

# Understanding Employee Satisfaction in the Hotel Industry: A Study of Star-Rated Hotels in Dhaka City

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## Abstract

Tourism is a luxurious industry where the success of the business depends on the psychology of its customer. Hotel industry is one of the major parts of tourism. Established hotels are mainly dependent on the repetition and loyalty of their guests. To ensure positive word of mouth, hotels provide to notch service to its customer by 24/7. However, the experience of the guests prominently relies on their service providers as they receives most of the services directly from the staffs and many hotels totally ignore the wellbeing of its employees and in many cases they do not know which factors contribute to the happiness of its employee. This research paper tried to find out the impact of different factors on hotel employees in Dhaka city, especially who work in star rated hotels. Hotel industry of Bangladesh is in developing condition and they should consider the satisfaction of employees from the very beginning. To find out the variation of different factors, 50 respondents were reached out to collect primary data who were working in different star hotels in Dhaka. Exploratory approach is used to as the method and at the end a current picture of star hotel employees tried to uphold through this study. This research will remove the knowledge gap of employers as this research showed that satisfactory factors of employees vary depending on department, job tenure, working hour and many others.

**Keywords:** Tourism, Hotel Industry, Star Hotels

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## 1. Introduction

Like all other resources, employees are also asset for any organization and they are called human resource. Employees make the ultimate use of other resources and make the organization successful. Most of the organization focuses only on their customers and guests satisfaction as they are the source of profit. They arrange different events and provide facilities to attract new customers and create loyal customers. Unfortunately most organizations forget the role of employees in customer satisfaction. They fail to connect the interrelation between customer satisfaction and employee satisfaction. This connection of satisfaction gets higher in the terms of hotel industry. Hotel industry is part of service industry and guests of hotel industry have direct communication with employees from different departments like front office, F&B, concierge, housekeeping etc. So, to ensure guest's satisfaction, hotels have to make sure that their employees are happy and motivated about their workplace. Otherwise employee's dissatisfaction will reflect in the service which ultimately results in guest dissatisfaction. The way hotels signifies loyal customers by guaranteeing quality service, they should establish favorable environment to retain qualified employees. Ultimately these employees create the magic in their service and make it memorable for the guest (Rahman, Sayeda and Bari, no date). Developed countries are more concern about employee's satisfaction and they have proper implication of labor laws. According to Remote (works as HR and payroll platform), top 10 countries for work life balance in 2025 are New Zealand, Ireland, Belgium, Germany, Norway, Denmark, Canada, Australia, Spain and Finland. This survey is conducted on 60 highest GDP nations depending on factors like leave, wage, working hour facilities (*Top 10 Countries Offering the Best Work Life Balance in 2025*, n.d.). Depending on workplace culture and employee wellbeing, a ranking of 10 best companies was published where Hilton Worldwide Holdings ranked 1 and Marriott International ranked 8 and both of these are multinational hospitality company who mainly manages hotel chains worldwide (*Top 10 Companies with Highest Employee Satisfaction in 2025*, 2025). It is great news for hotel industry that among top

10 companies, two are from hotel industry. But it does not depict the whole scenario especially in countries like Bangladesh. Under Marriott chain, 4 bands are currently running their operation in Dhaka, Bangladesh and these brands are The Westin Dhaka, Le Meridien Dhaka, Renaissance Dhaka and Sheraton Dhaka (*list of marriott hotels in bangladesh - Google Search*, no date). There are some other chain hotels that are operating their business in Bangladesh. Loyal customers are base of survival for hotels in the race of competition because guests become repetitive only when they hotels meet their expectation and maintain it continuously. In short, hotel industry needs both satisfied employees and happy guests (Baquero, 2022). It's a cycle where happy employees lead to happy customers and happy customers lead to business profit.

