

INTEGRATION OF HUMAN RESOURCE MANAGEMENT TO MINIMIZE CORE EMPLOYEE TURNOVER AT COFFEE SHOP

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Abstract

The coffee shop industry faces the challenge of high employee turnover intentions that can affect operational stability and service quality. This study aims to analyze human resource (HR) management practices implemented at Coffee Shop X, identify the dominant factors causing employee turnover intentions, and formulate an integrated HR management system through benchmarking with Coffee Shop Y. The study used a descriptive qualitative approach with data collection techniques in the form of in-depth interviews, observation, and documentation. The results of the study indicate that Coffee Shop X has implemented a formal HR management system based on SOPs and KPIs, covering recruitment, training, performance appraisals, compensation, and termination of employment. However, turnover intentions still arise due to workload pressure during peak hours, limited compensation, and the need to strengthen the continuous evaluation and employee development system. Benchmarking with Coffee Shop Y shows that the implementation of continuous performance assessments, direct communication, and a disciplined and adaptive work culture can improve performance consistency and employee retention. Integration of these best practices is recommended to strengthen Coffee Shop X's HR system and reduce employee turnover intentions sustainably.

Keywords: *human resource management, turnover intention, benchmarking, coffee shop*

1. INTRODUCTION

The coffee shop industry in Indonesia is experiencing rapid growth due to rising coffee consumption, hangout culture, and the third-wave coffee trend. The Central Statistics Agency (BPS) recorded 13.5% growth in the food and beverage sector in the first quarter of 2024, making it a key driver of the creative economy. In Medan, the number of coffee shops has increased by approximately 35% in the past three years, driving intense competition, particularly in service quality and human resource management. In service-based businesses, employees are the key determinants of customer experience through consistency of taste, speed of service, and quality of interactions. However, the food and beverage sector is known for its high turnover rate. Data from the Ministry of Manpower (2024) shows that turnover in this sector reaches 7.2% per quarter, while research in North Sumatra recorded a turnover intention among coffee shop employees of 45.6%. High turnover results in increased operational costs and decreased service quality due to inconsistent employee competencies.

This phenomenon also occurred at Coffee Shop X in Medan, which experienced eight employee resignations within eight months of operation. This situation impacted operations and led to customer complaints regarding product consistency, service speed, and employee communication. Initial observations indicated that these issues were related to suboptimal human resource management practices, particularly in recruitment, job placement, performance appraisal, compensation, and career paths. Based on the Resource-Based View and Human Capital Theory approaches, human resources are strategic assets that need to be managed systematically to improve performance and reduce turnover. Therefore, this study aims to analyze human resource management practices in an effort to minimize core employee turnover at Coffee Shop X and compare them with other coffee shops in Medan City that have more structured human resource management systems.

2. LITERATURE REVIEW

2.1 Human Resource Management (HR)

Human resource management (HRM) is a strategic system aimed at acquiring, developing, and retaining a workforce to effectively achieve organizational goals (Gomes, 2023). Armstrong (2022) states that HRM practices encompass integrated recruitment, selection, placement, training, performance appraisal, compensation, and career development. In the coffee shop industry, as a service sector, HRM plays a direct role in determining service quality and customer satisfaction. Unstandardized HRM practices have the potential to reduce service quality and increase employee turnover.

2.1.1 Recruitment and Selection

Recruitment and selection are the initial processes for acquiring employees with the competencies, attitudes, and cultural fit for the organization (Dessler, 2020). Hasibuan (2023) emphasized the importance of *the right man in the right place principle* to prevent job mismatches. Research shows that recruitment and selection that are not based on competency and organizational culture increase turnover intention in the F&B industry (Pratama & Wijaya, 2023). In coffee shops, selection needs to consider technical skills, service capabilities, work flexibility, and long-term commitment to maintain workforce stability.

2.1.2 Placement and Job Description

Employee placement aims to align individual competencies with job demands to increase productivity and job satisfaction (Hasibuan, 2023). Clear job descriptions help avoid overlapping tasks, facilitate performance evaluations, and reduce internal conflict (Armstrong & Taylor, 2023). In coffee shops, misplaced staff and unclear job descriptions have been shown to increase the risk of turnover, as employees feel overwhelmed and uncomfortable at work (Pratama & Wijaya, 2023). Therefore, appropriate staff placement and clearly defined job descriptions are crucial strategies for reducing turnover and maintaining service quality.

