A study of the managerial interventions in maintaining service standards in unit hotel operations

by

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Abstract

The hospitality industry in the first half of the 1990s has faced an increasingly competitive and changing marketplace, as well as a highly unpredictable external environment, which is to a large extent outside the organisation’s control. Of importance to the industry has been the continuing move to decentralise operations, with increased responsibilities given to unit managers. This research focuses on the notion that as managers undertake this new role, one of the key challenges is to continually adjust and fine tune their internal operation to align with market needs.

Using a qualitative approach, four specific research techniques were employed; participant observation, in-depth interviews, critical incident technique and focus group interviews. The research first considered a number of London properties. Then efforts concentrated on three hotels; a 3 star UK branded business hotel, a 4 star UK non-branded leisure hotel and a 5 star internationally branded business/leisure hotel.

The first two stages of the study focused on unit managers and departmental managers, to determine, operational constraints that impact on the successful delivery of customer service. Data was collected through participant observation and in-depth interviews, concluding that the hotels were failing in their efforts to adjust internal operations to meet customer needs. With these operational constraints, the research looked to provide ‘best practice’ solutions. The critical incident technique was therefore used as it provides the means by which a list of service issues defined as critical are drawn up. It is then through analysis of such incidents that hotels are able to determine guest requirements. Overall, such a process assists managers in adjusting their operation to meet guest needs.

The findings of this study contribute both to theoretical knowledge, as well as providing practical solutions to incidents. The study addresses the theoretical research questions and in relation to industry, a brand-based model for operational and service adjustments is proposed.
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Chapter 1 - Introduction to the study
1.1 Introduction

The 1990s has seen a move towards individual hotel units becoming much more responsible for their own strategic decisions, where unit hotel managers may have to perform as strategic-thinkers, as well as practising their daily operations-oriented role (Olsen 1991). In responding to such a challenge Olsen (1991) notes that managers will need to align their unit structure and business operation with the needs of guests. In this context, the study aims to explore the interface between internal unit operations and external requirements, and to consider the implications for unit hotel managers. Co-alignment of these factors is becoming increasingly important for hotel firms as they seek to gain competitive advantage, be it in terms of the overall organisation, or more specifically in satisfying guest needs and expectations. Research conducted by Schaffer (1986) at Hyatt Hotels, explained that the way organisations are structured can have a significant influence upon business success.

Considering the role that unit managers play within their individual branded hotel, no allowance is made for implementing change within the firm’s overall long-term corporate policies. Rather, through decentralisation, units have responsibility for developing business/tactical decisions where action can be taken to support market change in their localised and regional environments. Olsen (1991) observes that to enhance performance in the hotel sector, firms can focus development on adjusting operations to ensure alignment between the internal business and external guest requirements. In summary, “without alignment between structure, strategic decisions and the external guest, organisations may find difficulty in achieving long term success” (Olsen 1991, p21).

During the 1980s the unit manager was primarily concerned with implementing growth objectives as directed by corporate head office. The head office was also responsible for setting guidelines and supporting managers in their daily roles.
However, as head office staff were reduced Olsen (1989) predicted that unit managers would have a different role to play. They would be asked to compete effectively at the local level “where conditions are becoming extremely competitive, to scan the environment for threats and opportunities, and to develop their unit based on this type of analysis” (Olsen 1989, p3).

Commenting on Olsen’s work (Olsen 1989, 1991), Eccles and Teare (1996) predict that the changes that are occurring will cause unit managers to become increasingly independent decision makers, with a greater awareness of environmental forces and their effects upon the unit. Olsen (1989) concludes that many firms have yet to accomplish the task of converting unit managers into strategic thinkers. If this is the case, or they cannot recognise the need to change, these firms will experience difficulties in staying competitive. The implication here is that the work of unit managers is likely to change in order cover a wider range of strategic decisions (Eccles and Teare 1996).

This research focuses on the concept that as hotel managers in the future operate within a decentralised organisation, empowered to implement business decisions at the unit level, their role is likely to evolve from operations-oriented to a strategic-thinking approach. This can be likened to a form of continual adjustment, where the fine-tuning of internal operations concerns human and physical resource management. External considerations include customer needs and perspectives.

1.2 Aim of the study

The aim of the study is to develop a brand-based model that determines the appropriate operational and service adjustments required, in anticipation of aligning internal capabilities with the needs and requirements of guests. ‘How do you encourage unit managers and staff to seek, explore and maintain a broader view of operational matters?’
Linked closely to the research aim, are two research questions. Arising from the review of literature, the first question suggests that the correlation between strategic thinking and unit enhancement is positively related to alignment. This question reflects the literature relating to the alignment process, in particular the extent of fit between unit operations and guest requirements. Research studies have previously shown that unit managers in the future will operate differently (Olsen 1991); analysing, choosing and implementing business decisions that ensure unit success. This emerging role is the result of decentralisation, where autonomy passed to managers to run their unit according to market characteristics.

The second research question considers the notion that continual adjustment of operations in line with guest needs is positively related to guest satisfaction. Schaffer (1984, 1986) considers the importance of structural change for hotels, and observes that operational adjustments need to be considered in the light of aligning internal capabilities with the external environment (Olsen 1991).

The procedure of understanding the needs of guests and ensuring that internal capabilities of the unit appropriately match requirements is referred to as the alignment process (Venkatraman et al. (1984). Alignment is the fit, linkage or match between or among environment, structure and performance. It is Olsen (1989) who argues that all future hospitality policy should attempt to align or match organisational resources with environmental issues (Olsen 1991).

1.3 The importance of the study

The aim of the study was to build on prior empirical work in the hospitality field, by addressing areas defined as ‘future research’. Olsen (1991) states that authors in this field should address the following issue:
hospitality firms may soon have to focus development on appropriately matching their internal structure, strategy and external environment (Olsen 1991, p21).

Partially related to Olsen’s conclusions, two further studies were conducted in the UK. The first by Wang (1993), used a quantitative approach, targeting multi-unit hotel firms through a mail-shot questionnaire. The aim of the study was to consider the difference in performance of hotels according to an environment-business fit, and Wang concludes:

There is a significant effect of environment-business fit, for ‘return on capital employed’ and ‘return on assets’ but not in ‘sales growth’ (Wang 1993, p213).

The second study in this area was conducted by Phillips (1995), which also used a quantitative methodological approach. The research sought to establish whether or not hotels were more successful if they adapted their competitive strategy to the requirements of the external customer. Phillips concludes that to be successful, hotels have to manage their overall competitive strategy, where decisions taken should successfully align with the structure of the organisation.

The studies undertaken by Wang (1993) and Phillips (1995), and in particular their limitations and areas highlighted for ‘future research’ were considered as base material for this study. In determining how unit managers and staff adjust their operations to align with customers, Phillips (1995) proposed that all future work would benefit from responses by employees and not just unit managers.

