

DOES JOB SATISFACTION MATTER: A MODERATED STUDY ON HR PRACTICES AND RETENTION AMONG HOSPITALITY WORKERS IN NEPALMs.

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Abstract

Employee retention remains one of the most pressing challenges in the hospitality industry, particularly in developing economies such as Nepal, where labor mobility is high. This study investigates the impact of Human Resource Management (HRM) practices—namely quality of work life, leadership, training, and empowerment—on employee retention in five-star hotels in the Kathmandu Valley. Drawing on Social Exchange Theory, the study also examines job satisfaction as a moderating variable in these relationships. Data were collected through a structured questionnaire from 400 employees across six five-star hotels using stratified random sampling. Structural Equation Modeling (SEM) with Smart PLS 4.0 was employed to test the hypothesized relationships. Results reveal that all four HRM practices significantly influence employee retention, with job satisfaction strengthening these relationships. The findings suggest that creating supportive work environments, offering professional development opportunities, and empowering employees not only enhance job satisfaction but also reduce turnover intentions. This research contributes to hospitality management literature and provides practical implications for HR managers in Nepal to design strategies that foster long-term workforce stability.

I. Introduction

The overall performance of an organization depends on the extent to which human resource is utilized (Anwar & Abdullah, 2021). In today's corporate landscape, people are recognized as the most valuable resource (Agustian et al., 2023). Every corporation aims to foster highly engaged and happy employees. Job satisfaction not only motivates employees to invest more effort in their roles but also aligns them with the company's objectives (Xie et al., 2023). Moreover, organizations that prioritize employee job satisfaction are better positioned to retain and attract talented individuals with the requisite skills (Rad & Yarmohammadian, 2006). Job satisfaction is crucial for attracting and retaining a skilled workforce. Human Resource Management (HRM), defined as the strategic utilization of people to achieve organizational goals while addressing individual employee needs. Human Resource Management (HRM) practices, such as human capital management, knowledge management, organization development, resourcing (including planning, recruitment, selection, training, performance evaluation, compensation, and motivation), performance management, learning and development, reward management, employee relations, and well-being, significantly influence job satisfaction (Knicki and Williams, 2008).

The hospitality sector which contribute the 7.8 per cent to the GDP (NTB, 2018) and at least 5 per cent of the total foreign currency earnings (MoCTCA, 2019) is constantly evolving with the

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technological advancements, and facing new challenges. Human Resources play a vital role in adapting to these changes and implementing new service standards. Employees constitute the most valuable asset in hospitality, as they determine the success of hotels. According to the Aksu and Tezer (2000) pointed out the pivotal role of staff in organizational development. Effective management and retention of skilled and motivated employees are crucial for hotel success. In today's competitive environment, hotels must prioritize improving employee job satisfaction to foster inspiration and drive business growth. The expansion of the hospitality sector relies heavily on employee contentment, essential for delivering top-notch customer service. Given the dynamic nature of hospitality, effective human resource management is imperative to ensure professionalism and efficiency in service delivery (Hanzaee & Mirvaisi, 2011).

The overall job satisfaction and employee retention depends on the extent to which human resource is utilized. One of the biggest issues and a recurring concern for the hospitality sector is high staff turnover (Brown, Thomas, & Bosselman, 2015). Due to low employee retention rates and a lack of interest in the industry, the hospitality sector is unable to consistently give a brand experience, which affects businesses (Ghani et al., 2022). The study tries to explore the HRM practices and employee retention in Kathmandu valley through the social exchange theory.

This study is divided into different sections. The section 2 deals with research methods, which includes conceptual framework, variables and its definition, study area, population and sample size, research instrument, data collection and data analysis. The section 3 deals with results whereas section 4 highlights discussion and conclusion are presented in section.