2.1.3 Performance Measurement

Performance measurement is a systematic process for assessing the extent to which employees achieve the work standards and responsibilities set by the organization. Bernardin and Russell (2019) state that performance appraisal includes evaluating work behavior, work results, and individual contributions to achieving organizational goals. In the coffee shop industry, which relies heavily on service quality, performance measurement plays a crucial role in maintaining consistent service and customer satisfaction. Armstrong and Taylor (2023) emphasize that an objective, clear, and consistent performance appraisal system can increase work motivation and serve as a basis for managerial decision-making, while unstructured appraisals have the potential to create unfairness and increase turnover intentions.

2.1.4 Education, Training, and Development

Education, training, and development are strategic investments for organizations to improve employee competency and performance. Noe (2021) explains that training is designed to improve operational work skills, while development focuses on enhancing employees' long-term capacity. In the coffee shop context, technical and customer service training are crucial for maintaining product quality and customer experience. Based on Human Capital Theory, Becker (2022) asserts that training investments positively impact employee productivity and loyalty. Several studies have shown that structured training can increase job satisfaction and reduce turnover intention in the coffee shop industry (Sari & Putra, 2023).

2.1.5 Career Path

A career path is a systematic description of the direction of employee development, position, and role within an organization. Hall (2002) defines a career path as a stage of professional development that employees can achieve based on competency and performance, both vertically and horizontally (Gomes, 2023). A clear career path is a crucial factor in employee retention, especially among the younger generation, who have a strong focus on self-development. Research shows that a clear and transparent career path can increase employee commitment and loyalty and reduce turnover intention in the coffee shop industry (Putra & Suryani, 2022).

2.1.6 Compensation

Compensation encompasses all forms of rewards provided by an organization to employees in return for their work contributions, both direct and indirect (Milkovich & Newman, 2021). Fair and competitive compensation plays

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a crucial role in increasing employee motivation, job satisfaction, and loyalty, while simultaneously reducing turnover intention (Hasibuan, 2023). Dessler (2020) emphasized that an effective compensation system must meet the principles of internal and external equity to align with workload and industry standards. Several studies have shown that transparent compensation and incentive systems significantly impact job satisfaction and reduce turnover intention in the coffee shop and F&B industries (Setiawan, 2021).

2.1.7 Layoffs and Job Stability

Termination of employment (PHK) and job stability are closely related to employees' perceptions of job security. Greenhalgh and Rosenblatt (2019) state that job security reflects an individual's level of confidence in their continued employment, while job insecurity can cause anxiety and decrease organizational commitment (Robbins & Judge, 2020). In the coffee shop industry, which tends to use contracts and flexible working hours, uncertainty about employment status and the threat of layoffs have been shown to significantly increase turnover intention (Putra & Lestari, 2021). Therefore, job stability through clear contracts, consistent policies, and transparent management communication are crucial factors in employee retention.

2.6 Conceptual Framework

The conceptual framework of this study explains the relationship between human resource management practices and employee turnover intensity at Coffee Shop X. Unoptimally structured HR practices have the potential to increase turnover intentions, which are reinforced by factors such as career ambiguity, unscheduled training, and a less transparent compensation system. Through benchmarking with Coffee Shop Y, this study integrates industry best practices as a basis for recommendations for improving HR management to reduce turnover and improve employee performance.

