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## The Impact of Hotel Size and Service Type on Employee Job Satisfaction

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# The Impact of Hotel Size and Service Type on Employee Job Satisfaction

## **Abstract**

There has been no research on the impact of hotel size and service type on employee satisfaction. Yet the distinction between service types (limited service and full service) has become commonplace and the dynamics and organization of these hotels are decidedly different. This study finds that differences are evident in certain aspects of employee satisfaction based on size and service type.

# The Impact of Hotel Size and Service Type on Employee Job Satisfaction

By Daniel J. Mount and William D. Frye

*There has been no research on the impact of hotel size and service type on employee satisfaction. Yet the distinction between service types (limited service and full service) has become commonplace and the dynamics and organization of these hotels are decidedly different. This study finds that differences are evident in certain aspects of employee satisfaction based on size and service type.*

## Introduction

Segmentation has become the standard for corporate development strategies in the hospitality industry. The leading hotel companies buy, sell and create brands targeted to specific markets. With the purchase of Promus by Hilton in 1999, the eight largest hotel companies controlled 66 brands. (Robert Shaw, 1999). In 2005, the eight largest hotel companies controlled 69 leading lodging brands. The American Hotel & Motel Association defined nine segments in its Directory of Hotel & Motel Companies. One type of segmentation is based on price. Within this segment, the AH&LA recognizes budget, economy, upscale and luxury segments. Another type of segmentation is based on the level of service provided to guests. Exhibit one provides AH&LA definitions for the extended stay, limited-service and full-service segments.

### Exhibit 1

#### Definitions of hotel service type

Service type	Definition
Extended stay	Hotels catering to guests on long trips with amenities like kitchens, washing machines, and weekly housekeeping.
Limited-service	Hotels that offer fewer amenities and services in exchange for lower rates.
Full-service	Hotels that offer a full range of services and amenities, like restaurants, room service, and health clubs.

Source: Directory of Hotel & Motel Companies, American Hotel & Motel Association, p. xvi, (1997), New York: American Hotel Association Directory Corporation.

The hotel organization structure for each of these types of hotels is different. The extended stay and limited service hotels do not have a full range of food and beverage options. The extended stay and limited service hotels typically have less salaried staff and a lower number of employees per room. While a food and beverage department is, in theory, a separate structure from other operating departments, the presence of a food and beverage department may change the dynamics of the workplace.

Employee satisfaction has been positively related to employee turnover, guest satisfaction and guest retention. Employee satisfaction is a key link in Heskett, Sasser and Schlesinger's (1997) service-profit chain and Schlesinger and Heskett's (1991) cycle of success. This research focused on job satisfaction in a sample of hotel employees. The objectives of the research were to determine if hotel size and service type impacted the overall job satisfaction of employees.

## Literature review

There have been some research efforts on studying the impact of organizational size on employee satisfaction. Most of the studies have found that the work environment in larger organizations is more rigidly structured than in smaller

establishments. Scherer (1976) examined the relationship between the structure of work at different size establishments and workers' satisfaction with their jobs and found that for some measures of worker satisfaction, respondents at larger establishments expressed lower levels of job satisfaction. Stafford (1980) felt that larger organizations attempted to create common working conditions with "work-group-wide policies." Stafford concluded that there will tend to be a greater average level of dissatisfaction with the commonly set work rules as a greater number of workers provided different interpretations.

Oi (1983) theorized that employer size in the structure of the work environment is a predictor of an employee's job satisfaction. His theory is predicated on the exogenous distribution of managerial work talent, where larger firms are centered around more talented managers. In attempts to economize on the higher opportunity costs of these more talented managers, the firm organizes production in a more structured fashion so as to reduce required monitoring time and activities. Thus, greater rigidity in the working environment found in larger firms often adversely affects individual employee satisfaction due to constrictive work practices, higher degrees of job specialization, and lack of job enrichment opportunities.

Rahman and Zanzi (1995) studied the relationship between organizational structural orientation and job satisfaction by examining the mechanistic-organic characteristics that reflect the traditional, rigid, and bureaucratic model of organization versus a more adaptive, process-oriented, and open type of internal arrangement within CPA firms. Their findings reveal that though a mechanistic structure is less innovative, rule-based, and more hierarchical than an organic one, it does not conclusively result in lower levels of job satisfaction. While non-mechanistic organizational structures are more adaptive and less rigid in nature, they may not always be considered more suitable for stable and predictive environments. Research that examines the impact of hotel service type on satisfaction was not evident.