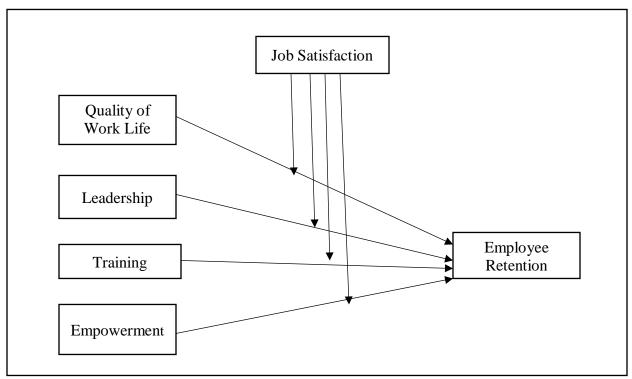
3. Review of Literature: Conceptual Framework

The long term success of the organization is the cause of talented people and the good HRM practices. For better understanding of this concepts several theories such as Maslow's theory of the hierarchy of needs (Gawel, 2019), herzberg's two-factor theory (Alshmemri et al., 2017), organization behavior theory (Griffin et al., 2020), expectancy theory (Parker, 1974), human capital theory and social exchange theory are reviewed. According to the Maslow's theory of the hierarchy of needs, people are motivated to fulfill basic needs before moving on to other, more advanced needs. Maslow's theory may help managers better understand their staff members' needs and boost work satisfaction by motivating, engaging, and developing them. Similarly, Herzberg's two factor theory categories two factors motivation and hygiene that can affect the employee job satisfaction. Recognition, chances for progress, success, upward mobility, and responsibility are some of the satisfiers that serve as motivators. Likewise, organization behavior theory explains why specific behaviors affect employees' productivity and predict consequences of various policies on managing human resources. Lastly, according to the human capital theory, businesses have an incentive to enhance their employees and operations. Further, according to the social exchange theory person who feel he/she get benefits from someone will feel obligated to repay or compensate through positive behaviors, attitudes, efforts, and devotion.

The study has used the social exchange theory in order to develop the comprehensive framework. According to the social exchange theory employee do their work better, only when organization treats them well and valued them. Similarly, social theory reveals that person makes social relationships when they are mutually benefited. In addition, employee's performance depends according to the organization role and when the employee expectations are met, the employee commitment will be increased and which in turn increases employee retention. As mention in



figure 1, quality of work life, leadership, training and empowerment impact in employee retention. This concept is also modified from (Bibi et al., 2018).



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Parker, D. F. (1974). The design and analysis of an expectancy theory model for predicting early retirement. Cornell University.

Bibi, P., Ahmad, A., & Majid, A. H. (2018). HRM practices and employee retention: The moderating effect of work environment. In Applying partial least squares in tourism and hospitality research (pp. 129-152). Emerald Publishing Limited.

Figure 1: Conceptual Framework

Source: Bibi et al. (2018).

Quality of Life and Employee Retention

Quality of Work Life is a measure of the effectiveness of interactions between people and their job, which can increase productivity and promote job satisfaction among employee. Cascio (2006) defines that quality of work life is the employee's perception of their mental and physical well-being in the workplace. It argue that employee perceptions of quality of work life that can satisfy their needs can significantly improve job satisfaction. Higher the job satisfaction will lead to employee retention and success of the organization. Fatmasari and Wulida (2018) elaborate that if there is excellent interaction between a person and their work in an organization, it will impact work motivation and job satisfaction and lead to employee retention.

H1: Quality of life has a significant relationship with employee retention.

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Leadership and Employee Retention

Chully and Sandhya (2014) explained leadership as the primary factor in determining an organization's fate and future, including its overall performance. The leadership stance taken in today's firms will have a significant impact on the mindset and conduct of the workforce. Ohunakin et al. (2019) state that Leadership in the workplace, particularly in service-producing sectors, is urged to adopt a leadership style that will enhance employees' working conditions, recognize individuals, and incorporate employees' individual and collective requirements into decision-making. However, it should be remembered that leaders' attitudes, behaviors, and actions will influence their followers' attitudes, behaviors, and actions, whether consciously or subconsciously. H2: Leadership has a significant positive relationship with employee retention.

