HUMAN RESOURCE PRACTICES AND EMPLOYEES' INTENTION TO STAY IN THE KUALA LUMPUR HOTEL INDUSTRY

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ABSTRACT

The main purpose of this study was to examine the relationship of human resource practices and employees' intention to stay in the KL hotel industry. Seven human resource practices; namely recruitment and selection, training, the compensation system, performance appraisal, job security, employee empowerment, and communication were used as variables to predict such intention. A total of 340 questionnaires were distributed to employees who were currently working in two, three and four stars rating hotels. Data were analyzed by using SPSS and results indicated that all practices have significant positive relationships with employees' intention to stay. It was also found that practices that are commonly being carried out in the KL hotel industry were communication, training, recruitment and selection, teamwork, and performance appraisal. It is hoped that the findings of this study will help hotel managers to implement these practices so that their employees remain working with them and maximize the employees' intention to stay.

Keywords: Human resource practices, employees' intention to stay, hotel industry, Kuala Lumpur, Malaysia

INTRODUCTION

By definition, human resources are people that are employed in an organisation to carry out their daily duties in exchange for wages, salaries or rewards (Denisi and Griffin, 2005). On one hand, human resource management (HRM) is the formal system that includes philosophy, policies, and practices in an organisation to ensure that it effectively utilises the knowledge, skill, abilities, and other characteristics of the employees to achieve the organisational goals (Pynes, 2009). Proper management of human resources can provide a competitive advantage for organisations to compete in their respective industries. Human resource practices such as the recruitment and selection, training and development, compensation and benefits, retention, evaluation and promotion of employees, and labour management relations are the practices that have always been carried out and have become key elements in an organisation. It is important for the organisation to recruit the right people to fill up available vacancies in order to attain the standard needed in delivering the required quality of services and products (Hayes and Ninemeie, 2009). Therefore, by publishing advertisements for job vacancies in media that are easily reachable by job seekers, such as newspapers and the internet, the probability of finding the ideal candidate is widened. With the increase in competition in the hotel industry, every organisation will seek methods to secure a competitive advantage through quality of services. A high quality of services without defects is mostly preferred by customers and this will lead to the future return of customers and also spread through word of mouth by customers (Kandampully et al., 2001). Owing to this, the management of the workforce in the hotel industry should emphasise the quality of the work. Hence, the survival and competitiveness of an organisation are determined by the employees' work quality, attitudes, and behaviour in the workplace.

As the HRM department plays a major role in managing staff, it has become the department's responsibility to control employee turnover. Unfortunately, the high rate of employee turnover is a common problem in the hotel industry where it is estimated that the turnover rate ranges from 60% to 300% annually compared to 34.7% in the manufacturing industry (Walker and

Miller, 2010). Employee turnover brings drawbacks to the organisation which includes the loss of valuable employees and increases the organisation's costs. Some of these costs are recruitment costs to hire new employees and training for them to learn or improve skills. Hence, effective human resource practices should be developed in order to increase the intention of employees to stay in the hotel industry.

The number of hotels in Malaysia is increasing due to the increase of tourism during recent years. According to the Malaysian Association of Hotels (MAH), there are 2085 hotels registered under this association. There are 250 and 203 registered hotels rated two and three stars respectively in Malaysia (Malaysian Association of Hotels, 2011). Besides that, there is an obvious growth in the four star hotels in the hotel rating carried out by MAH. From the statistics among the registered hotels, four star hotels showed an increase in the number with 137 hotels in March 2011 as compared to 102 hotels in December 2007. MAH reported that the occupancy rate in hotels showed an increase in the third quarter of 2010 compared to 2009 from 59.77% to 68.74%. Consequently, this has shown that a hotel is a popular choice for providing shelter for people when away from home. Hence, the quality of service provided is important to satisfy the customers so that their return visit can be guaranteed or secured. In order to retain the quality of organisation, the human resources department should implement various types of effective practices to retain valuable employees so that the organisation maintains a competitive advantage.