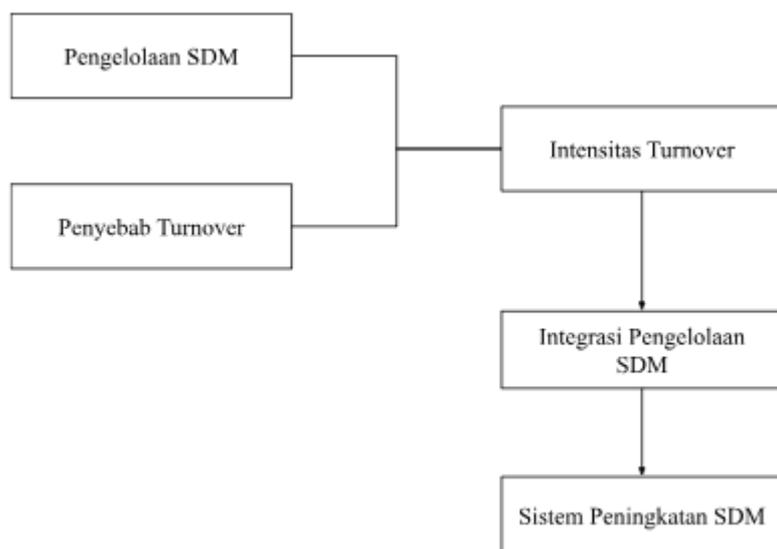


Figure 2.1 Conceptual Framework

3. RESEARCH METHODS

This study uses a qualitative approach with a qualitative descriptive method to deeply understand the practice of human resource management and the phenomenon of employee turnover at Coffee Shop X. This approach was chosen because it is able to describe the empirical conditions in full based on the experiences and perceptions of the research subjects (Moleong, 2010). The researcher acts as the main instrument by conducting in-depth interviews and direct observations, as well as analyzing the data inductively to find patterns and meanings that are relevant to the research problem. The research was conducted at Coffee Shop X, Medan City, during October–November 2025. The research object was chosen because X is a local coffee shop that is in the early phase of business development and is facing a relatively high employee turnover problem. Informants were determined using a purposive sampling technique, involving 8 main informants at Coffee Shop X (barista, chef, and management) and 3 comparative informants from Coffee Shop Prospare for benchmarking purposes, as suggested by Sugiyono (2009).

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The research data consists of primary and secondary data. Primary data was obtained through in-depth interviews and participant observation of operational activities and work dynamics, while secondary data came from internal documents, scientific literature, and supporting archives (Moleong, 2010). Data collection techniques included semi-structured interviews, participant observation, and document studies to obtain comprehensive data (Creswell, 2016). Data analysis was conducted using the interactive analysis model of Miles, Huberman, and Saldana (2014), which includes data reduction, data presentation, and conclusion drawing. Data validity was tested through triangulation of sources and methods to ensure the consistency and credibility of the research findings. This approach enabled researchers to obtain a systematic overview of the factors causing turnover and the effectiveness of HR management at Coffee Shop X.

4. RESULTS AND DISCUSSION

4.1 Overview of Coffee Shop X and Coffee Shop Y

Coffee Shop X and Coffee Shop Y are two businesses in the food and beverage (F&B) sector located in Medan. Coffee Shop X was established in 2025 at Jl. Ring Road Setiabudi II No. 99 S, Asam Kumbang, with a community-based coffee shop concept, providing a space for gathering, learning, and working for the local community. Coffee Shop Y is located in the Tasbih 1 area of Medan, is a medium-scale Coffee Shop with a modern concept, focusing on service quality and product consistency. Coffee Shop X occupies a two-story building with a modern-industrial design, providing flexible areas (indoor, outdoor, smoking area), fast Wifi facilities, power outlets at almost every table, and a comfortable music ambiance. Coffee Shop X's menu is diverse, ranging from coffee drinks (espresso-based, manual brew, contemporary milk coffee) to non-coffee drinks and light meals, and hosts various community activities such as workshops and open mics. Meanwhile, Coffee Shop Y has 21 employees, a fast, efficient, and friendly service flow, supported by a disciplined work culture, dynamic operational rhythm, solid teamwork, and open communication. Both coffee shops emphasize professional human resource management practices. Coffee Shop X focuses on comfortable premises, fast service, friendly employees, and consistent taste, while Coffee Shop Y emphasizes loyalty, cultural compatibility, adherence to standard operating procedures (SOPs), and consistent recruitment, placement, performance appraisal, and compensation processes. The combination of comprehensive facilities, a positive work culture, professional service, and consistent products makes both coffee shops popular and efficient in their operations, appealing to young customers, students, and freelancers.