Training and Employee Retention

Training is a process which helps the employee to increase knowledge and skills and assist them able to do specific tasks (Suifan, 2015), and Mondy (2010) defined training as the activities designed to provide employee with the knowledge and skills needed for their present jobs and sharpen their ability to do the job. Employee satisfaction, greater morale, stronger retention, reduced attrition, improved recruiting, a better bottom line, and the fact that pleased workers create delighted customers are a few potential strategic benefits of training and development. In order to encourage employees to engage in training programs, the business must present them with opportunities.

Dietz and Boon (2005) state that employee training is one of the most widely used HR practices by organizations. Providing the proper training to the employee reduce the cost and risk. It helps to increase employee productivity and reduce the retention. It leads to employee satisfaction as it helps them to assist their career growth. Training is one of the most crucial aspects of human resource management since it enhances employees' abilities and knowledge, allowing them to better meet the demands of their jobs (Koteswari et al., 2020). Thus, the organization's policies must include professional training programs. Murtiningsih (2020) states that one strategy for encouraging staff to remain with the company is through training.

H3: Training has a significant positive relationship with employee retention.

Empowerment and Employee Retention

Empowerment plays an important role in improving employee job satisfaction and improve employee turnover. Instead of being formulated as a top-down approach, empowerment is a bottom-up process. Hospitality businesses must educate staff members, define roles, and provide empowered staff member precise instructions. Prior to empowering employees, it's crucial to assess their level of desire (Jaiswal & Joge, 2018).

By giving information about performance, job, and goals, employee empowerment raises employee satisfaction (Idris et al., 2018). By encouraging workers to communicate with their supervisors and coworkers, as well as by implementing inclusive policies and giving trustworthy solutions, employee empowerment increases workplace satisfaction. Enhancing employees' self-confidence, self-reliance, and well-being through empowerment is important because it promotes formal and informal information sharing as well as employee participation in decision-making. As a result, empowerment produces favorable results like high levels of job satisfaction, performance, and productivity (Idris et al., 2018; Ghasempour, 2021). The greater the extent of employee empowerment, the greater the level of job satisfaction in the organization (Ghasempour et al.



2021). This finding is similar to the findings of Chinomona et al. (2017) and Yuliandi (2019), which show employee empowerment can predict job satisfaction positively.

H4: Empowerment has a significant positive relationship with employee retention.

Job satisfaction as a Moderator

H5: Job satisfaction moderates the relationship between quality of life and employee retention.

H6: Job satisfaction moderates the relationship between leadership and employee retention.

H7: Job satisfaction moderates the relationship between Training and employee retention.

H8: Job satisfaction moderates the relationship between Empowerment and employee retention.

4. Research Methodology:

Study Area & Population: The study was conducted in the **Kathmandu Valley, Nepal** (Kathmandu, Lalitpur, Bhaktapur). The target population was employees of five-star hotels operating for more than 10 years. Out of 18 five-star hotels in Nepal, 11 are located in Kathmandu Valley.

Sample & Sampling Method: The study used **stratified random sampling** to select **6 five-star hotels** (representing 75% of the defined population). A total of **400 frontline**, **middle-level**, **and top-level employees** were surveyed from an estimated workforce of 3,000. Convenience sampling was used to finalize the respondents.

Research Instrument & Data Collection: A structured questionnaire was developed based on validated scales from previous studies (e.g., Anbarasab & Mehta, 2009; Bass & Avolio, 2006; Karatepe et al., 2006). After pilot testing (n=20), the final survey was distributed in person and online (e.g., Gmail, Facebook).

Variables:

- **Independent Variables:** Quality of Work Life, Leadership, Training, Empowerment.
- **Moderating Variable:** Job Satisfaction.
- **Dependent Variable:** Employee Retention.

Data Analysis:

Data were organized in MS Excel and analyzed using Smart PLS 4.0.

- **Descriptive statistics** summarized socio-demographic data.
- **Measurement model** tested reliability and validity (Composite Reliability >0.7, AVE >0.5).
- **Structural model** tested hypotheses via SEM with bootstrapping (5000 samples).
- **Moderation analysis** assessed the role of Job Satisfaction between HRM practices and Employee Retention.

