



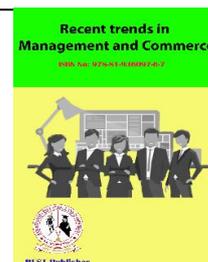
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# The Role of HRM Practices in Shaping Employee Motivation, Satisfaction, And Retention in The Hotel Industry

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**Abstract:** This study investigates the impact of HRM practices and policies, including flexible working hours, wellness programs, training, recognition, and career development opportunities, on employee motivation, satisfaction, and retention in the hotel industry. Using a quantitative approach, data was collected from 500 hotel employees, and statistical analyses, including one-sample t-tests, were conducted to assess the significance of employee perceptions regarding HR practices. The results reveal that HRM practices significantly influence key outcomes, with work-life balance, compensation, and recognition emerging as critical factors. Practices like cross-training opportunities, skill development initiatives, and performance-based incentives also play a vital role in employee retention and motivation. The findings highlight the pressing need for enhanced HRM policies to address employee concerns and foster a supportive, engaging, and inclusive work environment in the competitive hospitality sector. This research provides actionable insights for hospitality managers to design targeted HR policies that align employee needs with organizational objectives.

**Keywords:** Employee motivation, job satisfaction, HRM practices, employee retention, work-life balance, hotel industry, performance-based incentives, career development, organizational policies, employee recognitions

## 1. INTRODUCTION

The hospitality industry is one of the most labor-intensive sectors, where employee motivation and satisfaction directly impact service quality and organizational performance. With increasing competition and high employee turnover rates, effective human resource management (HRM) practices have become crucial in fostering a motivated and committed workforce. Practices such as flexible working hours, wellness programs, and recognition systems are essential for creating a work environment that supports employees' professional and personal well-being. However, gaps in these practices can lead to dissatisfaction and increased turnover intentions, posing significant challenges for the industry.

Employee satisfaction and retention are particularly influenced by policies that promote work-life balance, career development opportunities, and fair compensation. Employees who feel valued and supported in their roles are more likely to stay committed to their organizations. Conversely, inadequate HR policies, such as ineffective grievance handling or a lack of recognition, can diminish job satisfaction and motivation. Understanding these dynamics is crucial for designing HRM strategies that address employee concerns and align with organizational goals.

This study aims to evaluate the effectiveness of HRM practices in influencing employee motivation, satisfaction, and retention in the hotel industry. By analyzing employee perceptions through quantitative methods, the research seeks to identify areas for improvement and provide actionable insights for enhancing HR policies. The findings will help managers understand the significance of targeted interventions in fostering a supportive and engaging workplace, thereby improving overall organizational performance.

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### **Research Objectives:**

1. To examine the impact of HRM practices, including flexible working hours, wellness programs, and recognition initiatives, on employee motivation and job satisfaction in the hotel industry.
2. To analyze the influence of HRM policies on employee retention, focusing on factors such as work-life balance, career development, and compensation.

### **Research Significance:**

This research is significant as it highlights the critical role of HRM practices in shaping employee motivation, satisfaction, and retention in the hospitality sector. By identifying key factors such as work-life balance, compensation, and recognition, the study provides valuable insights for improving HR policies to address employee concerns. These findings are particularly relevant for reducing turnover rates, enhancing employee engagement, and ensuring sustainable organizational success in the competitive hotel industry.

## **2. LITERATURE REVIEW**

Chênevert et al. (2022) conducted a study to investigate the application of human resource management (HRM) principles as a labor-management tool in small businesses. The authors examined the theoretical standpoint of HRM and compared it to its actual implementation. The findings revealed that labor-management procedures are only marginally necessary in small businesses, which often have limited or no HRM activities. The study also highlighted that the specific labor-based practices utilized in small businesses are highly dependent on the needs and situations of each organization. Consequently, referring to HR techniques as a means to manage small businesses is deemed inappropriate based on the findings of this study.

Moreira et al. (2022) conducted research on the influence of strategic human resource management (SHRM) strategies on company success in multiple European countries, focusing on collaborative and calculative characteristics. The study discovered that calculative HRM variables, rather than collaborative HRM variables, have a significant impact on performance in European firms. Additionally, the study found that the interconnections between internal and external factors within an organization do not support the effectiveness of its HRM practices. Furthermore, the investigation highlighted that apart from HRM practices, the location of the country, its economic condition, and the effectiveness of the national business system at the firm level also play a role in the success of the company.

Immaneni, Sailaja, & Naga (2021) conducted a literature review on HRM practices in the hospitality industry. They suggested that HRM practices should align with the unique nature and demands of the sector. Furthermore, they emphasized that well-planned and implemented HRM practices can significantly influence employee turnover in the industry.

