

How Human Resources Management Practices Affect Employee Satisfaction and Motivation: A study in the Hospitality Sector

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Abstract: The employees' behavior in the hotel industry plays a fundamental role in customer satisfaction, as it directly affects the quality of the service provided to consumers. Several authors have highlighted employees as an essential resource for achieving business success in the hospitality sector. This study aims to understand the impact of Human Resource Management Practices in the hotel industry and their influence on employee motivation and satisfaction in the workplace, using a hotel group as a case study. A quantitative, cross-sectional, and correlational study was carried out by applying a questionnaire to 60 employees (30 women and 30 men) from a hotel group aged between 18 and 34. The data and hypotheses were tested using IBM SPSS 28.0. The results show that recruitment, training, performance evaluation, and reward management practices are related to the level of employee satisfaction. In turn, recruitment practices, performance evaluation, reward management, diversity and inclusion, and administration and control are related to employee motivation. The conclusion is that human resource management practices should be used to meet the needs of employees, promoting their satisfaction, motivation, and organisational commitment.

Keywords: Engagement, Motivation, Satisfaction, Human resources practices

1. Introduction

The recognition that human capital and its capabilities are an organisation's greatest competitive advantage has been growing because over time it has been understood that when human resources (HR) are properly managed, the organisation's objectives are achieved more quickly and more effectively. As hospitality is a sector where a large part of the consumer experience is based on customer service, the role of Human Resource Management Practices is even more crucial, as satisfied and motivated employees perform their job better (Nieves & Quintana, 2018).

Human Resource Management (HRM) is fundamental for the hotel industry, as this is a sector known for its low working conditions and intensive labour, it is important to understand how HRM acts on employee satisfaction, as the success of the organisation is based on communication between employees and guests (Otoo & Mishra, 2018). The literature has pointed to the role of various human resource management practices in employee satisfaction and motivation.

As the hotel industry has a high turnover rate due to employee dissatisfaction with working conditions, the application of HRM practices can positively influence the factors that cause employee dissatisfaction and thus also improve service quality (Heimerl et al., 2020).

This study aims to characterize the employees' perception about the HRM practices implemented in the hotel industry and their influence on employee motivation and satisfaction in the workplace, using a hotel group as a case study.

This paper is organised into four sessions, first it is presented the literature review, after the methodology applied in the study, then the results are presented and finally the conclusions, limitations of the study, and future work.

2. Literature Review

2.1 Human Resources Management

The hotel industry is mostly characterized by its intangibility and dependence on interaction between employees and guests. Thus, HRM is responsible for linking organisational objectives to employee satisfaction, so that service is provided in an excellent and consumer-oriented manner

HRM is used to communicate desired behaviours, shape and reinforce performance, thus contributing to the achievement of the organisation's objectives. It is also a way of reducing costs, as when practices such as recruitment and selection, retention, engagement, inclusion and performance management are developed and applied, they can result in a reduction in the turnover and training of new employees. HR planning,

inclusion, engagement, and development activities help with organisational sustainability. Identifying needs and developing employees is beneficial for organisational longevity (Donovan, 2019).

HRM practices are associated with actions that increase the knowledge, skills, and abilities of employees, in this case in the hotel industry, so that they can behave more entrepreneurially. Thus, when employees acquire this behavior, they have the ability to communicate successfully with consumers and satisfy their needs more easily, so that each consumer is treated uniquely. Therefore, if the hotel industry wants to offer high-quality services, it must have confidence in its employees and find out what factors encourage them to offer the best service to customers (Surucu & Sesen, 2019).

The creation and innovation of HRM practices are vital for the hotel industry, especially in the luxury market. Employees guided by good HRM practices have the skills, knowledge, and motivation they need to consistently perform their job to meet the expectations of guests in this hotel segment. HRMPs must be constantly innovating so that they can keep up with the changing needs of guests over time and also improve and accompany employees. That said, it is understood that the implementation of these practices positively affects the well-being and personal development of employees, which in turn affects the long-term performance of the organisation (Pang, 2020).