## 2. Literature Review

The stage, at which someone's wants, preferences and thirsts are accomplished, is the level of satisfaction for that person. Satisfaction is actually the balanced condition between demand and achievement. So job satisfaction refers how employee's aspirations are being fulfilled by the organization he is working for. Level of employee satisfaction is deeply connected with the success and effectiveness of any organization (Sageer, 2012). Employee satisfaction refers to employee's happy and contended psychological condition about his workplace and facilities. When employee's expectation from the job matches with what he receives in reality, employee become satisfied (Uddin, Akther and Tumpa, 2016). There is no fixed scale of employee satisfaction with highest and lowest level. Reason and level of employee satisfaction varies from one employee to another employee, even though they are working under same manager and organization. Satisfactions of some employees are connected to non-financial factors like friendly relationship with coworker, smooth career growth, training and development opportunities etc. On the other hand, financial benefits like high salary and other benefits are main motivational factor for some employees (Sageer, 2012).

To determine the condition of star rated hotel, two ways are mostly used. One of them is using government established rating system which is known as official rating process and another one is unofficial process. Mostly, both of these ways focus on structural attributes and level of service. As, the official process of star rating concentrates more on technical characteristics and put less importance on quality of service, merging public and private way, is a preferred way of ensuring guest satisfaction. (Khan, Hussain and Khan, 2022)

There are some famous unofficial systems of star rating which are followed by many hotels in all over the world. Official systems are different from one country to another but unofficial are same all over the world. A chart of commonly used unofficial star rating system is given below. (SUF1, 2019)

Hotel Classification system	Country	Official / Unofficial	Voluntary/ Mandatory	Year started	Number of Hotels
HOTEL STARS UNION	European Union Austria, Belgium, Czech Republic, Denmark, Estonia, Germany, Greece, Hungary, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Sweden, Switzerland	Unofficial: Sweden & Switzerland Official in: Malta, Belgium, Luxembourg	Mandatory in Lithuania Voluntary in Germany	2009	30000 (including restaurants)
AAA Diamond Rating	United States	Unofficial	Voluntary	1936	58000 (including restaurants)
Visit England	United Kingdom	Unofficial	Voluntary	2009	24000
Gastro Suisse	Switzerland	Unofficial	Voluntary	1891	3000
Indian Hotel Classification system	India	Official	Voluntary	1954	236

Figure 1: Unofficial Star Rating System worldwide

Stars earned by hotels by fulfilling certain qualifications, are considered as a symbol of prestige. The more stars any hotel has, indicates the higher level of service guests will receive from the hotel. (SUF1, 2019)

Though hotels sell room, food and other products, hotels are part of service industry. The success of hotels depends on how good their service is, how dedicated their employees are toward guest's satisfaction. Employees are main resource for their hotel as they are the main source of guest's satisfaction. Employees in hotel industry can ensure 100 percent guest satisfaction when employees themselves will be happy with their working environment and job facilities (Amissah *et al.*, 2016). Decision making ability makes employee feel empowered and connected with the organization so when employees have the rights of making his own decisions, their job satisfactions increased as they consider themselves important entity of the organization. Also employees think that they are being listened when they have right of decision making and they believe they will be considered for new opportunities. Work pressure is also an important variant for job satisfaction. Too much work pressure can make employee depressed where too less work load can make employee feel bored. Though maintaining same level work pressure is not feasible, employees always look for a balanced work pressure in long run (Khatun, no date).