Job satisfaction describes a broad set of feelings that individuals have about their jobs, and is one of the most intensely recognized and studied topics in organizational behavior research. Job satisfaction has been defined, conceptualized, and operationalized in a variety of different ways, but is generally considered to be an individual's perceptual/emotional reaction to important facets of work. Locke (1976) defined job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. Bettencourt and Brown (1997) have recently defined job satisfaction as an employee's overall perceived evaluation of the job situation.

As an independent variable, job satisfaction is studied as a predictor of absenteeism, turnover, and job performance. Job satisfaction has been found positively related to customer satisfaction among resort employees, cruise ship employees, and quick-service restaurant employees. Among hotel employees, satisfaction has been found negatively related to turnover. Quality of benefits – one facet of satisfaction – has also been found negatively related to turnover.

## **Methodology**

The primary data for this study was collected for research in identifying facets of job satisfaction. Questionnaire items were compiled from a number of sources including the Job Descriptive Index, the Minnesota Satisfaction Questionnaire, and the Communication Satisfaction Questionnaire. Corporate executives and hotel general managers reviewed the set of items. Based on these groups' feedback, some items were reworded for clarity while other items were added or deleted to assure content validity. The final questionnaire contained thirty-two items; twenty-eight facet items and four different "summary measurements" to be used as dependent variables. The primary

focus for this study is the single summary measure, "I am satisfied in my job." All questions were answered on a seven-point Likert scale with a 7 representing "strongly agree" and a 1 representing "strongly disagree." After the final form of the questionnaire was approved, a Spanish translation was developed so respondents could choose the form with which they were most comfortable.

The sample for the study was all employees of 52 hotel properties owned and operated by a privately held hotel company. The 52 properties included 22 full-service hotels, 17 limited-service hotels and 13 extended-stay hotels, in 22 states. The units represented 13 brands with 3 independents, ranged in size from 40-343 rooms, and employed from 14 to 195. Table 1 presents background and response information by service type. The three-page questionnaire was administered during all-employee meetings at each property. All employees received both the English and Spanish versions. To insure anonymity, employees completed the questionnaire at the meeting, sealed it in a provided envelope and dropped this in a pre-addressed overnight mail package. The package was sealed and sent to the researchers.

**Table 1:**  
**Background and response information by service type**

	(1) Extended Stay	(2) Limited service	(3) Full service	(4) Combined (1) & (2)
Number of hotels	13	17	22	30
Total number of rooms	1286	1855	3956	3141
Room range	40-151	50-149	95-343	40-151
Average size in rooms	99	109	180	105
Total number of employees	396	534	2143	930
Total number of usable questionnaires	255	350	1375	605
Usable questionnaires as % of total emp	64%	66%	64%	65%
Number of employees/room	.31	.29	.54	.30
Number of salaried responses/room	.03	.02	.06	.03

Corporate headquarters reported there were a total of 3,087 employees on the payroll on the date the questionnaire was administered. A total of 2,102 questionnaires were received, but questionnaires were discarded if there was evidence that the questionnaire was not read, or if there were missing data. 1,991 were considered usable, representing a response rate of 64% of all employees of the company. Individual hotel response rates ranged from 36-100 percent.

## Results

To this point, three segments have been discussed. In practice, the extended-stay segment is usually also considered part of the limited service segment. In this sample, the extended stay hotels all met the requirements of inclusion in the limited-service segment. As presented in Table 1, information is offered regarding these two hotel segments (range in room size, average size of hotel in rooms) and their operating characteristics (number of employees per room, number of salaried managers per room). The mean satisfaction score difference for the two groups is insignificant. For the purposes of this research, the extended-stay and limited-service segments were combined. The background and response information by service type for the new combination is presented in the far right column of Table 1.

The literature would support the hypothesis that employee satisfaction would decrease with the size of the hotel. If the hypothesis were to hold true, a significant negative correlation should exist between employee satisfaction and number of hotel guest rooms. That is, as hotel guest rooms increase, the employee satisfaction should

decrease. A simple correlation between employee satisfaction and number of hotel guest rooms reveals that there is a slight, but insignificant inverse relationship (correlation coefficient = -.22) between hotel size and employee satisfaction.

To control for the effects of service type on size of the hotel, similar correlations were calculated within each service type. Both the limited-service and full-service segments had a slight, insignificant inverse relationship (correlation coefficients of -.07 and -.10, respectively). Again, the results do not support the hypothesis that hotel size has an impact on employee satisfaction.

Independent samples t-tests were performed to test for the difference in satisfaction between service types. Results of the t-tests are presented in Table 2. There is a significant difference,  $p < .001$ , between the employee satisfaction means of the two service types.

