

How Employee Satisfaction Influences Guest Experiences in German Hotels

Insights from an Analysis of Employer Reviews and Hotel Guest Feedback Data

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Executive Summary: Context and data

Amidst the changing landscape of the hospitality industry, our report tries to offer valuable insights into the link between employee morale and guest satisfaction. There is a pressing concern in the hospitality industry today: a significant **shortage** of skilled professionals. This shortage, coupled with historically high turnover rates, poses significant challenges.

At the heart of the study is an exploration of the **relationship between a happy workforce and a satisfied customer base**.

In spring of 2023, we launched an **extensive data collection exercise for a large sample in the German hotel market**, sourcing information from Kununu, Booking.com, TripAdvisor and the German Hotel

Association (IHA). The **Kununu data on job satisfaction of employees** in German hotels was provided directly by the company (we received initially a data set for 436 hotel companies), while the **Booking.com and TripAdvisor datasets on customer ratings** of these same hotels were manually collected.

Basic **socio-demographic data** for the hotel was provided by the IHA, and where gaps existed, we supplemented this with details extracted from individual hotel websites.

It's worth noting, however, that some of the data collected from Kununu, Booking.com and TripAdvisor was found to be outdated, missing or unreliable. In order to maintain the rigour and reliability of our study, we decided to exclude 12% of establishments from our sample.

Executive Summary: Descriptive Analysis Results

Drawing on data sources such as Kununu for the **employee perspective** and global platforms such as Booking.com and TripAdvisor for the **customer perspective**, the study paints a comprehensive picture.

The average total kununu score of 3.6 (on a scale from 1 to 5) encapsulates mixed bag of employee perceptions. While there are clear strengths in aspects such team dynamics and interpersonal relations, there's a pressing need to address foundational aspects like salary and communication to elevate the overall employee experience.

The median ratings from Booking.com reveal that **guests are generally satisfied** with their experiences in the sampled German hotels. While the overall experience, represented by the **general rating of 8.2** (on a scale from 1 to 10), is positive, there's a slight

room for improvement in aspects like quality-price value. The close clustering of median scores for different other aspects around the 8 to 9 range indicates a consistent quality of service across these establishments.

TripAdvisor reviews for German hotels indicate a **generally positive guest experience**. The TripAdvisor ratings for hotels in our sample indicate a generally favorable guest experience, with a **mean score of 4.1** out of 5. German hotels of our sample are generally well-regarded, especially for their cleanliness, service, and location.

Executive Summary: Implications

The conclusions are clear: a **happy workforce contributes significantly to a positive guest experience**. The research also dispels the notion that investing in employee satisfaction may not bring tangible benefits. In fact, the wider scientific evidence suggests that such investment leads to increased customer loyalty, improved profitability and a competitive edge in the marketplace.

The implications for the hospitality industry are many:

- **Prioritising employee well-being and job satisfaction** is not only an ethical imperative, but also a business imperative.
- **Training programmes, growth opportunities and a supportive work culture** can have a direct

impact on the guest experience.

- The findings serve as a clarion call for the industry to **re-evaluate its HR policies and align them not only with employee expectations**, but also with broader business objectives.

In essence, this report highlights the symbiotic relationship between employee satisfaction and guest satisfaction. It serves as a roadmap for hospitality companies, highlighting the intertwined nature of internal HR practices and external customer perceptions.

Executive Summary: Correlation Analysis Results for TripAdvisor

Although most of the identified relationships seem to be small, our findings indicate that there's a positive link between how employees rate their satisfaction on kununu and the reviews guests leave on TripAdvisor. Simply put: when employees are happy, guests are more likely to be pleased. Specifically, the overall rating of the hotel by employees and factors such as interesting work, favourable working conditions, environmental awareness of the hotel, training opportunities and the overall image of the hotel are positively correlated with guest reviews on TripAdvisor in areas such as overall rating, cleanliness and service quality.



kununu

- Overall rating
- Interesting tasks
- Work conditions
- Environmental awareness
- Equality
- Continuous education
- Image

**Pearson
correlations
> 0,2**



Tripadvisor

- TripAdvisor Overall Rating
- Cleanliness
- Service quality



Executive Summary: Correlation Analysis Results for Booking (I)

The correlation analysis suggests that across various dimensions of employee ratings on Kununu, there's a significant and positive relationship with guest perceptions of the staff, as reflected in Booking.com reviews.

kununu

- Overall rating
- Work atmosphere
- Cohesion among colleagues
- Interesting tasks
- Work conditions
- Environmental awareness
- Equality
- Treatment of older colleagues
- Continuous education
- Social benefits

**Pearson
correlations
> 0,2**

**BOOKING
HOLDINGS**

- Staff (quality)



Executive Summary: Correlation Analysis Results for Booking (II)

The 'image' dimension perceived by employees on Kununu shows a **positive** relationship with several guest rating dimensions on Booking.com, including overall rating, staff, comfort, service quality and cleanliness. This alignment is not only evident in our exploratory findings, but it is also supported by academic research. Such research suggests that **perceived employer brand plays** a key role in increasing employee satisfaction. In turn, this increased employee satisfaction has a positive impact on the customer experience.



kununu

- Image

**Pearson
correlations
> 0,2**

**BOOKING
HOLDINGS**

- Overall grade
- Staff
- Confort
- Service quality
- Cleanliness



Visual Summary



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1. Context

The hospitality industry is facing a **severe shortage of skilled staff**, which has a direct impact on customer satisfaction. While the sector has historically been characterized by high staff turnover, today's scenario presents a more acute challenge.

The **purpose of this study is to highlight the possible link between employee satisfaction and customer satisfaction**. Numerous studies confirm this positive correlation. In service-driven sectors such as hospitality, employee satisfaction is paramount. A conducive work environment fosters employee loyalty and superior service, which should translate into customer appreciation, loyalty and, indirectly, increased profitability.

Despite significant investment in ensuring employee and customer satisfaction, doubts remain about the direct benefits. Achieving customer satisfaction in hospitality and tourism isn't enough to ensure business success. Organizations need to outperform the competition by delivering satisfying experiences for both their employees and customers. This research explores the complex dynamics between employee satisfaction and customer satisfaction.

Context: Evaluation platforms

Kununu is an employer review platform that merged with the Xing business platform. Catering primarily to employees from Germany, Austria, and Switzerland, Kununu offers a confidential space for them to assess and share insights about their workplace conditions. This not only empowers employees with a voice but also serves as a potent tool for companies to enhance their employer branding, drawing attention to their strengths and areas for improvement.