In service industry, customers directly communicate with employees. Satisfied employee always tries to deliver better service to customers as they are highly motivated (Stamolampros and Dousios, 2024). Many organizations fail to understand the importance of their employees as human resource because their contributions cannot be expressed directly in financial value just like any machine or equipment. Motivation increases level of job satisfaction and satisfied employee produces better output than an employee who is dissatisfied (Myskova, 2011). Research has discovered an opposite relation between education and employee satisfaction. The more educated an employee is, the higher his expectation is from the organization so highly educated employees tend to be more dissatisfied with their job and organization. Organization's activeness and fair decision making influences employee satisfaction highly so decision makers and higher authorities should develop and maintain a professional environment which is main attraction for talented and dedicated candidates (Uddin, Akther and Tumpa, 2016). Low skilled employees and high skilled employees are not motivated by same factors. Low skilled employees are satisfied with their job if they receive basic facilities like wages on time, friendly relation with colleagues and job security. Social status, respect, rewards are motivating factor for highly skilled employees (Amin, no date). It is impractical to achieve long term success without attaining employee satisfaction. High employee turnover is a drawback for any organization and higher employee satisfaction lowers this turnover rate. Employee's dissatisfaction can be result of various factors like work pressure, communication gap, slow career growth and many others. To slowdown turnover rate, managers should find out the root cause of employee dissatisfaction and make the working environment better (Gregory, no date). Nepotism, partiality, unfair recruitments are main obstacles for qualified employee's promotion and career growth. Employee's dissatisfaction increases when they do not receive promotions, despite being fully qualified. Again, employees face barriers in personal development due to bad working environment (Gregory, no date). Whatever, the cause of dissatisfaction is financial or non-financial; the root cause is communication gap between manager and the employee. When employee feels disconnected from his supervisor and cannot express his need, dissatisfaction starts to grow in employee (Gregory, no date). Employers should come forward to eliminate this distance between them so that employees can share their well and woes. By this way, employers will get the chance to know the motivational factors.

### **3. Methodology:**

In this research paper, exploratory approach has been used as it reflects the paper objectives and findings. A convenient sampling technique used to collect primary data which was required for this research paper because of the limited budget and short time. This research investigates the factors that are affecting employee satisfaction ambivalently. To understand the factors, a structured and self-administrated English questionnaire was developed to gather essential data from the focused respondents. In this paper, data was collected from the star rated hotels (like five-star, four-star, three star) at Dhaka city in Bangladesh. The sample is selected on ground that they are found in the location conveniently and timely and also with online survey. The questionnaire was distributed to the respondents to fill-up the questions with his/her preferences. They are asked to give response on how influencer put impact on employee satisfaction. 59 respondents were collected from various responders according to the convenient sampling where 50 employee's questionnaires were selected for analysis and 9 questionnaires were rejected due to incomplete and irrelevant response. Sample size is 50 and respondents

include both male and female. The survey was conducted over time frame of 50 days and printed copy and both online surveys has been conducted in here.

The survey questionnaire consists two sections. First sections includes socio- demographic characteristics of respondents and items includes gender, age, type of employment, monthly income, working area, work experience, education level. The second section was developed to determine factors influence employee satisfaction by 10 variables and respondents were asked to rate each of the attributes on five points likert scale. To analyze the demographic and factors related data, statistical tools excel has been used.

#### **4. Result and Discussion:**

##### **4.1 Result**

###### **4.1.1 Demographic features**

The demographic characteristics of the respondent were conducted to find out the employee's characteristics who participated in the research. Gender, Age, Type of employment, Monthly Income, working area, work experience, education level- all are taken as the demographic characteristics. In our survey 65% respondents are male along with 35% women among 100%. It shows a good indication that the barrier behind the women participation in hotel industry has been reducing gradually, mainly in four-to-five-star hotels. Majority of the respondents are in age of 26 to 35 which is 60% and no respondents has found in the range of 46 to 55. We have reached out 80% permanent employees of these star rated hotels with 16% contractual as well as 4% casual. All types of employees' opinion have been gathered. 40% respondents get BDT 25k to 40k as monthly salary, whereas, 10% respondents responded for more that 70k BDT. Maximum employees are involved in front office department where as others are involved in sales and marketing, food and beverage, human resource and others. No employees have been found from housekeeping department. According to work experience 33% employees have 3 to 4 years' experience and more than 5 years experienced employees are approximate 23% which ensures data is collected from the long-serviced employees. Among of all respondents around 51% employees are graduated. Moreover, 27% employees have been identified as holding a post-graduation degree also. Over all, the varied observations of the respondents provide valuable insights that lead to suitable findings for this study.

