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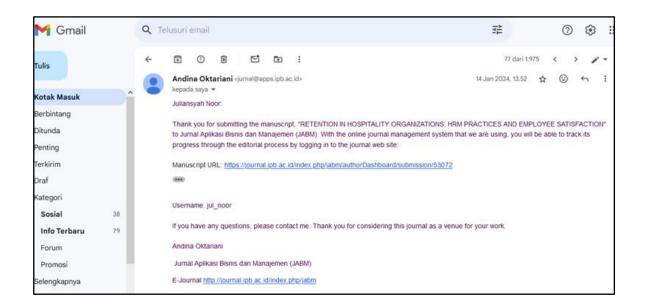
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RETENTION IN HOSPITALITY ORGANIZATIONS: HRM PRACTICES AND EMPLOYEE SATISFACTION

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Abstract. This paper explores human resources management (HRM) practice, employee satisfaction, and employee retention, in hospitality organizations. Specifically, we were investigating the effect of HRM practices on employee retention and the role of employee satisfaction in shaping these relationships. We used a random sample of 361 hotel employees in Indonesia. Data was collected through online surveys and analysed using regression modelling. we were able to confirm that employee retention rates were significantly determined by HRM practices, such as job security, empowerment, training, and quality of work life. In addition, employee satisfaction factors also significantly determine employee retention. The regression analysis results also reveal that HRM practices are directly related to employee retention, but the effect is greater if previously they were able to increase satisfaction. Explicitly, effective HRM practices will promote employee satisfaction, and hence they will be loyal and committed to their organization in the long term.

Keywords:, employee satisfaction, hospitality organizations, HRM practices, regression analysis, retention

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Abstrak. Makalah ini mengeksplorasi praktik manajemen sumber daya manusia (SDM), kepuasan karyawan, dan retensi karyawan, di organisasi perhotelan. Secara khusus, kami menyelidiki pengaruh praktik MSDM terhadap retensi karyawan dan peran kepuasan karyawan dalam membentuk hubungan ini. Kami menggunakan sampel acak sebanyak 361 karyawan hotel di Indonesia. Data dikumpulkan melalui survei online dan dianalisis menggunakan model regresi. kami dapat memastikan bahwa tingkat retensi karyawan secara signifikan ditentukan oleh praktik MSDM, seperti keamanan kerja, pemberdayaan, pelatihan, dan kualitas kehidupan kerja. Selain itu, faktor kepuasan karyawan juga signifikan menentukan retensi karyawan. Hasil analisis regresi juga mengungkapkan bahwa praktik HRM berhubungan langsung dengan retensi karyawan, namun pengaruhnya lebih besar jika sebelumnya mampu meningkatkan kepuasan. Secara eksplisit, praktik MSDM yang efektif akan meningkatkan kepuasan karyawan, dan karenanya mereka akan setia dan berkomitmen terhadap organisasinya dalam jangka panjang.

Kata Kunci: kepuasan karyawan, organisasi perhotelan, praktik HRM, analisis regresi, retensi

Introduction

Issues regarding low employee retention rates in the hospitality industry have long been discussed. A number of researchers have also noted this (Bibi et al., 2018), some even assert that employee retention in the hospitality industry is lowest compared to other industries (Islam et al., 2020). Employee retention refers to the organization's efforts to retain its employees not to leave and leave them. Generally, employee retention is focused on qualified employees who are very important to the organization. High employee retention can have a major impact on employee and organizational performance (Islam et al., 2022), while employee retention Low levels can have negative consequences for organizations, such as losing valuable, inefficient, and unproductive human resources (Goings et al., 2020; Mia, 2023). Therefore, hospitality managers are always challenged to overcome this problem. However, a number of studies have revealed that the majority of hotel management are unable to retain their employees, and only a few are successful.

In the general organizational context, employee retention has been studied extensively, but in the context of hospitality organizations it is still limited. In fact, the problem of low employee retention in the hospitality industry has become a classic issue throughout the world. In addition, studies on hospitality organizations are also predominantly focused on turnover issues (Park & Min, 2020), while retention is not the opposite of turnover (Dodanwala et al., 2023). In general, retention of significant employees is determined by HRM practices, even this is seen as the main predictor of other predictors (Kumar, 2021). This practice is seen as a policy or system that influences employee attitudes and behavior (Aktar & Pangil, 2018). Effective HRM practices can create employee satisfaction and retention, and vice versa can trigger job dissatisfaction, which leads to turnover.

It is undeniable that HRM practices are designed to create employee satisfaction, thereby encouraging organizational commitment and reducing turnover (Shoaib et al., 2021). This is in accordance with social exchange theory (SET), which explains that employee retention will only be achieved if the organization can provide satisfaction feedback to its employees. In other words, when employees are satisfied, they tend to be committed to their organization. Therefore, employee satisfaction has an important role in employee retention.

Although HRM practices are designed to create employee satisfaction and retention, until recently, what HRM practices meant was not consensual. Some researchers include recruiting, training, rewarding, and empowering employees as important elements of HRM practices (Dessler, 2020). Several other researchers have focused on job security, performance appraisal,

HR planning, team performance, selection and compensation, empowerment, quality of work life, and development (Carnevale & Hatak, 2020)

This research aims to expand the study of the factors that determine the retention of hotel employees. In this context, we focus on four elements of HRM practices, namely quality of work life (QWL), job security, employee empowerment, and training. In addition, we also explore the role of job satisfaction in the relationship between these elements and employee retention. As such, it will increase the literature on organizational aspects of hospitality, specifically related to employee retention issues. In addition, this is also important for practical policy, considering that many hospitality management are not successful in dealing with low employee retention.

1. Methodology

This study aims to explore employee retention in the hospitality industry.—Therefore, our respondents are hospitality employees who have worked for more than two years. They were asked to express their opinion through a questionnaire, which was measured by "a 5-point Likert scale, where 1 indicated strongly disagree and 5 strongly agreed." Questionnaires were distributed to star hospitality in four cities in the province of Banten, Indonesia. The number of respondents who were found was 361 people.

Regression analysis was conducted to examine the impact of quality of work life (QWL), job security, employee empowerment, and training on employee retention. The majority of respondents (54.1%) were women, and the other 45.9% were men. Based on age, 46.9% of them are around 20-30 years old, 44.9% are around 31-50 years old, and 8.2% are over 50 years old. Based on education, 50.0%% of them have diploma education, 35.7% bachelor degree, 10.2% high school education, and 4.1% master degree.

