



A Comparative Study of Training Programs and Their Impact on Employee Satisfaction in Luxury and Budget Hotels

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ABSTRACT

This study examines and compares training programs and their impact on employee satisfaction in luxury and budget hotels. Adopting a positivist philosophy, a deductive approach, and a quantitative descriptive-comparative design, primary data were collected from 400 hotel employees (200 luxury, 200 budget) through a structured questionnaire measured on a five-point Likert scale. Data were analysed using frequency and percentage analysis, mean and standard deviation, independent-sample t-tests, Pearson correlation, and multiple regression. The results show that training effectiveness, training quality, and training frequency are strongly and positively associated with employee satisfaction, with the regression model explaining 73.3% of the variance in satisfaction ($R^2 = 0.733$). Luxury hotels recorded significantly higher mean scores than budget hotels across all dimensions, including training effectiveness (4.22 vs. 3.82) and employee satisfaction (4.24 vs. 3.81). All five alternative hypotheses were supported. The study concludes that effective, high-quality, and frequent training is a key determinant of employee satisfaction, motivation, and performance, and that luxury hotels currently outperform budget hotels in training outcomes. Recommendations include greater use of technology-based learning, specialised and refresher training, and increased investment in employee development.

Keywords: training programs, employee satisfaction, training effectiveness, hospitality management, luxury hotels, budget hotels

1. Introduction

The hospitality industry is a labour-intensive, service-driven sector in which the knowledge, skills, and attitudes of frontline employees directly shape guest experience, service quality, and organisational competitiveness. Training and development have therefore become central human resource practices through which hotels build employee capability, sustain service standards, and adapt to evolving customer expectations. As competition intensifies across hotel segments, the effectiveness of training programs has emerged as a strategic concern for both luxury and budget establishments.

Although the value of training is widely acknowledged, hotels differ considerably in the resources, infrastructure, and managerial commitment they devote to employee development. Luxury hotels typically possess greater financial capacity and more sophisticated training systems, whereas budget hotels often operate with leaner resources and simpler arrangements. These structural differences raise important questions about whether training



practices, and the satisfaction employees derive from them, vary systematically by hotel category. The present study addresses this question by comparing training programs and their impact on employee satisfaction across luxury and budget hotels.

Specifically, the study pursues five objectives: (1) to examine the nature and structure of training programs in luxury and budget hotels; (2) to compare the effectiveness of training methods adopted in each segment; (3) to analyse the level of employee satisfaction in relation to training programs; (4) to identify the key training-related factors influencing employee satisfaction; and (5) to suggest improvements for enhancing training programs and employee satisfaction in the hospitality sector.

2. Review of Literature

Training is broadly defined as a planned organisational effort to facilitate employee learning of job-related competencies, and a substantial body of research links systematic training to improved performance and attitudinal outcomes (Noe, 2020; Armstrong & Taylor, 2020). In the human resource management literature, training is consistently identified as a key element of high-performance work systems that enhance employee skills, motivation, and opportunity to contribute (Boxall & Purcell, 2016). Within the service context, the link between training and outcomes is amplified because employees co-produce the service with the customer, making competence and confidence directly visible at the point of delivery (Zeithaml, Bitner, & Gremler, 2018).

Empirical studies in hospitality have repeatedly associated training with higher job satisfaction, organisational commitment, and reduced turnover intention (Kim & Jang, 2020; Dhar, 2015). Training effectiveness, often conceptualised as the extent to which programs achieve their intended learning and transfer objectives, has been shown to predict employee satisfaction more strongly than mere training availability (Aguinis & Kraiger, 2009). Training quality, encompassing programme design, trainer competence, resourcing, and relevance, similarly influences both satisfaction and performance (Bulut & Culha, 2010). Training frequency and continuity are emphasised as mechanisms for maintaining competence and engagement, particularly where service standards and technologies change rapidly (Costen & Salazar, 2011).