4.2 Results and Discussion of Coffee Shop X

4.2.1 Recruitment and Selection

1. Recruitment Process

The research results show that employee recruitment at Coffee Shop X is conducted through Instagram social media with a simple and fast mechanism. Applicants send their CVs via email and participate in a two-stage walk-in interview, which includes an initial assessment of attitudes and motivations as well as an evaluation of practical skills relevant to the coffee shop job. Candidates who are deemed suitable immediately participate in a briefing and job training, including first-time applicants with no previous work experience.

2. Recruitment Criteria

Research findings indicate that Coffee Shop X places greater emphasis on attitude than work experience in the selection process. Politeness, communication skills, teamwork, and a willingness to learn are the primary criteria for employee recruitment. In the kitchen, additional criteria include cleanliness, accuracy, the ability to follow instructions, and physical endurance, while work experience is not a primary determining factor.

3. Loyalty and Work Culture Fit

Loyalty and fit with the work culture are important considerations in employee recruitment at Coffee Shop X. This aspect is assessed through the candidate's attitude during the interview, communication style, and commitment to work for a certain period of time. Management believes that character compatibility and readiness to face a fast work rhythm, especially in the kitchen, play an important role in maintaining work continuity and minimizing employee turnover.

4.2.2 Job Placement

1. Placement Process:

Employee placement at Coffee Shop X is based on interests, learning abilities, and performance during the training period. Work experience is not a primary factor; management places greater emphasis on employee flexibility and adaptability to the coffee shop's operational needs.

2. Competency and Interest Matching:

Employees are generally placed based on their interests and competencies demonstrated during training. Initial positions are selected upon application and then evaluated by management. If a mismatch is found, adjustments are made through discussions to optimize the employee's potential.

3. Placement Based on Job Type:

Placement in the kitchen focuses on the ability to follow instructions, composure, and adaptability to a high-paced work pace. Meanwhile, placement at the bar, cashier, and floor level takes into account communication skills, learning speed, and comfort in interacting with customers.

4.2.3 Performance Measurement

1. Performance Assessment System

Employee performance at Coffee Shop X is measured through direct observation by management of technical and behavioral aspects of work, including discipline, work speed, teamwork, customer communication, adherence to standard operating procedures (SOPs), professionalism, and service quality. Although not formally documented, the assessment results are communicated through direct feedback as a form of appreciation and guidance for improvement.

2. Routine Evaluation

Performance evaluations are conducted on an ongoing basis through daily reports at the end of each shift, regular individual coaching, and monthly briefings. This mechanism serves as a means of monitoring performance, strengthening competencies, and aligning work standards. Daily assessments use scores to support continuous performance improvement.

3. Kitchen and Frontline Assessment

Performance assessments are tailored to the work unit, with the kitchen section emphasizing efficiency, consistency, product quality, and standards compliance, while the bar, cashier, and floor focus on speed of service, customer interaction, and compliance with SOPs.

4.2.4 Education and Training/Development

1. Initial Training for New Employees

Coffee Shop X implements an initial onboarding program for all new employees before they begin their full-time duties. The training includes mastery of basic skills relevant to their position, understanding standard operating procedures (SOPs), hygiene and safety standards, and developing soft skills. The training is conducted through a combination of theory and practice under management supervision, followed by a one-month training period and a probationary period to evaluate job readiness.

2. Routine Training

Employee development is carried out continuously through routine training integrated into operational activities, such as daily briefings, role-plays, coaching, and refresher sessions. This approach aims to strengthen technical competency, product knowledge, and communication and service skills, supported by performance evaluations and daily reports.

3. Training Materials

Training materials are tailored to job positions. Baristas and frontline employees focus on blending techniques, product consistency, service standards, and customer communication, while kitchen employees emphasize ingredient processing, food hygiene, kitchen workflow, and team coordination. All employees also receive soft skills training to support a professional and collaborative work culture.

4. Response and Impact of Training

Employees found the training beneficial in improving work adaptation, understanding of SOPs, self-confidence, and teamwork effectiveness. The training positively impacted performance, motivation, and morale, reflected in increased discipline, initiative, and service quality.