Each new study should analyse more objective data than that which has been used previously, in this case more than archival and financial records. Phillips (1995) concludes:

...any research that includes factors which relate to how decisions are taken within the unit should be of great benefit to the hotel sector (Phillips 1995, p296).
Wang (1993), was most interested in determining the causal connections between unit and guest. Wang suggests that beneficial research to industry and academia alike should consider the ideal relationship between internal capabilities (decisions and structure) and the external environment (customers). In determining these variables:

...future researchers might extend their studies to use more refined and measurable taxonomies to overcome limitations (Wang 1993, p265).

It is from these limitations that this proposed study attempted to define how unit managers and staff might continually adjust and fine-tune their operation to meet the needs and expectations of guests, and through a qualitative approach, facilitate closer and more detailed observations within the defined areas of research.

1.4 Structure of the thesis

Chapter 1 - Introduction to the study

Chapter one introduced the overall study, stating the aim as well as the research questions to be answered. The importance of the study is highlighted, using previous limitations and areas defined for ‘future research’ as the basis for the approach taken. The stated aims and outcomes of the research are as follows :-

- Development of a range of employee response scenarios for London hotels.
  Incidents and solutions were collected from four different hierarchical levels of a unit hotel; unit manager, departmental manager, line manager and operatives, in anticipation of adjusting the internal capabilities of the unit operation.

- Managing internal operations to enhance levels of customer satisfaction.
In conclusion, the study aims to fill a gap in UK academic research relating to alignment (continual adjustment) and optimisation, undertaken through a qualitative approach.

Chapter 2 - Background to the study

Chapter two considers the profile and characteristics of the UK hotel sector. This includes an analysis of the London hotel market as well as determining operational issues within the provinces. This analysis is supported through consultancy reports (BDO 1996), as well as financial information (Kleinwort Benson 1996). The second part of the chapter focuses on the hotel chain within which the study took place, Forte Hotels. Major restructuring occurred during the research period as Forte was acquired through a takeover by the Granada Group. It is therefore pertinent to review the new management style and approach at Forte Hotels, especially in relation to decentralisation and the level of autonomy granted to unit hotels.

Chapter 3 - A review of the organisational structure of unit hotels’ and their level of responsiveness to the changing role of managers

Chapter three contains a review of the literature relating to the study and seeks to illustrate how unit managers might more effectively adjust unit operations in line with customer needs. Literature relating to structure and the future role of unit managers is considered.

The first part of the review considers the various organisational structures appropriate to unit hotels and determines the different approaches taken in the light of enhanced levels of responsiveness. Models proposed by Schaffer (1984, 1986) are considered, as well as Miles and Snow (1978) and Miller (1989). The basis of their work seeks to define the ‘ideal’ organisational structures for hotels, ensuring operational adjustment fits the alignment process. The second part of the
review considers the role played by the unit manager, basing analysis of existing job functions on findings presented by Hales and Nightingale (1986), and Olsen (1989, 1991). In conclusion, two research questions are proposed. These questions inform the methodological approach taken, ensuring that data was collected in order to achieve the research aim.

Chapter 4 - Methodology

The methodology chapter is divided into three areas. The first stage reviews the approach taken within a broadly qualitative paradigm. The second stage explores the 'value added' dimension to existing research and theory. Two recent studies have been undertaken in the UK by Wang (1993) and Phillips (1995) respectively. Their limitations and areas for 'future research' are considered. The third stage considers the research design, explaining and defining the three phases of fieldwork undertaken. Phase one of the research relates to the exploratory stage, during which time the researcher spent two weeks in each of the properties shadowing departmental managers and the general manager. The basis of this was to ensure that the researcher became familiar with the unit, both in terms of operations as well as personnel. The method used was participant observation, enabling the researcher to understand the negative service incidents previously expressed by guests. This method also enabled the researcher to witness the physical problems with aspects of the hotels' infrastructure. Participant observation allowed a better understanding of the complexities of the situation and help explain 'what people do' in such situations (Patton 1990).

In moving from the observation stage, the research sought to determine the operational constraints that impact on the successful delivery of customer service. In responding to this question, the researcher conducted in-depth interviews with the unit manager and five departmental managers (food and beverage, front office, housekeeping, conference and banqueting and personnel and training). Easterby-Smith et al. (1993) note that 'observation alone' does not necessarily
give the researcher a full account of what is happening, thus interviewing brings a new dimension to the research findings.

A third methodological approach was undertaken during the study. The purpose was to determine critical service incidents that are a source of guest dissatisfaction and then develop best practice operational solutions that match external guest needs. In order to collect such incidents, unit teams consisting of line managers and operatives were set up, as well as individual meetings with unit managers and their senior teams. These meetings were used to discuss service issues and provide insight into the operational responses required. The method proposed was the ‘critical incident technique’ allowing staff members to express concerns which had been voiced previously by customers.

Chapter 5 - Analysis through the case study method of the operational constraints that impede successful service delivery

Chapter five reviews the results collected from observation and in-depth interviews with unit managers and their senior teams. The results are analysed through the case study method, whereby each hotel featured constitutes a separate case. This can then help the unit to ensure pro-active operational alignment with guests’ needs. Each hotel is presented separately, helping to determine the different operational practices that need to be considered within the range of multi-unit hotel operations. Conclusions from the first research question are addressed, where it is noted that in ensuring unit effectiveness managers can benefit from the alignment process. This benefit is only achieved if the operational decisions fit the needs and requirements of guests.
Chapter 6 - Service incidents that cause guest dissatisfaction, and the proposed operational adjustments required

The second phase of data collection is analysed in chapter six. Taking each unit in turn the critical incident technique was used with general managers, departmental heads, line managers and operatives. The purpose was to determine the specific service incidents that cause guest dissatisfaction. Then through staff focus groups the ‘best practice’ solutions were considered. Such answers were the basis for adjustments to operational procedures. The use of the critical incident technique with a range of staff members ensures comparisons can be made in relation to defined incidents and solutions. In analysing these incidents, the study was able to define anticipated guest requirements for each of the hotels selected, be it a branded/un-branded, or business/leisure hotel.

The relevance of using the critical incident technique was to help address the second research question, which states that when unit hotels look to enhance levels of service effectiveness, guest requirements must first be defined, and then unit operations adjusted accordingly.

Chapter 7 - Discussion of findings, and implications of the study for academia as well as the unit hotel sector

The final chapter defines the implications of the study, both for theory and practical applications. Conclusions are related back to the literature, reviewing the results of the study in relation to the research questions. In conclusion, a brand-based model for operational and service adjustments is proposed, whereby fine-tuning adjustments are offered to representative samples of the London hotel sector; a three star, branded business hotel, a four star, un-branded leisure hotel and a five star, internationally branded business/leisure hotel.
Chapter 2 - Background to the Study
2.1 Introduction to the UK hotel sector

Research conducted by BDO hospitality consulting (BDO) (1996), explains that during the first few years of the 1990s the UK hotel sector sustained a drop in profitability. Dramatic falls in room prices were brought about by the world-wide recession and Gulf war, causing hoteliers to reduce their rates in anticipation of increased demand. The combined effects of lack of disposable income (household expenditure left after all bills have been paid) and the fear of travel ensured that the London hotel market was starved of its most lucrative source of business - the American tourist (BDO 1996).