**Table 2:**  
**Independent samples t-test for differences in employee satisfaction by service type**

Service type	Mean satisfaction	Mean difference	df	Significance
Limited service	5.88	.32	1978	.000*
Full-service	5.56			

\* $p < .001$ .

To control for the effects of size on service type, similar hotel room size samples were extracted from each service type. In the limited-service segment, there were no hotels with more than 151 rooms. In the full service segment, there were no hotels with less than 95 rooms. Extracting all hotels with between 95-151 rooms from each segment resulted in the sample presented in Table 3.

**Table 3:**  
**Background and response information by service type for extracted sample**

	Limited-service	Full-service
Number of hotels	22	10
Total number of rooms	2634	1302
Room range	97-151	95-150
Total number of employees	765	753
Total number of usable questionnaires	498	465
Usable questionnaires as a % of total employees	65%	62%
Average size in rooms	120	130
Number of employees per room	.29	.58

An independent samples t-test was again performed with this extracted sample. The results are presented in Table 4. Again, there is a significant difference on employee satisfaction between the limited-service and full-service hotels with a mean difference of .26, significant at  $p < .05$ .

**Table 4:**  
**Independent samples t-test for differences in employee satisfaction by service type for extracted sample**

Service type	Mean satisfaction	Mean difference	df	Significance
Limited-service	5.88	.24	961	.014*
Full-service	5.62			

\* $p < .05$

The inclusion of the full-service hotels brings in a new set of respondents. While there were a few responses in the food and beverage departments (restaurant,

kitchen, banquets and lounge) in the limited-service hotels, there were a total of 436 food and beverage responses in the full-service hotels. If the proposition is that hotel service type does have an impact on employee satisfaction, this relationship should be observed in the departments that are common to all service types such as front desk, housekeeping and engineering. To begin the analysis, the three departments were grouped together to form a "Rooms division" response set.

Table 5 presents the results of independent samples t-tests on the mean differences between rooms division satisfaction scores on the full sample. There is a significant difference between the satisfaction means for the rooms division employees of the limited-service and full-service segments,  $p < .05$ . This would appear to support the proposition that hotel service type is related to employee satisfaction.

**Table 5:**  
**Independent samples t-test for differences in rooms division employee satisfaction by service type for full sample**

Service type	Mean satisfaction	Mean difference	df	Significance
Limited-service	5.83	.20	1130	.041*
Full-service	5.63			

\* $p < .05$

But within the rooms division, a different result appears when considering the extracted sample of hotels. Table 6 presents the same independent samples t-tests with the rooms division employee satisfaction means of the extracted hotel samples. There are no significant differences, the satisfaction means are nearly equal. This now seems to refute the proposition that hotel service type is related to employee satisfaction.

**Table 6:**  
**Independent samples t-test for differences in rooms division employee satisfaction by service type for extracted sample**

Service type	Mean satisfaction	Mean difference	df	Significance
Limited-service	5.82	.01	602	.981
Full-service	5.81			

The fact remains that there were significant differences in the rooms division employee satisfaction scores in the full sample. The extracted sample removed the largest hotels from the full-service segment and the smallest hotels from the limited-service segments. Within the rooms division, size of the hotel may have a relationship to employee satisfaction. A correlation coefficient was calculated for employee satisfaction of each of the rooms division departments and number of rooms in the hotel by service type. Table 7 provides the correlation coefficients for each of the departments.

**Table 7:**  
**Correlation coefficients for rooms division departments and employee satisfaction by service type.**

Rooms division department	Service type	Correlation coefficient	Significance
Front desk	Limited	.029	.877
	full	-.446	.038*
Housekeeping	Limited	-.243	.196
	full	.014	.952
Engineering	Limited	-.041	.841
	full	-.241	.280

\*  $p < .05$ .

The only significant correlation coefficient,  $-.446$ ,  $p < .05$ , was for the front desk department in the full-service hotels. Size of the hotel has a significant inverse relationship with front desk employee satisfaction in full-service hotels.

This issue remains that, in the extracted sample, there is still a significant difference in employee satisfaction means between limited-service and full-service hotels. Since the difference is not in the rooms division, the food and beverage division must be examined. First, similar to the analysis completed with the rooms department, correlation coefficients were calculated between each of the food and beverage departments (restaurant, kitchen, banquets and lounge) employee satisfaction means and number of hotel guest rooms to examine for effects of size within the full-service extracted sample. There were no significant correlations noted (restaurant significance =  $.306$ ,  $r = .360$ ; kitchen =  $.746$ ,  $r = .126$ ; banquets =  $.533$ ,  $r = -.224$ ; lounge =  $.671$ ,  $r = .165$ ). There were some limited-service food and beverage responses, 36 over the 30 hotels in the full sample. Employees in these hotels may be responsible for setting up the continental breakfasts or providing beverage service in a limited setting. The response size prohibits comparing food and beverage responses across service types. Since there is a significant difference in employee satisfaction between service types, and rooms division means have proven to be similar across service types, the analysis again returns to the food and beverage departments. Table 8 presents an independent samples t-test for employee satisfaction mean differences between rooms division, and food and beverage division employees in the extracted sample. There is a significant difference in the means between rooms division, and food and beverage division employees in the full-service extracted sample.