1.1 Measurement

To measure the variables of HRM practices and, in the case of this research, the impact of employee satisfaction and influence on retention, a questionnaire was developed. It included six items related to quality of life, as used by Sirgy et al. (2001, for example, "I am happy with the hours/shifts that I have to work". It also had three items related to job security from Egcas (2017), such as "Working in the hospitality sector will provide a stable future". Additionally, four items on employee empowerment from Potnuru et al. (2019) were included, for example, "I found my ideas are listened to/or acted upon by management". Two questions related to training were included from Shen and Tang (2018), such as "I think that the initial hospitality training has a good influence on my work performance". The questionnaire also had four items related to employee satisfaction Karatepe et al. (2006), such as "I believe that the opportunity to meet people is a primary source of enjoyment". Lastly, there were four items related to employee retention from Coetzee and Stoltz (2015). The questions for the first six variables (the focus of this article) were measured using a five-point Likert scale, ranging from 1 "Completely disagree" to 5 "Completely agree"

Prior to the main study, a pretest was conducted with a sample of 60 hospitality employees in Jakarta. Based on the results, certain questionnaire items were found to require revision, and appropriate modifications were made. The research instruments were evaluated for their reliability coefficient using Cronbach's alpha (α) value (Hair et al., 2018), which is generally accepted when it falls within the range of 0.75 to 1.0 (Hair et al., 2018). In this study, the Cronbach's alpha (α) score for all "HRM practices" variables ranged from 0.754 to 0.894, while the "job satisfaction" variable had a score of 0.913, and the "employee retention" in a hospitality variable had a score of 0.843.

Employee retention (ER) refers to "the policies and practices that organizations use to prevent valuable employees from leaving their jobs" (Baharin & Hanafi, 2021). ER is nothing new in the organization industry and has been "a challenge for employers". This issue has been

debated since the 1990s, where Fitzenz (1990) revealed that "employee commitment and retention are not determined by one factor." However, until now there is no consensus on these factors.

The majority of the academic literature on employee retention reveals that "HRM practices and employee satisfaction" are the main predictors of retention. Stone and Deadrick (2015) defines HRM practice as "the productivity of people in achieving the organization's strategic business goals and employee satisfaction." While Hamilton & Sodeman (2020) define it as a systematic effort from human resource management to improve organizational performance and understand and deal with employee and workplace problems. From these definitions it can be concluded that HRM practices are a set of policies or strategies carried out by organizations to provide satisfaction to their employees, so that they will be committed to their organization. But unfortunately, HRM practices are also not consensual. Lynn (1997) argues that to "retain employees, organizations must provide career development opportunities." Meanwhile, Ghapanchi and Aurum (2011) emphasize "remuneration and benefits, training opportunities, fair and equal treatment, and organizational culture." They are important predictors of HRM practices for employee retention problems, Loan-Clarke (2010) emphasizes "autonomy, work schedule flexibility, and social support that help organizations to retain their employees for the long term." In line with that, George (2015) added the quality of work life. In this study, we focus on five factors of HRM practices, namely "quality of work life, job security, empowerment, and training."

Quality of work life (QWL) is defined as a construct that includes employee well-being at work (Rai & Verma, 2023). Specifically, QWL refers to "the extent to which an employee is able to meet various important personal needs through their performance in the workplace while achieving organizational goals" (Divis, 1983). In other words, QWL is "dive while drinking water". Rai and Verma (2023) explained that QWL includes "employee needs for health, safety, economy, family life, social life, appreciation, self-actualization, knowledge, and aesthetics." Hence, it has been considered essential for organizations to attract and retain employees. Employees' perceptions of QWL can be increased through meeting their needs, thereby encouraging satisfaction and reducing voluntary turnover. A number of studies have also revealed that "quality of work life significantly influences satisfaction and turnover intention" (Rai & Verma, 2023). Thus, the hypothesis developed for this is:

H1: Quality of work life is a positive relationship with employee satisfaction.

Job security is defined as "the employee's perception that they can have a job as long as they want, and that there are no subjective or objective factors that make them vulnerable to losing their jobs" (Abolade, 2018). On the contrary, "job insecurity is a perception of the potential for accidental job loss" (Aboramadan et al., 2020). Job insecurity can be grouped into two, namely job insecurity quantitatively and qualitatively. Quantitative job insecurity refers to "the perceived fear of losing a job, while qualitative insecurity refers to the perceived fear of losing valuable job benefits" (Sender et al., 2017). Ngo et al. (2023) revealed that permanent employees have higher job security than their contract counterparts. Permanent employees such as government employees tend not to fear losing their jobs, but the opposite is true for contract employees as in the private sector. Job security is an important aspect for organizations, because "job insecurity can have a negative impact on employee satisfaction, commitment, and performance" (De Cuyper et al., 2019). They further emphasized that employees' perceptions of insecurity could ultimately cause them to become distracted from their work and tend to choose to withdraw from their jobs. A number of studies have proven that "job security has a positive and significant relationship with job satisfaction and turnover intention" (Artz & Kaya, 2014). Thus, the hypothesis developed for this is:

H2: Job security is a positive related to employee satisfaction.

Employee empowerment refers to organizational efforts to encourage or assist employees in terms of work. Kakar (2017) noted that "employees are said to be empowered if they are given the opportunity to participate in decision making, goal setting, and necessary steps." The more empowered an employee is, the more committed he is to his organization (Kaye & Jordan-Evans,

2001). In line with that, Salman and Saleem (2022) also stated that employees who are empowered, especially in "the decision-making process, are likely to be more committed and give their best efforts in performance." Empowerment generally focuses on what employees want to achieve by increasing career competencies (Madera et al., 2017). Kim et al. (2019) revealed that the level of employee satisfaction is strongly related to empowerment. Empirical evidence has also shown that empowerment has a positive effect on employee satisfaction and retention (Kakar, 2017). Thus, the hypothesis developed for this is:

H3: Employee empowerment is a positive related to employee satisfaction.

A number of researchers have proven that training is a strong predictor in explaining employee satisfaction. However, training has varying effects on retention. On the one hand, training can encourage higher retention (Ellen et al., 2022; Sutisna & Noor, 2022). With training, employees can improve competence and self-development. When organizations provide sufficient training, employees become more satisfied, and therefore their commitment to the organization becomes stronger (Lin & Huang, 2021; Noor, 2013). However, on the other hand, training can actually encourage turnover (Rawashdeh & Tamimi, 2020). With training, employee competency increases, and this makes them more attractive to other organizations. Thus, employee training and retention do not have a direct relationship, but through satisfaction. When training is able to increase satisfaction, then with that they will be committed to their organization. A number of studies have also proven that training has a very strong correlation with employee satisfaction and retention (Paposa & Kumar, 2019; Memon et al., 2016). Thus, the hypothesis we develop for this problem is:

H4: Training is a positive related to employee satisfaction.