Sample Profile:

Among 400 respondents: 58.25% male, 41.75% female; 48.75% aged 26–30; 55.75% had 1–5 years' experience; and 83% were graduates.



Table 1: Variables and its Definition

| Construct | Observed variables | Variable notation | Explanation | | |
|--------------------------------------|---|-------------------|---|--|--|
| Quality of Work Life (Anbarasab & | hours/shift | QWL_1* | I am happy with the hours/shift that I have to work. | | |
| Mehta, 2009; Lee et al., 2015) | enough time | QWL_2 | I have enough time away from work to enjoy other things in life. | | |
| | professional skills | QWL_3 | My organization allows me to sharpen my professional skills. | | |
| | Work Load | QWL_4 | Work Load is evenly distributed and I am able to complete the task on time. | | |
| | work environment | QWL_5 | My organization's work environment is good and highly motivating. | | |
| | take care of | QWL_6* | It is hard to take time off during our | | |
| | personal or family matters | | work to take care of personal or family matters. | | |
| Leadership (Bass & Avolio, 2006). | fair manner | L_1* | My supervisor act in fair manner when dealing with staff. | | |
| | great effort | L_2 | Managers put in to ensure employees are satisfied with their job. | | |
| | complete freedom | L_3 | My supervisor gives me complete freedom to solve problems on my own. | | |
| | effective orders and clarifies procedures | L_4 | My manager gives effective orders and clarifies procedures. | | |
| | supportive and communicate | L_5* | My supervisor is supportive and communicates with me frequently. | | |
| | proper guidance | L_6 | Managers provide proper guidance in case of any problem arises. | | |
| Training (Oktine Rafida, 2016) | opportunities to learn and grow | T_1 | I have training opportunities to learn and grow. | | |
| | job well | T_2 | I get training that is need to do my job well. | | |
| | promotion | T_3 | I get the training from the company for my next promotion. | | |
| | Fulfills the expectation | T_4 | Most training programs able to fulfill my expectation of needs. | | |



| | | Т | | | | | |
|-------------------|---------------------|---------|---------------------------------------|--|--|--|--|
| | | T_5 | Most of training programs as | | | | |
| | | | practical and do relate to the actual | | | | |
| | practical | | problems at work. | | | | |
| | enhance the job | T_6 | We are trained on regularly to | | | | |
| | skills | | enhance our job skills. | | | | |
| Empowerment | valued by | E_1 | | | | | |
| (Hayes, 1994) | management or | _ | I feel that I am valued by | | | | |
| | employer | | management or employer. | | | | |
| | ideas are listened | E_2 | I found my ideas are listened to or | | | | |
| | racas are instened | _ | acted upon by management. | | | | |
| | opportunity to use | E_3* | T 1 11 d . T 111 . | | | | |
| | the skills | | | | | | |
| | the skins | | opportunity to use my skills or | | | | |
| | | | ability | | | | |
| | 0 1 0 1 | | working in the hospitality industry. | | | | |
| | feel part of the | E_4 | | | | | |
| | team | | I feel part of the team. | | | | |
| | involved in | E_5* | I would like to be more involved in | | | | |
| | decision making | | decision making in my | | | | |
| | | | organization. | | | | |
| | opportunities to | E_6* | | | | | |
| | use and develop | | | | | | |
| | my skills and | | I have opportunities to use and | | | | |
| | know ledge | | develop my skills and know ledge. | | | | |
| Employee | correct choice | ER_1 | I have made correct choice to have | | | | |
| Retention (Kumar | | _ | a career in the hospitality industry. | | | | |
| et al., 2014). | not work in other | ER_2 | I will not work in other career | | | | |
| , , | career | _ | except in hospitality industry. | | | | |
| | career | ER_3 | | | | | |
| | development | 21(_3 | There are career development | | | | |
| | programs | | programs to increase retention. | | | | |
| | job in another | ER_4* | Whenever I get a job in another | | | | |
| | | EK_4 | | | | | |
| | | ED 5 | organization, definitely I leave. | | | | |
| | intention to resign | ER_5 | I do not have any intention to resign | | | | |
| | 3.5 . 1 | ED 6 | from the firm within a shorter time. | | | | |
| | Matches my | ER_6 | I want to stay with my company | | | | |
| | skills, experience | | because the job description matches | | | | |
| | and education. | | my skills, experience and | | | | |
| | | | education. | | | | |
| Job Satisfaction | chance to use my | JS_1* | My organization gives me the | | | | |
| (Karatepe et al., | abilities | | chance to use my abilities. | | | | |
| 2006; Hackman & | satisfied with my | JS_2* | | | | | |
| Oldham, 1975) | job | | I am most satisfied with my job. | | | | |
| | regular feedback | JS_3 | I get regular feedback about my job. | | | | |
| | overall support | JS_4 | I am satisfied with overall support | | | | |
| | | | provided by my organization. | | | | |
| | 1 | I. | · · · · · | | | | |