HRM can influence the success and competitive edge of an organisation. In this way, its relevance is notorious, since hospitality is a labour-intensive service since the human factor is one of the main factors responsible for the success of the organisation since it is a service based on communication between employees and guests (Otoo & Mishra, 2018).

2.2 Employee Satisfaction

Locke (1969), cited in (Elrehail et al., 2020), defines job satisfaction as a pleasant emotional state at work resulting from the evaluation of one's work, having achieved or having tried to achieve its values. Employee satisfaction is increasingly becoming a relevant factor in the workplace, as it is linked to productivity, organisational performance, loyalty to the organisation, personal and professional fulfillment. It is possible to see that greater job satisfaction translates into good performance on the job (Veloso et al., 2021).

According to Pancasila et al. (2020), if the employee's performance is excellent, it is likely that the organisation's performance will also be excellent. Aamodt (2012), cited in Pancasila et al. (2020), states that the organisation's motivation encourages the employee's work spirit to give their best. If employees feel motivated, then they will also feel satisfied at work and will work more enthusiastically to improve their performance.

HR planning influences employee satisfaction because it allows them to participate in the organisation of their careers and employment decisions. Good planning motivates employees, influencing their happiness and making them more productive (Elrehail et al., 2020).

The organisation must pay attention to employees' needs, expectations, and skills. Job satisfaction can be achieved through motivational factors such as rewards, security, interpersonal influence, and working environment conditions that generate opportunities for self-development and improvement (Pancasila et al., 2020).

For Macaulay Onovughak et al. (2022) turnover is one of the biggest reasons for inefficiency in the performance of organisations. The hotel industry is a sector where turnover is high, due to employee dissatisfaction caused by stress and work overload. It is therefore important to prevent turnover and promote employee loyalty. A satisfied employee has a positive influence on service quality, customer relations and customer satisfaction, the performance of the organisation, resulting in a higher quality service (Heimerl et al., 2020).

Between 1957 and 1966, Herzberg developed the "Two Factor Model of Motivation", based on research into the sources of job satisfaction and dissatisfaction. One of the factors was "motivational", which relates to the content of the job and consists of the need for fulfillment, interest in the work, responsibility and opportunities for advancement. The second factor was "hygiene", which was more related to the work context, including things like salary and working conditions. These factors serve to prevent dissatisfaction and not to generate motivation. This model emphasizes the need to consider both financial and non-financial factors when developing a reward system (Armstrong & Taylor, 2020).

2.3 Motivation

Armstrong & Taylor (2020) call motivation “the force and direction of behavior and the factors that influence people to act in certain ways” (p.169). It also reinforces that people are motivated when they anticipate that a certain action can lead to the achievement of a goal and a valued reward, a reward that satisfies their needs and desires. Motivation at work encourages employees to do their jobs to the best of their ability and to achieve both personal and organisational goals. It is a way of encouraging individuals to act in a certain way to achieve the organisation's goals (Håvold and Håvold, 2019, cited in Yamamoto et al., 2023).

A company's organisational climate influences employee motivation and work performance. It should be considered that employees work to satisfy their material and psychological needs, so motivation drives the desire to improve their performance at work. Motivation can be determined by measuring employee satisfaction or performance. In this way, supervisors must take into account that employees' needs are different from one another so that they can make the work environment more motivating and thus achieve higher results (Rusu & Avasilcai, 2014).

As the hotel industry is a customer service sector, it is even more important that employees feel motivated, as the frontline employee has an immediate impact on customer satisfaction (Chien et al., 2020).

Motivation in the workplace can be provided by the quality of leadership and various forms of recognition or rewards. These factors contribute to the growth of self-motivation and encourage individuals to use their skills to the full and perform their jobs to the best of their ability (Armstrong & Taylor, 2020).

3. Methodology

A cross-sectional, descriptive, and correlational quantitative study was performed to achieve the general objective of understanding the impact of HRM practices in the hotel industry and their influence on employee motivation and satisfaction in the workplace, using a hotel group as a case study. More specifically, we aimed to identify the HRM practices used in a hotel, to understand, from the employee's point of view, what impact the HRM practices implemented have on their satisfaction and motivation, and to identify the challenges faced by HRM in a hotel.