In the service industry, employee satisfaction is an important aspect that has been extensively studied in academic literature. Lai et al. (2018) explained "the relationship between HRM practices and job satisfaction." Karatepe et al. (2006) found that "low job satisfaction levels resulted in a high intention to leave the workplace." Furthermore, employee satisfaction is a significant predictor of service quality since guests tend to evaluate a firm's overall performance based on its services (Mirzaei et al., 2019). Chow et al., (2007) stated that "HRM practices influence retention via employee job satisfaction, morale, and attitude." On the other hand, "employee dissatisfaction can lead to an unpleasant attitude towards the job, deterioration of employee morale, and eventually staff turnover" (Malik et al., 2017). Han (2022) noted that "almost 90% of employees would leave their job when dissatisfied with the workplace." Therefore, "it is important for managers to closely monitor employee satisfaction levels and address any signs of stress or dissatisfaction promptly, as stress at work can lead to employee absenteeism, intention to leave, interpersonal difficulties, and poor performance" (Acquah et al., 2021). In HRM practices, several factors should be considered to prevent potential candidates/employees from refusing to work in the hospitality industry. These include "workplace image, social status, nature of work, working hours, acceptance of physical workload, and career development opportunities" (Teng, 2008). Thus, the hypothesis developed for this problem is: H5: Employee satisfaction is a negative related to employee retention

A theoretical model (Figure 1) was developed to integrate the various hypotheses formulated, with the aim of synthesizing the expected relations and associations between the variables

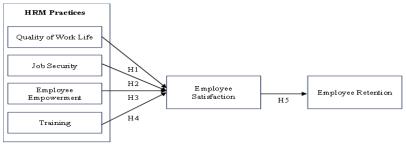


Figure 1 Research Model of Hypothesis

Results

The results showed that the retention rate of hospitality employees was low (the average value of retention was less than 3). The majority of them do not have a strong emotional bond with their organization. Some of the employees still plan to look for other jobs, even in other industries. In addition to low retention, the level of satisfaction of hospitality employees is also low (the average value of satisfaction is less than 3) (see Table 1). This was fuelled by weak organizational support and the work itself. In line with retention and satisfaction, HRM practices are also perceived to be less effective, especially regarding quality of work life, job security, and empowerment, while training is perceived to be quite adequate, although not yet considered effective. Specifically, low job involvement leads to poor quality of work life, and the dynamics of the hospitality industry fuels employee fears of losing their jobs at any moment. Meanwhile, the lack of employee involvement in the decision-making process triggers weak empowerment. In particular, training is considered sufficient. The training provided by the organization can increase the knowledge and skills as well as employee performance, but unfortunately, the opportunity to attend training is still limited.

Table 1 The Mean and Standard Deviation in Indonesia Hospitality

		Mean	SD	1	2	3	4	5	6
1	Employee Retention	2.49	.95	1					
2	Employee Satisfaction	2.32	.76	.76***	1				
3	QWL	2.42	.96	.61***	.56***	1			
4	Job security	2.63	.93	.77***	.60***	.75***	1		
5	Employee	2.72	.92	.68***	.53***	.62***	.78***	1	
	Empowerment								
6	Training	3.44	.87	.59***	.59***	.87***	.94***	.69***	1

Note: "*p < .05; **p < .01; ***p < .001."

Employee retention is positively and significantly correlated with satisfaction, and HRM practices, while those HRM practices are also positively and significantly correlated with employee satisfaction. This shows that employee retention is highly dependent on the level of satisfaction and effectiveness of HRM practices. Meanwhile, employee satisfaction also depends heavily on the effectiveness of HRM practices. Specifically, employee retention is positively and significantly correlated with quality of work life, job security, empowerment, and training. This shows that when HRM practices are improved, employee retention tends to increase.

In line with retention, employee satisfaction is also positively and significantly correlated with HRM practices. The positive correlation between quality of work life, job security, empowerment, and training with satisfaction shows that HRM practices can encourage employee satisfaction. However, this also applies to the other way around, where ineffective HRM practices can lead to job dissatisfaction.

Demographic factors, such as gender, age and education did not show a significant correlation with retention, satisfaction or HRM practices. This shows that from a demographic point of view, both men and women, young and old, and highly educated or not, have the same retention and satisfaction levels, and have the same perception of the effectiveness of HRM

practices.

Table 2 reports our main findings. Quality of work life (QWL), job security, and training were the main predictors of HRM practices to explain retention, while empowerment was also a significant predictor, but with lower contributions. H1 (β = .335; t-value = 3.484) shows that there is a significant "effect of QWL on employee satisfaction." H2 (β = .348; t-value = 4.915), which shows that there is a significant "effect of job security on employee satisfaction." H3 (β = .232; t-value = 4.915), which indicates that there is a significant "effect of employee empowerment on employee satisfaction." H4 (β = .436; t-value = 4.744), which implies that there is a significant "effect of training on employee satisfaction." H5 (β = -.543; t-value = -7.926), which indicates that there is a significant "effect of training on employee satisfaction."

Tabel 2 Multiple Regression Results

Dependent Variables	Independent Variables	β (std.coeff)	<i>t</i> -value	Adj. R^2	F value
Employee Satisfaction	QWL	.335**	3.484		_
	Job Security	.348***	4.915	.62	20.926**
	Employee Empowerment	.232***	4.574		
	Training	.436***	4.744		
Employee Retention	Employee Satisfaction	543***	-7.926	.43	14.231**

Note: "*p < .05; **p < .01; ***p < .001."

The regression analysis results shown in Figure 2 show that the relationship between HRM practices is significantly related to employee satisfaction and employee satisfaction is significantly related to retention. This suggests that effective HRM practices can directly promote strong employee satisfaction. Furthermore, the effect of employee satisfaction will be negative on retention when it can create employee satisfaction first. This follows the explanation from social exchange theory, where HRM practices are designed to create employee satisfaction so that when they are satisfied it will encourage strong commitment and retention. Thus, these findings support all of our proposed hypotheses.