| sufficiently paid | JS_5* | My basis salary is sufficiently paid |
|-------------------|-------|--------------------------------------|
| | | according to working hours and |
| | | work load. |
| valued at my | JS_6* | I feel I am valued at my |
| organization | | organization. |
| opportunities to | JS_7* | |
| use and develop | | |
| my skills and | | I have opportunities to use and |
| knowledge | | develop my skills and knowledge. |

Note: * data is excluded after the data analysis from smart pls version 4.0

Study Area, Population and Sampling

The study uses the Kathmandu valley the combination of three districts Kathmandu, Lalitpur and Bhaktapur for the study area. The target population of the study is the five-star hotels in Kathmandu valley of Nepal, which have been in operation for at least 10 years. According to department of tourism there are 18 five-star hotels in the country. Among them 11 hotels are in Kathmandu valley (HAN, 2022). The total employees in five-star hotels is found 3,065 in Nepal (Jha and Rijal, 2022). Study has used a stratified random sampling method to select six five-star hotels stationed in the capital Valley of Kathmandu; they represent 75 per cent of the defined population (Jha and Rijal, 2022). The study used a convenience sampling method to determine the required sample size of 400 respondents from the population of around 3,000 front-line employees of the sample hotels. Employees from the three management levels were included in the research. Entry-level personnel are non-supervisory workers at the sampled hotels, whereas top-level managers are the departmental heads, mid-level are assistant departmental leaders, and sectional heads within the department.

Research Instrument, Data Collection and Analysis

A structural questionnaire was used in the study to measure the human resource practices and employee retention. After the pilot testing of 20 respondents using the web based platform, the final questionnaire is collected directly through the hotel employees and some of the data is collected through the online platform like Facebook, Gmail and other social media. Data collected were organized using the Microsoft Excel, and findings were presented in table and charts for the clarity. Descriptive analysis was presented to analyze the socio demographic part where inferential analysis was used to show the testing of the hypothesis through the Structural Equation Modeling (SEM) with Smart PLS 4.0 software.

3. Results and Analysis

Total 400 employees from the hotel business are surveyed in this study. Among them, 58.25% were male and 41.75% were female. The ratio of married to unmarried employees is similar, with the majority (48.75%) falling in the age group of 26-30. The respondents were a mix of top-level (14%), middle-level (41%), and low-level (45%) employees. A significant portion (55.75%) had 1-5 years of experience. Moreover, 83% of the respondents were graduates, indicating a high level of education among those involved in the hospitality business.



Table 1: Socio-Demographic Characteristics

| Title | Category | Number | Percentage | |
|----------------|--------------------|--------|------------|--|
| | | | (%) | |
| Level | Top Level | 56 | 14.0 | |
| | Middle Level | 164 | 41.0 | |
| | Entry Level | 180 | 45.0 | |
| Qualification | Intermediate | 63 | 15.75 | |
| | Bachelor | 199 | 49.75 | |
| | Master | 133 | 33.25 | |
| | Other | 5 | 1.25 | |
| Gender | Male | 233 | 58.25 | |
| | Female | 167 | 41.75 | |
| Marital Status | Married | 183 | 45.75 | |
| | Single | 217 | 54.25 | |
| Age | Below 25 years | 32 | 8 | |
| | 26-30 years | 195 | 48.75 | |
| | 31-40 years | 136 | 34 | |
| | above 40 years | 37 | 9.25 | |
| Experience | Less than 1 years | 55 | 13.75 | |
| | 1 - 5 years | 223 | 55.75 | |
| | 5 -10 years | 93 | 23.25 | |
| | More than 10 years | 29 | 7.25 | |

