



The New Hospitality Workplace

**GOOD SERVICE
BEGINS WITH
EMPLOYEE
SATISFACTION
AND RETENTION.**

BY TARUN KAPOOR

Over the past year, I have had the pleasure of working with AH&CMA leaders, exchanging ideas and assisting in the synthesis of a dynamic platform of events for the coming year.

Yet during those exchanges, one issue repeatedly came up as the central focus of concern: the current crisis in the labor market.

It has become clear to me that recruiting (and perhaps more importantly, retention) is the greatest challenge facing successful hotel operations today. The importance of attracting and hiring the right service provider is second only to the importance of keeping good employees.

Issues of recruitment and retention take on even greater importance as we discover that lodging is not perceived by America's labor force as an "industry of choice." Indicative of that fact is the even

more alarming observation that few hotel operations can, in their respective markets, lay claim to being identified as the "employer of choice" in their community. If these perceptions accurately reflect current reality—as I believe they do—then the American hotel industry faces a daunting competitive challenge into the next century.

This column is the first of a series of articles in which I will share strategies to help hotels become the employer of choice in their communities and assist in making lodging an industry of choice for employees. The first core issue we will examine next month is recruitment and retention. Future columns will consider specific areas of lodging, such as front office operations, sales and marketing, housekeeping, and food and beverage, in an attempt to help make recruiting and retaining "stars" an achievable reality.

Suggested strategies will be illustrated through success stories from industries outside of lodging, as well as through examples of best practices of hotels from around the world.

But first, let me introduce myself. For the past 11 years, I have been a professor in the Collins School of Hospitality Management at California State Polytechnic University, Pomona. In addition to teaching, I direct the school's Professional Development Institute. I began my long and varied hospitality career as a management trainee with Sheraton. A hotel focus ultimately led to the position of hotel manager with Hyatt before I left to start my own restaurant business. For the past 10 years, I have also served as consultant to numerous hospitality companies and often speak at industry events. I attempt to blend the structure, systems, and processes from my corporate experience with a practical, "can do" entrepreneurial spirit, and also apply research-based textbook knowledge from the classroom.

In this first column with *Lodging*, I will hopefully create the foundation for future columns by presenting a management framework for successfully operating hotels.

Service Success and Differentiation

Successful hotels differentiate themselves from competitors by creating a unique and positive image. Since hotels within any given market segment are intrinsically similar, service often is the only real point of differentiation. In order to take advantage of the opportunity to differentiate their hotels, managers need to understand the role service plays in a guest's decision to choose one hotel over another. A guest's decision to buy is based on expectation, experience, and perception.

Guests arrive with expectations based on a number of factors. Past experiences at your hotel, experiences at some other hotel, or even vicarious experiences simulated in various forms of media—whether on television or in the movies—all have created expectations. And it doesn't stop there. Word-of-mouth comments and press and trade reviews and the ever-popular ratings game—be they stars, diamonds, or "thumbs up"—have created expectations. A hotel's reputation

for style, amenities, and image all play a role in creating the hype of expectation about a particular product.

Now, whether these expectations are reasonable or unreasonable, realistic or unrealistic, is truly meaningless. Guest expectations must be met. And it is at this point where hotels have the opportunity to positively alter guest perceptions and expectations.



It is essential that service providers assess guest expectations and then deliver services to satisfy them. Since we know that a guest's experience is a series of "moments of truth," it is critical that each moment of truth be positive and exceed expectations. This is especially important in that any moment of truth can create a "halo" effect that spills positive or negative perceptions over onto other service encounters and may, in the end, fairly or unfairly influence overall guest experience.

Each experience then creates perceptions that guests take away with them. Customer perceptions are, in fact, a result of every service experience. To influence guests to return, they must leave with a perception that your hotel is better than your competitor's hotel.

To work toward this end, service providers should assess guest perceptions on an ongoing basis before guests check-out. By doing so, operators provide themselves an opportunity to recover from less than satisfactory experiences and ensure guests leave with that all-important positive perception.

Because service is the only point of differentiation, in order to make your service different and better than your competitors, focus on delivering the service that is important to your guests.

What can be done to eliminate barriers and to facilitate service delivery? There is ev-

idence to suggest that service is negatively impacted if service providers perceive:

A lack of control in getting their jobs done.

A system of management that relies solely on a directive style complete with inspection and control as its focus is doomed to failure. The "standard operating procedures" mentality is no longer productive and does not contribute to

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positive work environment.

The current low unemployment rate allows prospective employees to pick and choose among employers. Qualified and competent individuals often reject work environments where standards of procedure are the rule, and where inspection and control are the prevailing style.

Today's employees want to be hired for their intelligence and the contribution they can bring to their work. They want to participate in designing their work, to be "in the know," and to have some control. At the very least, they want to influence their work environment.

The hotel has inconsistent policies and procedures.

While we have seen leaders in hospitality develop progressive policies to be implemented by frontline managers, many of these managers are still tradition-bound. They feel "responsible" for the operation and all they know is to continue to manage by directive and control. As a result, employees see inconsistencies between policies and operating procedures.

For example, frequent policy statements can be found to indicate to the employee that the guest is always right, and that it is the employee's responsibility to "take care of the guest." Yet, the same organization's standard operating procedures call for the employee to get a manager's "approval" before they can comp or discount a room.

O P E R A T I O N S

Management measures many different things, but assesses, analyzes, and implements change based upon very few of them.

Collecting and reporting measurements that are not used or are not relevant frustrates employees and is counterproductive. For example, many front office managers still focus on ADR. They rightly control the customer service agent's ability to negotiate rate even at the cost of a lower RevPAR. This frustrates smart employees who eventually give up and stop trying.

Management debilitates rather than facilitates service.

Inspection and supervision are still common practices of managers. However, such practices may actually inhibit and thwart employee productivity. Systems that run counter to employee empowerment and that require management approval in routine decision-making debilitates productivity.

Therefore, hotels that don't eliminate barriers and facilitate service delivery systems risk low morale, low productivity,

and generate little, if any, creativity. Low morale is a catalyst for high turnover, and high turnover has a tangible service and financial cost attached to it.

Becoming the Industry of Choice

Nationwide, unemployment is approximately 4.2 percent. In some markets, unemployment is as low as 2 percent. In this very competitive marketplace, hotels aren't competing with each other for qualified employees: they are competing with other industries.

To become an "industry of choice" we must provide competitive compensation, encourage employees to participate in the business, make the work environment professionally satisfying, and recognize and reward performance.

The time has come for hotel operations to reinvent themselves. Reinvention requires re-evaluating traditional operating systems and processes, eliminating irrelevant and redundant systems, flattening the organization, and nurturing individual empowerment.

As we examine reinventing hotel operating systems and processes, consider the following important tenets:

- Ensure that new procedures improve the customer's experience, enable employees to do their jobs better, and increase profitability.
- All systems and procedures should generate usable information.
- Information should be disseminated to employees, when they need it, to effectively do their jobs.
- Each employee should have the appropriate authority relative to their responsibilities and only then can truly be held accountable for their responsibilities.
- Relevant systems should be put in place to provide timely feedback on performance-based outcomes.
- All successful outcomes should be recognized and rewarded.

In future columns, I will focus on specific facets of hotel operations analyzing existing systems and present practical ideas to optimize your profitability. ■

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