



Employee Experience Architecture and Retention Governance in Human Resource Management

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Abstract. Employee retention has become a strategic question for service organizations because labor scarcity, unstable schedules and digital monitoring have changed the economics of frontline work. This paper examines human resource management through the case of Harbor Coffee Group, a composite retail service enterprise that expanded rapidly after 2020 and then faced rising voluntary turnover among store employees. The analysis argues that the central problem was not a single wage policy but a weak employee experience architecture. Scheduling, supervisor behavior, learning opportunities and internal mobility were managed as separate routines, so employees could not see a credible employment relationship. The paper explains how the company rebuilt retention governance through workforce analytics, store manager accountability, skill based progression and employee voice channels. The findings show that human resource management creates economic value when it treats retention as an integrated operating system rather than a short term labor cost issue.

Keywords: Human Resource Management, Employee Experience, Retention Governance, Workforce Analytics, Retail Service

1 Introduction

Human resource management has moved from an administrative function to a managerial field that shapes competitiveness through people, knowledge and organizational routines. This shift is especially visible in labor intensive service firms. A company can invest in brand design, store location and digital ordering, yet the customer experience still depends on the employee who opens the store, responds to complaints and keeps service standards steady during peak hours. When that employee leaves, the firm loses more than a headcount. It loses local knowledge, team rhythm and part of the trust that supports customer loyalty.

The economic significance of retention has increased because the cost of replacing frontline staff is no longer limited to recruitment advertising and basic training. It also includes manager time, service disruption, overtime for remaining workers and the hidden cost of weaker commitment. Many retail service organizations respond to turnover by raising hourly pay or offering one time bonuses. These measures may be necessary, but they rarely explain why some employees stay and others leave under similar market

conditions. A broader HRM perspective asks how employees experience the organization across the whole employment cycle.

This paper uses the case of Harbor Coffee Group to examine how a service organization can redesign retention management. Harbor Coffee Group is presented as a composite case that reflects common management problems in fast growing retail chains. The company expanded from regional success to a national store network, introduced mobile ordering and relied heavily on part time labor. Growth created revenue momentum, but it also weakened the relationship between employees and the organization. The article first reviews recent literature on digital HRM, workforce analytics and ethical people data, then analyzes the case and discusses managerial implications.

2 Literature Review and Conceptual Basis

2.1 Strategic HRM and Employee Experience

Recent research treats human resource management as a strategic system in which technology, work design and employee outcomes are closely connected. Malik, Budhwar and Kazmi argue that artificial intelligence assisted HRM should be evaluated through both organizational productivity and employee centered consequences, because digital tools can improve efficiency while also changing how employees understand control and support[1]. This argument is useful for service firms because retention problems often appear at the point where efficiency systems meet daily employee experience.

The concept of employee experience extends the discussion beyond satisfaction. It focuses on the sequence of interactions through which workers judge whether the organization is predictable, fair and worth long term effort. In a retail service setting, this sequence includes recruitment promises, shift allocation, manager communication, training access, peer support and promotion opportunities. Radonjic, Duarte and Pereira show that HR managers view artificial intelligence as decision support rather than a replacement for managerial judgment, especially when organizations must align technology, people and governance[2].

2.2 Workforce Analytics and Ethical People Data

Workforce analytics has become an important component of modern HRM, but its value depends on managerial interpretation. Manroop, Malik and Milner warn that big data in HRM can create risks involving surveillance, profiling, privacy and transparency, even when the stated purpose is improving recruitment, training, performance management or retention[3]. This warning matters for case analysis because a company that monitors employees without trust may reduce turnover in the short term through control, while damaging commitment in the longer term.

Rodgers, Murray, Stefanidis, Degbey and Tarba provide a framework for ethical decision making in algorithmic HRM and emphasize intelligibility and accountability in AI generated HR decisions[4]. Scheibmayr and Reichel further show that workers respond actively to algorithmic HRM and may change their behavior when they believe that the organization evaluates them through narrow measures [5]. The conceptual basis

of this paper is therefore an employee experience architecture that combines fair scheduling, supervisor capability, skill based progression and responsible analytics.

3 Case Background

Harbor Coffee Group began as a regional coffee chain in eastern China and later adopted a mixed format of street stores, campus kiosks and office district stores. Its competitive position depended on rapid service, a consistent product menu and friendly interaction. The firm expanded quickly after the growth of mobile ordering. Store teams had to handle online orders, delivery pickup and in store customers during compressed peak periods. The operating model required flexible staffing, but the human resource system had been designed for a smaller organization.

The workforce consisted of full time baristas, part time students, shift leaders and store managers. Most employees were young and many viewed the job as temporary. This did not concern senior management at first because labor supply was stable and training was simple. As the chain expanded, however, turnover increased in high volume stores. Exit interviews showed several repeated complaints. Employees disliked sudden schedule changes, unclear promotion standards, inconsistent supervisor behavior and the feeling that performance targets were set without understanding store pressure.

The human resource department had introduced digital attendance, online training modules and a basic engagement survey. These tools produced data, but they did not produce coordinated action. Scheduling was controlled by store managers, training completion was monitored by regional HR staff and promotion decisions were discussed informally by district managers. Each process appeared reasonable when viewed alone. Together they created uncertainty. Employees did not know whether accepting extra shifts would improve their prospects, whether completing training would matter, or whether speaking about workload would be interpreted as a lack of commitment.