Booking Holdings is the world's leading provider of online travel and related services, including hotel reservations. It owns and operates a number of popular travel websites, including Booking.com, Priceline, Kayak, and Agoda. Hotel reviews play an important role on Booking Holdings' websites. Travelers can read and write reviews of hotels they have stayed at, and these reviews can be used to inform other travelers' booking decisions.



TripAdvisor is a platform that provides travel reviews and recommendations. Users can find reviews of hotels, restaurants, tourist attractions and other travel-related aspects. TripAdvisor collects reviews and ratings from travelers around the world.

2. Research objectives

This research is anchored in the **hypothesis that there exists a strong correlation between employee satisfaction and customer satisfaction** in the accommodation industry.

The primary aim of this study is to **investigate the relationship between employee satisfaction and customer satisfaction** in depth, considering key factors such as service quality and various indicators of employee satisfaction.

The underlying premise is that employee and customer satisfaction are profoundly linked, and that a **satisfied workforce can significantly contribute to positive customer experiences**.

Through this research, we aim to gain insights that can be used to improve various aspects of company performance.



3. Methodology

In **spring of 2023**, we launched an extensive data collection exercise for the **German hotel market**, sourcing information from Kununu, Booking.com, TripAdvisor and the German Hotel Association (IHA):

- The **Kununu data on job satisfaction of employees** in German hotels was provided directly by the company (we received initially a data set for 436 hotel companies, details are provided in the following slides), while the **Booking.com and TripAdvisor datasets on customer ratings of these same hotels** were manually collected.
- Basic socio-demographic data for the hotel was provided by the IHA, and where gaps existed, we supplemented this with details extracted from individual hotel websites.

To maintain the standards of data integrity and reliability, we implemented **quality checks**. During our preliminary analysis, we identified and corrected any discrepancies, such as inconsistent or missing entries.

Given the manual nature of data collection from Booking.com, TripAdvisor and hotel websites, we placed a high priority on ensuring data consistency and reliability. We conducted multiple rounds of validation to ensure the accuracy of each data point.

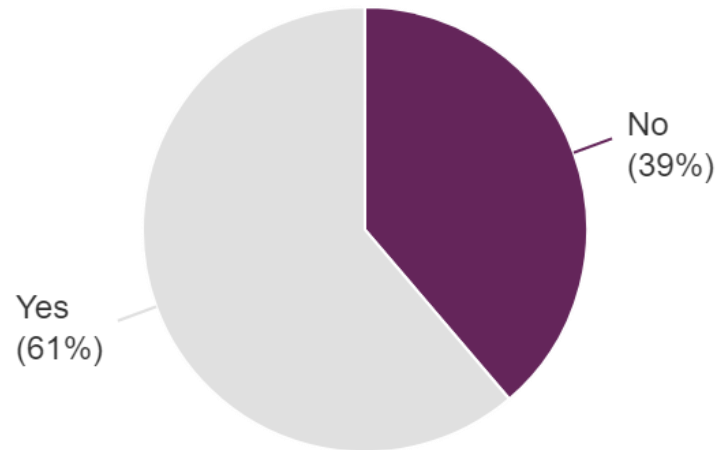
It's worth noting, however, that some of the data collected from Kununu, Booking.com and TripAdvisor was found to be outdated, missing or unreliable. In order to maintain the rigour and reliability of our study, we decided to exclude 12% of establishments from our sample.

4. Sample: Type of hotels

Hotel chain

Effective responses: 405

Response rate: 100%



Upon analyzing the entire sample of establishments, we found that a noble 61% are affiliated with hotel chains like Martim, Linder, or Dorint.

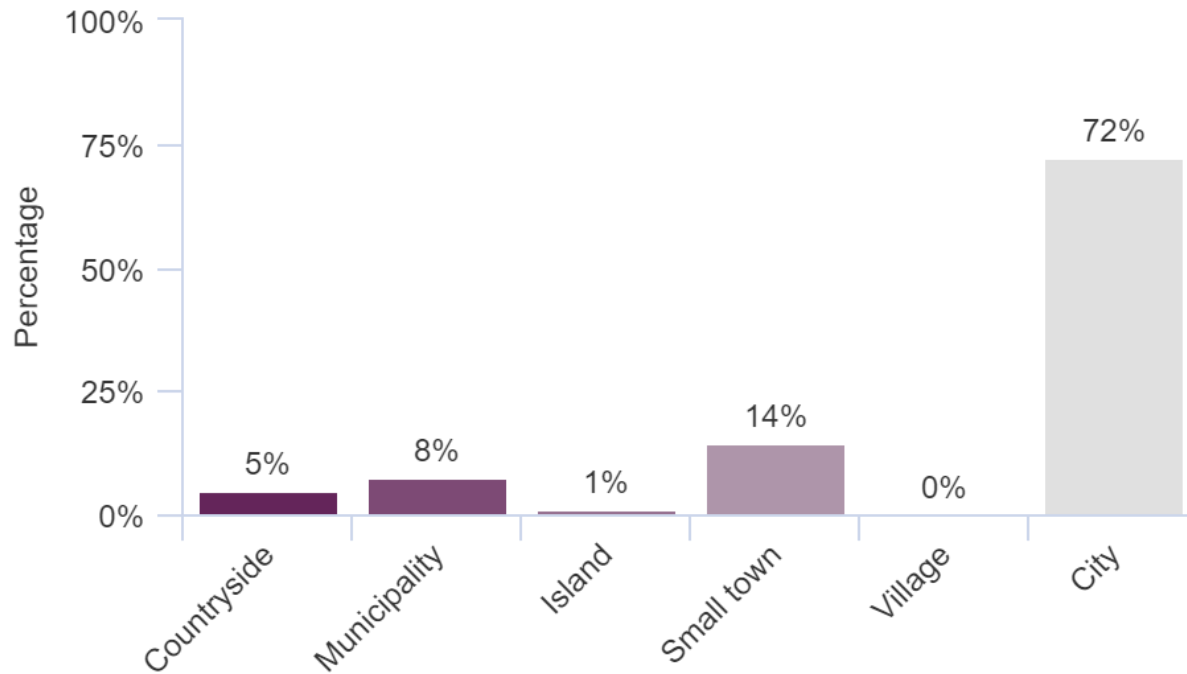
According to the German Hotel Association, approximately 57% of hotels in Germany are affiliated with hotel chains. This means that the percentage of hotels in your sample (61%) that are affiliated with hotel chains is slightly higher than the national average.

