

## **An Analysis of the Relationship between Human Resource Management Practices and Employee Retention in Hotel Industry (With Special Reference to Star Class Hotels in Western Province)**

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The hotel industry is one of the booming industries and plays a significant role in Sri Lankan economy and labor market. The principal challenge of majority industry organizations is to retain employees for a long period within the intensive competitive environment. Effective Human resource management (HRM) practices are crucial factors for employee retention and assist organizations to retain valuable employees. Therefore, it is essential to retain employees via effective HRM practices. The main objective of this study was to explore the relationship between HRM practices and employee retention and to identify the highest and least influential factor in employee retention. The study particularly identified recruitment and selection, training and development, performance appraisal, and compensation and incentives as the four key HRM dimensions to analyse the study objectives. 120 permanent operational levels of employees in the hotel industry was selected using a purposive sampling method and data were collected through self-administered questionnaires. The study systematically described, analysed, and interpreted data using a quantitative approach. The data were analysed using the Pearson correlation coefficient and multiple linear regression techniques. The results denoted that all four dimensions of human resource practices had a strong positive relationship on employee retention. Compensation and incentives were the highest influential factor while training and development was the least influential factor in employee retention. Finally, this study suggested that Human Resource executives in the hotel industry need to pay more attention and should adapt effective HRM practices which make employee satisfied and affect on employee retention in the organization.

**Keywords:** Hotel industry, Human resource management practices, Employee retention