4 Case Analysis

4.1 Fragmented HR Practices and Turnover Pressure

The first problem was fragmentation. Harbor Coffee Group had HR practices, but it did not have a coherent HR system. Recruitment emphasized energy, teamwork and growth. Scheduling practices emphasized short term labor coverage. Performance evaluation emphasized speed and sales conversion. Training emphasized menu knowledge. Promotion depended on managerial nomination. Because these practices were not linked, employees received mixed signals about what the organization valued. New employees needed experienced workers to teach store routines, but experienced workers were the group most likely to leave when schedules became unstable.

This fragmentation also weakened managerial accountability. Store managers could blame turnover on labor market conditions, while regional HR staff could point to completed training records and formal recruitment targets. No department owned the full

employee experience from entry to retention. As a result, the company had many activity indicators but few relationship indicators. It knew how many people had been hired or trained, but it did not know whether employees believed that work effort, learning and advancement were connected in a fair and predictable way.

4.2 Scheduling Fairness as the Foundation of Trust

The second problem concerned scheduling fairness. Employees accepted that coffee retail requires weekend and peak hour work. What they resisted was unpredictability without explanation. Some employees received favorable shifts because they had personal relationships with managers, while others were repeatedly assigned closing shifts followed by morning shifts. The company had no rule requiring advance notice or review of unpopular shift concentration. This damaged trust because flexibility looked like a one sided demand rather than a shared operating requirement.

The scheduling problem was especially serious because working hours shaped employees income, rest time and private life at the same time. When shifts changed suddenly, part time employees found it difficult to coordinate study, family duties or second jobs. Full time employees also interpreted repeated inconvenient shifts as a signal that the organization did not respect their contribution. In this situation, schedule fairness became more than an operational matter. It became the foundation on which employees judged whether the company treated them as replaceable labor or as members of a continuing work community.

4.3 Store Manager Capability and Daily HRM

The third problem was the gap between formal HR policy and daily supervision. Store managers were promoted mainly because they were reliable operators. Many had never been trained to conduct coaching conversations, handle employee complaints or explain development paths. As a result, the same HR policy felt fair in one store and arbitrary in another. Employees did not leave an abstract organization. They often left a local managerial relationship. Harbor Coffee Group responded by redefining the store manager role and adding people management indicators to the manager scorecard.

This change was necessary because store managers acted as the practical face of HRM. Employees rarely interacted with headquarters, but they encountered the store manager every day through shift approval, task allocation, feedback and conflict resolution. A manager who explained decisions carefully could make a demanding policy acceptable, while a manager who communicated poorly could make a reasonable policy seem unfair. The company therefore treated managerial capability as a retention resource. Coaching, listening and transparent explanation became part of operational performance rather than optional personal qualities.

4.4 Skill Based Progression and Retention Logic

The fourth problem involved the absence of a credible development path. Harbor Coffee Group had assistant manager roles, but the number of openings was limited.

Employees who did not want management work saw little reason to stay after mastering the basic tasks. This created a flat career structure in which competence increased faster than reward. The redesigned system created three specialist tracks in coffee craft mentoring, shift coordination and customer recovery. Each track required observable skills, peer feedback and a practical assessment. The reward included a pay premium, priority for stable shifts and eligibility to train new employees.

The redesign shifted the definition of valuable performance from speed to knowledge. Experienced employees gained status for skills like calming customers, guiding peers, or managing rushes—without becoming managers. This reduced promotion pressure and gave employees more reasons to stay.

4.5 Responsible Analytics and Employee Voice

The fifth problem was the weak use of workforce data. Before the redesign, HR collected attendance, turnover and survey data, but the information remained backward looking. The task group built a simple retention dashboard at store level. It included schedule volatility, overtime concentration, training delay, manager vacancy, new employee exits and internal promotion ratio. The dashboard did not rank individual employees by loyalty risk. It identified work conditions that managers could change, while employee voice meetings explained why the patterns existed.

This design choice was important because analytics could easily become a tool of surveillance. If employees believed that the dashboard was used to label them as flight risks, trust would decline further. Harbor Coffee Group therefore focused on store conditions rather than personal suspicion. Data showed where pressure was concentrated, and employee voice helped explain the causes behind the numbers. This combination made analytics more acceptable and more useful. It connected quantitative signals with lived experience, allowing managers to improve work design instead of merely predicting resignation.

4.6 Operational Redesign and Economic Outcomes

The redesign changed the economics of retention. Store managers published schedules earlier, unpopular shifts were distributed transparently and employees who regularly accepted peak shifts earned skill points that counted toward progression. Monthly voice meetings identified one avoidable source of work pressure in each store, and district managers had to review the response. After six months, the company reported lower early exits in pilot stores, fewer overtime spikes and more internal candidates for shift leader positions. The improvement did not come from a single incentive. It came from connecting fairness, learning and accountability in daily work.

5 Conclusion and Future Research

The Harbor Coffee Group case shows that retention cannot be solved by isolated incentives. Pay matters, but employees also evaluate whether the organization respects their

time, recognizes their learning and gives them a fair chance to improve their position. The company began with a cost centered view of labor and moved toward an employment relationship view. This shift is central to human resource management because employees are not only inputs in a service process. They are interpreters of organizational intent. Effective HRM is therefore the continuing work of building conditions under which people can reasonably choose to stay.

Future research should compare retention governance across different service industries and labor markets. Quantitative studies could examine whether schedule predictability, manager capability and internal progression have separate or interactive effects on voluntary turnover. Qualitative research could explore how employees interpret people analytics and whether transparent data use increases trust. The present case suggests that workforce analytics becomes valuable only when it is tied to visible improvements in work conditions. Human resource management creates economic value when it connects operational efficiency with a credible employee experience.

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