Inferential Statistics

The issues SMEs were examined with the help of inferential analysis using Smart PLS 4.0. First, measurement model was assessed to evaluate robustness, common method bias, structural model and path analysis. This study also incorporated mediation analysis to provide a more complex understanding of variable relationships. The study was completed with thorough testing and analysis of developed hypotheses. In the inferential analysis, meaningful insights were extracted from sample data using various statistical tests to establish relationships, assess disparities, and formulate predictive outcomes (Chatfield, 1995). This systematic approach contributed valuable insights to the understanding of SME issues.

Measurement Model

The validity and reliability of the constructs are evaluated by evaluating the measurement model. Even though assessments of Cronbach's alpha have become routine procedures in research, the outer model was evaluated by assessing the internal consistency through composite reliability. It typically provides conservative assessment in PLS-SEM (Tavakol & Dennick, 2011). Previous literature has suggested using "Composite Reliability" as a replacement (Hair et al., 2020). Whereby considering that all values of composite reliability are>0.7, indicating a satisfactory level of internal consistency.



Table 4: Reliability and Validity

| Coding | Loadings | AVE | CR | Cronbach's Alpha | VIF |
|-------------------------|----------|-------|-------|---------------------|-------|
| Empowerment (E) | | 0.86 | 0.949 | 0.919 | 4.153 |
| E_1 | 0.932 | | | | |
| E_2 | 0.93 | | | | |
| E_4 | 0.92 | | | | |
| Quality Work Life (QWL) | | 0.698 | 0.902 | 0.854 | 3.446 |
| QWL_2 | 0.799 | | | | |
| QWL_3 | 0.792 | | | | |
| QWL_4 | 0.912 | | | | |
| QWL_5 | 0.833 | | | | |
| Leadership (L) | | 0.82 | 0.948 | 0.927 | 3.814 |
| L_2 | 0.918 | | | | |
| L_3 | 0.895 | | | | |
| L_4 | 0.913 | | | | |
| L_6 | 0.895 | | | | |
| Training (T) | | 0.755 | 0.949 | 0.935 | 4.776 |
| T_1 | 0.859 | | | | |
| T_2 | 0.901 | | | | |
| T_3 | 0.821 | | | | |
| T_4 | 0.854 | 7 | | | |
| T_5 | 0.875 | | | | |
| T_6 | 0.901 | | | | |
| Employee Retention (ER) | | 0.673 | 0.911 | 0.878 | 1 |
| ER_1 | 0.832 | | | | |
| ER_2 | 0.836 | | | | |
| ER_3 | 0.869 | | | | |
| ER_5 | 0.793 | | | | |
| ER_6 | 0.767 | | | | |
| Job Satisfaction (JS) | | 0.927 | 0.962 | 0.922 | 3.581 |
| JS_3 | 0.961 | | | | |
| JS_4 | 0.965 | | | | |

The reliability and validity concern of the study (See Table 4) composite reliability and average variance inflator is above the requirement level, i.e., 0.5 and 0.7, respectively, factor loading is considered reliable (Singh et al., 2024). Moreover, average variance extracted (AVE) was used to evaluate the model's convergent validity. The degree of relationship between the construct's items is demonstrated by convergent validity. An AVE value larger than 0.5 is a reliable sign of convergent validity (Hair et al., 2011). All scores were >0.5. All deals were above the recommended threshold. A few of the item's construct were deleted, as represented in Table 1, to achieve the minimum acceptance level of AVE (Hair et al., 2014).