During 1996 the hotel sector reported welcome news. Operating results were much improved on previous years, with continued growth at an all-time high. The reason for such change over the two/three year period was economic stability. As disposable income levels rose, so the number of people travelling was seen to increase also. Since sterling’s exit from the European exchange rate mechanism (ERM) in 1992, the economy in the UK has continued to show rates of growth, and optimism over the short - to medium term - period still remains high (BDO 1996). The pound weakened against other international currencies, especially in the key tourism demand-generating markets (France, Germany, USA) resulting in significant increases in the number of tourists visiting the UK in 1996. During this year, the total number of overseas tourist arrivals reached 23.6 million, 12% higher than 1995, contributing total revenue to the exchequer of £11.7 billion. As the hospitality and tourism industry (in which hotels are a major sector) continues to grow, the level of government commitment has increased also. The reason for such a rise is that the contribution of this industry to the exchequer is £33 billion, or 5% to the nation’s gross domestic product (GDP). BDO (1996) further explain that through continued economic growth business confidence rises, thus enabling the hotel sector at present to raise room rates but still see increases to their overall occupancy levels.
Finally, the hotel sector witnessed major investment activity in 1996 as analysts realised the profit potentials to be achieved. This extended to acquisitions as Granada purchased Forte PLC for £3.9 billion, Copthorne Hotels was purchased from Aer Lingus by CDL International, and Whitbread acquired Scott’s hotels, the UK Marriott franchise. Many of the world’s major hotel companies expanded their activities to the UK, specifically ITT developing the Sheraton brand, and Saison group with their Inter-Continental portfolio.

There are currently over 50 publicly quoted companies operating hotels in the UK, accounting for 3% of total roomstock (Kleinwort Benson, 1996). Of these only three companies, Granada, Whitbread and Thistle have more than 100 hotels. Therefore, the hotel sector in the future may witness further consolidation, as hotel firms strive to compete with their largest competitors. Companies see the hotel business as a sound financial investment and some firms are acquiring hotels when in reality their core business is not hospitality. Overall hotel operations are left to run as separate business entities, with head-office providing financial support (for example Forte Hotels since the Granada takeover).

2.2 The London hotel market

London continues to be at the forefront of the UK’s tourism industry, accounting for over 50% of all overseas visits. London received 21.3 million visitors in 1996, of which 12.5 million were from overseas, representing a 16.8% increase on 1995. Domestic visitors to London increased by 17.3% in 1996 to 8.8 million (BDO 1996). Overseas visitor expenditure contributions amounted to £6 billion, and the London tourist board forecast a further increase for 1997 to £6.5 billion.

The hotel market in London is now considerably stronger than in any other major European city (BDO 1996), benefiting further from the increasingly competitive UK economy. In addition, demand outstripping supply coupled with lack of prime development space has further enhanced occupancy levels and room rates
for hotels. From work undertaken by Kleinwort Benson (1996), the buoyancy of London can be best illustrated through the high levels of expansion and take-over activity presently being witnessed. The world’s major hotel companies are looking to capitalise financially by investing in a growth market. London has grown significantly over the past ten years, as in 1986 quoted companies accounted for 22,350 rooms, whilst at the end of 1996 the number of rooms had increased to 33,093 (BDO 1996).

2.3 Operations within the UK provinces

Provincial hotels (UK hotels outside London) also reported increases in room occupancy and average room rates during 1996. Competitive labour costs, reductions in interest rates and increased business confidence have helped improve the volume of domestic and international travellers (BDO 1996). Overall, the business market continues to be buoyant for hotels, whilst economic growth and increased levels of disposable income help to stimulate the weekend leisure market (BDO 1996). Firms are therefore looking to grow their business to ensure a greater supply of hotels serving the increasing level of guest demand.

2.4 Patterns of affiliation to increase hotel growth

Olsen (1989) notes three patterns of affiliation which can be seen as major opportunities for firms to increase hotel market share:

- ownership;
- management contracts;
- franchising.
2.4.1 Ownership

Within the UK, the practice of chains owning their hotels is fundamental. According to Slattery (1993) hotel owners have found two features which enable this method to be used successfully:

- accounting convention - permitting hotels to revalue their assets. Debt capacity can be increased whilst at the same time asset values are still growing.
- UK stock market - providing greater levels of equity for asset-based businesses.

Within the UK, ownership has been the traditional form of growth, but due to financial restrictions, the use of management contracts and franchising are becoming increasingly important (BDO 1996).

2.4.2 Management contracts

Slattery (1993), defines a management contract as:

Proportion of hotel turnover plus an incentive fee, calculated as a percentage of gross operating profit (Slattery 1993, p117).

This results in hotel companies extracting property assets from their balance sheet thereby providing the perfect match for hoteliers, whose expertise is in hotel management and not the burden of property assets. According to Slattery (1993), two major UK players, Hilton International (Ladbroke) and Holiday Inn (Bass) are using their brand names as a means to win contracts from property investors.
2.4.3 Franchising

Franchising differs from management contracting in that the franchisor does not manage or own the franchised hotel. Slattery (1993) therefore defines a franchisor as:

...providing a hotel brand with its own specifications, a marketing network designed to deliver high rooms demand to hotels due to the mass coverage of the brand, a purchasing network able to deliver low cost produce because of bulk buying capacity, and quality control services (Slattery 1993, p119).

The attraction of franchising to hotels is that they generate fee incomes of around 5% of room turnover, a small cost in comparison to the affiliation method of ownership. Franchisees are individuals seeking to own and operate a hotel, who see benefits from paying a fee to gain access to a worldwide reservation system (Slattery 1993).

The above measures are growth strategies used by hotels to increase overall room supply, and have played a major part in the restructuring of UK hotels.

2.5 Restructuring within the UK hotel sector

According to Olsen (1991), the UK hotel sector has undergone tremendous change over the last decade, and picking up on notions generated previously within the United States, the author defines change as:

...a series of events which when grouped or clustered together point to a new or changing direction (Olsen 1991, p22).

Change is arising due to the lack of growth in the 1980s, which resulted in a maturing market sector. This then led to the evolution of ‘defensive strategies’, in particular a philosophy of striving for optimum performance by defending what
you already have. Strategic growth was curtailed, as UK hotels undertook the following approaches (Olsen 1991):

- increased expenditure on marketing and advertising;
- activity focusing on mergers and acquisitions;
- franchisors buying back from the franchisees;
- shortening product life cycles;
- price discounting.