###### **4.1.2 Factors of employee satisfaction**

The descriptive statistics is directed to understand the effects of factors in employee satisfaction of star hotel management. This statistical analysis is based on the responses of employees that have been collected by five Likert scale. Among all of the examined values, Working Environment gets the highest mean. The mean value is 4.14 with the standard deviation of 1.13 which indicates that high level of satisfactions among respondents. Whereas Scope for Creativity has recorded the second highest mean of 3.82 and the standard deviation of 1.11. After that, Leave Policy has got the 3rd highest mean with 3.76 and the standard deviation of 1.24. By following this, Training and Development has scored mean- 3.67 with standard deviation 1.24, Job Security with mean 3.61 and standard deviation 1.37 and Reward and Recognition with mean 3.49, standard deviation 1.22 as well as Management and Supervision with mean 3.35 and standard deviation 1.31. Comparatively, Pay and Benefits, Career Pathway and Working Hour have scored lower mean values 3.33, 3.22, 3.18 consecutively along with the standard deviation value 1.26, 1.29, 1.32. Here, standard deviation values ranged from 1.11 to 1.37 which described the moderate circulation across the factors. The standard deviation values ranged from 1.11 to 1.37, indicating moderate circulation of responses for each factor. In Job Security and Working hour, high variations have been observed through standard deviation which ensures the respondents showed their different perception for these dimensions. As a result, variability has been found inside the observations of all employees as a respondent regarding the ten factors. The absence of frequent similar responses proposed that they have filled up the questionnaire with in personal thoughts and observation.

##### **4.2 Discussion**

The study discusses the understanding of each factor how they are putting impact on employee satisfaction so employer can take necessary steps to ensure employee satisfaction.

Table 1: Mean and standard deviation of factors according to responses

Criteria of Factors	Mean	Standard Deviation
1. Pay and Benefits	3.38	1.23
2. Working Hour	3.2	1.32
3. Working Environment	4.18	1.10
4. Reward and Recognition	3.5	1.23
5. Career Pathway	3.2	1.29
6. Training and Development	3.5	1.23
7. Leave Policy	3.2	1.29
8. Scope for Creativity	3.7	1.28
9. Management and Supervision	3.5	1.23
10. Job Security	3.2	1.29

According to result from responses, it is found that working environment is the most satisfactory factor for respondents who are employed in various star rated hotel. This suggests that employees feel safe and comfortable with their workplace culture and operational environment. So it shows that in star rated hotels they are maintaining the work environment in a positive way for its employees. And in the hospitality sector when an employee shows satisfaction with its physical environment it reflects on the role when they continue their job with the guest.

On the contrary, two other factors such as pay and benefit and career pathway opportunities has low mean value which indicates that for these factors employee has showed neutral observation. That means most of star hotels in Dhaka city is offering fare financial benefits such as salary, incentive, rewards to its employee but some of the hotels are not practicing the same for its employees. So, all hotels are not offering proper financial reward to their employees but this is one of the prioritized areas for maximum employees. Beside this, career growth chances like in promotions opportunity employee are not getting equal opportunities according to responses. They show low satisfaction which indicates a slower career growth of employees due to inappropriate career progression policies in star rated hotels. An employee's high levels of performances come from the maximum motivations regarding these two factors.

Most interestingly, lowest satisfaction has been shown by the respondents for working hour. It shows the lowest mean value with comparatively high standard deviation with highest different opinion. Compare to the other industry, hospitality industry practices more working hour, long schedule of work which does not allow employees to maintain work life balance in their life and it effects the employee satisfaction a lot.