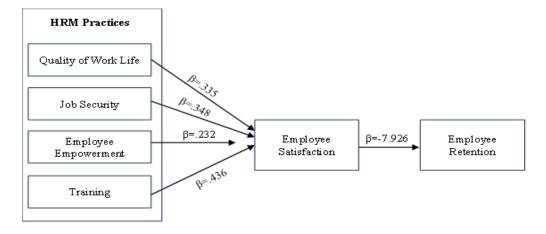


Figure 2. HRM Practices, Employee Satisfaction, and Retention Model Sources: Fild Survey (2023)

Managerial Implications

As we previously explained, HRM practices in hospitality organizations tend to be ineffective, resulting in low satisfaction, which in turn results in low retention. Thus, the problem of low retention in the hospitality industry lies in the ineffectiveness of their HRM practices. For this reason, Hospitality managers can overcome the problem of low retention by increasing the effectiveness of HRM practices. Specifically, the effectiveness of HRM practices must be aimed at encouraging emotional ties from employees to their organizations, so that they will be

committed to being with the organization for a long time. In addition, the effectiveness of HRM practices must also be aimed at providing organizational support and work flexibility, to increase employee satisfaction. Such things can be pursued by increasing employee participation or employee involvement in various activities, especially in the decision-making process. High employee engagement can lead to a better quality of work life and job security. In addition, high engagement can encourage better employee empowerment. In addition, the effectiveness of training also plays an important role in creating employee satisfaction and retention. Training effectiveness does not only talk about increasing knowledge and skills but fairness and opportunities to attend training are also part of training effectiveness. Good training but not all employees have the opportunity to participate in it can lead to dissatisfaction, which leads to retention problems.

The findings of this research align with Armstrong and Taylor's (2014) finds, asserting that employees find satisfaction in hospitality work when they perceive opportunities for skill enhancement. Effective management involves fostering positive colleague relationships, promoting teamwork, and offering personal support. Similarly, Karatepe and Talebzadeh (2016) emphasize the importance of maintaining healthy workplace relations to mitigate interpersonal conflicts and prevent dissatisfaction-induced personnel shortages. Additionally, this study reinforces Umasuthan & Park's (2018) findings on the positive impact of quality of work life on job satisfaction. Furthermore, it aligns with Aruldoss et al.'s (2021) insights on job security and satisfaction, Choi et al.'s (2016) observations on empowerment and satisfaction, Lalioti's (2019) exploration of training's link to satisfaction, and Gandolfi and Stone's (2017). Lastly, it supports Singh's (2019) studies on the connection between satisfaction and retention.

Conclusion and Recommendations

Based on the study findings, implementing HRM practices is shown to address employee and skill shortages while boosting employee job satisfaction. This establishes a link between HRM practices and a quality workplace, with key factors being quality of work life (QWL), consistent training, and job security. Monitoring employee empowerment among hospitality staff is important to ensure a service-oriented mindset aligns with the demands of a career in hospitality organization.

The findings show that the HRM model significantly impacts employee satisfaction in the Indonesian hospitality industry. The study introduces a valuable conceptual model for HRM practices in this sector, offering insights for future academic research. This research specifically aids in overseeing and enhancing human relations within hospitality workplaces, proving effective in addressing employee and skill shortages. The conceptual model revolves around four HRM practice variables: quality of life, job security, employee empowerment, and training. These aspects influence job satisfaction and employee retention, with quality of work life (QWL) reflecting the hospitality environment. Job security and employee empowerment play a vital role in providing benefits and maintaining a positive reputation and brand image. Essential training programs, like cross-cultural training, are important for international hospitality with both local and expatriate staff, requiring consistent and appropriate development.

The recent research has implications for key stakeholders, including the hospitality industry and stake holder, prompting them to take proactive measures. The study's findings can serve as a standard for creating more appealing workplaces, fostering employees' commitment to long-term service in the hospitality industry. Notably, the outcomes underscore that retaining and enhancing employee skills involves more than just increasing pay; creating a positive work atmosphere, offering regular training, and promoting a positive company image are also important. A high-QWL can cultivate a healthy and happy environment, reducing personality conflicts among employees. To improve employment security, hospitality management should address issues like long working hours, particularly during peak occupancy periods. Lastly, employee empowerment significantly impacts "employee satisfaction and retention," emphasizing the importance of

selecting candidates with a passion for working in a diverse organizational cultural and meeting high service quality standards during the hiring process.

The aim of this research explored the connection between "HRM practices, employee satisfaction, and employee retention" in Indonesian hospitality. It is essential to acknowledge that the study's findings might not apply universally to other cultures, given the specific Indonesian context. The research utilized self-completion surveys to gauge variables from the employees' perspectives, but it is important to also consider the viewpoints of employers, hospitality owners, and top management to better grasp the organizational constraints of HR policies. Furthermore, the study did not address the importance of effective "interpersonal communication between top management and employees." Future research should concentrate on investigating strategies for more efficient staff management, their impact on employee satisfaction, and retention within the hospitality industry.

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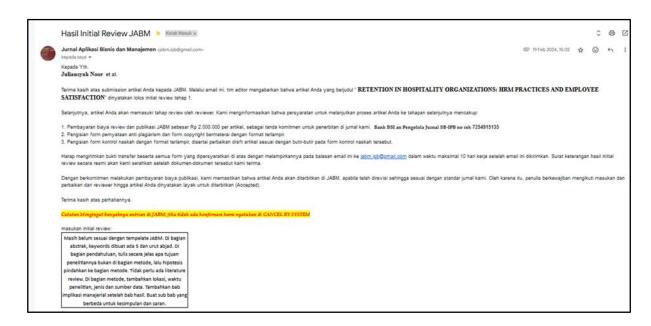
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2. Bukti hasil review dan Perbaikan hasil review (21 Februari 2024)



RESPONSE TO THE REVIEWERS JURNAL APLIKASI MANAJEMEN DAN BISNIS

Masih belum sesuai dengan tempelate JABM. Di bagian abstrak, keywords dibuat ada 5 dan urut abjad. Di bagian pendahuluan, tulis secara jelas apa tujuan penelitiannya bukan di bagian metode, lalu hipotesis pindahkan ke bagian metode. Tidak perlu ada literature review. Di bagian metode, tambahkan lokasi, waktu penelitian, jenis dan sumber data. Tambahkan bab implikasi manajerial setelah bab hasil. Buat sub bab yang berbeda untuk kesimpulan dan saran.

Tanggapan

Kami menghargai komentar pengulas mengenai subtansi artikel kami, dan kami revisi dengan tanda biru sebagai revisinya.