4. Sample: Geographic location

Region

Effective responses: 405

Response rate: 100%



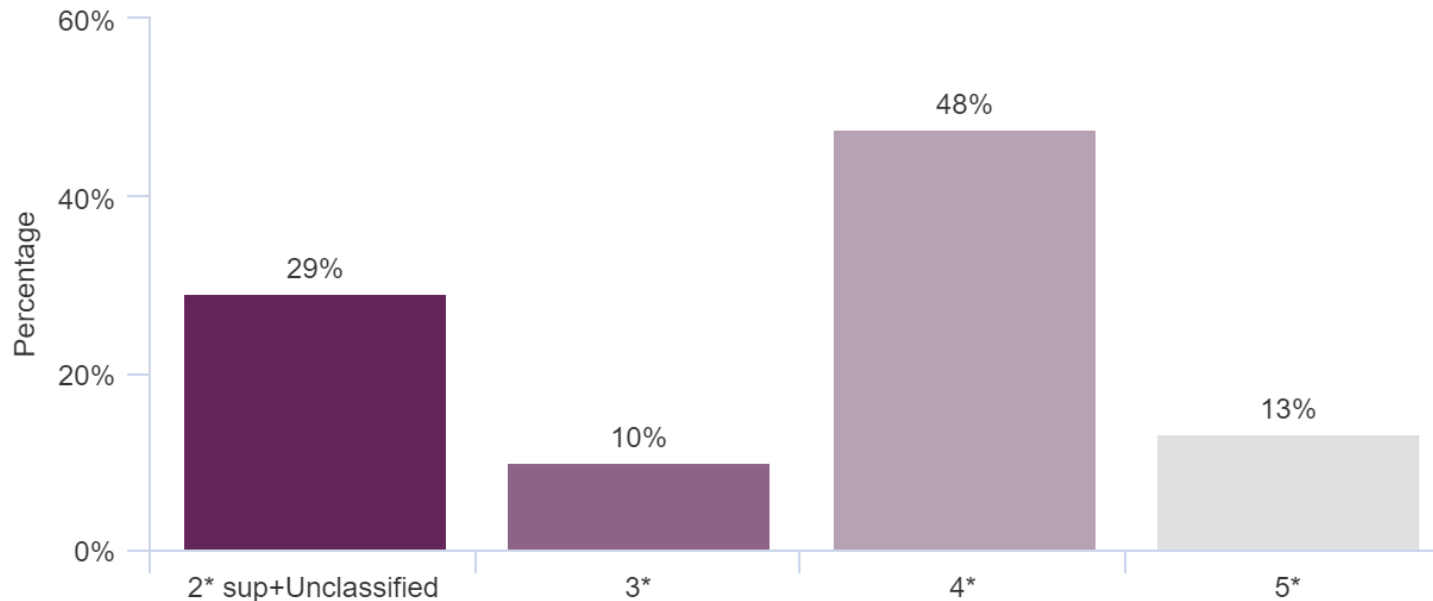
In our sample, a significant 72% of the hotels are situated in prominent German cities like Berlin, Frankfurt, and Hamburg. The remaining 28% are spread across the countryside, nestled in quaint towns or positioned along the scenic North Sea coast.

4. Sample: Star rating

Simple categories

Effective responses: 398

Response rate: 98%



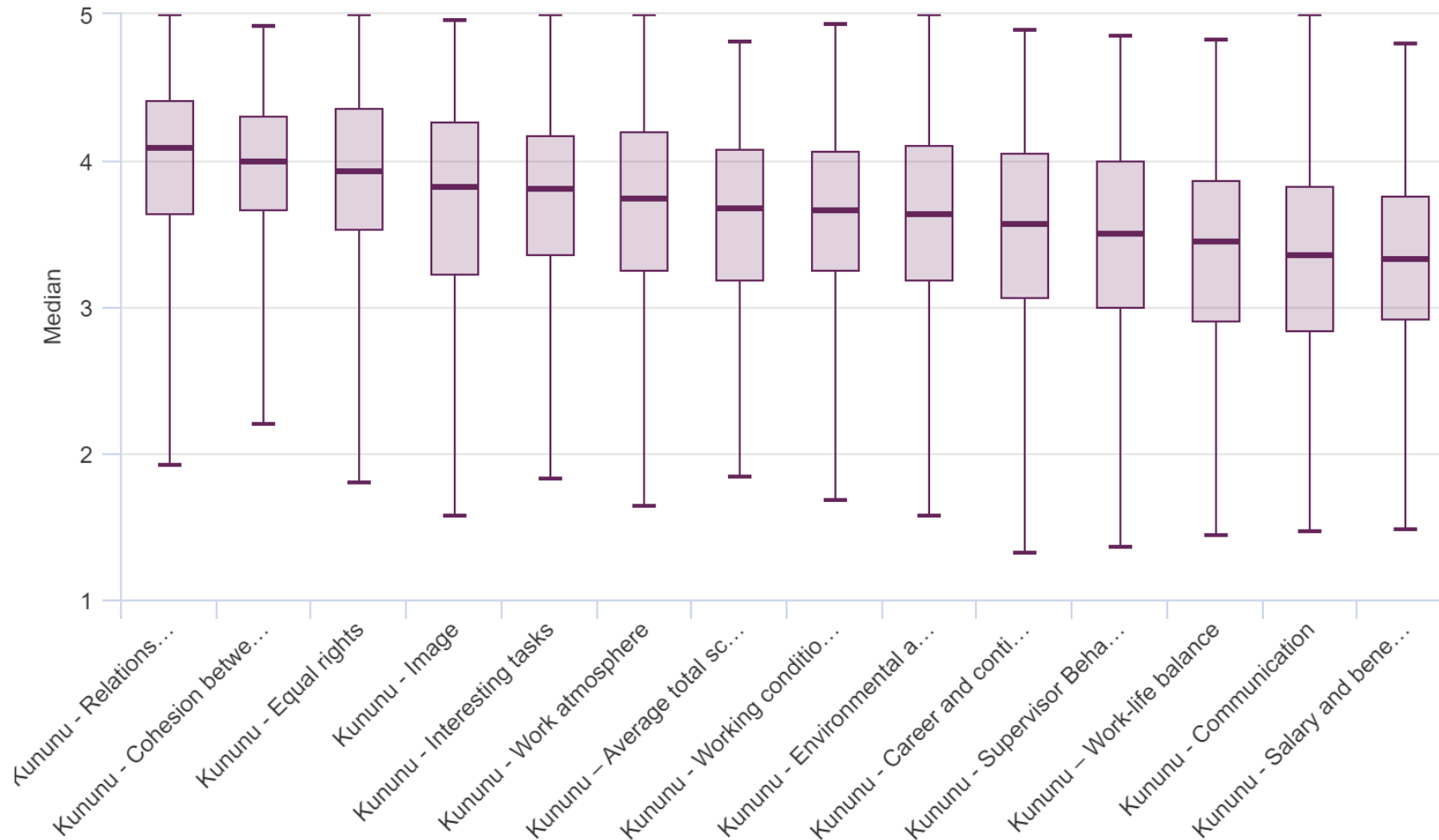
In our sample of German hotels, there's a noticeable distribution in ratings. Approximately 50% of the hotels in our sample are categorized as four-star establishments. Just over 20% are either rated as three-star or five-star. The remaining third comprises hotels that are either of a lower standard or lack an official classification. It's important to highlight that this distribution might not represent the entire hotel industry in Germany. The observed bias could be due to the fact that four-star hotels in our sample have used Kununu more intensively than other categories.