Most studies have focused on the factors that contribute to the turnover of employees (Pizam and Thornburg, 2000; Abdullah et al., 2010). According to Pizam and Thornburg (2000), a combination of work related and personal characteristics were the factors that affected employee turnover. Age, hourly salary status, family obligations, length of service, job satisfaction, pre-employment job expectations, satisfaction with pay as well as benefits, and quality of relationship with co-workers were related factors. In addition, the relationship between human resource management practices and turnover rate was also identified by the researchers (Cho et al., 2006). According to Cho et al. (2006), turnover rates among non-

managerial employees were reduced if the organisation practises a labour management participation program. This study arises because the majority of the previous research was outside Malaysia, especially in Western countries. Locally, there has been a lack of studies carried out on human resource practices and employees' intention to stay in the hotel industry. Besides that, there might be cultural differences between Western and Asian countries and practices effective in Western countries may not effective to be implemented in this country. In addition, most studies were carried out on the overall firm and organisation practices and there is a need for a study specifically on the hotel industry, especially in Malaysia. This study is aimed at examining the human resource practices and relating them to an employee's intention to stay in the hotel industry. The specific objectives are as followed:

i.   To identify human resource practices in the KL hotel industry.
ii.   To determine the relationship between human resource practices and the employees' intention to stay in the hotel industry.

The importance of this study is to provide better insight into various human resource practices that are implemented in the KL hotel industry with the aim of highlighting whether effective HR practices could increase employees intention to stay within the hotel. The effectiveness of the implementation of human resource practices is different for various industries. The findings of this study which focus on the hotel industry are expected to give a contribution to the industry by providing more accurate and specific information related to retaining their valuable employees. In addition, the results and findings will be useful for top managers and HR managers to improve their HR practices and plan effective strategies. Through this study, the managers will know more about practices that are effective among employees and ultimately use them as guidelines or reference while developing HR practices. Moreover, with the lack of study related to the hotel industry in Malaysia, it is hoped that the findings will be able to provide information for the local hotel industry and thus be useful for the managers and human resource departments in the country.

LITERATURE REVIEW

Human Resource Practices

According to Singh (1992), human resource management consists of three components. First, are the traditional management activities such as recruitment and training. Secondly, employees are viewed as the major asset in the organisation and there is a willingness to develop these employees. Lastly, the management people integrate the personnel management function into the strategic management. Becker and Gerhart (1996) pointed out that human resource management was considered a strategic asset of an organisation and human resource policies and practices were important to an organisation's competitive advantage in a competitive world.

Researchers have given several definitions of human resource management. Mathis and Jackson (2000) referred to it as the design of management systems to ensure that talented employees in the organisation are being used efficiently and effectively to achieve organisational goals. On one hand, Nickson (2007) defined human resource management as a set of professional practices which include a range of personal practices that can be integrated to ensure a professional approach in managing people in the organisation. On the other hand, Randhawa (2007) stated that human resource management is the planning, organising, directing, and controlling of the procurement, development, compensation, integration, maintenance, and separation of human resources so that individual, organisational, social objectives are achieved.

The practices and activities involved in human resource management include information sharing, job analysis, recruiting and selection, compensation, training, performance appraisal, communication, employee empowerment, job security, job design, employee security, reduced status distinction and barriers, motivation, and some others (Murphy and Murrmann, 2009; Redman and Matthews, 1996; Hayes and Ninemier, 2009; Singh, 2004; Cho et al., 2006). By adopting the best practices, commitment from employees results in increasing organisational performance,

productivity and profitability (Nickson, 2007). Besides that, the intention of employees to leave the industry will also decrease (Altarawmneh and al-Kilani, 2010; Chang and Chang, 2008; Mudor and Tooksoon, 2011).

Recruitment and Selection

Both recruitment and selection are important in order to retain employees and both processes are interrelated. Recruitment is a process used to attract a pool of job candidates and the most suitable person for the job requirements will be selected and shortlisted. The process usually starts with the production of the specifications based on the job description and end with the appointment of the successful applicant (Boella and Turner, 2005). The objective of selective hiring is to get the most suitable applicant to fill the vacant position (Mess, 2004). Since the selection process narrows down the application and choosing of the best candidates that meet all the requirements, several stages will take place to get rid of unsuitable candidates (Hughes, 2002). Relying solely on an interview by the manager would not necessarily guarantee that the best applicant who is committed and fits with the organisation can be found. Other methods such as team interviews, peer involvement, work simulation, and role playing can be used to help find the best candidates (Vencatachellum, 2010). According to Appaw-Agbola et al., (2011), the objective of both recruitment and selection activities is to recruit the right people to fill a vacant position as unhappy and dissatisfied staff are more likely to leave the organisation which would lead to higher turnover (Cameron et al., 2010). Rioux and Bernthal (1999) revealed that the better the recruitment and selection strategy of an organisation, the better the outcome. Through implementation of effective recruitment and selection strategies, satisfied employees can be retained.

