

## **EXPLORING THE KEY HUMAN RESOURCE MANAGEMENT PRACTICES AFFECTING EMPLOYEE RETENTION IN WEST BENGAL'S FHRAI HOTELS**

**Abhijit Ghosh, GD Goenka University  
Dr. Reena Sharma, GD Goenka University**

### ***Abstract***

Retaining employees is getting harder and harder these days. Human resource management (HRM) practices continue to stand out as the only long-term strategy for retaining and luring a skilled workforce in such a cutthroat environment. This chapter's goal is to identify the key HRM practices that can promote employee retention in the West Bengal's FHRAI hotel chain. Most study focuses on examining key HRM practices from an organisational perspective. Analysis of key HRM practices from an employee perspective is the main goal of the current study. A conceptual framework showing the key HRM practices affecting employee retention in the West Bengal's FHRAI hotels is developed by the research. The study examines the key HRM practices that can result in retention of employees in West Bengal's FHRAI hotels based on extant literature review. The results show that the key HRM practices that could affect employee's retention in West Bengal's FHRAI hotels are sharing information, participation in making decision, training and performance based rewards. Discussion also includes consequences for academia and management.

**Keywords:** Information sharing, participation in making decision, training and rewards based on performances, employee retention, FHRAI hotels, West Bengal

### **Introduction**

Retaining employees is getting harder and harder these days (Bibi et al., 2018). Employees frequently leave their current jobs in search of higher salaries, more prospects for advancement, and more flexible working hours, even though they are provided a wealth of these benefits by their employers. To ensure that employees continue with an organization, organization must constantly change their retention strategies (Rakhra, 2018). By putting into place efficient HRM practices, which are regarded as the only long-term strategy to date for retaining and luring skilled workforce in a cutthroat environment organizations can frequently change the retention strategies (Islam et al., 2022).

According to Pfeffer (1994) various HRM practices reinforces and improves an organization's performance. Moreover, HRM practices can contribute to increased worker productivity (Lee & Lee, 2007). However, multiple studies have demonstrated that HRM practices can even aid in retaining workers for a business (Harter et al., 2002; Presbitero et al., 2016; Bibi et al., 2018).

For tourists to enjoy their stay, West Bengal offers a variety of lodging and dining establishments. The long-term objective of West Bengal's lodging and dining establishments under FHRAI is to reinvent Bengal as an important tourist destination that embraces national and international tourists. The aforementioned lodging options are separated into various groups considering their star rating to make it simpler for potential tourists to find the lodging that most closely suits their needs. Contrarily, dining establishments are categorized according to independent eateries, and cafes along roads. Despite the state's plenty of lodging and dining options, retention of employees remains a major issue in these establishments. Therefore, this chapter's objective is to identify the key HRM practices that can promote employee retention in the West Bengal's FHRAI hotel chain.

### **Theoretical background**

#### **The relationship between participation in decision making and employee retention**

Employees are considered to be engaged in decision-making if they believe they have some say or influence over choices that could affect their jobs. Employee involvement has historically been studied by making decisions participatively. However, evaluations and meta-analyses that took into account the use and perceptions of making decisions participative have found that, when considered in isolation, this process has little to no impact on people's performance or morale. For instance, Wagner and Gooding (1987) showed in their meta-analysis that decision-making participation was not significantly associated with improved individual task performance ( $r = .11$ ). Although these results indicate that participation does not, in and of itself, produce the desired results, other studies suggest that participation may have a higher impact when it exists alongside organisational characteristics that encourage it (Guzzo et al., 1985; Dachler & Wilpert, 1978). Guzzo et al., (1985) discovered that when participative decision-making was combined with adjustments to the pay structure and job design, productivity increased.

Current research shows that creating jobs where workers have greater influence over controls on making decisions in engagement at work (Maden, 2015), satisfaction with job (Boxall, et al., 2015) and organizational commitment (Juhdi et al., 2013). In the workplace, employees are treated with respect and feel valued. Employees may comprehend their work's importance, which is an essential part of engagement, when autonomy is given and inside an organization critical roles are assigned (Kahn, 1990;

Rana, 2015). Additionally, workers are able to develop profound psychological connections with the organization and give a diminished intention to quit in return when they find a higher level of work involvement (Vandenberg et al., 1999).