5. Analysis of kununu data

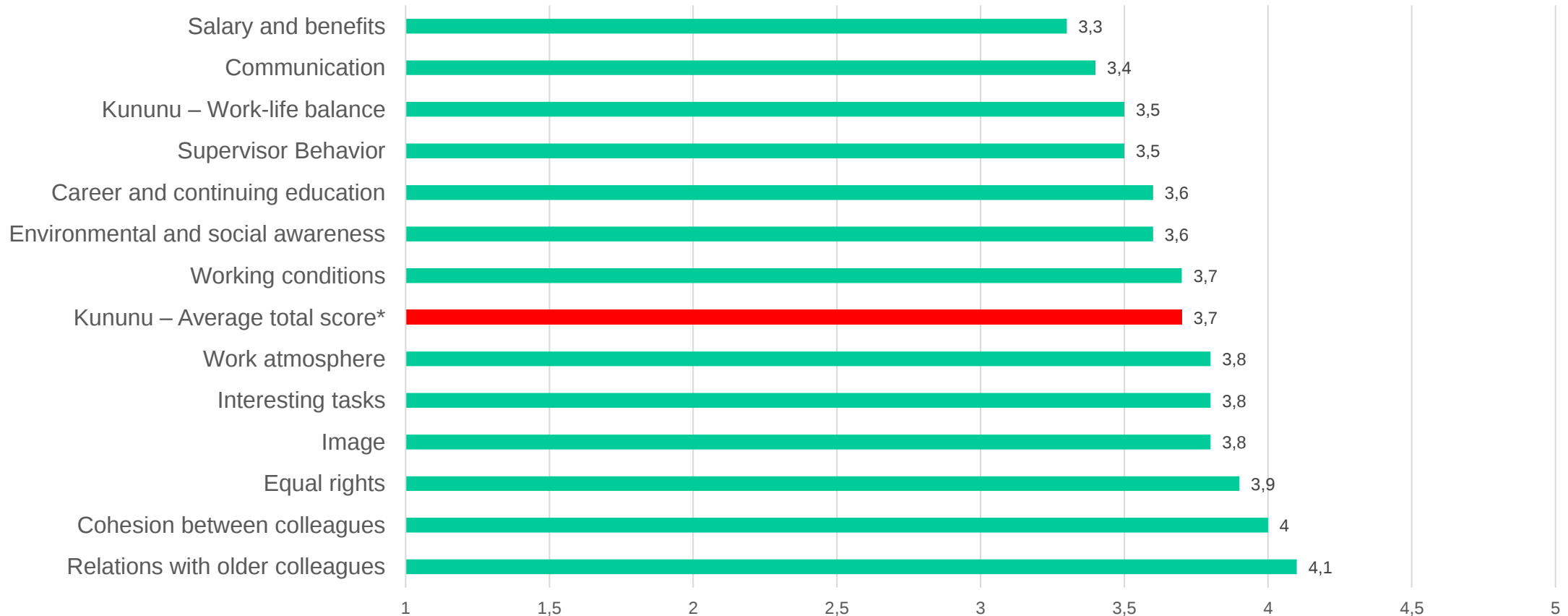
kununu

Let's make work better.

5. Analysis of kununu data: all scores (median, quartiles)



5. Analysis of kununu data: all scores (median)



5. Analysis of kununu data

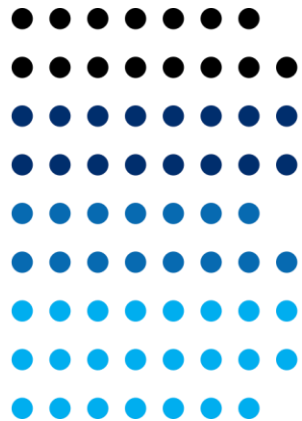
At the higher end, with scores around 4.0, we see aspects like relations with colleagues and cohesion between colleagues. This suggests that interactions and overall team dynamics are strong suits for these companies. Such positive interpersonal relations often contribute to a harmonious work environment.

In the mid-range, around 3.7 to 3.8, factors like interesting tasks, work atmosphere, and the company's image emerge. While these scores are positive, they hint at potential variability in job roles and suggest that while the overall environment is constructive, there might be pockets of inconsistency.

However, as we move towards the lower end of the spectrum, scores dip to around 3.3 to 3.4, highlighting areas of concern. Communication and salary/benefits stand out here. These scores indicate potential gaps in internal communication strategies and suggest that compensation packages might not be meeting employee expectations or industry standards.

The average total score of 3.6 (3.7 median) encapsulates this mixed bag of perceptions. While there are clear strengths in team dynamics and interpersonal relations, there's a pressing need to address foundational aspects like compensation and communication to elevate the overall employee experience.