Comparative work across hotel categories is comparatively scarce. Studies that contrast resourced and resource-constrained establishments suggest that organisational investment, infrastructure, and management support shape both the delivery and the perceived value of training (Chiang, Back, & Canter, 2005; Tracey & Tews, 2005). These findings motivate the present comparative design, which positions hotel category as a meaningful contextual variable in the training–satisfaction relationship.

2.1 Research Hypotheses

Drawing on the literature, the study tests the following alternative hypotheses:

1. H₁: Training programs have a significant impact on employee satisfaction in luxury and budget hotels.
2. H₂: There is a significant difference in training effectiveness between luxury and budget hotels.



3. H₃: Employee satisfaction levels differ significantly between luxury and budget hotels.
4. H₄: Training quality significantly influences employee motivation and performance.
5. H₅: There is a significant relationship between training frequency and employee satisfaction.

3. Research Methodology

The study adopts a positivist research philosophy and a deductive approach, consistent with its aim of testing predefined hypotheses derived from existing theory. A quantitative, descriptive, and comparative research design was employed to measure and compare employee perceptions across two hotel categories. The target population comprised employees of luxury and budget hotels who had experience with organisational training, drawn from departments including front office, housekeeping, food and beverage, human resources, administration, and sales and marketing, and spanning entry-level to senior-management positions.

A stratified random sampling technique was used, with hotel category (luxury and budget) forming the two strata to ensure balanced representation for comparison. The final sample consisted of 400 respondents, distributed equally between the two segments (200 each). Primary data were gathered through a structured, close-ended questionnaire comprising 50 items across five sections: demographic information (Part A) and four attitudinal blocks measuring training effectiveness, training quality and frequency, employee satisfaction/motivation/performance, and comparative perceptions (Parts B–E). Attitudinal items used a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5). Instrument reliability was assessed using Cronbach's alpha, and content and construct validity were established through literature review and alignment of items with the conceptual framework. Data were analysed using frequency and percentage analysis, mean and standard deviation, independent-sample t-tests, Pearson correlation, and multiple regression analysis, with hypotheses evaluated at the 0.05 significance level. Participation was voluntary and anonymous, and responses were used solely for academic purposes.

4. Results and Findings

4.1 Demographic Profile of Respondents

Of the 400 respondents, 56.75% were male and 39.50% female, with the remainder identifying as other or preferring not to disclose. The largest age group was 26–35 years (37.00%), and 43.25% held a bachelor's degree. The sample was evenly split between luxury and budget hotels (200 each), with the food and beverage department the most represented (29.50%) and entry-level employees forming the largest occupational group (41.00%). Most respondents had attended at least one training program in the preceding twelve months, with 37.75% reporting three to five programs. Table 1 summarises selected demographic characteristics.

Table 1. Selected Demographic Profile of Respondents (n = 400)

Characteristic	Category	Frequency	Percentage (%)
Gender	Male	237	58



Characteristic	Category	Frequency	Percentage (%)
	Female	163	42
Age	18–25 years	92	23.00
	26–35 years	148	37.00
	36–45 years	96	24.00
	46 years and above	64	16.00
Education	Bachelor’s degree	173	43.25
	Diploma	89	22.25
	Master’s degree	74	18.50
	High school / Other	64	16.00
Hotel category	Luxury hotels	200	50.00
	Budget hotels	200	50.00
Current position	Entry-level	164	41.00
	Supervisor	97	24.25
	Assistant manager / Manager / Senior	139	34.75

4.2 Perceptions of Training and Satisfaction

Across the attitudinal items, respondents expressed broadly favourable perceptions of organisational training. Combined agreement (strongly agree plus agree) exceeded 70% for almost all statements relating to training effectiveness, quality, and employee outcomes. The strongest endorsement was for the view that continuous training is essential for service-quality improvement (81.00% agreement), while refresher training received the lowest agreement within the quality block (69.75%), indicating an area for improvement. Table 2 presents combined agreement levels for a set of representative items spanning the four attitudinal constructs.