4.2.5 Career

1. Promotion Opportunities and Career Paths

Coffee Shop X provides promotion opportunities and career paths, although they have not been formalized in writing. Career paths develop gradually through increasing responsibility and competence. In the service section, careers start from waiters/tool bar to senior barista and PIC, while in the kitchen section from helper cook to PIC kitchen. Promotion is carried out through strengthening competencies, mastery of SOPs, as well as project-based assessments and coaching roles for new employees as indicators of leadership readiness.

2. Career Development Process

Career development is carried out in stages through field coaching, training, routine training, and project assignments in preparation for promotions. Employee readiness is strictly evaluated based on target achievement,

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mastery of SOPs, and managerial skills. Promotions can be revoked if standards are not met, ensuring the quality of performance and operations is maintained.

3. Career Determinants

Career advancement is determined by technical competence, adaptability and rapid learning, adherence to standard operating procedures, initiative and responsibility, and management trust. This system emphasizes tangible performance-based evaluations, provides clarity of expectations, and contributes to core employee retention and turnover control.

4.2.6 Compensation

1. Payroll and Incentive System

Interview results show that Coffee Shop X implements a clear and timely payroll system, accompanied by various performance-based incentives, such as transportation and meal allowances, overtime incentives, sales, special skills, and incentives for PICs or heads. This system aims to increase employee motivation and performance.

2. Non-Material Rewards:

In addition to financial compensation, X provides non-material rewards in the form of praise from superiors, recognition in briefings, and the assignment of additional responsibilities. This form of appreciation is felt directly by employees and serves as a motivator in daily work activities.

3. Compensation Suitability and Impact

The majority of employees assessed that compensation was appropriate to the workload and was implemented fairly and transparently. This compensation system positively impacted employee satisfaction, loyalty, and retention decisions, thus contributing to minimizing the turnover rate at Coffee Shop X.

4.2.7 Layoffs and Job Stability

1. Management Support.

Interview results show that Coffee Shop X management pays attention to employee welfare, including health, work schedule arrangements, and a comfortable work environment, thus supporting job stability.

2. Superior-Subordinate Communication.

Communication is considered open, clear, and effective. This communication pattern helps reduce operational errors and builds trust between employees and management.

3. Reasons Why Employees Leave.

Employee turnover is generally influenced by external factors, such as better job opportunities, continuing education, relocating, and family reasons. Internal factors are relatively minor and not the primary cause.

4. Efforts to Reduce Turnover.

Management implements open communication, personal attention, fair work systems, and appreciation to create a comfortable work environment.

5. Employee Retention System.

The most effective steps in retaining employees include ongoing training, open communication, assigning progressive responsibility, performance recognition, and establishing a positive work culture.

4.3 Results and Discussion of Coffee Shop Y

4.3.1 Recruitment and Selection

1. Recruitment Process:

Employee recruitment at Coffee Shop Y is conducted through social media (Instagram) and internal recommendations. Applicants submit their CVs via email, then are contacted by HR via WhatsApp for interviews and skills tests. The selection process emphasizes technical readiness, service capabilities, and resilience to a dynamic work pace. Overall, Y's recruitment system is structured and selective.

2. Recruitment Criteria:

The primary employee selection criteria at Coffee Shop Y is relevant work experience, particularly in service and transactional positions. Additionally, the company considers integrity, responsibility, discipline, teamwork, communication skills, and thoroughness.

3. Loyalty and Cultural Fit

Loyalty and cultural fit are important considerations in recruitment. Y prioritizes candidates who can adapt to work pressure, maintain teamwork, adhere to regulations, and demonstrate long-term commitment. This approach aims to maintain job stability and minimize employee turnover.

4.3.2 Job Placement

1. Position Placement Process

Job placement at Coffee Shop Y is carried out based on the company's operational needs and the candidate's competency. Placement directions have been determined since the recruitment stage according to the required

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positions, such as barista, cashier, kitchen/chef, and other operational positions. In addition to considering technical abilities, management also assesses the candidate's readiness, teamwork skills, and potential contribution to the smooth running of daily operations.

2. Matching Placements to Competencies and Interests:

Interview results indicate that employee placements are generally aligned with competencies and work interests. Candidates select positions based on their abilities and undergo a brief trial before final placement. This approach aims to ensure a good fit between character, experience, and work preferences, thus supporting performance effectiveness, work comfort, and team stability.