THE IMPACT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEE SATISFACTION: HOSPITALY CONTEX

Abstract.

Background: Human resource management (HRM) practices are essential tools employed by hotel management to achieve organizational objectives.

Purpose: The aim of this study was to investigate how HRM practices impact job satisfaction and employee retention in the hotel industry in Indonesia.

Design/methodology/approach: This study used a completely random sample of 361 hotel employees from Indonesia. This study employed the regression modelling on online survey collected data.

Findings/Results: Research has demonstrated that human resource management (HRM) practices, including job security, empowerment, training, and quality of work life, have a substantial influence on employee retention rates. Furthermore, job satisfaction emerges as another critical determinant of the duration employees choose to stay with their present employer.

Conclusions: Furthermore, the results of the regression analysis indicate that there is a direct link between HRM practices and employee retention. However, this connection is significantly stronger when job satisfaction levels are initially increased. As a result, effective HRM practices have been shown to enhance employee satisfaction, leading to greater loyalty and commitment to the company.

Originality/value (state of the art): This study aims to enhance our understanding of the relationships between human resource management (HRM) practices, employee satisfaction, and employee retention. While previous research on the connection between HRM practices and employee satisfaction is limited, this study is noteworthy for exploring the effects of four dimensions of HRM practices on employee satisfaction, and how this in turn impacts employee retention.

Keywords: employee satisfaction, hospitality organizations, HRM practices, regression analysis, retention

INTRODUCTION

Background

The issue of low "employee retention" in the hospitality industry has been widely discussed for a long time. Bibi, Ahmad, and Majid (2018) have also recognized this problem, and Islam, Furuoka, and Idris (2020) have even suggested that the employee retention rate in this industry is lower compared to other sectors. Employee retention refers to an organization's efforts to prevent employees from leaving. It primarily focuses on retaining qualified employees who are crucial to the organization. High employee retention rates can significantly impact both employee and organizational performance (Islam et al., 2022), while Goings, Walker, and Wade (2020), and (Mia 2023) stated that low retention rates can have negative consequences for organizations, such as the loss of valuable and unproductive human resources. Hospitality managers constantly face challenges in addressing this issue. However, several studies have revealed that the majority of hotel managers struggle to retain their employees, with only a few achieving successes.

Considerable research has been conducted on the subject of employee retention within general organizational contexts. However, there has been a dearth of studies specifically examining this topic within the context of hospitality organizations. Some scholars propose that augmenting resources within the hotel and tourism industry may effectively mitigate the issue of subpar employee retention rates (Spain and Jacob 2019) (Dodanwala, Santoso, and Yukongdi 2023). According Kumar (2021), inadequate human resource management (HRM) practices can

contribute to these low rates of retention (Kumar 2021). To enhance employee retention, it is imperative to cultivate HRM practices that augment employee satisfaction, foster workplace commitment, and curtail employee turnover (Aktar and Pangil 2018)

The problem-solving approach begins with recognizing the widespread issue of low employee retention in the hospitality industry, a challenge observed globally. Existing research predominantly focuses on turnover, often overlooking the distinct concept of retention (Park and Min 2020). Understanding that retention is not simply the inverse of turnover is crucial (Dodanwala, Santoso, and Yukongdi 2023). Central to addressing this challenge is the acknowledgment that HRM practices significantly impact retention (Kumar, 2021). These practices function as policies or systems shaping employee attitudes and behaviors (Aktar and Pangil 2018). Effective HRM practices enhance satisfaction and retention, while poor ones will make one job dissatisfied and subsequently lead to turnover. Hence, the proactive approach involves improving HRM practices toward increasing employee satisfaction and commitment, which in turn reduces turnover (Aktar and Pangil 2018). This approach recognizes the interconnectedness of various factors influencing retention and emphasizes the pivotal role of HRM in fostering a conducive work environment.

The current study has tried to assess the effect of HRM practices on job satisfaction and, in turn, on employee retention in the Indonesian hotel industry. In this regard, we have considered four HRM practices: QWL, job security, employee empowerment, and training. Besides, we have also tested the moderating role of job satisfaction in the relationships among these variables with employee retention. This research adds value to the literature available on organizational aspects in the hospitality sector in the light of employee retention challenges. The study is also practically relevant because most hospitality management companies suffer from issues related to low employee retention rates.

METHODS

This multiple regression analysis was done by taking into consideration the various measurements adopted within the research framework to establish the relationship between various variables (Hair et al. 2019). It allows the testing of several independent variables and analysis of non-experimental data to have a better understanding of "the interactions between the factors" (Noor, 2013). First, before carrying out the analysis, the Pearson correlation coefficient was checked to determine the direction, magnitude, as well as the statistical significance of the relationship between the dependent and independent variables as documented by Sender, Arnold, and Staffelbach (2017).

The research was conducted between June and August 2023, among workers in five 3- and 4-star hotels located in Banten Province, Indonesia. These hotels were used as primary sites of data collection; to give an idea of the region's hospitality industry. The choice of this timeframe allowed for a comprehensive understanding of employee experiences and organizational dynamics during the peak tourist season. By focusing on this specific location and time period, the study aimed to capture relevant nuances and trends pertinent to the local hospitality sector.

The primary data sources for this study were the employees working within the five 3- and 4-star hotels situated in Banten Province. These individuals provided invaluable insights into various facets of the hospitality industry, including but not limited to, customer service, operational procedures, and employee satisfaction. Their firsthand experiences and perspectives formed the foundation of the research, offering a nuanced understanding of the challenges and opportunities present within the hotel sector.

Data were collected from employees in five 3- and 4-star hotels in Banten Province through a simple random sampling technique. A total of 405 employees were administered the questionnaire using Google Docs, and 380 employees responded, yielding a response rate of 93%. According to Carnevale and Hatak (2020), anonymity was maintained during the data collection process to ensure the confidentiality of participants. After screening the returned questionnaires, 361 responses were deemed suitable for inclusion in the final analysis. It had two parts: the first part obtained information about the demographic data of the respondents, and the second one was the questionnaire related to research variables. Opinions of the respondents were gauged using "a 5-point Likert scale where 1 indicated strongly disagree and 5 strongly agreed." Questionnaires were distributed to hospitality establishments with star ratings in four cities within the province of Banten, Indonesia. The final sample consisted of 361, who were selected in the form of a simple random sampling technique.