Table 2. Combined Agreement (Strongly Agree + Agree) for Representative Items (n = 400)

Construct	Representative Statement	Agreement (%)
Effectiveness	Trainers possess adequate knowledge and expertise	78.00
Effectiveness	Training sessions improve my job-related skills	78.50
Effectiveness	Overall, the training programmes are effective	76.75
Quality & Frequency	The quality of training provided is high	76.00
Quality & Frequency	Refresher training programmes are provided	69.75

Construct	Representative Statement	Agreement (%)
	regularly	
Satisfaction & Performance	Training helps me provide better service to customers	79.50
Satisfaction & Performance	My job performance has improved due to training	79.00
Improvement Measures	Continuous training is essential for service quality	81.00
Improvement Measures	Training plays a significant role in employee satisfaction	79.75

4.3 Comparative Analysis: Luxury versus Budget Hotels

A comparison of mean scores shows that luxury-hotel employees reported higher perceptions than budget-hotel employees across every dimension. The largest gap occurred for employee satisfaction (mean difference 0.43), followed by training effectiveness (0.40). The smallest difference was for comparative perceptions and improvement measures (0.28), indicating that employees in both segments similarly value training improvements. Table 3 reports the mean scores and differences.

Table 3. Comparison of Mean Scores between Luxury and Budget Hotels (n = 400)

Variable	Luxury Mean	Budget Mean	Mean Difference
Training Programmes	4.18	3.79	0.39
Training Effectiveness	4.22	3.82	0.40
Training Quality	4.15	3.76	0.39
Training Frequency	4.07	3.68	0.39
Employee Satisfaction	4.24	3.81	0.43
Employee Motivation	4.19	3.84	0.35
Employee Performance	4.21	3.86	0.35
Comparative Perceptions	4.16	3.88	0.28

4.4 Correlation Analysis

Pearson correlation analysis (Table 4) revealed strong, statistically significant positive relationships among the key variables. Training effectiveness showed the strongest association with employee satisfaction ($r = 0.812, p < 0.01$), followed by training quality ($r = 0.785, p < 0.01$). Training effectiveness and training quality were themselves strongly correlated ($r = 0.741, p < 0.01$), indicating that well-designed programs tend to be perceived as more effective.

Table 4. Correlation Matrix of Training Variables and Employee Satisfaction (n = 400)

Variable	Training Effectiveness	Training Quality	Employee Satisfaction
Training Effectiveness	1.000	0.741**	0.812**
Training Quality	0.741**	1.000	0.785**
Employee Satisfaction	0.812**	0.785**	1.000

**Correlation is significant at the 0.01 level (2-tailed). Source: Survey data

4.5 Regression Analysis

Multiple regression was conducted with employee satisfaction as the dependent variable and training programmes, training quality, and training frequency as predictors. The model produced a strong fit ($R = 0.856$; $R^2 = 0.733$; adjusted $R^2 = 0.731$), indicating that approximately 73.3% of the variance in employee satisfaction is explained by the three training-related predictors. As shown in Table 5, all predictors were positive and significant ($p < 0.001$). Training programmes exerted the strongest influence ($\beta = 0.384$), followed by training quality ($\beta = 0.337$) and training frequency ($\beta = 0.241$).

Table 5. Regression Coefficients Predicting Employee Satisfaction (n = 400)

Predictor	Beta (β)	t-value	Sig. (p)
(Constant)	0.742	4.836	0.000
Training Programmes	0.384	8.924	0.000
Training Quality	0.337	7.815	0.000
Training Frequency	0.241	5.978	0.000

Model: $R = 0.856$; $R^2 = 0.733$; Adjusted $R^2 = 0.731$. Dependent variable: Employee Satisfaction. Source: Survey data.