Olsen (1991) points to the UK hotel sector following similar patterns to the US, in that hotel firms first expand their operations through the use of management contracts and franchising. Then when the business has developed a substantial brand, head-office begin to lessen their role in the running of day-to-day hotel operations, empowering hotel managers to run the business as a separate entity under the direction of the brand. Units report financially through to group directors. Work conducted by Tarant (1989) also explains that restructuring in the UK hotel sector arose due to external market forces, outside the organisation’s control, and defined as:

...processes of competition and growth which encourage a search for identity and product consistency (Tarant 1989, p187).

The author notes that firms can strive for defined identity through branding, as individuals become aware of the product/service on offer. Brands help to fulfil guests’ needs when staying away from home as well as ensure consistency, as all practices and procedures are delivered through appropriate training and operations manuals.

Go (1989) also defines the major changes facing hotels. His research considered hotel globalisation (operating units throughout each of the major continents), thus leading to a sector that is dominated by mega-hotel management companies. This
research affects more than UK hotel operations, as it is these global management companies that strongly influence the development and direction of the marketplace:

...megamergers will set the pace in terms of investment, global positioning and management they employ, having a significant impact on future strategies in the lodging sector (Go 1989, p195).

Considering the conclusions of Go’s (1989) work, Teare (1991) observed that the hotel sector is unsettled, and that multinational hotel companies have ambitions to extend their operations further, through adopting distinguished brands. According to Slattery and Johnston (1993), branding is a major issue for hotel managers, in particular when attempting to sell their product throughout the world. The authors conclude that branded multi-unit hotel chains will dominate the market. In reality this is already happening in the UK; publicly quoted hotel companies operating branded hotels already constitute 25% of total UK roomstock. The acquisition by Granada of Forte PLC helps support Slattery and Johnston’s (1993) philosophy. Forte, one of the major branded-hotel operators in the world, spent £16 million in 1992 to develop a brand structure into which their hotels would fit (Eccles et al. 1996). Granada saw the benefit of purchasing an already established brand, rather than buying a collection of individual international properties.

Much of the work concerning restructuring focuses on external considerations. Olsen (1991) notes that hotel firms are moving from highly centralised organisations to flatter, more decentralised structures which focus on the customer. The customer is gaining increased bargaining power because of the wider choice of similarly branded products. This movement requires unit hotel managers to undertake a role defined as ‘strategic-thinking’. This means that they increase their responsibility for aligning operational capabilities with external customers (Olsen 1991). The author continues to define this change as:
...such individuals taking increased responsibility to undertake a more general managerial approach (Olsen 1991, p23).

Managers will therefore be required to participate in and understand better, their localised external environment, where competition thrives. In order to be aware of these environmental issues, and the affects upon their operation, Olsen (1991) concludes:

Organisations need to accomplish the important match between the strategies necessary to face competition and the internal structures essential to implement these strategies (Olsen 1991, p23).

The restructuring within unit hotels leads to greater emphasis being placed on managers to operate strategically, where they can respond to, and align their unit with external market needs and expectations (Olsen 1989, 1991). According to Eccles and Teare (1995), this broader vision entails a re-focusing of the role from that of operational, ‘to a strategic level’, to ensure that their unit is supportive of evolutionary change in the organisation as a whole. The unit manager is likely to assume a pro-active stance, so that initiatives come from within as well as from head-office. A flatter, more fluid structure in which managers are encouraged to take greater responsibility for their personal development also suggests that they will be better equipped to exercise discretion, creativity and flair as they implement the decisions passed down from above. The authors continue to observe that a richer, more stimulating set of business and professional tasks will result in a broader scope of responsibility, following corporate downsizing in the early 1990s.
Olsen (1991) concludes that unit hotels will be more responsive in implementing the decisions passed down from above, as well as pro-active with regard to situations occurring in their localised environments. This change should enable the organisation to remain competitive, as greater responsibility rests with managers to continually interpret events in the local environment, making business decisions when opportunities arise.

This concept of alignment or fit originated from the population ecology model, and has emerged as an important criterion for theory building in several areas of research, including strategic management (Venkatraman and Camillus 1984). In an analysis of the concept of alignment, the authors identify reasons why the concept is considered as fundamental to strategy research. Firstly, the strategy paradigm offered by the field of business policy is rooted in the concept of aligning or matching organisational resources with environmental conditions. Subsequently, conceptualisation of strategy in business stresses that firms matching operational issues with strategic decisions is a primary determinant of performance.

Secondly, strategic management borrows concepts and research methods from other related disciplines, especially organisational theory. The importance of arranging complex organisational factors for effective implementation of chosen decisions is highlighted.

2.6 Summary of the UK hotel sector

In a study that reviews the benefit to hotels of adjusting operations to align with the needs and expectation of guests, analysis of Olsen’s (1989) work provides a list of why unit hotels have failed previously in their attempt to match business operations with the external market :-

20
industry management is inexperienced in operating in competitive mature markets.

industry management has borrowed ideas and theories from manufacturing management and attempted to apply them to the service industry - early evidence suggests this does not work.

the structure of most firms has not changed to reflect a new, more dynamic market. Unit managers are operating in overly formal hierarchies and find it difficult to respond to fast changing local market conditions.

in large chains, unit managers were hired to reflect highly structured firms with a high degree of formality in operations. These managers tend to be incapable of readjusting their management style to a more dynamic local market.

Olsen (1989) concludes that hotel operations have never come to terms with notions of inertia, causing such operators to implement decisions that they see as backing the business, rather than that which is required by guests. During the 1960s and 1970s the sector saw rapid growth, centred around the development of highly structured and formal organisations. Hierarchical structures developed, where procedures for operating and reporting became formal, as well the development of extensive communication systems. This led to a lack of intuition, where unit managers concentrated solely on the running of their operation, leaving senior management in head office to implement and control strategic decisions.

Unfortunately, in a dynamic and changing marketplace, Olsen (1989) states that unit managers have been unable to cope, in terms of reacting to change at unit level. Such managers feel that they need to check with someone higher for each decision that they take outside of their control. This inflexible and heavily controlled structure where the environment has not been considered can bring a large multi-unit hotel chain to a halt. Olsen refers to this as a major reason why
firms decentralise, thus empowering unit managers to run the hotel as a separate business entity.

The improving economic conditions in the UK and the increase in levels of tourism activity (BDO 1996), provide positive perspectives for UK hoteliers. However, it is important that unit managers take into account the main trends occurring in their business environment and use such findings to review their overall patterns and procedures. Continual adjustment is required so that managers with the support of their staff ensure fine-tuning of the operation, highlighting areas of guest dissatisfaction that require solutions.

2.7 Forte Hotels and the research study

When undertaking the study, access to a multi-unit hotel company was necessary. The reason was to enable comparisons to be made across differing hotel brand portfolios. Therefore Forte Hotels was approached, with access granted to their London portfolio.