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4.3.3 Performance Measurement

1. Performance Assessment System

Based on the interview results, the performance appraisal system at Coffee Shop Y is conducted continuously and provides direct feedback. Assessments are not limited to monthly evaluations but also involve daily monitoring of employee behavior and performance. Performance assessments cover several core aspects such as discipline, responsibility, punctuality, work attitude, and consistency in carrying out tasks. Supervisors monitor how employees implement standard operating procedures (SOPs), work together as a team, and handle customers well. If problems are identified, supervisors immediately provide guidance, both informally and through personal discussions, especially when dealing with sensitive or personal matters.

This hands-on evaluation approach makes the assessment process more adaptive and allows for improvements to be made as quickly as possible. Daily and monthly evaluations then serve as the basis for determining the need for development, direction, or follow-up improvements.

2. Routine Evaluation of Employee Performance

Coffee Shop Y implements regular evaluations to ensure consistent work quality. Monthly evaluations are conducted to assess overall performance development, while daily evaluations are conducted through direct monitoring of the workplace. Supervisors also provide feedback whenever improvements are identified, allowing employees to promptly adjust their attitudes and work methods. Top aspects of these evaluations include adherence to standard operating procedures (SOPs), teamwork, accuracy, customer service, and the ability to complete tasks without encountering obstacles.

With a combination of daily monitoring and periodic evaluation, the performance measurement system at Coffee Shop Y is able to maintain consistent employee performance while reducing the risk of recurring errors.

4.3.4 Education and Training/Development

1. Initial Training for New Employees

Coffee Shop Y does not provide formal training for new employees because most candidates already have work experience. However, the company still provides a brief orientation that covers understanding SOPs, workflows, task allocation, and service standards. The adaptation process is reinforced through direct mentoring by senior employees in the field, so new employees can learn practically and understand job expectations from the start.

2. Continuous Training and Development:

Coffee Shop Y does not yet have a structured, routine training program. Employee competency development generally occurs through daily work experience. Training or briefings are only provided when operational changes occur, such as system updates, SOPs, or menu items. However, interviews indicate a need and expectation among employees for regular training to improve technical skills and maintain service quality.

4.3.5 Career

1. Promotion and Career Development Opportunities

Interview results indicate that Coffee Shop Y provides promotion opportunities, although it does not yet have a formal career ladder structure. Career development is flexible and based on employee ability, discipline, consistent performance, and tangible contributions to daily operations.

2. Internal Promotion Mechanisms:

Promotions are not routine or scheduled, but rather selective, based on organizational needs and individual readiness. Employees who demonstrate strong work experience and leadership potential can be trusted to assume larger roles, such as head barista, shift leader, or kitchen coordinator, providing room for career development even without a formal system.

4.3.6 Compensation

1. Payroll and Bonus System:

Interview results indicate that the coffee shop's payroll system operates on time at the beginning of each month. Although the salary amount has not yet reached the Medan City Regional Minimum Wage, respondents considered the compensation to be adequate for a medium-scale coffee shop. In addition to the base salary, a sales incentive of 4% of total monthly sales is distributed to all employees, as well as overtime compensation and additional bonuses based on the owner's policies and work performance.

2. Non-Material Rewards

Non-material rewards are simple, such as direct praise, thanks, recognition in briefings, and trust in certain responsibilities. Although unstructured, this form of appreciation is considered effective in increasing employee motivation and work enthusiasm.

3. Compensation Appropriate to Workload:

The majority of respondents assessed that the compensation they received was appropriate and proportional to the workload. The teamwork system resulted in a more balanced division of tasks, and denser working conditions at certain times were still considered reasonable.

4. The Effect of Compensation on the Decision to Remain

Compensation has a significant influence on employees' decisions to remain. Timely pay and incentives increase employee security, motivation, and loyalty, while reducing the desire to look for other jobs.

4.3.7 Layoffs and Job Stability

1. Management Support for Employee Welfare:

Interview results indicate that management support for employee welfare is ongoing, although still informal. The primary forms of support include flexible work policies and the provision of housing for out-of-town employees, which are considered helpful in improving work comfort and focus. However, respondents believed this support could be improved through a more structured welfare system.