4.6 Hypothesis Testing

Independent-sample t-tests confirmed significant differences between hotel categories. Training effectiveness differed significantly ($t = 5.893$, $df = 398$, $p < 0.001$), as did employee satisfaction ($t = 6.417$, $df = 398$, $p < 0.001$), with luxury hotels scoring higher in both cases. Training quality significantly predicted both employee motivation ($\beta = 0.413$, $p < 0.001$) and performance ($\beta = 0.396$, $p < 0.001$), and training frequency was significantly related to satisfaction ($r = 0.691$; $\beta = 0.241$; ANOVA $F = 18.763$, $p < 0.001$). Consequently, all five null hypotheses were rejected and the alternative hypotheses accepted, as summarised in Table 6.

Table 6. Summary of Hypothesis Testing

Hyp.	Statement (abridged)	Test(s) Used	p-value	Decision
H ₁	Training programs → employee satisfaction	Correlation, Regression	0.000	Supported
H ₂	Difference in training effectiveness	t-test	0.000	Supported

Hyp.	Statement (abridged)	Test(s) Used	p-value	Decision
H ₃	Difference in employee satisfaction	t-test	0.000	Supported
H ₄	Training quality → motivation & performance	Correlation, Regression	0.000	Supported
H ₅	Training frequency ↔ satisfaction	Correlation, Regression, ANOVA	0.000	Supported

Significance evaluated at the 0.05 level. Source: Survey data.

5. Discussion

The findings provide consistent evidence that training is a meaningful determinant of employee satisfaction in the hospitality sector. The strong correlation between training effectiveness and satisfaction ($r = 0.812$) and the high explanatory power of the regression model ($R^2 = 0.733$) align with prior research positioning training effectiveness, rather than mere availability, as the critical driver of attitudinal outcomes (Aguinis & Kraiger, 2009; Dhar, 2015). The prominence of training programmes and training quality as the strongest predictors reinforces the view that design, relevance, and delivery quality matter more than volume alone.

The comparative results indicate that hotel category systematically shapes training outcomes. Luxury hotels outperformed budget hotels on every dimension, with the largest gap in employee satisfaction. This pattern is consistent with arguments that organisational resources, infrastructure, and management support enable richer training systems and stronger perceptions of value (Chiang et al., 2005; Tracey & Tews, 2005). Nonetheless, the comparatively small gap in attitudes toward training improvement suggests that employees in both segments are receptive to enhanced development, implying that budget hotels can narrow the gap through cost-effective, well-targeted interventions rather than expenditure alone.

The relatively lower agreement for refresher training and resource allocation highlights continuity and resourcing as practical weak points. Given the strong support for technology-based and specialised training, digital and modular approaches offer a feasible route to improving frequency and relevance without proportionate cost increases, particularly for resource-constrained establishments.

6. Conclusion and Recommendations

This study compared training programs and their impact on employee satisfaction in luxury and budget hotels using data from 400 employees. The evidence confirms that training effectiveness, training quality, and training frequency are significant positive predictors of employee satisfaction, and that luxury hotels currently achieve superior training outcomes relative to budget hotels. All five hypotheses were supported, underscoring training as a strategic lever for satisfaction, motivation, and performance.



Several recommendations follow. Hotels should increase the frequency and continuity of training, including regular refresher programs, to sustain competence and engagement. Given strong employee support, technology-based and digital learning platforms should be expanded to improve accessibility and flexibility, an approach especially valuable for budget hotels. Training should be customised to departmental needs, supported by systematic post-training feedback and visible managerial endorsement. Budget hotels, in particular, can pursue cost-effective measures such as peer learning, mentoring, and in-house workshops, while luxury hotels should continue innovating in delivery and deepen employee involvement in program design. Across both segments, treating training as a strategic investment rather than an operational expense is essential for service quality, retention, and long-term competitiveness.

The study is subject to limitations, including its cross-sectional design, reliance on self-reported perceptions, and focus on training-related variables to the exclusion of factors such as compensation, leadership, and work–life balance. Future research could adopt longitudinal designs, broaden the range of hotel segments and geographies, and examine emerging methods such as AI-based, virtual-reality, and gamified learning.

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