6. Analysis of Booking.com data



BOOKING
HOLDINGS

6. Analysis of Booking.com data

Booking - Number of Reviews

Effective responses: 346

Mean: 2,383.3

Lower quartile: 785.8

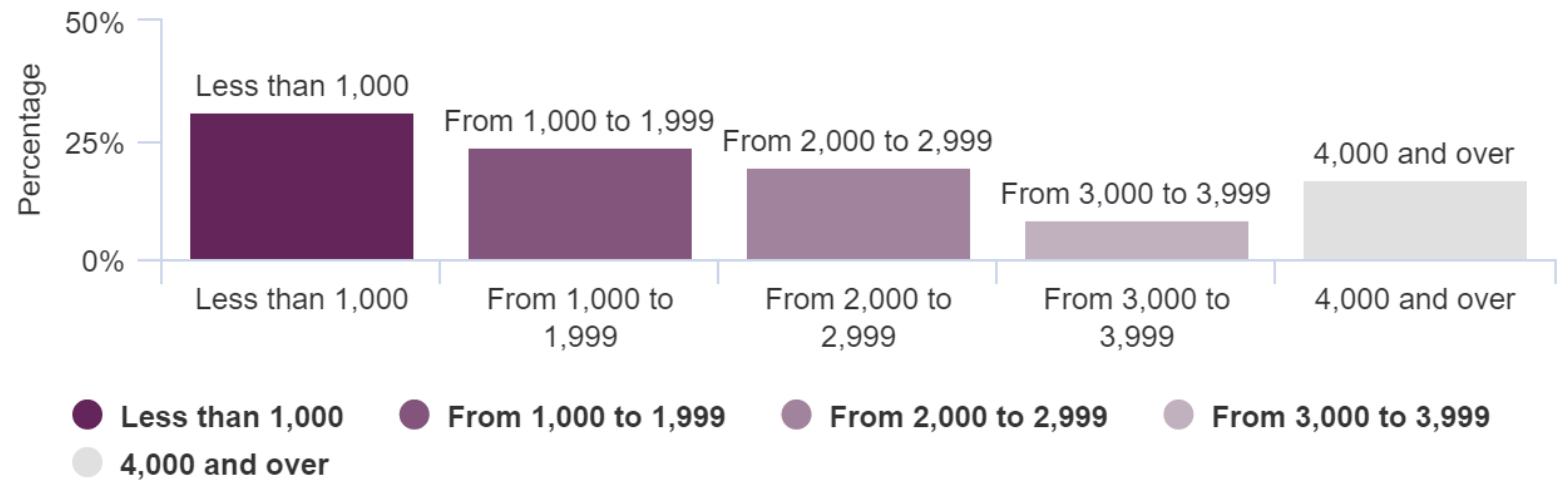
Upper quartile: 3,014.5

Response rate: 85%

Sum: 824,638.0

Median: 1,818.0

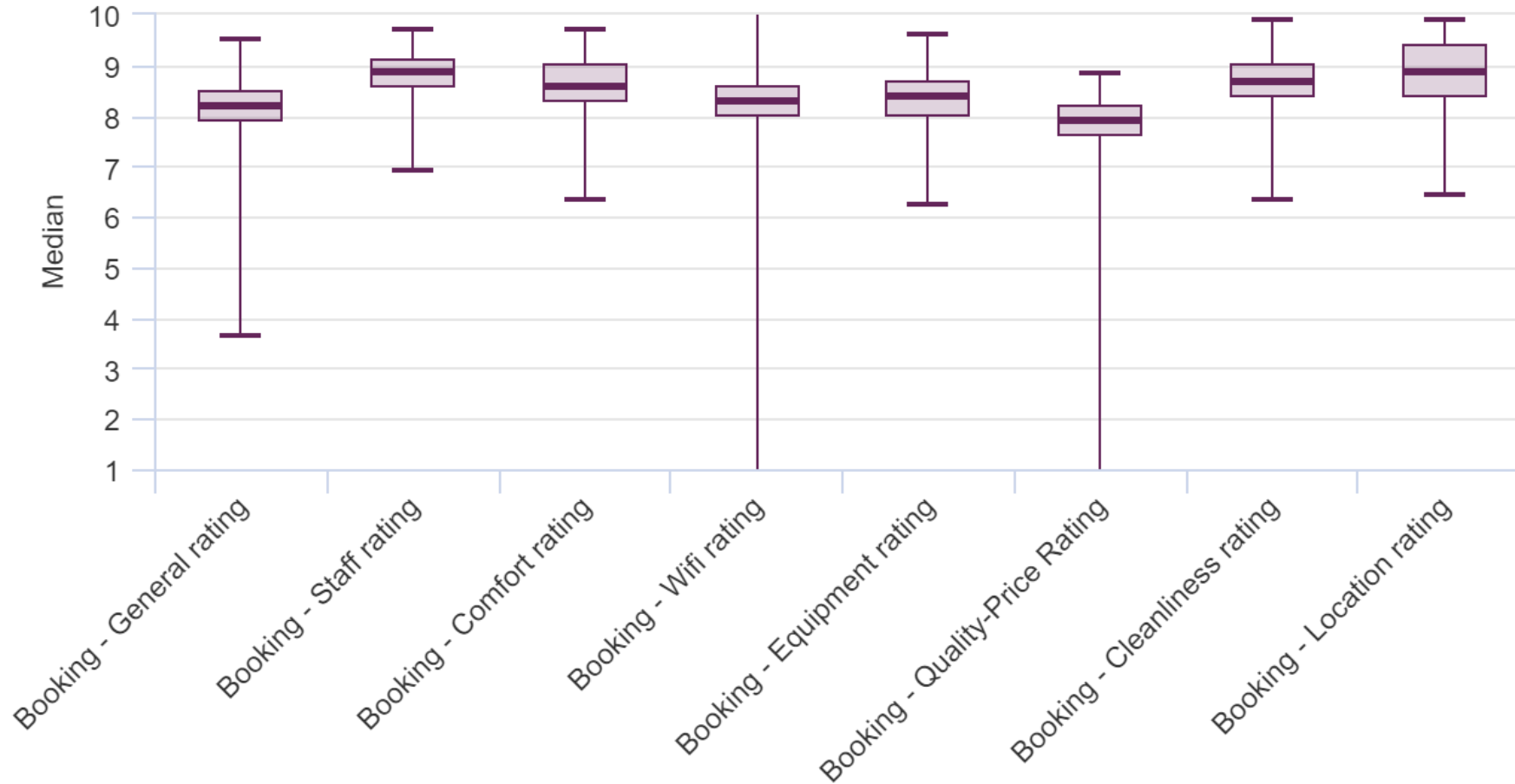
Min - Max: 36.0 - 16,773.0



There are a total of 824,638 Booking.com reviews for a total of 346 hotels.



6. Analysis of Booking.com data



6. Analysis of Booking.com data



6. Analysis of Booking.com data

The median ratings from Booking.com reveal that guests are generally satisfied with their experiences in the sampled German hotels.

Notably, the high scores for staff interactions and location (both at 8.9) suggest that the hospitality and strategic positioning of these hotels are their strongest assets. Cleanliness and comfort also score highly, emphasizing the importance of a well-maintained and cozy environment for guests.

While the overall experience, represented by the general rating of 8.2, is positive, there's a slight room for improvement in aspects like quality-price value. The close clustering of median scores around the 8 to 9 range indicates a consistent quality of service across these establishments.

6. Conclusion on Booking.com review data

Strengths: Guests consistently appreciate the service quality, with the staff performance emerging as a standout feature. The high median rating of 8.9 for staff indicates that the hospitality and professionalism of hotel personnel are top-notch. Additionally, the comfort and cleanliness of the accommodations are highly regarded, with ratings of 8.6 and 8.7 respectively. This suggests that guests find the hotels well-maintained and conducive to relaxation. Furthermore, the strategic locations of these hotels, as indicated by a median rating of 8.9, enhance the overall guest experience, making travel and exploration convenient.