The instrument used for data collection was a survey with 47 questions organised into 4 sections. Section 1 had five sociodemographic questions, section two had 12 questions related to the HRM practices implemented in the hotel, section three had 21 questions about employee satisfaction, and section four had nine questions related to motivation. We had closed questions answered dichotomously or using a 5 point Likert scale.

Our population were the employees of a five-star hotel. The sample had 60 persons (30 female and 30 male). Regarding their age, 16 had between 18-24 years old (26,7%), 20 (33,3%) between 24-28, and 18 (30%) between 29-40 years old. Fifteen participants (25%) had high school graduation and 45 (75%) had under graduation courses. Concerning their seniority in the hotel, 22 participants (36.7%) were in this hotel between 1-3 years, and 16 (26.7%) were working in the hotel for less than three years.

For the study dissemination, it was sent an e-mail explaining the objectives of the study and the link for the online survey for all the professional emails. Data collection occurred between September and October 2023.

Data were analyzed statistically with IBM SPSS 28.0. Descriptive statistics were calculated to all variables.

To analyze the possible correlation between the HRM practices, the satisfaction level of the employees, and motivation several Spearman correlations were calculated. Confidence level used was 95%. All ethical procedures were considered during this study.

4. Results

This section presents the main results of our study organised by human resources practices, employee satisfaction, and motivation

Regarding the employee perceptions of Human Resources Management of the Hotel 20% referred to be satisfied/very satisfied. Employees said that the reasons they were attracted to the hotel were “Possibility of Career Advancement” (58.3%), “Good Working Conditions” (45%), “Good Reward System” (31.7%), “Stability and Security” (23.30%), and “Above Average Salary” (18.3%).

Moreover, several questions were asked to characterise how the hotel implements Human Resources Practices. For the recruitment and selection process, 98% referred to an individual strategy as the only strategy

used. Only 50% of the participants referred to the possibility of doing training and development in the hotel. Regarding performance assessment, 93% of the participants referred to having quarterly assessments made by their superiors and themselves. For additional benefits, 92% referred to having a bonus, and 30% referred to health insurance. The welcoming process was assessed positively by 82% of the participants. Moreover, 92% referred to the absence of stereotypes and discrimination.

Several questions were made to characterise employees' satisfaction ranging from 1 Totally disagree to 5 Totally agree (table 1). 82% of employees referred to be satisfied with their jobs.

Table 1: Frequencies for the variable "satisfaction level of employees"

Itens	Frequencies									
	1		2		3		4		5	
	n	%	n	%	n	%	n	%	n	%
I am satisfied with the salary I receive considering the duties I perform	7	11,67	9	15	16	26,7	28	46,7	-	-
I feel satisfied with my workplace because, overall, it offers a balanced reward system	4	6,7	6	10	18	30	24	40	8	13,3
I feel like a valuable resource for the hotel	-	-	7	11,7	14	23,3	22	36,7	17	28,3
I am satisfied with my working hours	1	1,7	0	0	25	41,7	31	51,7	3	5
When making the timetable, the organisation takes my needs into account	1	1,7	6	10	19	31,7	21	35	13	21,7
I feel satisfied with my professional and personal life, in terms of reconciling the two.	-	-	7	11,7	23	38,3	25	41,7	5	8,3
I'ma satisfied with the working conditions I'm given to do my job effectively.	1	1,7	10	16,7	13	21,7	28	46,7	8	13,3
I feel satisfied with the recognition I get for my work	1	1,7	12	20	21	35	19	31,7	7	11,7
I feel that the levels of my participation and involvement in decision-making are satisfactory	2	3,3	7	11,7	16	26,7	26	43,3	9	15
I feel satisfied with the tasks I perform	-	-	-	-	14	23,3	35	58,3	11	18,3
When I am away from work, I can take my mind off my professional problems	3	5	8	13,3	13	21,7	22	36,7	14	23,3
My proposals to make the work more efficient and effective are considered	1	1,7	7	11,7	24	40	21	35	7	11,7
I feel satisfied enough to want to learn more tasks	-	-	-	-	17	28,3	31	51,7	12	20
I feel listened to by my hierarchy	1	1,7	5	8,3	16	26,7	20	33,3	18	30
Sinto-me satisfeito/a com os colegas de trabalho.	3	5	-	-	9	15	29	48,3	19	31,7
I feel satisfied with the rewards and benefits I receive from the hotel where I work	1	1,7	7	11,7	18	30	26	43,3	8	13,3