QWL refers to "the extent to which an employee is able to meet various important personal needs through their performance in the workplace while achieving organizational goals" (George,2015). According Rai and Verma (2023), the impact of quality of work life (QWL) on employee satisfaction and turnover intention has been extensively studied. George (2015) has shown that "the extent to which an employee's personal needs, including health, safety, financial stability, family life, social life, recognition, personal growth, knowledge, and aesthetics," are met in the workplace plays a significant role in this impact. Consequently, organizations that prioritize meeting these needs are more likely to experience higher levels of employee satisfaction and lower turnover rates. Therefore, it is imperative for organizations to enhance employees' perceptions of QWL in order to attract and retain them, ultimately leading to increased satisfaction and lower voluntary turnover. Based on these findings, we propose the following hypothesis:

H1: Quality of work life is a positive effect on employee satisfaction.

Abolade (2018) defined that job security as "the employee's perception that they can have a job as long as they want, and that there are no subjective or objective factors that make them vulnerable to losing their jobs". According Aboramadan et al. (2020), "job insecurity is a perception of the potential for accidental job loss." The level of job security within organizations has a significant impact on employee job satisfaction and their intention to leave (Sender, Arnold, and Staffelbach, 2017; Sender, Arnold, and Staffelbach 2017). Ngo, Le, and Doan (2023) argue that both quantitative and qualitative job insecurity can have a negative impact on employee satisfaction, commitment, and overall performance. According De Cuyper et al. (2019), government employees with permanent positions generally enjoy greater job security compared to contract employees in the private sector. Therefore, organizations that "provide a sense of job security are likely to witness higher levels of job satisfaction and lower turnover rates among their employees." (Artz and Kaya 2014). Thus, the hypothesis developed for this is:

H2: Job security is a positive related to employee satisfaction.

Kakar (2017) stated that "employees are said to be empowered if they are given the opportunity to participate in decision making, goal setting, and necessary steps." According to Kaye and Jordan-Evans (2001), employee empowerment has a significant impact on employee satisfaction and retention in organizations. By involving employees in decision-making processes, goal setting, and career development, employee empowerment fosters a sense of ownership and dedication towards their organization (Salman and Saleem, 2022). Research shows that empowered employees are more likely to be satisfied with their jobs and demonstrate higher levels of commitment and performance (Madera et al. 2017). Empirical evidence supports the correlation between employee empowerment and job satisfaction, suggesting that organizations that promote empowerment are likely to see increased employee satisfaction and retention rates (Kim et al. 2019; Kakar, 2017). Therefore, the hypothesis proposed for this study is:

H3: Employee empowerment is a positive effect on employee satisfaction.

Training significantly influences employee satisfaction and retention in organizations. While training is a strong predictor of employee satisfaction, its effects on retention (Ashton, 2018). On the one hand, training can encourage higher retention (Ellen et al. 2022; Sutisna & Noor, 2022). With training, employees can improve competence and self-development. When organizations provide sufficient training, employees become more satisfied, and therefore their commitment to the organization becomes stronger (Lin & Huang, 2021; Noor, 2013). However, on the other hand, training can actually encourage turnover (Rawashdeh and Tamimi 2020). With training, employee competency increases, and this makes them more attractive to other organizations. Thus, employee training and retention do not have a direct relationship, but through satisfaction. When training is able to increase satisfaction, then with that they will be committed to their organization. A number of studies have also proven that training has a very strong correlation with employee satisfaction and retention (Paposa & Kumar, 2019; Memon et al., 2016). Thus, the hypothesis we develop for this problem is:

The impact of training on employee satisfaction and retention in organizations has been widely studied. Research indicates that training plays a significant role in predicting employee satisfaction (Ashton, 2018). On one hand, providing adequate training can lead to higher retention rates (Bolt, Winterton, and Cafferkey 2022; Sutisna and Noor 2022). Employees who receive training are able to enhance their skills and personal growth. Organizations that prioritize training are more likely to have satisfied employees, which strengthens their commitment to the organization (Lin and Huang 2021; Noor, 2013). However, on the other hand, training can also increase employee turnover (Rawashdeh and Tamimi 2020). As employees become more competent through training, they become more attractive to other organizations. Therefore, the relationship between training and retention is not direct, but rather mediated by employee satisfaction. Numerous studies have shown a strong correlation between training, employee satisfaction, and retention (Paposa and Kumar 2019; Memon, Salleh, and Baharom 2016). Based on these findings, we propose the following hypothesis for this problem:

H4: Training is a positive effect on employee satisfaction.

Lai et al. (2018) explained that "employee satisfaction significantly influences employee retention and service quality." According Karatepe et al. (2006), "low job satisfaction levels resulted in a high intention to leave the workplace." Furthermore, employee satisfaction is an important factor in predicting service quality. This is because guests often assess a company's overall performance based on the quality of its services (Mirzaei et al. 2019). According to Chow et al. (2007), stated that "HRM practices influence retention via employee job satisfaction, morale, and attitude." However, according to Malik, Madappa, and Chitranshi (2017), "employee dissatisfaction can lead to an unpleasant attitude towards the job, deterioration of employee morale, and eventually staff turnover." Han (2022) stated that "almost 90% of employees would leave their job when dissatisfied with the workplace." Therefore, "it is important for managers to closely monitor employee satisfaction levels and address any signs of stress or dissatisfaction promptly, as stress at work can lead to employee absenteeism, intention to leave, interpersonal difficulties, and poor performance" (Acquah, Agyabeng-Mensah, and Afum 2021). To ensure that potential candidates/employees do not refuse to work in the hospitality industry, it is important to consider several factors in HRM practices. These factors encompass "workplace image, social status, nature of work, working hours, acceptance of physical workload, and career development opportunities" (Teng 2008). Therefore, the hypothesis formulated for this issue is:

H5: Employee satisfaction is a negative related to employee retention

The diagram depicted in Figure 1 illustrates the interconnection among four key dimensions of HRM practices, namely quality of work life, job security, employee empowerment, and training, and their impact on employee satisfaction and retention. As per this conceptual interconnection, these HRM practices exert a direct influence on employee satisfaction, which in turn has

implications for their inclination to remain within the organization. The objective of this research is to examine the effects of these HRM practices on employee satisfaction and retention.