Areas for Improvement: While the overall sentiment is positive, there are aspects where hotels could enhance their offerings. The quality-price rating, with a median of 8.0, suggests that while guests generally find value in their stays, there's potential for better alignment between price and perceived value. Wi-Fi, an essential amenity for modern travelers, has a median rating of 8.3, indicating reliable connectivity but with room for improvement to ensure consistent high-speed access.

In summary, German hotels are excelling in delivering quality service and ensuring guest comfort. However, to elevate the guest experience further, attention could be directed towards refining the value proposition and enhancing amenities like Wi-Fi.

7. Analysis of Tripadvisor



7. Analysis of Tripadvisor

TripAdvisor - Number of Reviews

Effective responses: 355

Mean: 969.9

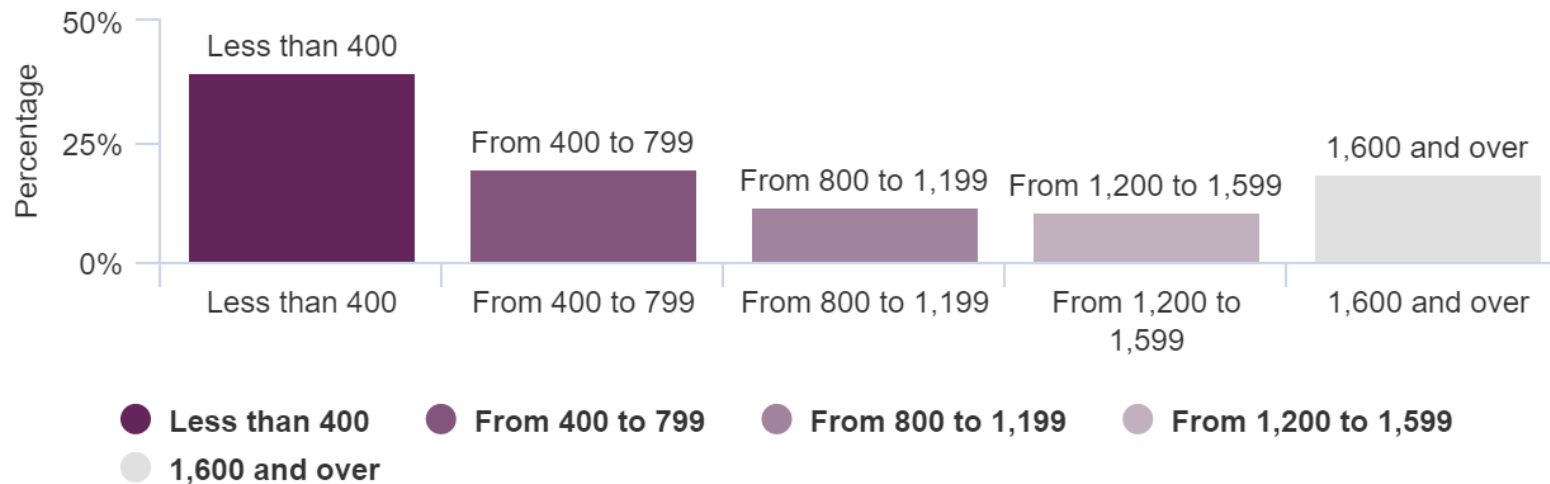
Median: 577.0

Min - Max: 1.0 - 6,114.0

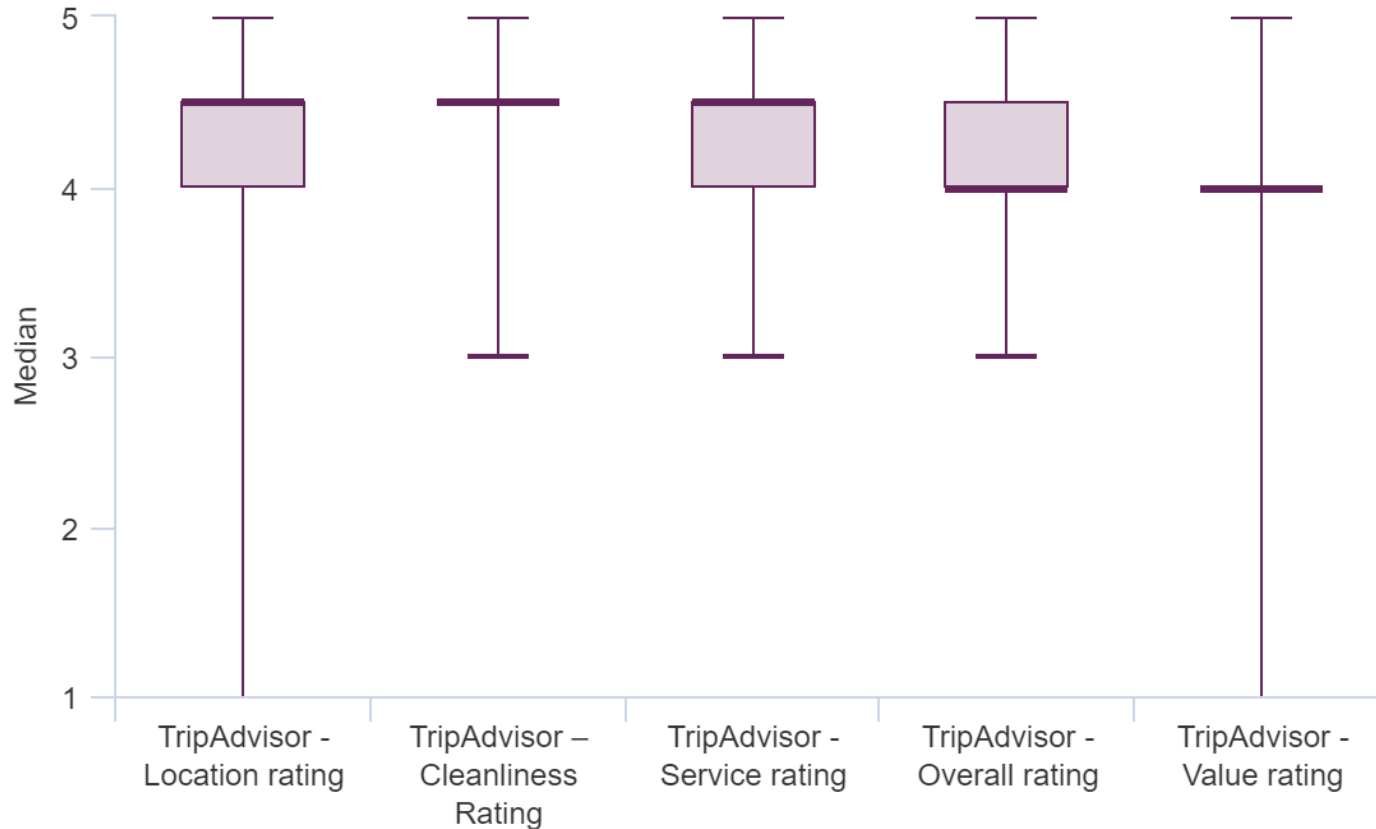
Response rate: 87%

Lower quartile: 257.5

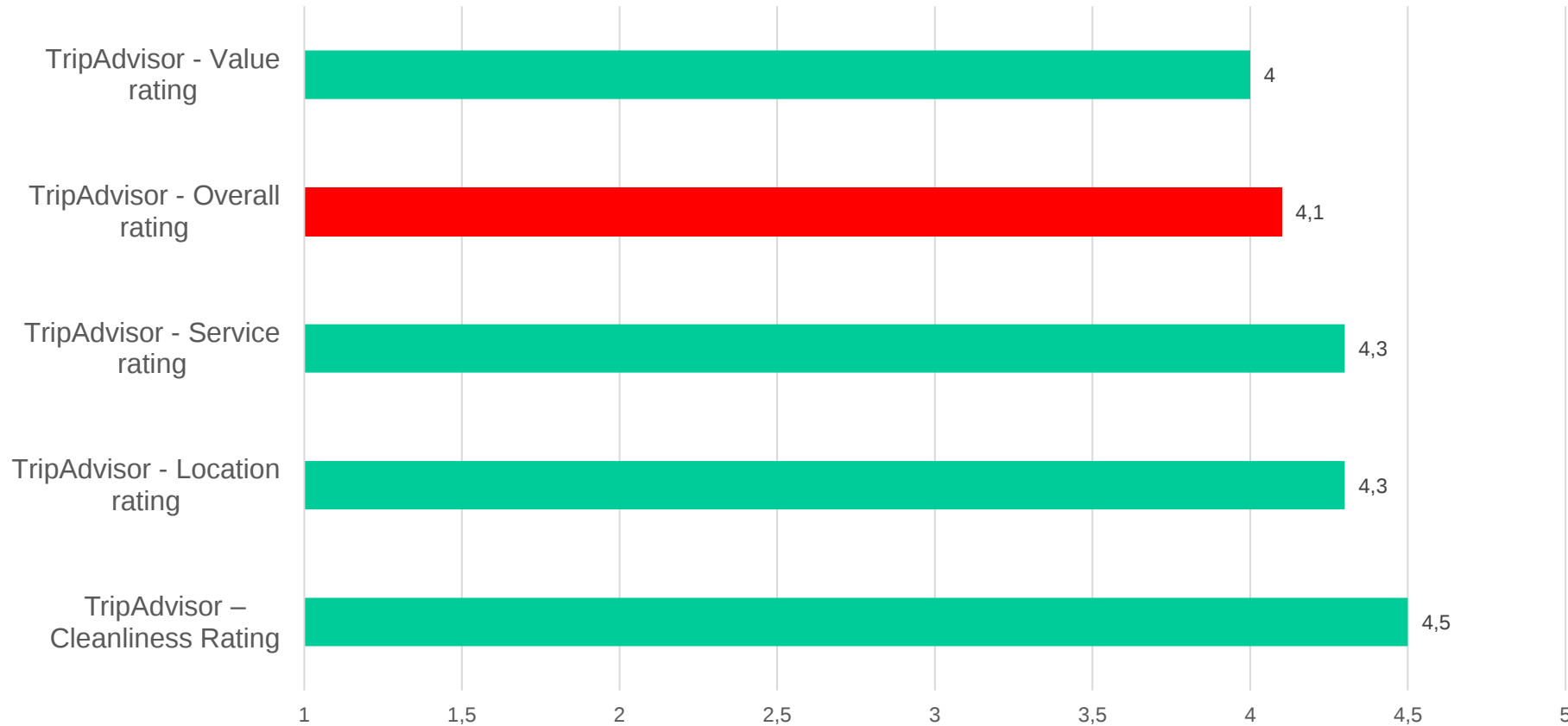
Upper quartile: 1,343.5



7. Analysis of Tripadvisor



7. Analysis of Tripadvisor



7. Conclusion on Tripadvisor review data

General Observations:

TripAdvisor reviews for German hotels indicate a generally positive guest experience. German hotels of our sample are generally well-regarded, especially for their cleanliness, service, and location.

Notable Trends:

- **Cleanliness Stands Out:** With a mean score of 4.5, cleanliness is a consistent highlight across reviews, suggesting that German hotels prioritize hygiene and upkeep.
- **Location and Service Shine:** Both these aspects received commendable scores, averaging 4.3, indicating that guests appreciate the strategic locations of the hotels and the quality of service they receive.