Discriminant Validity

The Fornell-Larcker criterion has been used to assess discriminant validity which helps to determine how different one element in the model is from the other construct (Cheung et al.,2023). As, Fornell and Lacker alone, are insufficient to test discriminant validity. According to Hensler et al. (2015), the cross-loading technique and the Heterotrait-Monotrait (HTMT) ratio scale are additional measures to test discriminant validity. Following Hair et al., 2020, Fornell and Lacker's criterion was checked and satisfied as the all-AVE square roots were more significant than the corresponding correlations.

Discriminant validity was further verified using cross-loadings. Cross-loading determines if an item strongly loads onto its parent construct rather than the other construct in the study. Table 5 demonstrates that all items have more significant factor loadings on the underlying constructs to which they belong than on any other construct which fits the criteria as mentioned by Wasko & Faraj (2005). Following Hair et al., 2020, additionally, there is no cross-loading problem because the item's cross-loading values with other constructs are less than 0.7.

Heterotrait -Monotrait Ratio (HTMT) Fornell & Larcker Criterion JS E ER L **QWL** T E ER JS **QWL** Т Е 0.927 **ER** 0.733 0.809 0.82 0.963JS 0.765 0.663 0.831 0.735 L 0.711 0.689 0.713 0.905 0.764 0.76 0.769 0.826 **QWL** 0.739 0.726 0.73 0.761 0.835 0.836 0.819 0.854 T 0.829 0.77 0.796 0.887 0.786 0.823 0.721 0.767 0.869 0.825 0.885

Table 5: Validity Criteria

Structural Model

The structural model is used in the study to measure the hypothesis after the testing of reliability and validity of the model. In this study, bootstrapping was employed using Smart PLS 4.0 to determine the path coefficients and their associated t-value for direct and moderating relationships. Figure 2, depicts six latent constructs, each with several observed variables. Following the guidelines by Henseler et al. (2009) and Hair et al. (2011), the R 2 values of 0.75, 0.50, and 0.25 indicate significant, moderate, and weak predictive power, respectively. In the figure 2, the model explains the total 66.9 % variance in employee retention i.e., R2 from the independent variable quality of work life, leadership, training, empowerment. The model shows the moderate level of variation form the endogenous variables.



Table 6: Test of Hypothesis

| | | | Confidence Interval (95%) | | T-value | P-value | Conclusion |
|-----------------|----------|-------------|------------------------------|-------|---------|---------|------------|
| Structural Path | Beta (b) | Coefficient | LLCI | ULCI | _ | | |
| H1: QWL-> ER | 0.271 | | 0.281 | 0.513 | 5.198 | 0.00 | Supported |
| H2: L-> ER | 0.292 | | 0.158 | 0.415 | 4.453 | 0.00 | Supported |
| H3: T-> ER | 0.043 | | | | | | Not |
| | | | -0.086 | 0.174 | 0.639 | 0.523 | Supported |
| H4: E-> ER | 0.392 | | 0.281 | 0.513 | 6.6 | 0.00 | Supported |

To assess the significance of each path coefficient, bootstrapping with 5000 samples is used. Among the four hypotheses, three hypotheses are accepted, i.e., empowerment and employee retention E -> ER (β = 0.392, t-value=6.6; P<0.00). Further, there is a significant relationship with leadership and employee retention L -> ER (β = 0.292, t-value= 4.453; P<0.00), quality work life and employee retention (β = 0.271, t-value= 5.198; P<0.00).

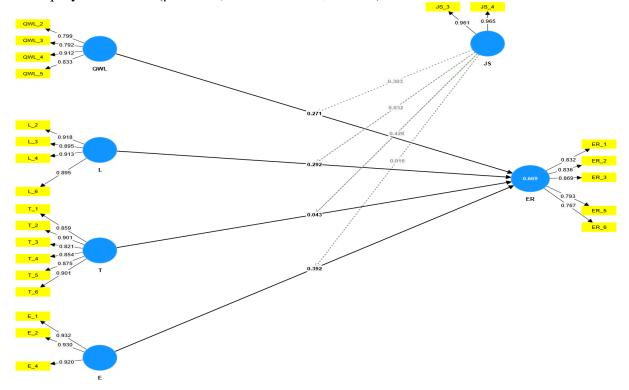


Figure 2: Path Analysis

Moderation Analysis

This study also employs moderation analysis to examine the potential impact of job satisfaction on employee retention. Among the four moderations analysis only two are supported (See Table



7). When the organization has quality of work-life then employees feel more satisfied as well as the another strong point the employee are satisfied are through the training facilities, which helps to increase the satisfaction of the employee. Consequently, the study does not find sufficient support from leadership and empowerment between the job satisfaction and employee retention.