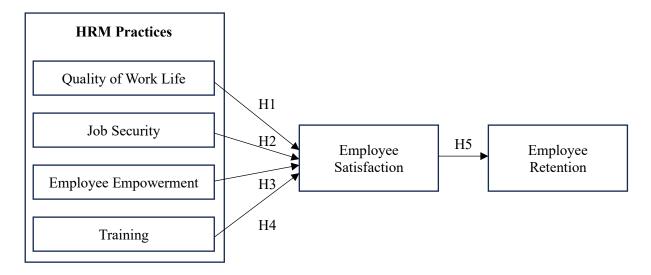


Figure 1 Conceptual Interconnection

RESULTS

Table 1 presents an overview of the demographic characteristics of the sample under examination. The women respondents constituted the majority, accounting for 52.91% of the participants, while the remaining 47.09% were men. Regarding age distribution, 59.56% fell within the 20-30 years bracket, 27.70% were aged between 31-50 years, and 12.74% were above 50 years. In terms of educational attainment, 60.94% held a diploma, 29.09% possessed a bachelor's degree, 6.65% completed high school, and 3.32% held a master's degree. The distribution of job tenure among hotel employees displayed a remarkable similarity, with the largest proportion (approximately 48.75%) having worked for a period between 2-5 years. Notably, significant proportions were also observed for those with less than 2 years of experience (24.93%) and those with a tenure ranging from 6-9 years (26.32%).

Tabel 1 Demographic Characteristics

Variable Variable	n	Valid %
Gender		
Men	170	47.09%
Women	191	52.91%
Education		
High School	24	6.65%
Diploma	220	60.94%
Bachelor degree	105	29.09%
Graduate degree	12	3.32%
Age		
20 -30	215	59.56%
31 - 50	100	27.70%
Over 50	46	12.74%
Job Tenure		
Less than 2 years	90	24.93%

2-5 years	176	48.75%
6 – 9 years	95	26.32%

Note. "Valid %: Based only on cases who actually answered a question"

The findings indicate that the retention rate of employees in the hospitality sector is significantly low ("with an average retention value of less than 3"). The majority of these employees lack a strong emotional connection with their respective organizations, and a considerable number express intentions to seek employment elsewhere, even in different industries. Furthermore, the level of job satisfaction among hospitality employees also proves to be notably low ("with an average satisfaction value of less than 3") (refer to Table 2). This dissatisfaction primarily stems from inadequate organizational support and the nature of the work itself. Similarly, the perceived effectiveness of human resource management (HRM) practices is found to be lacking, particularly in the areas of quality of work life, job security, and employee empowerment. However, the training programs provided by these organizations are considered fairly satisfactory, though not entirely effective yet. Specifically, low job involvement contributes to a substandard quality of work life, while the dynamic nature of the hospitality industry fuels employee anxieties about potential job loss at any given moment. Moreover, the absence of employee participation in decision-making processes further contributes to weakened empowerment. On the other hand, the provided training programs are sufficient in the aspect of upgrading knowledge, skills, and even employee performance. Unfortunately, the opportunity for employees to attend such training programs is rather limited.

Table 2. Mean and standard deviation results

		Mean	SD	1	2	3	4	5	6
1	Employee Retention	2.49	.95	1					
2	Employee Satisfaction	2.32	.76	.76***	1				
3	QWL	2.42	.96	.61***	.56***	1			
4	Job security	2.63	.93	.77***	.60***	.75***	1		
5	Employee	2.72	.92	.68***	.53***	.62***	.78***	1	
	Empowerment								
6	Training	3.44	.87	.59***	.59***	.87***	.94***	.69***	1

Note: "*p < .05; **p < .01; ***p < .001." "1= Employee Retention; 2= Employee Satisfaction; 3=QWL; 4= Job security; 5= Employee Empowerment; 6=Training."

A significant relationship exists between employee retention and job satisfaction, as well as with human resource management practices. HRM practices are also positively and significantly related to employee satisfaction. In other words, employee retention is affected by two major factors: the effectiveness of HRM practices and satisfaction. In addition, employee satisfaction is highly dependent upon the effectiveness of the HRM practices. More specifically, the factors that have high correlation with regard to employee retention are quality of work life, job security, empowerment, and training. These findings indicate that improving HRM practices can help increase employee retention.

Likewise, employee satisfaction is positively and significantly associated with HRM practices. The positive correlation between factors like quality of work life, job security, empowerment, and training with employee satisfaction highlights the role of HRM practices in fostering satisfaction. Conversely, ineffective HRM practices can lead to job dissatisfaction. Interestingly, demographic factors like gender, age, and education do not show a significant correlation with employee retention, satisfaction, or HRM practices. This suggests that individuals from different genders, age groups, and educational backgrounds have similar levels of retention and satisfaction and perceive HRM practices in a similar way.

Table 3 presents the main findings of our study. Our analysis reveals that the predictors of HRM practices that have a direct impact on employee retention include quality of work life (QWL), job security, and training. Additionally, we found that empowerment is also a significant

predictor, although its contribution is slightly lower. The results of our analysis demonstrate that QWL (H1: β =.335; t-value = 3.484), job security (H2: β =.348; t-value = 4.915), employee empowerment (H3: β =.232; t-value = 4.915), and training (H4: β =.436; t-value = 4.744) all have a significant positive effect on employee satisfaction. Moreover, the results indicate that training (H5: β = -.543; t-value = -7.926) has a significant negative effect on employee satisfaction.

Tabel 3 Results of Multiple Regression

Dependent Variables	Independent Variables	β (std.coeff)	<i>t</i> -value	Adj. R^2	F value
Employee Satisfaction QWL		.335**	3.484		
	Job Security	.348***	4.915	.62	20.926**
	Employee Empowerment	.232***	4.574		
	Training	.436***	4.744		
Employee Retention	Employee Satisfaction	543***	-7.926	.43	14.231**

Note: "*p < .05; **p < .01; ***p < .001."

The regression analysis results depicted in Figure 2 demonstrate a significant relationship between HRM practices and employee satisfaction, as well as a significant relationship between employee satisfaction and retention. This suggests that effective HRM practices can directly enhance employee satisfaction. Moreover, when employee satisfaction is established, it has a negative impact on retention. This aligns with the principles of social exchange theory, which emphasize that HRM practices are designed to cultivate employee satisfaction, leading to heightened commitment and retention. Therefore, these findings substantiate all of our proposed hypotheses.

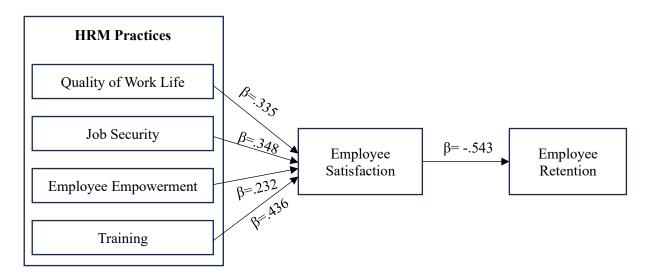


Figure 2. Model was developed based on findings from a field survey conducted in 2023.