Training

Training is defined as a planned process which helps to provide on the job experience, and modify the attitudes, skills and knowledge of employees to achieve satisfactory performances while handling their daily task or activities (Goldsmith et al., 1997). The

main objective of training is to improve employees' performances in the organisation. Three elements that an individual must have in order to effectively carry out their duties are knowledge, skills, and attitudes (Boella and Turner, 2005) which can be developed and improved through effective training.

Training of the staff is important as the organisation can obtain a satisfactory investment return to the organisation's business (Jerris, 1999). Various benefits can be obtained through training which includes the improvement of organisational productivity, increasing employee retention and satisfaction, and greater organisation commitment among others (Lashley, 2002). Chiang et al., (2005) found that training quality had a positive relationship with effecting job satisfaction and thus increased an employee's intention to stay in the hotel industry. Hence, the organisation should emphasise employee training as it has a significant effect on the retention of employees. Chang and Chang (2008) stated that offering training to employees also means giving them the opportunity to learn and increase their efficiency, and professional knowledge. Training not only improves the employee's knowledge and skill, but also lets the manager know about their employee's ability to perform daily tasks. Furthermore, research carried out by Arnett et al., (2002) showed that well trained employees had role clarity and showed less role conflict which enhanced job security and job satisfaction. Hence, organisations can train their employees so that their willingness to stay will increase (Chang and Chang, 2008).

Compensation System

The compensation practices of employers are intended to provide "fair" compensation to the employees. The implementation of "fair" compensation practices attracts, retains, motivates, and develops a competent employee (Pohlen and La Londe, 1994). Mess (2004) pointed out that compensation was created for the employees with superior performance in the form of financial and non-financial means. According to Namasivayam et al., (2007), compensation can be divided into direct and indirect. Direct compensation is base compensation such as salary and pay incentives such as bonuses and profit sharing. While, on the contrary, indirect compensation

consists of the benefits given to the employees such as health insurance and unemployment insurance. Pay practice is very important to the organisation as it might help to attract employees to apply for positions (Mudor and Tooksoon, 2011). Appropriate design of the pay system may help in motivating the employee's performance as well as attracting and also retaining employees (Wah, 2000). Besides that, high pay practice can retain high quality employees in the organisation (Mudor and Tooksoon, 2011). Hence, it is an important element in determining the employer-employee relationship. Gross and Friedman (2004) emphasised that employees who are more likely to stay in the organisation are those who have received benefits. In the findings, the waiting period, that is the amount of time that employees must wait before they are eligible to be in the benefits program, had a significant impact on the employees,. Organisations that reduced the waiting period resulted in higher retention. Hence, an appropriate benefits package was important in the retention of qualified employees.

Performance Appraisal

The performance appraisal is a formal, structured system that evaluates job related behaviours of employees and their contributions to the organisation (Andrew, 2009) that is designed to manage the organisation's human resources. It is also a motivation technique for communicating performance expectation assessments of the potential of employees and identifies the need for improvement (Kusluvan, 2003). Moreover, according to Sudin (2011), the performance appraisal is a managerial process that relates the organisational objectives, performance standard, and evaluation to the performance review that is applied. One important aspect of the performance appraisal is that it is used to make a variety of decisions such as promotions, transfers, layoffs and compensations which can enhance organisational effectiveness (Kusluvan, 2003). The primary objective of a formal performance appraisal is to provide feedback to the employees based on their performance which is important to both the employees and the organisation (Jawahar, 2006). Singh (2004) stated that the appraisal mechanism can be used to evaluate the development of the employee's attitude and behaviour. The performance appraisal can

be the most influential and powerful control system if it is used adequately and is unbiased. The performance appraisal system can contribute to organisational performance and morale because it is a tool for the poor performer to seek improvement and a good performer to continue improving and be recognized and rewarded (Bayo-Moriones et al., 2011). From the review of Jawahar (2006), the performance appraisal is an important attribute that has a positive relationship to job satisfaction and organisational commitment and thus reduces the intention of employees to leave the organisation.