Namin et al. (2021) investigated the impact of human resource management (HRM) practices, such as selective hiring, incentives, career prospects, and work-life balance, on frontline employees' job performance in the hospitality sector. The study found that when employees' expectations regarding HRM practices were met, they displayed improved job performance. The research highlighted the importance of HRM practices, including selection, training, performance assessment, career progression opportunities, and remuneration, in enhancing employee performance in the hospitality industry.

O'Neil et al. (2020) examined the impact of HRM practices on performance in small and medium-sized Chinese businesses. They analyzed HRM methods in 74 Chinese companies, including participative decision-making skills, performance evaluation, free-market selection, and performance-based compensation. The study revealed that adopting HRM approaches leads to positive HRM outcomes, which subsequently contribute to improved organizational performance. The research identified employee commitment as the most crucial factor in enhancing the firm's performance. Highly committed employees were found to yield better HRM outcomes, resulting in improved overall performance.

Prasad & Kumar (2020) focused on the effectiveness of recruitment and selection practices in the hospitality industry in Udaipur, Rajasthan. Through a survey of 100 respondents from Udaipur hotels, they found that internal recruitment is preferred by hotels for various reasons. The study highlighted the importance of proper recruitment methods in the hotel industry to attract suitable candidates who can contribute to achieving organizational goals.

Sayed (2020) conducted a study on HRM practices in restaurants in Pune. The research found that many restaurant owners neglect implementing HRM practices, leading to high attrition rates and irregular quality of services in the restaurants.

Human resource practises were studied by Otoo (2019) for their impact on employee competence and business results. Six hundred Ghanaian hotel workers were polled using structural equation modelling for this study. The research showed that HR practises like hiring and training had a major impact on workers' skill levels.

According to Chand & Ranga (2018a), the pros and cons of performance appraisal systems change depending on the company's ideology and the industry in which it operates. The mindsets and objectives behind HR policies and procedures have a direct impact on the quality of service provided to employees. Humanistic perspectives are associated with performance review methods that raise workers' contentment on the job. Employees' intentions to leave an organisation are positively correlated with the feedback they receive through performance evaluation systems.

Kannan (2018) looked into how HR management techniques affected service quality in hotels. Researchers in Tamil Nadu discovered that service quality improved when hotels implemented practises such as better recruiting and selection, training, remuneration, teamwork, and performance review.

The influence of customer service on brand loyalty in the hospitality business was investigated by Mody et al. (2018). They emphasised the importance of prioritising the human components of the visitor experience over the expansion of the hotel's organisation in the areas of aesthetics, entertainment, escapism, and education. True hospitality is characterised by qualities like openness, deference, and friendliness. The findings of the study stress the value of these human factors in boosting client satisfaction and encouraging repeat visits. It also highlights the importance of fostering staff authenticity and highlighting hospitality's guiding principles in order to provide remarkable experiences for guests.

Park et al. (2018) examined the impact of travelers' convenience in relation to travel distance on the service experience in hotels, specifically in the context of domestic tourism in America. The study collected data from online consumer ratings on a social media website for travel. The results revealed a U-shaped relationship between travel distance and service experiences, indicating that as the distance between the traveler's residence and the hotel increases, the perceived service quality tends to decrease. This finding suggests that travelers who frequently engage in travel have more experience in selecting hotels based on service quality. The study also highlights the convergence of two theoretical perspectives, the expectation-confirmation theory and the Ulysses factor theory, in explaining the relationship between travel distance and service experiences.

Yao et al. (2018) "highlight the importance of focusing on the function and value of employees in the hotel industry". They argue that while the traditional belief of "customers are always right" and a customer-oriented approach may prevail, it often leads to the neglect of employee dignity and value. This imbalance can result in increased employee turnover and dissatisfaction. The study emphasizes the need for a transformation in employee orientation, shifting from a sole focus on customers to recognizing the importance of employees as true sources of profit. By establishing trust, respect, and emphasizing the satisfaction of both internal and external customers, hotels can enhance employee satisfaction and, consequently, improve the quality of service.

Both employee productivity and guest satisfaction are crucial to a hotel's bottom line, as noted by Adebola & Aladelusi Kehinde Banjo (2017). The efficiency of hiring procedures has a significant impact on these variables. Employees that are skilled and informed often outperform their counterparts, and employees who are self-motivated help make the hiring process a success. The research shows a correlation between happy customers and good hiring practises, with the latter having a greater impact on customer satisfaction. The purpose of this research is to better understand how the hotel industry may emphasise recruitment strategies to meet business goals.