**Table 8:**

**Independent samples t-test for differences in  
employee satisfaction means by division for extracted sample**

Division	Mean satisfaction	Mean difference	df	Significance
Rooms	5.81	.43	398	.013*
Food and beverage	5.38			

\*  $p < .05$ .

**Discussion**

The relationship between hotel service type, hotel size and employee satisfaction has not been researched. The research objective was to determine if hotel service type and hotel size had a relationship with employee satisfaction. If such relationships are noted, additional and more detailed research agendas may provide explanations as to why the relationships exist and ways in which management may address controlling satisfaction variables.

The initial findings indicate that hotel size does not have a relationship with employee satisfaction and that hotel service type has a significant relationship with employee satisfaction (Table 2). The findings in Table 2 would indicate that limited-service employees are more satisfied than their full-service counterparts.

When the initial finding was further explored, the results refuted the original proposition. To control for the effects of size within the full sample, an extracted sample was identified. Within the extracted sample, the significant relationship between the two service types was still evident (Table 4). Although the proposition that the difference should be evident in the departments common to both service types, the rooms division departments, was supported in the full sample (Table 5), it was not supported in the extracted sample of similar size hotels (Table 6). This indicated that hotel size may have a relationship to rooms division employee satisfaction. When studying the relationship of employee satisfaction for each rooms division department to number of guest rooms, a significant relationship was noted for front desk



employees in the full-service hotels (Table 7). Employee satisfaction of front desk employees decreases with the increase in number of rooms in full-service hotels.

The question of significantly different employee satisfaction scores in the different hotel service types was answered in the analysis of food and beverage employee satisfaction scores. As with the rooms division, the relationship of each food and beverage department employee satisfaction score was correlated with size in the full-service sample. No significant relationships were noted. The final analysis indicated that there is a significant difference between the rooms division and the food and beverage division employee satisfaction scores within the full-service sample.

Although the question of the impact of hotel service type on employee satisfaction cannot be answered with this research, there are two key findings. The first is that front desk employee satisfaction is inversely related to the size of the hotel in the full-service segment. This may be due to the added complexity and pressures brought to bear on the front desk position by the inclusion of additional departments and front desk business. Front desk employees at larger full-service hotels are exposed to greater interdepartmental interactions and responsibilities. The front desk is the communication center of hotels. Questions regarding billing, food and beverage functions, guest complaints, etc., usually flow through the front desk. The employee may have greater demands on their time, and may have difficulty in responding to issues that are outside their scope of knowledge or authority.

The second key finding is that food and beverage employee satisfaction scores are lower than the rooms division employee satisfaction scores. In this study, the difference is not a function of size of the hotel, and the hotel service type impact is moot. Simply, food and beverage employees are less satisfied.

## **Conclusions**

The finding that front desk employee satisfaction is related to hotel size in full-service hotels is important. Managers should be aware that the complexities and dynamics of a larger full-service hotel may impact the satisfaction of key guest contact employees. Although empowerment of employees to handle more problems may be an argument, the issue at this point may be organizational knowledge. Hotels may want to focus on the orientation and training of new front desk employees. Efforts can be made to expose new front desk employees to the operations of the food and beverage departments. A better understanding of the operations may help the front desk employee understand and solve issues. Managers should also review the time management and job design issues for front desk employees. Further research should be undertaken that provides a more detailed study of how hotel size impacts front desk employee satisfaction.

The finding that food and beverage employees are less satisfied than their rooms division counterparts is difficult to address in the scope of this study. No relationship to hotel size was noted. Further research should be undertaken to determine if this is an industry-wide issue. There may be several variables that address the satisfaction of food and beverage employees, some may be outside the control of hotel management.

Although the selection of a sample with a common hotel management company helps control for management company impact, the study is also limited by this selection. Further research should be undertaken with other companies that examine the findings presented in this study. More importantly, future research should employ satisfaction models to provide a better study of why such differences found in this study exist. A more detailed study may help provide a more detailed response in dealing with the employee satisfaction issues.

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