During 1996, Forte PLC was acquired by the Granada group for £3.9 billion. Forte Hotels (the new name of the hotel operation) is the largest hotelier in the UK in terms of market share. Prior to takeover Granada had operated three divisions; television and media, leisure and contract catering. To incorporate their acquisition (Forte Hotels), major re-structuring took place in January 1996 (Eccles at al. 1996). In particular autonomy was passed down to the individual unit hotels, as well as considerable downsizing of corporate head-office staff. The present hierarchy of Forte Hotels consists of a chief executive, who reports through to the Granada board, and three managing directors to represent the three divisions of Forte Hotels - Forte London, Forte UK and Forte International. Finally, the General managers of individual hotel properties report through to their appropriate managing director. (The organisational structure appears in Appendix I).
Operational change within the Granada Group was also undertaken, re-locating the road-side operation, ‘Travelodge’, from Forte Hotels to the Granada Leisure and Services Division. The relevance of this was to incorporate road-side properties into their already formed lodge business. Second, the city-centre business hotel, Crest, was disbanded, and all hotels converted to Posthouse. This resulted in the new Forte division operating three brands; Posthouse Hotels, Heritage Hotels and Le Meridien, and a further collection of individual London properties. Overall, this is a smaller and more cost-effective structure than the previous six tier operational approach, plus London. (Forte Hotel’s operation within the UK hotel sector appears in Appendix II).

Commenting on the takeover of Forte PLC, Gerry Robinson, Chairman of Granada Group criticised the way in which Sir Rocco Forte had managed the business, accusing the firm of operating without serious managerial control as well as being slow in the re-branding of their hotels portfolio (Sunday Times, 1996). Forte attacked this suggestion, arguing that the Granada group had no experience in the running of an international hotels and restaurant business. When replying, the Chairman of Granada observed that running a hotel is the same as any business, where the most important and simple principle is choosing the right staff, usually from within the company. Therefore such individuals are able to determine a clear idea of what the company is trying to achieve and most important of all “letting management get on with it” (Sunday Observer 1995, p3).

As determined previously by Kleinwort Benson (1996), the UK hotel sector is witnessing a period whereby hotel chains are acquired by non-hotel businesses. With Granada’s acquisition, Winnington-Ingram and Winston (1994) explained that the group had to use their cash resources, and one such way was to acquire firms with outstanding profits. They suggested that Granada needed to regularly acquire businesses if they were to maintain the balance between earnings growth and cash resources. If not, over-capitalised companies that avoid making acquisitions tend to squander their resources, so that their return dips below the
rate of interest that the group could earn by putting the money into deposit. In essence, “if Granada does not make further acquisitions, but instead just builds up a cash pile, it will be using its shareholders’ funds in an increasingly inefficient manner” (Winnington-Ingram and Winston 1994, p6).

Granada’s decision to launch a takeover bid for Forte was seen as a consequence of its sound financial situation. The proposed takeover worth £3.28 billion was made in November 1995, and the reasons behind such a move for Forte were that they were in a sector connected with Granada’s existing businesses, of a worthwhile size and offered significant scope for improvement (Financial Times 1995). Granada’s chairman saw the acquisition of Forte as an excellent addition to the group, highlighting the synergy’s from the restaurant business (predominantly roadside catering), as well as focusing on two hotel brands in the UK middle market (Posthouse/Heritage), and a five-star international brand (Le Meridien).

2.8 Importance of the study to Granada/Forte

Kleinwort Benson (1996) note that Granada has the largest market share of hotels in the UK, both in total number of hotels offered as well the number of rooms for sale. In summarising the role of Forte Hotels within Granada and its significance to the study, it is helpful to review research undertaken by Olsen (1991). The author observed that hotel firms need to concentrate on developing management contracts and franchising as growth strategies. In recent years, Forte has placed much emphasis on these methods (Eccles et al. 1996), further reinforced through Kleinwort Benson (1996) giving a low ranking to Granada in terms of ‘hotel affiliation’ (ranked as 40th out of the 51 quoted hotel companies). This low figure is due to the company not owning all their properties (affiliation), rather than the emphasis placed previously by Forte on contracts and franchising to help expand their hotel portfolio.
When introducing Granada's managerial style into Forte, one change was the reduction in head-office support. Units are now empowered to run their operation according to the brand with which they are associated, and if not branded, to the markets with which they are most familiar. The only remit from Granada is that hotels reach their set budgeted targets, reporting sales information through to head office. Their style encourages individuals to introduce innovation, adjusting unit operations in line with customer needs.

As competition within the hotel sector continues to rise, this approach whereby managers and staff continually adjust their business through fine-tuning operations to ensure guests needs and expectations are met, is of paramount importance to Forte/Granada.

Chapter three will move to consider literature in relation to hotel operations, drawing upon managerial and organisational policy of how unit hotels operate. The first area of literature considers organisational structures adopted by hotels, noting the approaches taken and their levels of responsiveness to change. Second, the review considers the new roles to be played by unit managers, in the light of decentralisation and empowerment, whereby the managers' role is evolving from what is referred to as operations-oriented to a more strategic-thinking, customer-focused approach (Olsen 1991).
Chapter 3 - A review of the organisational structure of unit hotels' and their responsiveness to the changing role of managers
The background to the study (chapter two) concludes that the multi-unit hotel sector is gradually witnessing a move to consolidation, as firms acquire hotels due to enhanced financial prospects, rather than the desire to operate such properties. The hotel division is then left to run the operation according to their own set agenda, with autonomy granted to units within the parameters of the defined brand. The managers will be required to undertake a more strategic role, to consider future decisions and operational change that would not have been normal practice in a typical 'head office - unit division' structure.

3.1 Introduction

The hotel sector of the UK hospitality industry in the first half of the 1990s has faced an increasingly competitive and changing marketplace as well as a highly unpredictable external environment (BDO 1996). To a large extent both of these concerns have been outside the firms' control (Kleinwort Benson 1996). Further, the 1990s may see a movement towards individual hotel units becoming much more responsible for the implementation of business decisions, where hotel managers are expected to acquire extended managerial competencies as well as practising their daily-operations oriented role. In fulfilling such change, managers will need to adjust their organisational structure and operations, in the light of matching/aligning with the marketplace (Olsen 1989). Without such change firms may find difficulty in achieving long term success.