- **Room for Improvement in Price-Value Proposition:** The Price-Value rating, with a mean of 4.0 and a broad range from 0.0 to 5.0, suggests that while many guests find the pricing fair, there's a segment that believes there's room for better value.

8. Employee satisfaction relation to guest experience in German hotels

A statistical analysis of the relationship between employee satisfaction scores and customer reviews ratings

8. Research goal

The goal of this part of the project is to investigate whether there is **a relationship between employee satisfaction** scores and **customer review** ratings about German hotels.

Employee satisfaction scores were obtained from **Kununu** (employer review platform), while customer review scores were retrieved from **TripAdvisor** and **Booking.com**.

kununu 

Booking.com


Tripadvisor

8. Methodology – correlation

The relationship between (the standardized) employee satisfaction scores and customer review scores was explored through **a series of partial correlations** [4]:

- To test whether two variables are positively related, not related, or negatively related, while controlling for the effects of other variables.
- The **direction and degree of correlation** is provided by the Pearson's correlation coefficient r , which lies between -1 and +1.



8. Results – correlations kununu vs TripAdvisor

kununu variables

TripAdvisor

	Total score	Work atmosphere	Supervisor behavior	Cohesion among colleagues	Interesting tasks	Communication	Work conditions
TripAdvisor: general grade	0.20	0.19	0.13	0.17	0.21	0.15	0.23
TripAdvisor: cleanliness	0.20	0.19	0.13	0.18	0.20	0.15	0.21
TripAdvisor: services	0.21	0.19	0.15	0.21	0.22	0.17	0.20
TripAdvisor: quality / price							

All colored relationships are positive and significant: $p < .05$. Degree of correlation: small = below $\pm .29$, medium = between $\pm .29$ and $\pm .49$. The shades of green are for illustrative purposes. This test is controlling for the number of stars the hotels have.