Hypothesis Beta Value P-value **BootLLCI BootULCI** Result H5: JS x OWL -> Supported ER -0.303 0 -0.458 -0.12Not 0.032 H6: JS \times L -> ER 0.651 -0.105 0.174 Supported H7: JS $x T \rightarrow ER$ 0.594 Supported 0.428 0 0.26 Not H8: JS \times E -> ER 0.016 0.851 -0.1560.175Supported

Table 7: Moderation Effect

5. Discussion

In the study to measure the human resource practices on employee retention reliability test and multiple linear correlation was tested. This analysis confirms the relationship between the HRM practices and employee retention. From the total Four hypotheses quality work life, leadership and empowerment has significant relationship with the employee retention.

Hypothesis 1 shows the significant relationship of quality work life and employee retention. According to the Cascio (2006), quality of work life is employees' perception of their mental and physical well-being in the workplace. It suggests that meeting employees' needs can significantly boost job satisfaction, leading to higher retention rates and organizational success. Fatmasari and Wulida (2018) further demonstrate that a positive interaction between individuals and their work within an organization enhances work motivation, job satisfaction, and ultimately contributes to employee retention. The finding of the study Ashton (2018), Udin et al. (2023), which shows that the when the quality of workers are appreciated in the organization, it leads to the increment of the employee retention.

Similarly, hypothesis 2 finds the significant relationship of leadership and employee retention. According to the Ohunakin et al. (2019), leadership enhances the working conditions, recognizes the individual contributions, and integrates employees' needs into decision-making. Similarly, leaders' attitudes, behaviors, and actions significantly impact the attitudes and behaviors of their followers, consciously or subconsciously. Hence the good leadership have a positive impact in employee retention. The finding is similar with the Ashton (2018), Tain et al., (2021).

Likewise, the hypothesis 4 shows the significant relationship between the empowerment and employee retention. According to the Idris et al. (2018), empowerment enhances employees' self-confidence, self-reliance, and overall well-being, facilitating formal and informal information sharing and greater participation in decision-making processes. Consequently, empowerment results in high levels of job satisfaction, performance, and productivity (Idris et al., 2018; Yuliandi, 2019). A study by Ghasempour et al. (2021), shows a positive correlation between the extent of employee empowerment and the level of job satisfaction within organizations. The study by malik et al. (2020), aligns the similar kind of result, where the empowerment has the positive relationship with the employee retention.



6. Conclusion:

Employee retention is one of the most contentious issues in business today, so it's critical to understand the reasons behind staff churn and put the right policies in place to keep employees. The hospitality business is experiencing substantial fluctuations in demand for the products and services it provides as a result of the unstable economic climate, and it is under pressure to become more efficient in order to satisfy operational priorities and goals. This has raised the need for companies to assess their processes, organizational objectives, vision, performance goals, and performance actions in addition to improving the way they provide services.

This finding suggests that when the organization provide flexible working hours/shift and equally distribute the work load among the employees, it made the employee to stay longer in the organization. Similarly, the findings also suggest that employee will satisfy working in the hospitality sector when they believe they have the chance to develop their abilities and skills. To foster a positive work atmosphere, management must help employees get along with one another. Similarly, granting essential authority or power to employees enhances retention within the organization. Moreover, the inclusive leadership style an organization have can improve the increment of the retention of the employee. Further, management should involve the employee in decision making process according to their position and nature of the job which leads to the satisfaction and retention of the employee in the organization. It is recommended to the organization to create the good atmosphere, encouraging good leadership style, providing regular training and empowering the employees for retaining them in long term.

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