However, much of the research relating to alignment in hotel firm settings originates in the United States, and is defined below :-
<table>
<thead>
<tr>
<th>Authors</th>
<th>Key findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miles and Snow</td>
<td>Generation of four typologies to characterise organisations in terms of their managerial behaviour.</td>
</tr>
<tr>
<td>(1978)</td>
<td><strong>Alignment</strong> - organisations develop objectives, define strategies and then construct mechanisms to pursue their decisions.</td>
</tr>
<tr>
<td>Schaffer (1984)</td>
<td>The way organisations are structured can be influential in determining performance.</td>
</tr>
<tr>
<td></td>
<td><strong>Alignment</strong> - organisations conduct an external analysis, define strategies according to purpose, goals and objectives and then develop a structure that best fits their requirements.</td>
</tr>
<tr>
<td>Schaffer (1986)</td>
<td>If organisations are to meet their objectives, they must seek to inter-link their competitive strategies and organisational structure.</td>
</tr>
<tr>
<td></td>
<td><strong>Alignment</strong> - after analysing the external environment, managers choose appropriate competitive strategies, and then develop structures that properly support these decisions.</td>
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Table 3.1 reflects influential studies relating to alignment, which as a process Phillips (1995) defines as the appropriate fit between business, operation and the customer; where decisions are more successful if implemented into a supportive or suitable structure. Schaffer (1984) notes that the alignment process requires appreciation and understanding of the external environment, monitors current trends and changes and ensures the three component parts (structure, strategy and environment) work together in the best and most responsive way.

The study will now review literature in the light of first defining organisational structure and their levels of responsiveness to change, and then consider the changing roles of unit managers; a movement to see such individuals adopt a strategic-thinking approach within a decentralised and autonomous operation.
3.2 Definitions of organisational structure

Burns and Stalker (1961) and Chandler (1962) both define organisational structure as a process - as the way in which firms can develop their operation to ensure they have control over their external environment. Therefore, those organisations that operate in changing and uncertain environments tend to have flexible structures and processes (Chandler 1962), allowing employees to react to change in their attempt to generate tactical decisions. When operating in stable environments though, firms tend to have mechanistic/highly bureaucratic structures (Chandler 1962), where employees know their operational role and work accordingly.

From conclusions to BDO (1996) the prevailing situation in the hotel sector at present is the levels of uncertainty within operations, as well the continual threat of competitors. Therefore in looking to gain competitive advantage, those firms selecting an organisational structure that allows employees to change operations in the light of fulfilling guest requirements will see benefits, as well as help develop a customer-focused approach. Further studies have considered the impact of change on organisational structure, Thompson (1967), Pugh et al. (1968), Inkson et al. (1970), Child (1972), Reimann (1973), Bower (1982), Fredrickson (1986), Miller and Droge (1986) and Schaffer (1986), all noting that structures are important to firms as they provide the business with :-

- a formal allocation of work rules;
- channels of collaboration;
- clarification of the lines of authority and communication;
- an allocation of power and responsibility;
- prescriptive levels of formality and complexity.

Ullrich (1976) explained that as businesses are dragged unwillingly into an era of unprecedented social and environmental change, developments in unit structure
can influence business performance. Organisational structure can be referred to as crucial for firms looking to gain competitive advantage, as such changes to the operation influence the planning process, and increase awareness of the external environmental issues that affect decision-making. In previous research, Likert (1967) reviewed changes made to units in terms of their structural design, noting the following points of value to businesses:

• support to employees - operational structures developed to fulfil the needs of employees, to ensure that infrastructure provides support for the tasks that are required of such individuals.

• opportunities for group decision making - through supporting employees, the business encourages such individuals to communicate between departments.

• the establishment of goals - when any part of a business undergoes a sense of re-furbishment, the implications of such work need to be considered, and new goals and targets will be set up to ensure that changes are measurable.

3.2.1 Structuring of organisations

According to Mintzberg (1979), organisations have six basic parts that make up their overall business structure, and each part plays a different role in the accomplishment of undertaken work. These six parts are listed below (Mintzberg 1979):

1. Operating core - This is where the basic work of producing the organisation’s products and services gets done.
2. Strategic apex - Home to top management, where the organisation is managed from a general perspective.
3. Middle line - Comprises all those managers who stand in direct line relationship between the strategic apex and the operating core.
4. Technostructure - The staff analysts who design the systems by which work processes and outputs of others in the organisation are formally designed and controlled.

5. Support staff - Comprises all those specialists who provide support to the organisation outside of its operating workflow.

6. Ideology - A kind of halo of beliefs and traditions that support the whole organisation.

It is from these six basic parts of organisations that Mintzberg (1979), went on to consider mechanisms of co-ordination that describe the fundamental ways in which organisations co-ordinate their work. The first two can be defined as *ad hoc* in nature, the other four involve forms of *standardisation*. The first such mechanism is “mutual adjustment”. This is defined as “people interacting with one another through the simple process of informal communication” (Mintzberg 1989, p324). Used in the simplest of organisations, it is the most obvious way to communicate. But paradoxically, it is also used in the most complex, because it is the only means that can be relied upon under extremely difficult circumstances.

Second, “direct supervision”, in which one person communicates by giving orders to others, tends to come into play when a certain number of people must work together. Most organisations follow the direct supervision approach, where a leader, through instructions, co-ordinates their work.

These first two mechanisms of co-ordination relate specifically to the traditional organisational approach, whereby people either communicate together in light of success, or a dedicated leader informs the troops of the business approach to be taken. Mintzberg (1979) realised that as the working environment continued to change, so should the methods by which organisations co-ordinate their work. “Co-ordination can also be achieved by standardisation - in effect, automatically - by virtue of standards that predetermine what people do and ensure their work is co-ordinated” (Mintzberg 1989, p 324). The hotel sector is an industry that thrives on standardisation (Teare 1991), and uses this approach as the basis of
determining brands, and the product/service offerings made available to guests. From Mintzberg’s (1979) forms of standardisation, three have a particular interest to the hotel sector:

- Standardisation of work processes - programming work content, and determining the procedures to be followed.
- Standardisation of outputs - specification not of what is to be done but of its results.
- Standardisation of skills - it is the worker, rather than the work or the outputs that is standardised.

Within a hotel, all three methods of standardisation are achieved. Work processes and standardisation of skills are determined by the organisations hierarchy. People are set particular goals, and their skills and competencies meet the required job description.

In general, staff members are assigned a role to fulfil. There is little room for job-swapping, and potential new employees are all put through an induction process. Training is via a dedicated manual ensuring all employees know the correct procedure to follow. The output of the hotel function is standardised through service measurements. There are dedicated time limits for the amount of time a guest should wait at reception, through to the number of glasses that should be placed in the mini-bar. This standardised approach ensures the guest receives the service that had been anticipated. The level of standardisation is determined by the grade of the hotel, which can often cause difficulty. In essence, should outputs be weighted differently according to the price that the individual pays? (This area of services management will be reviewed in the section relating to the role of the unit hotel manager.)

The fourth means of standardisation, as determined by Mintzberg (1979) is the standardisation of norms. This looks at workers all sharing a common set of
beliefs. Within hotels this has not been the case, as in the delivery of services each employee has a different way of delivering the product. Standardisation through the operations manuals (work processes, outputs and skills) is helping to ensure as many employees as possible work closely to the hotels belief, that of a ‘joyful and successful stay for the guest’.