Job Security

Job security is a major concern of employees in an organisation. According to Meltz (1989), job security is defined as employee continuing to work for an organisation with no diminution of seniority, pay, pension rights, and others. Boella and Turner (2005) revealed that job security plays an important role in the employment relationship because employees leave an insecure organisation. Job insecurity occurs when employees feel that their job is uncertain and will end soon. Job insecurity will threaten the employees with loss of material, social, and psychological benefits related to employment (Reisel et al., 2007). Researchers have stated that job security might affect the employees in terms of job related factors in positive or negative ways (Fried et al., 2003). Boella and Turner (2005) found that job security creates a stable and skilled workforce that leads to positive outcomes for the organisation. Fried et al., (2003) further mentioned that job security has both direct and indirect effects on the motivation of employees. Meanwhile, a high level of job insecurity is expected to produce low organisational efficiency (Kinnunen et al., 2000) and have a negative impact on the employee's performance due to their not putting much effort into performing their duties (Reisel et al., 2007).

When employees sense any form of job security, they tend to maximize the utilisation of their skills in contributing to the organisation (Dienhart and Gregoire, 2003). According to Yousef (1998), there is a positive relationship between job security and job satisfaction. He stated that employees who are satisfied with their jobs show commitment to the organisation and increase their work

performance. It was found that when job security is higher, the employee's intention to stay in the organisation is higher (Boella and Turner, 2005). Besides that, managers should be concerned with the culture of a country when making decisions since it could affect the level of satisfaction with the job security to increase the organisation's commitment. From the findings of Ashford (1989), job insecurity is associated with negative outcomes such as decreases in organisational commitment, job satisfaction and trust in the organisation, and an increase in the intention to quit the job. Kinnunen et al. (2000) revealed that to prevent job insecurity among employees, the organisation can promote the employee's well being at work. Besides that, the researchers also stated that it is important for the organisation to find alternatives to cope with the insecurity with the least number of disadvantages possible.

Empowerment

The theory of empowerment means giving autonomy to the employees in making decisions in their daily activities to increase their satisfaction with their jobs (Salazar et al.,2006). Gill et al., (2010) defined empowerment as the individual's ability to choose alternatives and make decisions. Empowerment gave employees a sense of autonomy, authority, and control that produced an emotional state with positive attitudes towards the organisation and commitment (Lashley, 2002). Empowerment is a bottom-up process rather than a top-down strategy in an organization and employees must be trained and provided with clear direction and responsibility. In addition, it is important to recognize the employees' desires before empowering them (Gill et al., 2010). Giving empowerment to the employees means letting them feel good about themselves and their jobs. Through the implementation of empowerment, employees may feel the ownership of the job, find the job meaningful, and become responsible in their duties (Bowen and Lawler, 1992). From the findings of Ongori (2009), empowerment makes employees feel that they are important to the organisation's success, builds commitment, creates a sense of belonging, promotes effective communication, and builds trust in the organisation. Besides that, through empowerment, the workload of managers can be reduced. The satisfaction of employees from empowerment would create

better outcomes such as increased loyalty, productivity, and lead to customer satisfaction (Salazar et al., 2006). Nedd (2006) stated that apart from satisfaction, empowerment also increased the intention of employees to stay in the organisation.
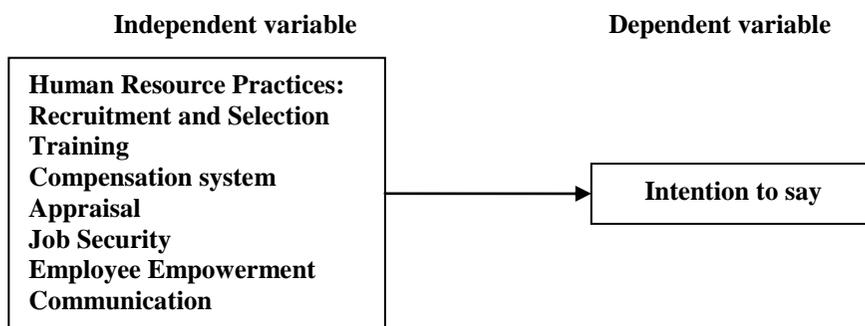
Communication

Communication is a term that is related to sending and receiving messages (Walker and Miller, 2010). In the hotel industry, communication is an important attribute in human resource practice. Chew et al., (2006) mentioned in their research that successful organisations depend heavily on the effectiveness of communication. Communication is important between managers and employees as well as among employees themselves. If the communication system is ineffective, employees cannot access the path to express their thoughts. Thus, ineffective communication will lose its primary function of communication. Chew et al., (2006) said that good communication may enhance working relationships. In addition, a good communication system may also help in knowing the reason behind well-trained and quality employees leaving the organisation. Through this, the organisation may improve its strategy and plan in order to decrease the turnover rate (Chang and Chang, 2008). In order to communicate effectively, researchers also suggested that organisations should reduce their hierarchical communication. Moreover, it was found that managers who are concerned with communication in the organisation increased the employee's job satisfaction and self-esteem (Back et al., 2011). The communication system also influenced the productivity of employees where a good communication system could increase organisational productivity (Chew et al., 2006). Good internal communication also helps in increasing the intention of employees to stay in the organisation (Chang and Chang, 2008).