Again, form the top scored values scope of creativity and leave policy holds the similar mean values as the second highest scorer. In star hotels, employees get the chance of dealing different types of guests like guests from different nationalities, religion and cultures and to deal different type of guest employees need to show their creativity. It is a good thing that hotel employer and hotel policy allow them to show their creativity in their work beyond practicing autonomy. This helps employee to feel more confident about his/her performance and also gives motivations. For the leave policy, employees show the same positive responses. Being a pressurized working area, hotel is ensuring a better leave policy which is very overwhelming. It helps employee to take a break to reduce his/ her regular stress by spending times with other things. Though this supportive flexibility in taking leave may exist in star hotels but according to the score of standard deviation it varies from department to department. That means not every department gets the same benefits.

Training and development have a moderate score in mean. According to the responses of employees, they have near to satisfactory opinion regarding this area. To handle the international guest and to maintain the international standard in services, start rated hotels are offered trainings to their employees. But the value of standard deviations shows that these sessions vary from department to department or from new to experienced employees which creates discriminations among the employees.

Also, in job security similar response has found like the earlier factors but also it holds the highest standard deviation. As hotel industry is considered as a vulnerable industry and faces ups and downs depending on season, political crisis, natural calamity and so many. For that reason, some employees feel insecure about the job which hampers their employee satisfactions. It mainly creates problem for the casual, contractual workers. So, it is a concerning area for employees. Employees invest their intelligence, physical strength and valuable time to make any organization successful and hotels also should give the assurance of job in long term which will give them job security as a reward of their loyalty (Said *et al.*, no date).

By following above, Reward and recognition and management and supervision also have moderate scores with moderate satisfaction near to neutral. Recognition processes are critically influenced by direct and indirect involvement in guest's satisfaction. So, rewards seem one sided in hotels and it needs to be changed for increasing employee satisfaction. It also varies from department to department. Employees from different departments expressed different types of opinion which indicates reward and recognition are not equally distributed in all departments. Employee's morality towards their work depends on the act of the supervisor and the result shows that their opinions are not same as their employers are not treated them fairly. Proper managerial practices need to apply in the case of giving feedback, work distributions and communicating with employees.

Overall, observations indicates that employees are highly satisfied with their work environment and scope for creativity compared to the least rated factors like pay and benefit, career pathway and working hour and the hotels need to give more focus to make employee satisfied from every aspect as a star rated hotels in a city like Dhaka. Standard HR policies helps in reduce the variability in job security and working hour that give the employees equal working right that can lead to their satisfaction in work. By enhancing the concern in low satisfaction areas hotels can ensure a standard image among all the employees which ensure the employee satisfaction as well as the guest satisfaction by the proper performance of satisfied employees.

## 5. Limitations

There are some limitations of this research paper. Firstly, data is collected only from the hotels of Dhaka city where large number of hotels from other locations are skipped. This factor limited the implication of the result in other areas. Secondly, the questionnaire is prepared for the star rated hotels but in Dhaka, many boutique hotels are operating there businesses. Thirdly, a small number of participants provide the primary data of this paper which makes it difficult generalize the outcome. Lastly, structured questionnaire and some fixed variables are used in the data collection process. As a result, respondents cannot express other variables which influence their satisfaction toward their job.



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Appendix:

Charts and diagrams of demographic Data

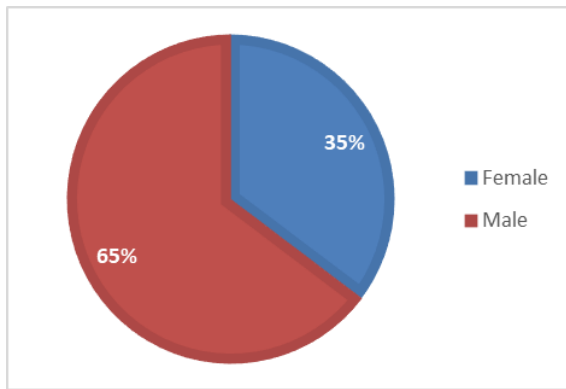


Figure1: Data on Gender of the Respondents

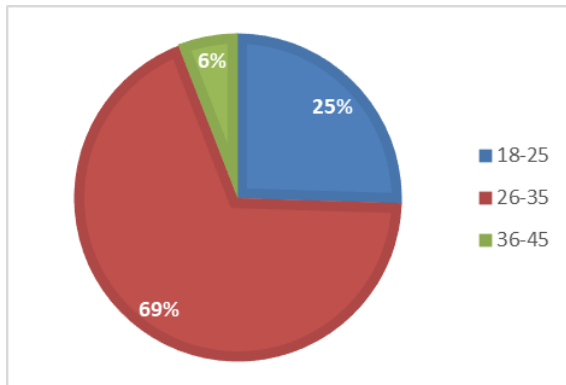


Figure2: Data on Age of the Respondents

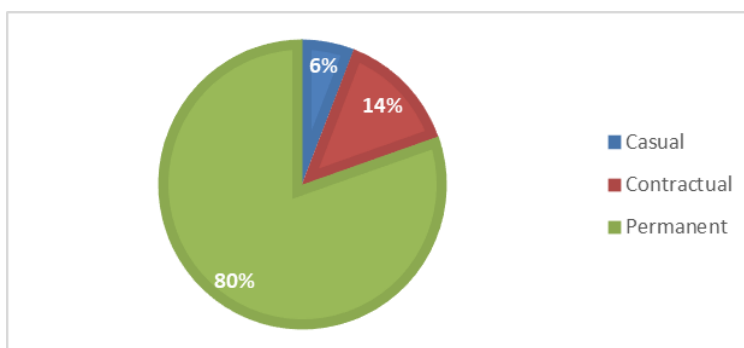


Figure3: Data on Employee type of Respondents

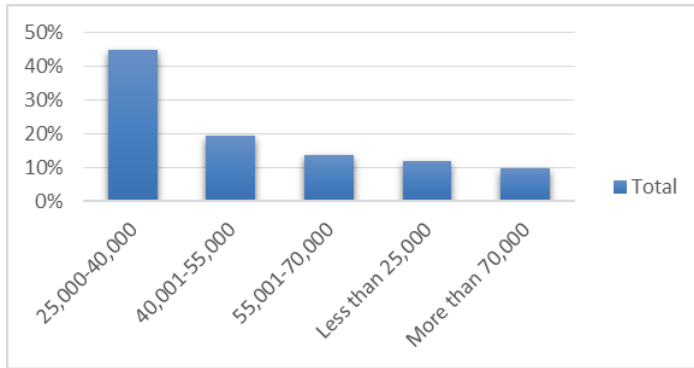


Figure4: Data on Monthly income of Respondents