3.3 Organisational design

Mintzberg (1979) makes reference to organisational design as the turning of knobs that influence the division of labour - in essence, the dividing up of work amongst individuals. These knobs or ‘design parameters’ fall into three basic groups :

- Design of individual positions in the organisation.
- Design of the ‘superstructure’, or skeleton of the organisation.
- Design of the decision making system - Vertical and horizontal decentralisation.

3.3.1 Design of individual positions in the organisation

The first order of business in organisational design is to decide what each person will do. The key determinant is how specialised each job should be (Mintzberg 1979). Jobs that have few and ‘narrow’ tasks are referred to as horizontally specialised, those with many and ‘broad’ tasks, as horizontally enlarged. Similarly, jobs that involve little control by those who do them - carried out without thinking how or why - are called vertically specialised, those which are thoroughly controlled by the worker are referred to as vertically enlarged.

In relating Mintzberg’s (1979), ‘job specialisation’ to the hotel sector, jobs are often specialised vertically because they are specialised horizontally. The work is so narrow that worker control of it would preclude the necessary co-ordination.
These are generally unskilled jobs, and in the hotel sector examples include breakfast waiters, kitchen porters and chambermaids (Olsen 1989). Many so-called professional jobs are horizontally specialised yet vertically enlarged - the worker has a narrow repertoire of programmes, but because these are highly complex, the individual must have a good deal of control over them. In hotels, this philosophy is best suited to Departmental managers. For example a Conference and Banqueting manager works solely within their dedicated area, but knows so much about their operation, in view of the product/service offering, that they have control over its success.

3.3.2 Design of the ‘superstructure’, or skeleton of the organisation.

Given a set of positions duly designed in terms of specialisation, the next issue in organisation design relates to the establishment of a managerial ‘superstructure’, to knit it all together (Mintzberg 1979). In other words, positions are grouped into units, each under its own manager, and units clustered into ever larger units under their own managers. Finally, the organisation comes under a single manager - the Chief Executive at the strategic apex. Thus a hierarchy of authority is constructed through which flows the formal power to control decisions and actions.

From the design of the ‘superstructure’, Mintzberg (1979) makes reference to two major questions that all firms are required to answer:-

1. On what basis are positions and units grouped into larger units, and
2. What size should each of the units be?

Grouping is not simply a convenient way to track everyone who works for the organisation. Rather, it is a fundamental way to co-ordinate work in the organisation, through: (a) establishing a system of common supervision among positions and units, (b) requires positions and units to share common resources, (c) assesses measurements of performance, and (d) encourages mutual adjustment
amongst the determined units. Positions and units can be grouped by function (means) - including knowledge, skill and work process; and by market (ends) - the products/services it markets, the clients it serves, and the places where it serves them.

On the question of the size of units - ‘span of control’, classical literature was clear. “No supervisor can supervise directly the work of more than five or, at the most, six subordinates whose work interlocks” (Mintzberg 1979). Yet according to Mintzberg effective units contain dozens - sometimes even hundreds - of employees or sub-units. In looking for an answer, the research explains that the greater use of standardisation for co-ordination, the larger the size of the work unit. Mintzberg (1989) concludes:

It stands to reason that the more co-ordination within a unit which can be achieved by standardisation - in effect, automatically, without direct managerial intervention - the less time its manager need spend on direct supervision and so the greater the number of employees who can report to him (Mintzberg 1989, p 330).

3.3.3 Design of the decision making system - Vertical and horizontal decentralisation.

The final parameter of structural design relates to decentralisation. Mintzberg (1989) poses the question:

What does the word really mean? To some, it describes the physical location of facilities: a library is ‘centralised’ in one location or ‘decentralised’ to many. To others, it describes the delegation of formal power down the hierarchy of authority” (Mintzberg 1989, p 335).

Miller’s (1989) definition though is broader, associating the term with the sharing of decision making power:
When all the power rests at a single point in the organisation, we shall call the structure
centralised; to the extent that power is dispersed among many individuals, we shall call
the structure relatively decentralised (Miller 1989, p335).

It can be noted that Mintzberg’s (1979) definition is not restricted to formal
power. In fact the author distinguishes vertical decentralisation - the delegation of
formal power down the hierarchy to line manager - from horizontal
decentralisation - the extent to which power is dispersed out of the line hierarchy
to non-managers. This second notion of decentralisation passes power to
operators, analysts and support staff, who indirectly ensure organisational
success.

Mintzberg (1979) also introduced another distinction to his decentralisation
definition. When power is passed down the organisation’s hierarchy, to what
extent are decisions allowed to be taken? The author refers to this as selective
decentralisation - the dispersal of power over one or a few kinds of decisions to
the same place in the organisation. Similarly, there is parallel decentralisation -
the dispersal of power for many kinds of decisions to the same place.

Miller (1989) in his work on configurations of strategy and structure, looked at
issues of centralisation and decentralisation. In looking to align business
decisions upon the organisation, Miller makes reference to centralisation having
one great advantage to firms. “By keeping all the power in one place, it ensures
the very tightest form of control. Decisions are made in one head, and then
implemented through direct supervision” (Miller 1989, p354). The leader can
then ensure that the unit is appropriately matched to the decisions with which the
business wants to implement. Miller continued his research further, considering
the other side of the story, ‘why bother to decentralise?’ He concludes that one
brain is often not big enough, and cannot understand all that must be known.
According to Miller (1989) decentralisation allows the organisation to:-
• Respond quickly to local conditions in many different places.
• Serve as a stimulus for motivation, since people require considerable room to manoeuvre if they are to perform at full capacity.

In considering decentralisation in terms of the six co-ordinating mechanisms described earlier (3.2.1 - Structuring of Organisations, p33), each of the mechanisms inherently leads to a different form and a different degree of decentralisation. With this in mind, Mintzberg (1979) derived six basic types of decentralisation:-

1. Centralisation *(co-ordinating mechanism - Direct supervision)*;

Direct supervision clearly constitutes full horizontal centralisation, since all the power rests with the managers. It also constitutes vertical centralisation since a dependence on direct supervision for co-ordination means that each manager tightly controls those below him/her.

2. Limited horizontal decentralisation *(co-ordinating mechanism - Standardisation of work processes)*;

When the organisation relies on the standardisation of work processes for co-ordination, the un-skilled operators and lower level line managers lose power to the managers higher up in the hierarchy, and also to some extent to the analysts of the technostructure who design the systems of behaviour formalisation that control others. The result is centralisation in the vertical dimension, with a limited and selective degree of decentralisation in the horizontal dimension.

3. Limited vertical decentralisation *(co-ordinating mechanism - Standardisation of output)*;
Mintzberg (1989, p336) notes that a “reliance on standardisation of output goes with the delegation of power over many decisions to the managers of market-based units”. This is a form of vertical decentralisation, but only in a limited form, since a few division managers can retain the lion’s share of power. There is some power delegated to the ‘technostructure’ area of the organisation, because it is the analysts who design planning and control systems to standardise outputs.