Intention to Stay

Intention is referred to as to "do special things or action with a special attitude, or with means, purpose, or plan in the individual heart" (Chang and Chang, 2008). Price and Mullar (1981) stated that intention to stay was an estimated probability that an employee will

continue to work in an organisation. Besides that, it also refers to the employee's conscious and deliberate likelihood to work with the same organisation (Tett and Meyer, 1993). The Table below shows the conceptual framework for this study.

Figure 1: Conceptual Framework

Independent variable		**Dependent variable**
Human Resource Practices: **Recruitment and Selection** **Training** **Compensation system** **Appraisal** **Job Security** **Employee Empowerment** **Communication**	→	**Intention to say**

Impact of Human Resource Practices on the Intention to Stay

Based on the research by Chang and Chang (2008), effective human resource practices such as education and training, a performance acknowledgement system, communication, authorisation, and power were able to lower the intention of employees to leave the organisation, which means that they were willing to stay with the same organisation. Chew and Chan (2008) stated that training and development as well as remuneration and recognition showed positive relationships with the intention to stay in the organisation. However, Altarawmneh and Al-Kilani (2010) claimed that only the implementation of a job analysis will affect the employee's intention to stay or leave.

In addition, Govaerts et al., (2011) said that talented employees are willing to continue working in the organisation if the management implements an appreciative learning and working climate. Factors that are associated with the employee's intention to stay are also important to the management in order to develop strategies that may facilitate the intention of employees to stay in the same organisation (Nedd, 2006). The subsequent cost related to the

staff turnover such as recruitment and training of new employees can be reduced through implementation of strategies. Besides that, Mudor and Tooksoon (2011) revealed that supervision, job training, and pay practices are important attributes that could increase the job satisfaction which indirectly reduces the turnover intention of employees. They also stated that organisations should take into consideration job satisfaction and implement human resource practices in the workplace to reduce turnover and achieve organisational goals. These are likely to increase the intention of employees to stay in the industry. Khan et al. (2011) discovered different results for the quantitative and qualitative methods they used for their studies. The former method, which used the questionnaire distribution approach, showed that work-life balance, training and development, constituent attachment, and culture contributed significantly to the retention of employees. In the interview approach, they found that the prestige offered, learning environment, promotion and growth, empowerment and sense of ownership, facilities, chances of socialisation and recreational activities, international brand name and good will, teamwork and cooperation, as well as ease of communication contributed to the retention of employees. Hence, effective human resource practices should be implemented in order to increase the intention of employees to stay or remain in their organisation.

METHODOLOGY

Respondents for this study consisted of employees of two, three, and four star hotels in KL. The respondents varied from front service, housekeeping, food and beverage service, food production, human resources, accounting, and other departments. A total of 15 hotels agreed to participate in this study. The drop off and pick up method was used as part of the data collection. Bernard (2011) noted that this method involved leaving questionnaires to the respondents and picking them up later. The author stated that the response rate of using this method is high compared to the mail questionnaires method. Hence, this method was adopted in this study. The technique used to conduct this study was convenience sampling and the questionnaires were handed out to the human resource managers in the participating hotels and they helped the researcher to distribute

them to the employees. The questionnaires were collected back from the managers after two weeks. There were 340 sets of questionnaires given to the respondents and only 226 sets were usable returning a response rate of 66.47%.

Questionnaire Design

The self-administered questionnaire consisted of three parts. The first part was to identify the human resource practices in the organisations. Respondents were required to tick the practices that were implemented in their respective organisations. The second part of the questionnaire consisted of 41 questions related to the seven types of practices and the employee's intention to stay in the hotel industry. The seven practices and the intention to stay are examined in this study. These comprise training, recruitment and selection, job security, employee empowerment, compensation, performance appraisal and communication. The questions asked in the second section were extracted from the questions generated by Singh (2004), Guchait (2007), Chew (2004), and Cho et al. (2009). A 5-point Likert scale was used as the measurement where "1" is equal to "Mostly Disagree" and "5" is equal to "Mostly Agree". Finally, the third part of the questionnaire gathered respondents' personal information such as age, current position, and educational level among others. Respondents needed to fill in their answers on their own.