Therefore, it is proposed that:

H1: Participation in making decision is positively correlated with employee retention.

### **The relationship between information sharing and employee retention**

Information sharing, a key aspect of HRM practices, encourages interpersonal interactions and communication. The organizations should clearly disclose to their employees all of their objectives, including formally focused developmental plans and performance evaluation procedures (Vandenberg et al., 1999). The organization should make sure that while disseminating information to its employees, it includes the mission, vision and organizational goals as well as all other pertinent information (Rana, 2015). In general, when an organization shares information with its staff, it shows that it is open to communication, which improves work output and fosters a healthy work environment (Yang, 2012). Employees' worry about their mental well-being as a result of organisational pressures and work (Kahn, 1990). Employees view the organization's disclosure of organisational information as a miracle since it relieves their mental strain and fosters trust towards the organization while enabling them to comprehend their behavioral outcomes that follow (Rana, 2015). Additionally, the organization's information dissemination fosters among its employees' a sense of belonging, which increases their dedication (Yang, 2012). Last but not least, an organization's information-sharing behaviour reveals its compassion for its workers (Maden, 2015).

Therefore, it is proposed that:

H2: information sharing is positively correlated with employee retention.

### **The relationship between performances based rewards and employee retention**

Effective employee rewards are given to those who apply their skills to achieving organisational goals (Rana, 2015). Employees who utilize their competence for achieving organizational objectives are effectively rewarded (Rana, 2015). This reward includes either financial (eg. profit – sharing, pay and bonus) or non- financial incentives (eg. performance recognition and promotion) (Rana, 2015). Moreover these rewards are fairly distributed among the competent employees for their performances and efforts by the organization (Boxall &Winterton, 2018).According to theAdams (1990) equity theory of motivation, employee perception of receiving equal treatment and fairly rewarded for their contributions

they feel motivated and satisfied towards their job in return. on the contrary, reverse of this will lead to dissatisfaction among the employees (Winterton 2004). When rewards are fairly distributed among the employees, the act is known as “distributive justice”. Justice in distributing rewards is in turn negatively associated to turnover intention of employees (Hussain & Khan.2019). In other words, work engagement, turnover intentions and affective commitment are influenced by recognition and rewards (Bhatnagar, 2014; Juhdi et al., 2013; Boxall et al., 2015).

Therefore, it is proposed that:

H3: performances-based rewards is positively correlated with employee retention.