2. Quality of Superior-Subordinate Communication:

Communication between superiors and subordinates is considered open, responsive, and conducive. The informal work environment makes it easy for employees to express opinions and complaints, although there are still minor challenges related to the clarity and timeliness of information delivery.

3. Main Reasons for Employee Leave

The main reason for employee leave is generally the inability to adapt to a work culture that demands discipline, commitment, and a fast-paced work pace. This factor is more dominant than work relationship issues or pressure from management.

4. Systems That Reduce Turnover:

Work systems that emphasize open communication, a family-like approach, and teamwork are considered effective in maintaining job stability. A positive work culture plays a significant role in reducing turnover, even if it is not supported by a formal career and welfare system.

4.4 Benchmarking with Coffee Shop Y

Coffee Shop Y, located in the Tasbih 1 area of Medan, is a mid-scale coffee shop with a modern concept and a focus on quality service and product consistency. With 21 employees spread across several operational positions, Y maintains a fast, efficient, and customer-friendly service flow.

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Table 4. Integration of HR Practices X & Y Based on Key Indicators

No	HR aspects	Main Focus	Key Findings of Coffee Shop X	Key Findings of Coffee Shop Y	Integration Results
1	Recruitment & Selection	Process, criteria, cultural fit	Recruitment via Instagram is a fast process; selection emphasizes attitude, willingness to learn, and work readiness; and work culture is a primary consideration.	Recruitment via social media and internally; selection emphasizes work attitude, discipline, and readiness to work; and cultural compatibility is considered.	Effective recruitment process integration: social and internal media, attitude-based selection, job readiness, and work culture; a simple process that minimizes turnover.
2	Job Placement	Matching interests & competencies	Placement based on interests, abilities, and training performance; flexible according to potential and operational needs.	Placement according to operational needs & competencies; considering experience, technical skills, and potential contribution.	Integrated placement: flexible, tailored to interests, competencies, and operational needs; faster and more optimal employee adaptation.
3	Performance Measurement	Assessment & evaluation system	Assessment through observation, daily reports, coaching, briefings; discipline, teamwork, work speed, communication, and SOP compliance are assessed.	Continuous assessment via daily monitoring and evaluation; covering discipline, SOP compliance, work quality, teamwork, and service.	Integrated assessment system: periodic observation and evaluation, assessing discipline, teamwork, performance, SOP compliance, service quality; well-documented results.

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4	Education & Training	Onboarding & ongoing training	1-month onboarding; technical and soft skills materials; regular training via briefings, coaching, and role-play.	Initial and routine training; technical materials, SOPs, cleanliness, safety, soft skills; direct mentoring in the workplace.	Onboarding and ongoing training; position-specific technical and soft skills materials; role-playing and coaching methods enhance adaptation and performance.
5	Career Development	Career path & promotion	Gradual career path; promotion based on performance, discipline, competence, management trust; project-based assessment.	Gradual functional career ladder; promotion through performance evaluation, project assignments, mentoring.	Integrated career ladder: gradual promotion based on performance, discipline, competence, mentoring; career paths are clearly communicated to employees.
6	Compensation	Financial & non-financial	Timely salaries, incentives, performance-based bonuses; non-material rewards in the form of praise and additional trust.	Base salary, allowances, sales incentives, overtime; non-material rewards; support motivation and retention.	Integrated compensation system: financial and non-financial, fair, motivating, supports employee retention, according to contribution and responsibility.
7	Layoffs & Job Stability	Turnover & retention	Turnover is largely due to external factors; management maintains stability through communication, personal attention, fair work systems, and a positive culture.	Turnover is influenced by external factors; management maintains stability through open communication, fair work systems, training, and appreciation.	Integrated retention mechanisms: open communication, personal attention, fair work system, training, appreciation; suppressing core employee turnover.

