



# Role of HRM Practices in Employee Retention In The Indian Tourism Industry

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**Abstract:** *The most valuable assets for an organization are its human resources. Their importance to the organization entails hiring the best personnel and keeping that talent for extended periods. The central goal of this investigation is to comprehensively examine the conclusions drawn from a diverse range of scholarly studies, all of which have delved into the underlying factors that contribute to the retention of employees. This research meticulously explores an array of pivotal elements, namely job analysis, recruitment and selection processes, employee training and development initiatives, compensation and benefits structures, reward and recognition systems, interpersonal relationships among colleagues, and performance management protocols. Nevertheless, as the economy develops, it would be fascinating to examine what HR structure would be appropriate in the Indian setting. This study also aims to assess whether HR practices are worthwhile to an organisation or not. Furthermore, analyzing the significance of HR practices on employee retention and job satisfaction is the complication of this study.*

**Key Words:** *Human Resources, HR Practices, Employee Retention, Determining Factors.*

## 1. INTRODUCTION:

Any organization considers its employees as valuable resources. They can be referred to as an organization's lifeblood because of their crucial character. Most organizations are becoming more and more technology-oriented as a result of advancements in technology. The fact that a company needs human resources to operate its technology, however, does not reduce the importance of its employees. Competition in various industries is increasing due to factors including globalization. This scenario also impacts the employment market since businesses need more human resources to compete in their respective fields.

## 2. LITERATURE REVIEW:

In any industry, HR plays a tremendous role in the success of any organization. Although many other factors play a crucial role, a company must have efficient employees to stay financially solvent and competitive. Organizations should know about employee satisfaction and retention to keep up with this significant merchandise. In the Indian business environment, relationships are critical. Relationships and culture at the workplace affect the productivity and performance of employees. Numerous scholarly investigations have delved into the intricate dynamics between supervisors and subordinates, seeking to unravel the profound impact of these connections on an individual's performance (Aryee, Budhwar, & Chen, 2002; Varma, Srinivas, & Stroh, 2005; Varma, Pichler, Srinivas, & Albarillo, 2007). Studies have found that the HRM framework of India is formless and minor formal when contrasted with countries to the West; however, the rift has narrowed recently. It is essential to make mention that the HR framework in the Indian setting is fundamentally affected by social relationships, political associations, religion, caste, economic power, work enactments, trade unions, and rivalry among small firms (Budhwar & Sparrow, 1998; Saini & Budhwar, 2007). Budhwar & Boyne, (2004) elucidated in their study namely "HRM practices in Indian public and private sector organizations", several roles and responsibilities exist within the HR department's organizational structure, accommodating various identities. The HR function encompasses vital tasks



such as managing change, overseeing recruitment and selection processes, administering pay and benefits, facilitating training and development initiatives, fostering employee relations, and emphasizing critical HRM strategies. Notably, research has indicated that certain HR functional areas, specifically pay, training, and development, have witnessed a greater adoption of rational approaches in Indian private-sector organizations compared to their counterparts in the public sector. It was found that knowledgeable workers favour standards and smoothed out sound HR systems (Singh & Paliwal, 2014).

Das (2010) points out how good administrative practices were established in old Indian legends, i.e., the Ramayana and the Mahabharata. Beer, Walton, Mills, Specter, and Lawrence (1985) verbalized the Harvard model of HRM, it focuses on the people facet and emphasizes employer and employee relationships. The natural substance of this model is portrayed in connection to strategic aspects, namely, human resource flows, employee influence, reward, and work systems. These policies aim to achieve congruence, commitment, competence, and cost-effectiveness. Examining these results at societal and organizational levels is allowed in this model. Schuler's (1992) model of Strategic Human Resource Management (SHRM) encompasses five key HR activities: philosophies, policies, programs, practices, and processes. This model provides a comprehensive framework for organizations to strategically align their HR functions with the overall business strategy." As per the concept of strategic HRM, the core is adaptation and integration. Various segments of SHRM include HR approaches, culture, qualities, and practices.

### 3. METHOD:

The present research uses an experimental research design. Secondary data was used from company websites, journals, e-books, and literature on HR practices and employee retention. This research paper will meet the following objectives:

1. Analyze the determinants of Employee Retention.
2. Analyze the role of HRM functions in retention.

### 4. DISCUSSION AND FINDINGS: Determinants of Employee Retention are as follows:

#### 4.1 Job Description & Job Analysis

According to Levine, Sistrunk, McNutt, and Gael (1988), job description and job analysis form the foundational building blocks for various HR functions such as recruitment, performance appraisal, and establishing appropriate pay ranges. Given the significant impact of job descriptions and job analyses on numerous HR responsibilities, it is vital to ensure their accuracy and thoroughness. Further, Job analysis results in formulating job behaviours intended to establish HR functions (Fleishman & Mumford, 1991). Job analysis, as defined by Harvey (1991) and McCormick, Jeanneret & Mecham (1972), involves gathering data on job-oriented behaviours, worker-oriented behaviours, interactions with machines, materials, and tools, methods of evaluating performance, job context, and personnel requirements. The primary purpose of job analysis, as stated by Levine & Ash (1980), is to support other areas of HR. Brannick et al. (2007) express that job analysis helps in HR's most essential and tedious function: human resource planning. It is also used for planning training and development programs. It helps determine the relevant skill, knowledge, and ability for a particular position and the criteria for selection.

