

# Does Knowledge Sharing Mediates the Relationship between Training and Development on Employee Performance? Case of Food and Beverages Industry

Nur Constance Wah\*, Lai Li Ru, Azuriaty Atang

(Department of Business Management, Faculty of Economics and Business, Universiti Malaysia Sarawak)  
94300 Kota Samarahan, Sarawak

[wnconstance@unimas.my](mailto:wnconstance@unimas.my)

## ABSTRACT

*The food and beverage industry in Sarawak is dynamic with strong growth prospects driven by local culture, tourism, and a robust agriculture based. The rise of urbanization and the growing of middle to upper class has contributed to the market potential. Recognizing the importance of employee performance in this food and beverages industry, the study seeks to investigate in what way does knowledge sharing mediates the relationship between training and development and employee performance. Using social exchange theory as the underpinning theory, seven hypotheses were tested. The study utilized quantitative method and through statistical analysis, the study examines the direct and indirect effects of training and development on employees performance while examining the mediating effect of knowledge sharing. The results suggested that effective training, development and fostering learning culture should be implemented within the food and beverage industry. This study provides improvement of employee performance and contribute to overall business success in the food and beverage industry.*

**Keywords:** Training, Development, Employee Performance, Knowledge Sharing, Social Exchange Theory, Food and Beverage Industry

## INTRODUCTION

The food and beverage industry in Sarawak represents a critical sector with significant growth opportunities, supported by the region's rich cultural heritage, tourism, and a strong agricultural foundation. The ongoing trend of urbanization, coupled with the expansion of a middle- to upper-class demographic, suggests a favourable outlook for market opportunities. At present, this sector holds a valuation exceeding RM6 billion (Sarawak Data, 2023), serving as a crucial element in the regional economy and providing substantial employment opportunities that influence both urban and rural populations. Nonetheless, with the continual emergence of new establishments, competition escalates, compelling businesses to concentrate on the enhancement of employee performance via strategic training and development initiatives. Neglecting to address this necessity could result in elevated turnover rates and skill deficiencies, which, in turn, compromise operational efficiency (Niati et al., 2021). Consequently, it is essential to ensure that employees possess the appropriate skills to sustain a competitive advantage.

Employee performance and attitude are crucial for compliance with food safety and quality regulations, providing excellent customer service, and enhancing operational efficiency in the F&B industry. Research suggests that hurdles, including the adaptation to technical standards and ISO norms, might affect performance, especially when staff struggle to change to new practices (Singh, 2022). Furthermore, low employee satisfaction—resulting from inadequate remuneration, restricted career progression chances, and insufficient training—can further intensify performance concerns, culminating in disengagement and less knowledge sharing (Chukwu, 2019). Knowledge sharing, essential for promoting innovation and organizational development, frequently declines when individuals feel disheartened and reluctant to cooperate in a detrimental work environment (Chua et al., 2023).

The significance of staff training and development is paramount, since it directly impacts organizational success and the long-term viability of food and beverage enterprises. Effective training programs promote employee performance and contribute to the overall identity and development of the organization. This study emphasizes the essential function of training in mitigating inadequate performance and its related consequences, asserting that in the absence of ongoing development efforts, companies face the peril of stagnation (Chua et al., 2023). This study aims to enhance the comprehension of the direct impact of training and development on employee performance in the F&B business, particularly in Kuching, Sarawak, by emphasizing the mediating role of knowledge exchange.

This paper's importance resides in its ability to provide critical insights into how training and development can improve personnel productivity and happiness, hence resulting in more efficient operations and a fortified competitive stance within the F&B business. Furthermore, it enhances the existing knowledge base by illustrating the significance of information sharing as a crucial mediator, therefore offering practical recommendations for F&B enterprises to cultivate a more motivated, skilled, and productive workforce.

## **LITERATURE REVIEW**

### **UNDERPINNING THEORY**

Cropanzano et al. (2017) defined the Social Exchange Theory (SET) as (i) an actor initiating contact with the target, (ii) the target's reciprocal attitudinal or behavioural response, and (iii) the resultant connection. Today's corporate relationships are becoming more complex (Chernyak-Hai and Rabenu, 2018). As a result, SET must be updated to reflect the growing complexity of how organisations run and employees behave. Several scholars, notably Uhl-Bien and Maslyn (2003) and Eisenberger et al. (2004), divided reciprocity into positive (reciprocating favourable treatment) and negative (reciprocating unfavourable treatment). Cropanzano and Mitchell (2005) advocated for additional research into the impact of social interactions on organisational relationships, as well as research in previously untapped areas such as coworkers, supervisors, and outsiders. Building on prior research, Cropanzano et al. (2017) hypothesised that people may not reciprocate as they would want due to a variety of uncontrollable reasons (inadequate supervision and lower turnover intentions as a result of a bad economy). Cropanzano et al. (2017) expanded the research on SET by demonstrating that reciprocity occurs both overtly (active exchanges) and implicitly (inactive exchanges). Both kinds communicate in interesting ways.