Dilbag Singh (2017) conducted a study to address the problems faced by hoteliers in the hospitality sector, such as lack of coordination, poor performance, wasted time and resources due to re-recruitment, and decline in organizational performance. The research highlighted the importance of enhancing knowledge about human resource strategies in order to mitigate these challenges and improve overall performance in the hotel industry.

Martins, Silva & Silva C. (2017) conducted a study in Portugal to differentiate HR practices in the hospitality sector from other industries. Their findings indicated that while hospitality industry adopts "best" HR practices, there are differences in emphasis. The hospitality sector focuses more on practices like direct

compensation, employee retention, management, and career development, while other industries emphasize practices like hiring, training, reception, and integration.

### 3. RESEARCH METHODOLOGY

A quantitative research methodology was employed to examine employee perceptions of HRM practices in the hotel industry. Data was collected from 500 employees through structured surveys. One-sample t-tests were conducted using SPSS software to evaluate the significance of employee responses regarding HR policies. The analysis included descriptive statistics and confidence interval measures to identify key factors influencing motivation, satisfaction, and retention.

#### Data Analysis:

H<sub>01</sub>: HRM practices and policies (including flexible working hours, wellness programs, training, recognition, etc.) do not have a significant impact on employee motivation, satisfaction, and retention in the hotel industry.

H<sub>A1</sub>: HRM practices and policies (including flexible working hours, wellness programs, training, recognition, etc.) have a significant positive impact on employee motivation, satisfaction, and retention in the hotel industry.

**Table 1: One-Sample Statistics table for HRM practices and policies**

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Implementing flexible working hours significantly enhance my job satisfaction.	500	2.3	1.389	0.062
Comprehensive health and wellness programs are essential for my well-being at work.	500	2.48	1.385	0.062
Formalised employee recognition initiatives boost my morale and satisfaction.	500	2.11	1.268	0.057
Open communication between management and staff is fostering a positive work environment.	500	2.37	1.473	0.066
The performance appraisal system is transparent and consistent.	500	2.43	1.403	0.063
Recruitment policies prioritize diversity and inclusion within our workforce.	500	2.54	1.463	0.065
HR policies provide more robust training and development opportunities for employees.	500	2.36	1.401	0.063
Improved grievance handling mechanisms are there to address employee concerns effectively.	500	2.5	1.446	0.065
Leadership and management training programs enhance my professional skills.	500	2.49	1.44	0.064
Technical skills training related to my job responsibilities is crucial for my career advancement.	500	2.79	1.447	0.065
Workshops on customer service excellence are offered regularly to staff.	500	2.8	1.44	0.064
Cross-training opportunities in other departments provide valuable insights and experience.	500	3.05	1.427	0.064
Inadequate career development opportunities lead to my consideration of leaving the hotel.	500	2.79	1.475	0.066
Low salary and benefits packages significantly influence my decision to stay or leave.	500	3.23	1.452	0.065
Poor management practices result in decreased my satisfaction and engagement at work.	500	2.76	1.459	0.065
A lack of work-life balance is a major factor influencing my decision to leave.	500	3.24	1.418	0.063
A structured employee recognition program significantly boost my morale.	500	2.92	1.363	0.061
Opportunities for skill development and advancement are vital for maintaining my motivation.	500	2.94	1.313	0.059
Regular team-building activities foster camaraderie and enhance my motivation at work.	500	2.86	1.333	0.06
Introducing performance-based incentives encourage me to perform at a higher level.	499	2.82	1.345	0.06

The mean values in Table 1 reflect employee perceptions of various HRM practices and policies and their impact on motivation, satisfaction, and retention. A higher mean value suggests a stronger agreement or perception of importance for the respective practice.

Among the items, "A lack of work-life balance is a major factor influencing my decision to leave" (mean = 3.24) and "Low salary and benefits packages significantly influence my decision to stay or leave" (mean = 3.23) received the highest mean scores, indicating that these factors are perceived as significant contributors to employee dissatisfaction and turnover. Similarly, "Cross-training opportunities in other departments provide valuable insights and experience" (mean = 3.05) and "Opportunities for skill development and advancement are vital for maintaining my motivation" (mean = 2.94) highlight the importance of professional growth opportunities.

On the lower end, "Formalized employee recognition initiatives boost my morale and satisfaction" (mean = 2.11) and "Implementing flexible working hours significantly enhances my job satisfaction" (mean = 2.3) received relatively lower mean values, indicating room for improvement in these areas. The overall means across items suggest that while some HR practices are viewed positively, key areas such as work-life balance, compensation, and recognition require greater attention to enhance their effectiveness.