When hotel employees feel more satisfied with their jobs, especially valuing the variety of tasks and the working conditions, it reflects positively on TripAdvisor guest reviews (general score, cleanliness, service quality).

8. Results – correlations kununu vs TripAdvisor

kununu variables

Tripadvisor

	Environmental awareness	Work-life balance	Equality	Treatment of older colleagues	Continuous education	Social benefits	Image
TripAdvisor: general grade	0.23	0.13	0.21	0.18	0.20	0.16	0.33
TripAdvisor: cleanliness	0.22	0.13	0.19	0.19	0.21	0.15	0.31
TripAdvisor: services	0.21	0.14	0.21	0.20	0.22	0.14	0.31
TripAdvisor: quality / price	0.13						0.13

All colored relationships are positive and significant: $p < .05$. Degree of correlation: small = below $\pm .29$, medium = between $\pm .29$ and $\pm .49$. The shades of green are for illustrative purposes. This test is controlling for the number of stars the hotels have.

When hotel staff are content with their roles, particularly appreciating the hotel's commitment to environmental responsibility, opportunities for continuous education, and the overall reputation of the establishment, it directly correlates with improved TripAdvisor guest reviews in areas like overall score, cleanliness, and service quality.

8. Results – correlations kununu vs TripAdvisor

kununu ^Σ

- Overall rating
- Interesting tasks
- Work conditions
- Environmental awareness
- Equality
- Continuous education
- Image

**Pearson
correlations
> 0,2**



Tripadvisor

- TripAdvisor Overall Rating
- Cleanliness
- Service quality



8. Results – correlations kununu vs Booking

kununu variables

BOOKING

HOLDINGS

	Total score	Work atmosphere	Supervisor behavior	Cohesion among colleagues	Interesting tasks	Communication	Work conditions
Booking: general grade	0.12			0.12	0.12		0.19
Booking: staff	0.22	0.20	0.15	0.20	0.21	0.17	0.25
Booking: comfort							0.15
Booking: services							0.15

All colored relationships are positive and significant: $p < .05$. Degree of correlation: small = below $\pm .29$, medium = between $\pm .29$ and $\pm .49$. The shades of green are for illustrative purposes. This test is controlling for the number of stars the hotels have.

When staff rate their job satisfaction, work atmosphere, teamwork, task variety, and work conditions positively, results suggest an increase in guest satisfaction on Booking.com, particularly in how guests rate the hotel's staff.

8. Results – correlations kununu vs Booking

BOOKING
HOLDINGS

kununu variables

	Environmental awareness	Work-life balance	Equality	Treatment of older colleagues	Continuous education	Social benefits	Image
Booking: general grade	0.15				0.13		0.23
Booking: staff	0.21	0.15	0.20	0.20	0.22	0.20	0.31
Booking: comfort	0.12				0.11		0.23
Booking: services							0.22

All colored relationships are positive and significant: $p < .05$. Degree of correlation: small = below $\pm .29$, medium = between $\pm .29$ and $\pm .49$. The shades of green are for illustrative purposes. This test is controlling for the number of stars the hotels have.

When staff express positive ratings regarding their job satisfaction, the hotel's environmental commitment, equality measures, respectful treatment of older colleagues, opportunities for continuous education, social benefits, and especially the hotel's overall image, there's a direct uptick in guest satisfaction on Booking.com. This is most evident in the high ratings guests give to the hotel's staff.

8. Results – correlations kununu vs Booking

kununu variables						
Total score	Work atmosphere	Supervisor behavior	Cohesion among colleagues	Interesting tasks	Communication	Work conditions
						0.11
0.11			0.12	0.13		0.19

All colored relationships are positive and significant: $p < .05$. Degree of correlation: small = below $\pm .29$, medium = between $\pm .29$ and $\pm .49$. The shades of green are for illustrative purposes. This test is controlling for the number of stars the hotels have.

8. Results – correlations kununu vs Booking

		Kununu variables						
		Environmental awareness	Work-life balance	Equality	Treatment of older colleagues	Continuous education	Social benefits	Image
BOOKING HOLDINGS	Booking: quality / price							0.13
	Booking: cleanliness	0.15			0.11	0.13	0.12	0.25

All colored relationships are positive and significant: $p < .05$. Degree of correlation: small = below $\pm .29$, medium = between $\pm .29$ and $\pm .49$. The shades of green are for illustrative purposes. This test is controlling for the number of stars the hotels have.

8. Results – correlations kununu vs Booking

kununu^{es}

- Overall rating
- Work atmosphere
- Cohesion among colleagues
- Interesting tasks
- Work conditions
- Environmental awareness
- Equality
- Treatment of older colleagues
- Continuous education
- Social benefits

Pearson correlations
> 0,2

BOOKING
HOLDINGS

- Staff (quality)



8. Results – correlations kununu vs Booking



kununu

- Image

**Pearson
correlations
> 0,2**

**BOOKING
HOLDINGS**

- Overall grade
- Staff
- Confort
- Service quality
- Cleanliness



8. Interpretation of results

Although most of the identified relationships seem to be small, our findings indicate that there's a **positive link between how employees rate their satisfaction on kununu and the reviews guests leave on TripAdvisor and Booking.com**. Simply put: **when employees are happy, guests are more likely to be pleased**.

Furthermore, we can find **connections** between **our results and academic research**, whose main findings are resumed here:

- Employees' satisfaction has a positive effect on customer satisfaction [6, 7]
- Leadership behavior is important to ensure consumer satisfaction [5]
- Attention to the environment (through green training) has an indirect, positive effect on customer experience [8]

8. Interpretation of results

Finally, reflecting our exploratory findings, academic research indicates that **perceived employer brand** enhances employee satisfaction, which in turn has a positive effect on **customer experience**. [9]

	Environmental awareness	Work-life balance	Equality	Treatment of older colleagues	Continuous education	Social benefits	Image
TripAdvisor: general grade	0.23	0.13	0.21	0.18	0.20	0.16	0.33
TripAdvisor: cleanness	0.22	0.13	0.19	0.19	0.21	0.15	0.31
TripAdvisor: services	0.21	0.14	0.21	0.20	0.22	0.14	0.31

Screenshot of a table from our findings, which suggests a positive relationship between company image / reputation among employees and customer review ratings (general, cleanness, and services). See the Results for the full table.

9. References

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- [3] [about – jamovi](#)
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- [10] [We Compared 7 Travel-Booking Sites to Show You What Each Is Best at \(insider.com\)](#)

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