#### 4.2 Employee Training & Development

Career development and training certification programs increase job satisfaction and impact retention (Shelton, 2001). From an organization's perspective, training is seen as an incentive; rather, the emphasis should be on enhancing the intellectual capital of the organization (Pare and Tremblay, 2000). Ahmad and Bakar (2003) found that training, support for training, and motivation to learn exhibited a significant and positive association with overall commitment, including both affective and normative commitment. Kyndt, Dochy, Michielsen, and Moeyaert (2009) uncovered that training could change the turnover considerations by the employee and dissatisfaction, which gives rise to the intention to leave. Hence, there are lower turnover contemplations among those workers who are exceptionally devoted to the organization.

#### 4.3 Compensation & Benefits

According to Bergmann and Scarpello (2001), the term compensation encompasses the salary, benefits, and incentives offered by organizations to acquire the services of their employees. Pay plays a critical role in maintaining a motivated and high-performing workforce. Nohria, Groysberg, and Lee (2008) argue that compensation, when used as a reward for excellent performance, can have a positive impact on an employee's morale and job satisfaction. They suggest that motivation is driven by four underlying factors: the drive to acquire (related to the reward system),



bond, comprehend, and defend. As performance-based pay affects organizational commitment and work satisfaction are essential organization elements, it is advised that the organization consider these factors when designing the reward systems (Ibrahim & Boerhaneoddin, 2010).

#### **4.4 Employee Rewards & Recognition**

Rewards are exceptionally significant for employees and essential since they enduringly affect the workers and continue to validate the belief of their importance towards the organization they are working within. Furthermore, it is argued that employees assess and evaluate their jobs based on the inherent satisfaction and personal benefits they derive from their work. (Shoaib, Noor, Tirmizi, & Bashir 2009) verify that organizations must know the esteem employees attach to their rewards. Accordingly, they need to define a reward framework that addresses just and sufficient rewards for their employees. Sutherland and Jordaan (2004) show how reward is crucial in demonstrating how much employees receive from devoting their time and effort to achieving organizational goals; organizations must design an appealing reward program to propel in and retain profitable resources.

#### **4.5 Employee Relations**

Michael (2005) defined employee relations as the management of the relationship between employers and employees with the ultimate objective of achieving optimal levels of productivity in terms of goods and services, as well as enhancing employee motivation. Clarke (2001) stated that employees are more inclined to stay when they have solid associations with their working partners. Employees who are integral members of work teams often experience a strong sense of belongingness and an expanded sense of responsibility towards the organization (Cohen & Bailey, 1997; Meyer & Allen, 1997).

#### **4.6 Performance appraisal & Job satisfaction**

Performance appraisal is widely acknowledged as a complex and multifaceted aspect of effective human resource management, which has been the subject of extensive research. Performance appraisal systems have the potential to provide valuable performance-related information for various essential HR activities. These activities include assessing employee competence, enhancing performance, and facilitating the distribution of rewards such as promotions, merit pay, feedback on development, and identifying training needs (Cleveland, Murphy & Williams, 1989). Job satisfaction can be defined as the pleasurable or positive emotional state an employee experiences based on their appraisal of their job and job experiences (Bartlett & Kang, 2004; Schmidt, 2007). Research has also indicated that appraisal satisfaction is a significant factor in overall job satisfaction (Cleveland & Murphy, 1995; Moussavi & Ashbaugh, 1995).

### **5. CONCLUSION :**

In order to align with the business strategy of an organization, several essential HRM practices come into play. These practices include work analysis and job design, determining the required number of employees with specific knowledge and skills, candidate recruitment, candidate selection, providing instructions on job performance and preparing employees for future roles, assessing employee performance, implementing rewards systems, and fostering a positive workplace culture. By effectively managing human resource planning, recruitment, selection, training and development, performance management, compensation, and employee relations, organizations can enhance their overall performance. Organizations that implement these HRM practices effectively are more likely to have satisfied employees and customers, as well as well-defined HRM policies. Moreover, organizations that prioritize effective HRM tend to develop a favorable reputation within their community, leading to increased innovation and productivity. HR practices related to various job aspects influenced work satisfaction and subsequently led to retention. The negative evaluation of HR practices regarding various job aspects reveals job dissatisfaction and leads to subsequent attrition. The significant elements considered in the study were work environment, fairness in selection, training & development, career development opportunities, reward & recognition, mentoring & coaching experience. By conducting thorough work analysis and designing jobs that align with organizational objectives, HRM can ensure that the right individuals with the required skills are recruited and hired. Through comprehensive training and development programs, employees can be equipped with the necessary competencies to perform their jobs effectively and prepare for future roles. Performance management processes allow for the assessment of employee performance, identification of areas for improvement, and recognition of high performers. Reward systems motivate employees and reinforce desired behaviors. Additionally, fostering a positive workplace culture contributes to employee satisfaction, engagement, and overall organizational success. When organizations prioritize and effectively implement these HRM practices, they create an environment that attracts



and retains top talent, enhances employee performance and productivity, and ultimately contributes to achieving business objectives. Successful HRM practices are a crucial component of organizational success, providing a strong foundation for employee satisfaction, customer satisfaction, and overall organizational performance.

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