### **The relationship between training and employee retention**

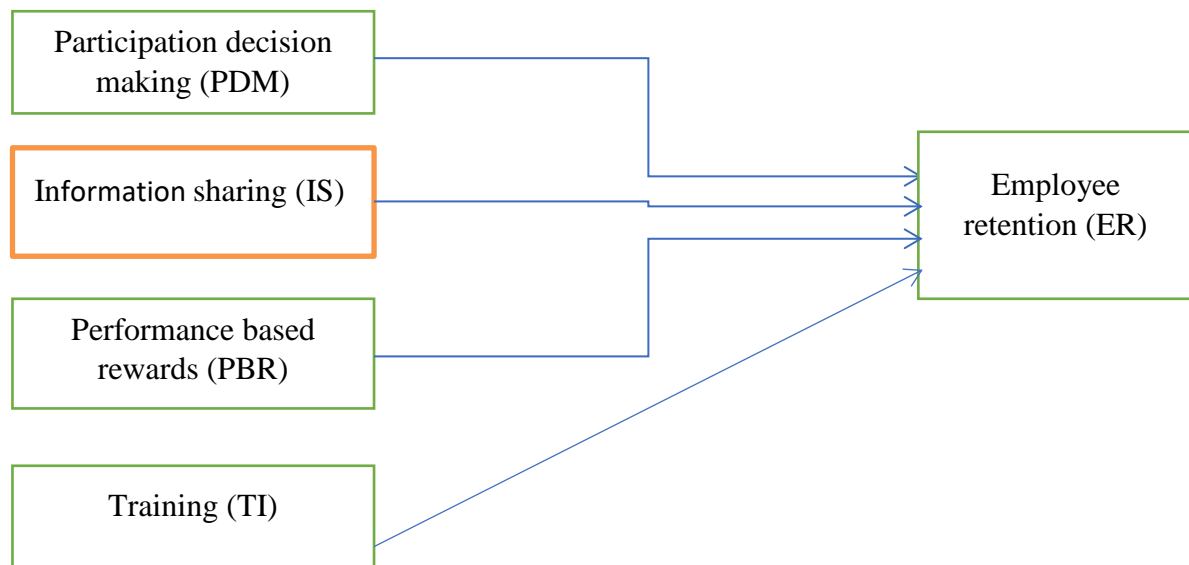
Being actively involved at work improves aptitude and competence since people are the only source of success for the company (Rana, 2015). Employees must be trained and given the chance to develop their skills and aptitude in order for them to carry out organisational activities without difficulty (Winterton, 2004). In addition to enabling employees to concentrate on their own personal development and growth, organisational training boosts employees' motivation, skills, aptitude, and competence, enabling them to operate in challenging conditions with ease. Employees have opportunities to take on new tasks and develop roles at work that better suit their interests (Rana, 2015). A company's concern for its employees can be seen in how it values its human resources and considers their personal development. Organizations give their employees the tools they need to develop or improve their abilities so they can complete tasks quickly and accurately (Aktar & Pangil, 2018) which in turn enhances employees' desire to stay with the company (Flamholtz & Lacey, 1981). To strengthen the relationship with its employees, the company routinely informs them of the productivity gains brought on by the firm-specific training (Winterton, 2004).

Therefore, it is proposed that:

H4: Training is positively correlated with employee retention.

### **Conceptual framework**

Figure 1 presents a conceptual framework linking key HRM practices (i.e. Participation in making decision, information sharing, rewards based on performances and training) and employee retention in the West Bengal's FHRAI hotel chain based on the literature review. Participation in making decision, sharing information, rewards based on performances and training are shown as independent variables showing their influence on the dependent variable i.e. employee retention.



**Figure 1: Conceptual framework**

### **Theoretical foundation**

#### **Social exchange theory (SET)**

The "Social exchange theory," also known as HR practices, assists in creating long-lasting exchange ties between the businesses and their workforces. According to Blau (1964), the job relationship is based on an exchange of goods or services. An economic exchange relationships created through the provision of a suitable rewards (Blau, 1964), however in a social trade, there are ambiguous conditions and the long-term viability of the partnership depends on commitments and trust (Snape & Redman, 2010). According to Aryee et al.'s (2002) analysis of SET, employees will return to the organization with a positive mindset and conduct if they believe that the organization values them and treats them fairly. Employees work for businesses in exchange for bonuses and other compensation they receive (Koster, 2011). According to SET, HR practices will foster positive working relationships, and HR managers will be attentive to the employee needs (Allen et al., 2003; Eisenberger et al., 1986). The application of the concept of SET as an umbrella to understand potential relationships between commitment among employees, employee intent to remain with the organization, employee participation, has received commendation from several research (Gould-Williams, 2007). Eisenberger et al. (1990) assert that companies start engaging in interpersonal relationships when they appreciate the achievements of their people and are willing to put their health and safety first. When employees experience love and care, they respond by putting in effort,

which keeps them within the company (Haas & Deseran, 1981; Aryee et al., 2002). In order to predict the effects of participation in making decision, training, rewards based on performances, and information sharing as HRM practices on employee retention, this work has made use of the social exchange theory.

### **Discussion and conclusion**

The paper's findings can help West Bengal FHRAI hotels to identify key HRM practices that may impact employee retention in their businesses. These HRM practices can be extensively used by the hotels management of West Bengal region to find solutions for their employee retention, which is potentially high in these organizations. Additionally, the findings of this study will aid academics and researchers in spotting patterns by using accurate data from this research regarding how rewards based on performances, sharing of information, training and participation in making decision impacts retention of employees since there is no extensive study which have investigated all these factors from the perspective of retaining employees in FHRAI hotels of West Bengal.

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