FINDINGS

Table 2 shows the respondents' demographic data which consists of gender, marital status, age, department worked in, time of quitting job, previous job and tenure in the organization characteristics. Out of 226 respondents, it was found that 116 respondents (51.3%) were male whereas 110 respondents (48.7%) were female. In terms of marital status, the number of respondents that were single and married were 118 respondents (52.2%) and 108 respondents (47.8%) respectively. The ages of the participants were identified in four categories. 40.7% of respondents, that is 92 respondents, were in the age range of 26-35 years. This was followed by those aged 18-25 years consisting of 27.4% (62)

respondents and those aged 36-45 years (24.8% or 56 respondents. It was found that only 16 respondents (7.1%) fell in the category of more than 45 years of age.

The respondents who participated in this study were from various departments in the hotel. It revealed that there were 59 respondents (26.1%) who worked in the frontline department, 51 respondents (22.6%) who worked in the F& B department and 45 respondents (19.9%) who worked in the housekeeping department. There were also a number of respondents who worked in the human resources department, sales department, accounts department, administration department and engineering department, comprising 13 respondents (5.8%), 14 respondents (6.2%), 17 respondents (7.5%), 21(9.3%) and 6 respondents (2.7%) respectively. In terms of the number of times the job was quitted in the last five years, the data showed that the majority of the respondents, 129 respondents (57.1%), had never quit their job in the past five years. This study found that they remained working in the same hotel. The number of respondents who had quit that job once, twice, and three times in the last five years were 62 respondents (27.4%), 26 respondents (11.5%) and 8 respondents (3.5%) respectively. There was only one respondent (0.4%) who quit his/her job more than five times in the last five years.

On the aspect of the previous job, the respondents were asked whether their previous job was in the hospitality industry. The results found that 135 respondents' (59.7%) previous jobs were in the hospitality industry while the remaining respondents who were 91 (40.3%) worked in another industry. In terms of job tenure, 25.2% (57) respondents had worked in the hotel for less than one year. The percentage of respondents who worked for the same hotel within 2 years, 3 years, 4 years and 5 years were 13.3% (30) respondents, 17.3% (39) respondents, 9.3% (21) respondents and 7.5% (17) respondents respectively. It was surprising that 27.4 % (62) respondents had worked for their hotel for more than five years. All the respondents were educated and the majority of them had SPM. In the hotel industry, experience is important as the candidate is often started in an entry-level position even though they have higher qualifications and it is based on their performance (Ahmad

and Zainol, 2011). Hence, it was not surprising that 42% of respondents from this study only had the education level of SPM. They started worked as non-managerial employees and were promoted to higher positions based on their performance.

Table 1: Respondent Profile

Characteristics	Frequency	Percent (%)
Gender:		
Male	**116**	**51.3**
Female	**110**	**48.7**
Marital Status:		
Single	**118**	**52.2**
Married	**108**	**47.8**
Age:		
18-25	**62**	**27.4**
26-35	**92**	**40.7**
36-45	**56**	**24.8**
>45	**16**	**7.1**
Working Department:		
Front desk	**59**	**26.1**
F&B	**51**	**22.6**
Housekeeping	**45**	**19.9**
HR	**13**	**5.8**
Sales	**14**	**6.2**
Account	**17**	**7.5**
Administration	**21**	**9.3**
Engineering	**6**	**2.7**
Times the job was quitted in the last 5 years:		
0	**129**	**57.1**
1	**62**	**27.4**
2	**26**	**11.5**
3	**8**	**3.5**
>5	**1**	**0.4**
Previous Job:		
Hospitality industry	**135**	**59.7**
Other industry	**91**	**40.3**
Tenure:		
0-1 year	**57**	**25.2**
1-2 years	**30**	**13.3**
2-3 years	**39**	**17.3**
3-4 years	**21**	**9.3**

4-5 years	**17**	**7.5**
>5 years	**62**	**27.4**
Education Level:		
SPM	**95**	**42.0**
STPM/A-level	**7**	**3.1**
Certificate	**37**	**16.4**
Diploma	**60**	**26.5**
Degree	**25**	**11.1**
Master	**2**	**0.9**

Identification of Human Resource Practices

Fifteen items were used to identify the most frequently implemented in the hotel industry. The results showed that the practice with the highest percentage was communication with 80.5% and training (77%) in second highest. The ranking was then followed by recruitment and selection with 67.3%, teamwork (65.5%), performance appraisal (63.7%), motivation (58.4%), information sharing (56.6%), health and safety program (56.2%), job design (48.2%), empowerment (47.8%), compensation (47.3%), leadership (45.6%), job security (38.9%), job analysis (34.5), and other forms of practices made up 18.6% from the respondents.