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Source: Primary Data Analysis, 2025

Based on the integration table, Coffee Shop X and Coffee Shop Y's HR practices are combined into an integrated model that emphasizes core employee retention and loyalty. Recruitment prioritizes work attitude, readiness to face operational rhythms, and work culture fit through social media and internal channels. Flexible job placements are based on competencies and interests, while performance assessments are conducted consistently through observation, briefings, and regular coaching. Onboarding and ongoing training cover technical skills, soft skills, and standard operating procedures (SOPs), as well as gradual career paths tailored to employee performance, competency, and discipline. Financial and non-financial compensation are applied fairly to maintain motivation and retention. Other retention mechanisms include open communication, personalized attention, training, and recognition, thereby reducing core employee turnover. This model combines the best practices of both coffee shops into a systematic, professional HR framework that supports operational sustainability.

4.5 Managerial Implications

Based on the research results, there are several managerial implications that can be used as a reference in managing human resources in medium-scale coffee shop businesses.

1. First, the recruitment and selection process needs to be geared toward competency suitability, work attitudes, and organizational culture fit. Findings indicate that recruitment through social media and internal recommendations is effective, but needs to be strengthened with more structured selection criteria to ensure candidates are committed and prepared for a dynamic work environment.
2. Second, competency- and interest-based job placement has been proven to increase work effectiveness and employee well-being. Therefore, management is advised to maintain placement practices that consider the results of initial evaluations, work trials, and the employee's potential for adapting to operational needs.
3. Third, performance measurement through daily monitoring and direct feedback has proven effective in maintaining consistent performance and minimizing errors. However, the implication is that management needs to start developing a more documented performance appraisal system to make performance evaluations more objective and serve as a basis for ongoing employee development.
4. Fourth, education and training play a strategic role in improving service quality and employee job readiness. Although training remains informal, management is advised to develop simple but well-planned training programs, particularly those related to improving technical skills, customer service, and strengthening soft skills.
5. Fifth, performance-based career development and promotions have been proven to increase employee motivation and loyalty. Therefore, even if a formal career structure isn't yet in place, management needs to provide clear development paths through gradual assignments, coaching, and the assignment of additional responsibilities to high-performing employees.
6. Sixth, a fair, timely, and performance-based compensation system significantly influences employees' decisions to stay. Consequently, management needs to maintain transparency in the payroll and incentive systems and gradually develop more structured forms of non-material rewards.
7. Finally, job stability and low layoff rates are heavily influenced by quality communication, a supportive work culture, and management's concern for employee well-being. Therefore, strengthening open communication and a family-like approach must be maintained as key strategies to reduce turnover and maintain the sustainability of coffee shop operations.

5. CLOSING

5.1 Conclusion

- a. Based on the research results, it can be concluded that human resource management practices at Coffee Shop X have been running quite well, although still informal. The recruitment, job placement, performance appraisal, training, compensation, and career development processes are carried out flexibly and based on operational needs, with an emphasis on adaptability, communication, and teamwork.
- b. Employee turnover intentions at Coffee Shop X are influenced by internal and external factors. Internal factors include operational workload and the lack of a structured career and training system, while external factors include other job opportunities, education, and personal reasons. However, a conducive work environment, open communication, and a relatively fair compensation system can reduce the actual turnover rate.
- c. The integration of Coffee Shop X's HR management with Coffee Shop Y shows that benchmarking practices, particularly in the aspects of more structured recruitment, direct feedback-based performance assessment, and strengthening work culture compatibility, have the potential to increase the effectiveness of Coffee Shop X's HR management and reduce employee turnover intentions.

INTEGRATION OF HUMAN RESOURCE MANAGEMENT TO MINIMIZE CORE EMPLOYEE TURNOVER AT COFFEE SHOP

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5.2 Suggestions

- a. Further research is recommended to develop studies on HR management in the coffee shop industry with a quantitative approach or additional variables such as job satisfaction and organizational commitment.
- b. The management of Coffee Shop X is advised to implement a more structured HR system, particularly in training, performance appraisal, and career development, as well as adopting best practices from Coffee Shop Y to reduce turnover intentions.
- c. For other coffee shop owners, the results of this study can serve as a reference in designing an effective and sustainable HR management system. Meanwhile, local governments are expected to utilize the findings of this study as a consideration in developing MSMEs in the hospitality sector.

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