To analyze the relationship between Human Resources Practices and employee satisfaction several Spearman Correlation tests were made. We found significant correlation in the use of training ($r=.367$, $p=.023$), performance assessment ($r=.674$, $p=.014$), and additional benefits ($r=.872$, $p=.031$). All of these human resources practices are related to higher satisfaction levels.

To understand the employees' motivation several questions were asked. Table 2 summarizes the participants' answers. 70% of the participants said that they were motivated.

Table 2: Frequencies for the variable “motivation”

Itens	Frequencies									
	1		2		3		4		5	
	n	%	n	%	n	%	n	%	n	%
The hotel takes care to keep its employees happy and in this way manages to have more motivated and productive workers.	4	6,7	9	15	22	36,7	21	35	4	6,7
I feel that the hotel where I work cares about employee motivation	5	8,3	9	15	19	31,7	25	41,7	2	3,3
If I had more professional rewards, I would feel more motivated.	-	-	4	6,7	6	10	24	40	26	43,3
My superiors influence my motivation levels.	-	-	1	1,7	6	10	35	58,3	18	30
I feel motivated by my job	-	-	4	6,7	15	25	27	45	14	23,3
I feel motivated to do everything in my power to exceed the objectives	-	-	2	3,3	15	25	32	53,3	11	18,3
Generally, I feel motivated in my workplace	-	-	7	11,7	13	21,7	28	46,7	12	20

To analyze the relationship between Human Resources Practices and employees’ motivation several Spearman Correlation tests were made. We did not find any statistical correlation.

5. Conclusions

The aim of this study was to understand how the Human Resources Management Practices applied in a hotel, affect employee satisfaction and motivation.

It was possible to see that Human Resource Management deals with how people should be managed, i.e. people are increasingly seen as the most important element of an organisation's strategy. Human Resource Management should be used to shape the behaviour of employees so that they feel satisfied at work and thus achieve the organisation's objectives (Nieves & Quintana, 2018).

In hospitality, being a labour-intensive service, it is essential that employees feel satisfied and motivated in their role, otherwise, guests may not receive the experience they should.

When Human Resource Management Practices are applied correctly, human resources are managed in such a way as to attract, develop, motivate, and retain employees, instilling in them the purpose of achieving the organisation's objectives. Our results are in line with previous research (cf. Pang, 2020; Surucu & Sesen, 2019; Yamamoto et al., 2023).

It is also understood that the tourism industry is known for its precarious working conditions, so it is important to counter this trend and offer employees the necessary conditions to develop satisfaction, commitment, and motivation. Employee attitudes are shaped by the organisation in which they work.

From the results, it is clear that the organisation needs to develop its strategy since although the majority of employees feel satisfied and motivated in the workplace, they identify some more negative aspects (cf. Pancasila et al, 2020; Veloso et al., 2021). These practices focus on financial rewards and neglect investment in training and development. Employees feel satisfied with their value, and the tasks they perform and are happy enough to want to learn new tasks. Although the employees' level of motivation is satisfactory, they would be more motivated if the monetary rewards were higher (Rusu & Avasilcai, 2014).

Some limitations emerged during this research. The main limitation was the reduced sample. Therefore, the results could not be generalized. On the other hand, we assessed only the employees’ perspective, but we cannot compare it with the practices implemented by the hotel or the aim of the organisation. Future research should have larger samples and consider other organisational perspectives.

Despite the limitations identified, this study gives important insights into the relevance of human resources practices for satisfaction and employee motivation. Hotels should recognize the relevance of implementing other human resources practices and communicate them in a clear way.

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