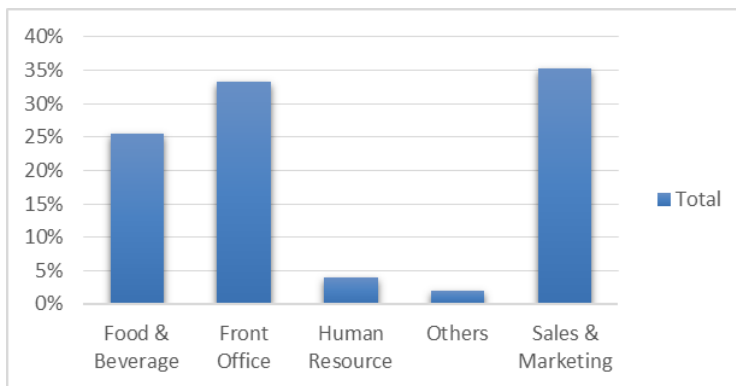


Figure5: Data on Working area of Respondents

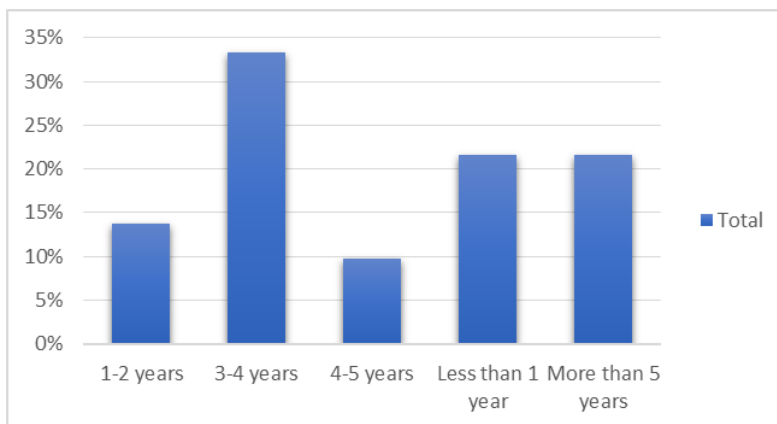


Figure 6: Data on work experience of Respondents

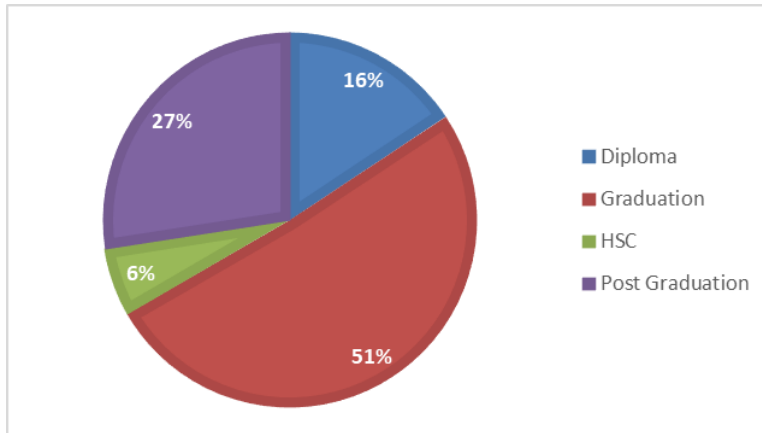


Figure 7: Data on Education level of Respondents

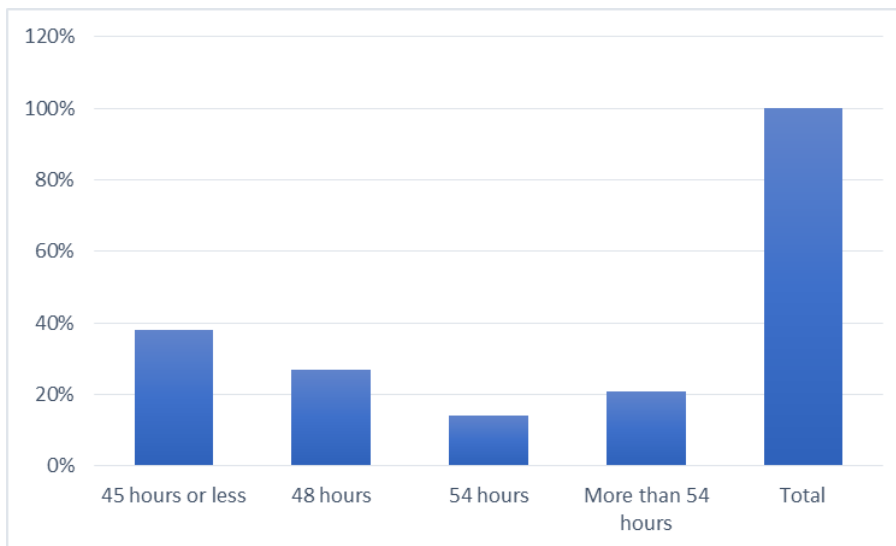


Figure 8: Data on Average weekly working hour of Respondents