Managerial Implications

As previously explained, HRM practices in the hospitality industry are often ineffective, resulting in low satisfaction and consequently low retention. Therefore, the problem of low retention in this industry is directly linked to the ineffectiveness of HRM practices. Hospitality managers can address this issue by improving the effectiveness of their HRM practices. Specifically, these practices should focus on creating emotional attachment among employees towards their organizations, which will promote long-term commitment. Besides, HRM practices have to ensure organizational support and work flexibility in order to enhance the level of satisfaction among employees. All these can be achieved by employee involvement and participation, particularly in the decision-making process. High engagement of employees results

in improved quality of work life and job security apart from increased empowerment. Another important factor that enables employee satisfaction and retention is training effectiveness. Fairness and equal opportunity to participate should be ensured for every employee, which is not only underlined by the fact that knowledge and skills are important to be acquired. No matter how good the training might be, if it's not accessible to all employees, dissatisfaction finds its way out through high turnover rates.

This research finding is consistent with the findings of Armstrong and Taylor (2014), who assert that employees derive satisfaction from their hospitality work when they perceive opportunities for enhancing their competence. Effective management involves fostering positive relationships among colleagues, promoting harmonious teamwork, and providing personal support. Karatepe and Talebzadeh (2016) also emphasize the importance of maintaining good relationships with colleagues to reduce conflicts and staff dissatisfaction, which reinforces the findings of Umasuthan and Park (2018) regarding the impact of work-life quality on job satisfaction.

Moreover, these findings align with the research conducted by Aruldoss, Kowalski, and Parayitam (2021), which highlights the significance of job security and satisfaction. The study by Choi et al. (2016) specifically focuses on empowerment and satisfaction. Lalioti (2019) found a positive association between training and job satisfaction, which is further supported by the research of Gandolfi and Stone (2017). Lastly, these findings support Singh (2019) studies, which not only analyze the relationship between satisfaction and retention but also provide additional insights.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

According to the study, HRM practices can address personnel and skill deficits while boosting employee job satisfaction. This establishes a link between HRM and a high-quality workplace where factors such as quality of work life (QWL), ongoing training, and job security are crucial. In the hospitality industry, it is vital to monitor employee empowerment as they must meet specific standards when serving guests.

The findings suggest that employee satisfaction in the Indonesian hotel sector is significantly influenced by the HRM model. This sector would benefit from a new conceptual HRM model that can serve as a guide for future academic research. Through this research, human relations can be effectively managed and improved in these workplaces, providing an appropriate approach to addressing employee and skill shortages. The conceptual model focuses on four variables of HRM practices: quality of life, job security, employee empowerment, and training. These variables have an impact on job satisfaction and employee retention. QWL reflects the hospitality environment, while job security and employee empowerment play crucial roles in offering benefits and maintaining a positive reputation and brand image. A firm engaged in international hospitality business will likely have both expatriate and local staff. In such cases, relevant staff training programs, including cross-cultural training, are necessary for the firm to achieve its objectives through consistent and targeted development efforts.

Recommendations

Recent study holds significant implications for key stakeholders in the hospitality industry and urges their intervention. These findings can guide the establishment of a new standard that emphasizes the creation of more appealing work environments, thereby ensuring employee commitment to providing exceptional service to guests. Note that capability building in employees does not depend on wage increase alone; rather, a good and friendly work environment and regular training with a strong reputation are equally necessary. High QWL fosters a more harmonious and contented setting, one that experiences fewer employee conflicts with one another. To enhance job security, hospitality management has to focus on some of the grievances

that these workers go through, such as working for long hours, especially during peak seasons. In the recruitment of workers again, love for workplace diversity and delivering quality service ought to be a key factor since it plays a big role in retaining workers.

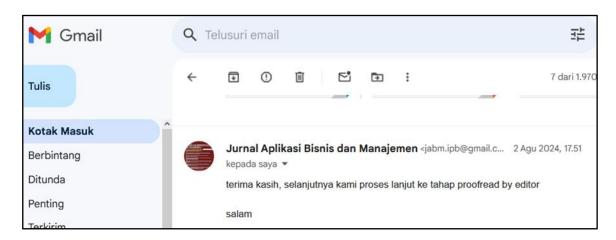
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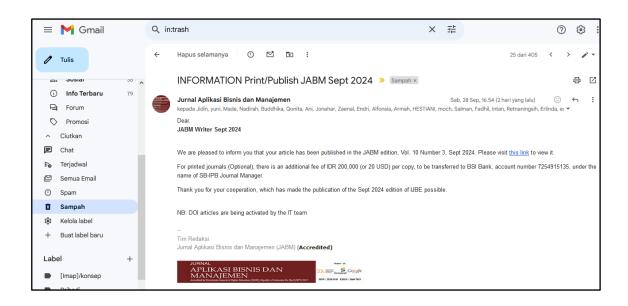
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THE IMPACT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEE SATISFACTION: HOSPITALY CONTEX

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Abstract:

Background: Human resource management (HRM) practices are essential tools employed by hotel management to achieve organizational objectives.

Purpose: The aim of this study was to investigate how HRM practices impact job satisfaction and employee retention in the hotel industry in Indonesia.

Design/methodology/approach: This study used a completely random sample of 361 hotel employees from Indonesia. This study employed regression modeling on online survey collected data.

Findings/Results: Research has demonstrated that human resource management (HRM) practices, including job security, empowerment, training, and quality of work life, have a substantial influence on employee retention rates. Furthermore, job satisfaction emerges as another critical determinant of the duration employees choose to stay with their present employer.

Conclusions: Furthermore, the results of the regression analysis indicate that there is a direct link between HRM practices and employee retention. However, this connection is significantly stronger when job satisfaction levels are initially increased. As a result, effective HRM practices have been shown to enhance employee satisfaction, leading to greater loyalty and commitment to the company.

Originality/value (state of the art): This study aims to enhance our understanding of the relationships between human resource management (HRM) practices, employee satisfaction, and employee retention. While previous research on the connection between HRM practices and employee satisfaction is limited, this study is noteworthy for exploring the effects of four dimensions of HRM practices on employee satisfaction, and how this in turn impacts employee retention.

Keywords: employee satisfaction, hospitality organizations, HRM practices, regression