day, then we understand the concept of university. Silent in class, discussion, many aspects such as nutrition of food. We can see the difference and we make changes and try it at the working place. The way we work also different now” (JF, F&B, SPM).

The requirement to participate in the DIP program in a classroom style was seemed daunting to a few of the participant because it was perceived as a very formal setting at a university. Due to the lack of experience of being in a higher education institution, the participants expressed their worries that they would not be able to fit in. However, after the first week, it was found that the participants can really adapt to the approaches in the DIP program. The activities planned out by each of the trainer for the modules have applied interactive methods to ensure that the participants can engage with the content of the modules. The positive perception towards the design of the program indicated that it can be applied again for the next DIP program in the future. The challenges mentioned by the participants are manageable and can be improved for the betterment of the program.

Discussion

The results from this case study were used to indicate the ‘Datai Investing in People’ or DIP program’s impact as perceived by the participants of Executive Advance Certificate track. It can be concluded that based on the response from the DIP participants, the DIP program is regarded as a successful program but there are still room for improvement for the program’s methods and approaches.

The positive outcome as mentioned by the interviewee reflected that The Datai has achieved its intended outcome of improving the managerial and leadership skills of their mid managers and supervisors. This was an important finding that highlights the significance of DIP program as part of The Datai’s HRM practices to develop leadership skills. As mentioned by Ashton (2017), when employees accept their responsibilities as leaders, their job satisfaction will be increased. Nickson et al. (2005), confirmed that training can help reinforce the organization

goals and guide employees to achieve them. Hence, good, and innovative training programs will significantly improve the skills and knowledge of the employees, and help retain them (Esichaikul & Baum, 1998; Richardson, 2009).

The results also indicated the importance of human resource investment to increase the value of human capital of The Datai Resort, Langkawi. The success of the DIP program can be replicated by other organization in their effort to improve motivation and job performance, encourage employees' self-development and increase human capital. In addition, the DIP participants mentioned that the program is also a platform for them to increase their knowledge and theory in leadership skills. Erkutlu (2008) mentioned leadership behavior influences an organization's goal and will also predicts employee performance. The DIP program could be a model training program to help train leadership skills. Furthermore, hotel leaders must demonstrate a good role model toward their subordinates as this will positively impact employee job satisfaction and commitment while delivering excellent services (Clark, Hartline, & Jones, 2008; Erkutlu, 2008). In addition, this finding also supported Erkutlu (2008) and Kim and Brymer (2011) studies that employee's satisfaction depends on leadership behavior and the DIP participants has agreed that the program has helped them developed and improved their leadership skills,

Improved employee engagement was another impact that was discussed by the DIP participants during the interview. This supported Presbitero (2017), that mentioned an increase employee engagement is critical because it will lead to job satisfaction, organizational commitment, and positive behaviour in the hospitality and tourism industry. It was evident in Presbitero (2017) study that improvements in the training and development practice has significantly increased employees' engagement in the hotel sector. The findings are consistent with previous findings showing how HRM practices can have implications for engagement within hospitality organizations. This result also confirms previous studies that found training and development practices that focus on the needs of hotel employees, will have positive impact on engagement (Karatepe & Olugbade, 2009). Recent findings by Chami-Malaeb (2013) that found training and development practices will lead to employees' commitment and engagement, also concurs with the results of this study. As a conclusion, employees' engagement can be developed and improved through innovative HRM training practices such as the DIP program.

The findings of the study also have the potential to help other hotels in adopting proper and well-planned training practices in HRM to encourage positive motivation and development of the employees. This study helped extend the literature by adducing evidence that human capital of the hotel industry will be greatly influenced by HRD practice such as the DIP program. It also suggests that investments in training not only increase individual performance but also encourage employees to adjust their knowledge and skills to organizational needs. Additionally, as a complement to training, the DIP program also helps increased knowledge and improved skills for their mid managers and supervisors. The challenges mentioned by respondent provides suggestions to improve on the HR training and development to become a catalyst for innovative human resource development practices.

Recommendations for Future Studies

The results of this study indicated that innovative training and development practices such as the DIP program, must be analyzed and implemented, considering the existence of different practices and creative plans for hotel employees. Furthermore, the data from this paper show that additional research is necessary to further examine the various innovative practices applied by HR in hospitality sector. Studies of this type will lead to a better understanding of the link between hotel industry's HRM practices and human capital. It is important for the hospitality firms to encourage teamwork and to cultivate a spirit of cooperation between workers, encourage them to gain expertise and skills through innovative training and development program such as the DIP program by The Datai Resort, Langkawi.

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