These findings support the alternate hypothesis (HA1) that HRM practices and policies significantly impact employee motivation, satisfaction, and retention, emphasizing the need for targeted improvements to address employee concerns and priorities.

**TABLE 2.** One-Sample Test table for HRM practices and policies

One-Sample Test						
	Test Value = 0.5					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Implementing flexible working hours significantly enhance my job satisfaction.	28.973	499	0	1.8	1.68	1.92
Comprehensive health and wellness programs are essential for my well-being at work.	32.037	499	0	1.984	1.86	2.11
Formalised employee recognition initiatives boost my morale and satisfaction.	28.359	499	0	1.608	1.5	1.72
Open communication between management and staff is fostering a positive work environment.	28.335	499	0	1.866	1.74	2
The performance appraisal system is transparent and consistent.	30.725	499	0	1.928	1.8	2.05
Recruitment policies prioritize diversity and inclusion within our workforce.	31.146	499	0	2.038	1.91	2.17
HR policies provide more robust training and development opportunities for employees.	29.663	499	0	1.858	1.73	1.98
Improved grievance handling mechanisms are there to address employee concerns effectively.	30.871	499	0	1.996	1.87	2.12
Leadership and management training programs enhance my professional skills.	30.898	499	0	1.99	1.86	2.12
Technical skills training related to my job responsibilities is crucial for my career advancement.	35.426	499	0	2.292	2.16	2.42
Workshops on customer service excellence are offered regularly to staff.	35.686	499	0	2.298	2.17	2.42
Cross-training opportunities in other departments provide valuable insights and experience.	39.965	499	0	2.55	2.42	2.68
Inadequate career development opportunities lead to my consideration of leaving the hotel.	34.735	499	0	2.292	2.16	2.42
Low salary and benefits packages significantly influence my decision to stay or leave.	42.032	499	0	2.73	2.6	2.86
Poor management practices result in decreased my satisfaction and engagement at work.	34.699	499	0	2.264	2.14	2.39
A lack of work-life balance is a major factor influencing my decision to leave.	43.211	499	0	2.74	2.62	2.86
A structured employee recognition program significantly boost my morale.	39.706	499	0	2.42	2.3	2.54
Opportunities for skill development and advancement are vital for maintaining my motivation.	41.555	499	0	2.44	2.32	2.56
Regular team-building activities foster camaraderie and enhance my motivation at work.	39.599	499	0	2.36	2.24	2.48
Introducing performance-based incentives encourage me to perform at a higher level.	38.456	498	0	2.316	2.2	2.43



## Question 2: What changes would you suggest for the current HR policies in your hotel?

1. **More Transparent Appraisal System:** Making the performance appraisal system more transparent, with clear criteria and feedback for improvement.
2. **Regular Feedback Sessions:** Implementing structured feedback sessions where employees can discuss their growth and any challenges they face.
3. **Increased Training Budget:** Allocating a larger budget for training programs, particularly for technical skills and leadership development.
4. **Streamlined Grievance Handling:** Improving the grievance handling process to ensure faster and more effective resolution of issues.
5. **Enhanced Team-Building Activities:** Organizing regular team-building activities to foster camaraderie and reduce workplace stress.
6. **Updating Salary Structure:** Reviewing and possibly increasing salary levels to match industry standards and acknowledge employee efforts.
7. **Better Work-Life Balance Policies:** Introducing policies like hybrid work options (where feasible) or compressed work weeks.
8. **Cross-Departmental Training Opportunities:** Providing cross-training in other departments to broaden employee skill sets and knowledge of hotel operations.

## CONCLUSION

The findings confirm that HRM practices and policies have a significant impact on employee motivation, satisfaction, and retention in the hotel industry. Factors such as work-life balance, compensation, and recognition emerged as critical determinants of employee engagement. While certain HR practices, such as training and cross-departmental opportunities, are positively perceived, others, such as flexible working hours and formal recognition programs, require further enhancement. The results emphasize the importance of addressing these areas to create a supportive and inclusive work environment. By aligning HR practices with employee needs, hotel organizations can improve satisfaction, reduce turnover, and foster long-term organizational success.

### Suggestions:

1. Develop a structured and transparent employee recognition program to enhance morale and motivation.
2. Implement flexible working hours and work-life balance initiatives to improve employee satisfaction.

### Limitations:

1. The study is limited to hotel employees, which may not fully represent the broader hospitality sector.
2. It relies on self-reported data, which may introduce bias in employee responses.

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