Relationship between Human Resource Practices and Intention to Stay

In order to test the relationship between independent variables and the dependent variable, bivariate correlation was carried out. This analysis was carried out to measure the strength of the association between two variables (Kinnear and Gray, 2010). Table 2 showed the result of the bivariate correlation analysis which suggested that all of the human resource practices were positively correlated to the intention to stay with a significant value of $p < 0.05$. The results of the bivariate correlation indicated that 'communication' had the strongest correlation with employees' intention to stay ($r = 0.634$, $p < 0.05$) followed by 'performance appraisal' $r = 0.597$, $p < 0.05$. The lowest value was between recruitment and selection with intention to stay $r = 0.414$, $p < 0.05$.

Table 2: Correlation Analysis between Human Resource Practices and Intention to Stay

Variable	r	p
Recruitment and Selection (RS)	0.414	0.000
Training (T)	0.546	0.000
Compensation System (CS)	0.538	0.000
Performance Appraisal (PA)	0.597	0.000
Job Security(JS)	0.584	0.000
Employee Empowerment (EE)	0.545	0.000
Communication (C)	0.634	0.000

Note: Correlation significant p<0.05

Human resource practices were further investigated with intention to stay using simple regression analysis where, in this analysis, there is only one independent variable and it is used to predict the value of the dependent variable from the independent variable. The coefficient of determination (R^2) is the proportion of variance of the dependent variable that is accounted for by regression (Kinnear and Gray, 2010). Table 3 shows the result of regression analysis on human resource practices and intention to stay. A close examination of the R^2 shows that the 'communication' factor accounts for 40.2 percent of the variability in intention to stay. In other words, it means that 40.2 percent of variance in intention to stay is predicted by communication.

Table 3: Regression Analysis on Human Resource Practices and Intention to Stay

Variables	Beta	R^2	F	Sig-F
Recruitment and Selection	0.460	0.172	46.399	0.000
Training	0.486	0.298	95.015	0.000
Compensation System	0.494	0.290	91.336	0.000
Performance Appraisal	0.535	0.356	124.021	0.000
Job Security	0.578	0.341	115.968	0.000
Employee Empowerment	0.474	0.297	94.642	0.000
Communication	0.528	0.402	150.879	0.000

Note: Sig-F<0.05

DISCUSSION

Identification of Human Resource Practices

The history of turnovers for individual employees was measured by having the respondents answer the item "How many times have you quit your job in the last 5 years?" as part of their demographic profile information. More than half of the respondents answered that they had never quit their jobs in the past five years which found that the majority of them had been working in their respective hotels for more than five years (27.4%) or started working there within five years. In the hotel industry, experience is considered more important than educational qualification, thus candidates often started from entry-level positions despite having higher qualifications and were promoted based on their performance (Ahmad and Zainol, 2011). Hence, it was not surprising that 42% of the respondents from this study only had the educational level of SPM. They started working as non-managerial employees and were promoted to higher positions based on their performance.

Communication had the highest rank as the most frequently implemented human resource practice in the hotel industry, thus implying its importance and essentiality. Chew et al., (2006) stated that communication in a hotel is important because the success of the organisation depends on the effectiveness of the system. On one hand, the result in this study suggested that training for improvement was always executed for employees in the hotels as training came as the second most frequently implemented practice. Buick and Muthu (1997) stated that practices that are being implemented should include training. Thus, it can be concluded that training is a practice that is always being executed in the hotel industry.

Other practices being implemented in the KL hotel industry include recruitment and selection, teamwork, performance appraisal, motivation, information sharing, as well as health and safety programs. Recruitment and selection are carried out to ensure that competent candidates and candidates that fulfill specified requirements are hired (Vencatachellum and Mathuvirin, 2010). As for performance appraisal, an incentives system that measured an

employee's performance for promotion, increased pay or others was being implemented in the organisation (Bayo-Moriones et al., 2011). Additionally, research by Cho et al. (2006), found that most of the employees were involved in the information sharing in the organisation. Thus, it can be concluded that it was also a practice that is commonly executed in the organisation.

Relationship between Human Resource Practices and Intention to Stay

Based on the results, all of the human resource practices variables were positively correlated to intention to stay and significant where the p value was < 0.05. Therefore, it indicated that all of the seven practices tested (recruitment and selection, training, compensation system, performance appraisal, job security, employee empowerment, and communication) had significant relationships with intention to stay. This implies that human resource practices are able to influence the employees' intention to stay and work in their current hotels. Hence, it is reasonable to conclude that the more satisfied the employees are with the practices implemented, the higher is their intention to stay.

Communication is again proven to have a significant influence on the turnover of employees. From the result of a simple regression analysis, communication has the highest among R^2, at 0.402, which showed more predictive power in explaining the intention to stay of employees compared to other practices. Good communication systems provide a path for employees to express their thoughts, culture, opinions, and others which could reduce the intention to leave for an employee (Chang and Chang, 2008). Other practices in this study that showed significant influence on the retention of employees include recruitment and selection and a compensation system which agreed with findings by Moncarz et al., (2009). Organisations should pay more attention to the recruitment and selection of employees in order to select and recruit human resources that are likely to stay in the company (Bonn and Forbringer, 1992). As for the compensation system, Mudor and Tooksoon (2001) noted that pay rates and benefits that were

comparable with the competitors were able to retain high quality employees, thereby reducing the turnover intention of employees.

Besides that, from the reviews of researchers, training was shown to have a significant relationship with the intention to stay of employees (Chew and Chan, 2008; Cho et al., 2006). According to Chew and Chan (2008), the intention to stay of employees would increase if training could result in higher productivity which indirectly could increase the salary of employees. On the aspect of performance appraisal, Cho et al. (2006) and Jawahar (2006) stated that it could reduce the turnover intention of employees that work in the hotel industry. Employees that were satisfied with the appraisal feedback such as with their job performance tend to have higher job satisfaction and organisational commitment (Jawahar, 2006). Results from this study indicated that the more the employees were satisfied with the appraisal practice, the higher their intention to stay in the organisation which would lead to higher commitment to the organisation. Previous studies also evidenced positive significant relationships between employee empowerment and intention to stay (Chang and Chang, 2008) which was also proved in this study. Employees should be empowered, especially the first-line employees in the hotel industry, to cope with the unexpected service conditions and the customer requirements, while the manager plays the role of authorization and also provides training for the employees. As for job security, Boella and Turner (2005) mentioned a correlation with intention to stay. Job security is important in an organisation because employees would leave the hotels if they felt insecure in their job.

CONCLUSION

Human resource practices are usually carried out by the hotel management for the employees. Implemented practices are important because an effective practice could provide a competitive advantage to an organisation to succeed in the industry. Two objectives were determined for this study; to identify the human resource practices in the hotel industry and to identify the relationship between human resource practices and the intention to stay of employees in the hotel industry. Communication is the most frequently implemented human resource practices in the KL hotel

industry, followed by training. This result is consistent with the study by Chew et al., (2006). Other practices include recruitment and selection, teamwork, performance appraisal, motivation, information sharing, as well as health and safety programs. Since all seven human resource practices (recruitment and selection, training, compensation system, performance appraisal, job security, employee empowerment, and communication) were found to have a relationship with intention to stay, this implies that human resource practices are able to influence the employees' intention to stay and work in their current hotels. Hence, the more satisfied the employees are with the practices implemented, the higher the intention to stay. It is also reasonable to argue that employees who were satisfied with the practices offered by the employer have a positive intention to continue working and ultimately remain in that particular organization.

LIMITATIONS

There were several limitations in this study. First of all, due to the study being carried out on 2, 3, and 4 star hotels, there might be large differences in the perception of employees between the employees of 2 star and 4 star hotels especially. This might cause the result to be less accurate. The result could be more accurate if the research was on hotels of the same star rating. In addition, the language barrier was another limitation. Some employees in 2 and 3 star hotels were foreign workers or those with lower educational levels. They were neither familiar with English nor able to answer the questionnaire. This has led to a smaller sample size. The sample size in this study was not large enough because questionnaires that were given out were not all returned. Some of the hotels were not willing to participate due to their busy schedule. This could decrease the degree of accuracy of this study. Time constraints limited the availability to do data collection in ideal timing. During the data collection period, some of the hotels were in their peak period with a higher occupancy of guests and this led to the hotels' refusal to participate in this study.

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