4. Horizontal decentralisation (*co-ordinating mechanism - Standardisation of skills*);

Standardisation of skills (based on extensive training) is relied upon for co-ordination. As a result, employees can work rather autonomously in large units, relatively free of the control of line managers and in control of most of the decisions that affect their work directly. This is an extreme form of horizontal decentralisation, with power residing at the bottom of the hierarchy.

5. Selective horizontal and vertical decentralisation (*co-ordinating mechanism - mutual adjustment*);

Within this decentralisation process, employees work in small units and co-ordinate by mutual adjustment, giving individuals a good deal of power. Mintzberg (1979) notes that these groups have selective vertical decentralisation - delegation to work groups at different levels in the hierarchy - and horizontal decentralisation - a varying distribution of power within each group, of managers and non-managers. Decisions are therefore controlled by whoever happens to have the necessary expertise.

6. Decentralisation (*co-ordinating mechanism - Standardisation of norms*);

Finally, Mintzberg (1979) makes reference to decentralisation dictated by a reliance on the standardisation of norms for co-ordination. When an organisation socialises and indoctrinates its members to believe in its strong ideology, it is
allowing such employees the freedom to act, since they will in fact act in accordance with the prevailing norms. This can result in the purest form of decentralisation, and provide the most democratic form of structure. Everyone shares power more or less equally - manager, staff - hence plain decentralisation.

Therefore, the decentralisation process on one hand passes power and responsibility to all employees in the organisation, or similarly restricts power to senior management who then delegate responsibility and work patterns to the staff. Overall, the particular way an organisation decentralises, to what extent power is dispersed among the individuals, is linked closely to the way they co-ordinate their work. Those firms in which one person co-ordinates by giving orders to others (direct supervision) is not really passing power down the hierarchical ladder and can therefore be referred to as centralised. Firms that invest money in training and staff development are co-ordinating their work patterns through the standardisation of skills. This results in employees having the freedom to get on with the job, for which they have been trained, with the dispersal of power to make many decisions within their place/area of the organisation. Such an approach is referred to as horizontal decentralisation - the extent to which formal or informal power is dispersed out of line hierarchy to non-managers.

3.3.4 Models of organisational design

The literature has shown that there are many types of organisation structures and environments. There are also many elements or variables that can be used to characterise them. The literature will therefore concentrate on a selection of structural models that have possible consequences for the alignment process. Mintzberg’s (1979) five structural types provide an excellent synthesis of the literature on structure. While his professional bureaucracies are usually not business firms and therefore beyond the research study’s scope, his other types are quite relevant, they are the:-
simple structure;
machine bureaucracy;
adhocracy;
divisionalised form.

Simple structure

The simple structure is used by small firms run by a dominating chief executive, often as an owner-manager. The structure is highly informal with co-ordination of tasks accomplished via direct supervision, and all decisions made at the top. There is little specialisation of tasks, a low degree of bureaucratization and formalisation (Pugh, Hickson and Hinings, 1969), and information systems are extremely primitive. Because there is a low level of differentiation in the goals, interpersonal orientations, methods and time horizons of the various departments, there is little need for sophisticated integrative or ‘liaison’ devices (Lawrence and Lorsch, 1967). Power is centralised at the top. Clearly simple structures cannot be appropriate in all environments and industries. They typically exist where the industry is fragmented and comprised of small highly competitive firms. Indeed the environment recalls Hambrick’s (1983) ‘unruly mob’.

Thus firms with a simple structure must generally pursue a niche or a marketing differentiation strategy. They may flourish by producing a somewhat distinctive product for a niche of the market that is the least competitive.

Machine bureaucracy

The mechanistic (Burns and Stalker, 1961) or machine bureaucracy structure is a rigid structure, in which co-ordination of tasks is done via standardisation of work. A key part of the organisation is the technostructure (Mintzberg, 1979) which designs the production system. The firm is highly specialised as tasks are finely broken down. As its name implies, the structure is exceedingly
bureaucratic and hierarchical with its many formal rules, programmes and procedures (Burns and Stalker, 1961; Pugh, Hickson and Hinings, 1969). The departmental, functionally organised structure is only moderately differentiated as the emphasis throughout is on following programmes and plans (Lawrence and Lorsch, 1967). Power rests in the hands of the top executives and the designers of workflow processes. Very little authority resides at lower or middle management levels. Decentralisation is likened to Mintzberg’s (1979) ‘limited horizontal decentralisation’ typology.

The most promising strategy for a machine bureaucracy is cost leadership. This is very natural since it requires the least flexibility and the greatest production efficiency - characteristics which inhere in these structures. They can cut costs to the bone and either earn margins superior to the competition or else build up market share by selling very cheaply.

**Adhocracy**

The organic form (Burns and Stalker, 1961) or adhocracy (Mintzberg 1979) is a structure that is extremely different from - one might almost say opposite to - the machine bureaucracy. It is ideal for performing unusual and complex tasks which tend to change continually. Such tasks confront Perrow’s (1971) R&D firms where there are many exceptions in production and no obvious way of accomplishing the job. Typically, groups of highly trained specialists form a variety of areas, work together intensively, to design and produce rapidly changing products. A high degree of differentiation prevails as people with different skills, goals and time horizons work together (Lawrence and Lorsch, 1967). Frequent meetings, integrating personnel, committees and other liaison devices are used to ensure effective collaboration (Galbraith, 1973). Power is decentralised as much of it resides with the technocrats and scientists responsible for innovation. Authority is thus situational and based on expertise (Burns and Stalker, 1961).
There are few bureaucratic rules or standard procedures since these are too confining and would in any event rapidly become obsolete (Miller, 1989). The structure becomes decentralised selectively in the vertical and horizontal dimensions, that is power is distributed unevenly all over the structure, according to expertise and need.

According to Miller (1989), one of the strategies that comes to mind as being a perfect match for this structure and environment is differentiation through innovation. The structure is flexible and allows for the collaboration among specialists so necessary to create new products (Burns and Stalker, 1961; Lawrence and Lorsch, 1967 and Mintzberg, 1979). The information and scanning systems keep managers and technocrats up to date with scientific and competitive developments. Intensive collaboration and liaison devices, open communications and decentralisation of power facilitate complex and continual innovation.

**Divisionalised form**

An organisation may be split into divisions that are responsible for producing and marketing a discrete type of product. Usually these divisions are self-contained profit centres run by an executive whose responsibilities are similar to those of the chief executives of most independent enterprises. Mintzberg (1979) argues that most divisions in his 'divisionalised form' are driven to become somewhat bureaucratic and formalised. The head-office standardises procedures and methods wherever possible to improve control over the divisions (Chandler, 1962; Channon, 1973). It emphasizes performance control through sophisticated management information systems, cost centres and profit centres. However, a good deal of decision-making power remains in the hands of the divisional managers who know the most about their markets. The divisions tend to operate fairly independently of one another, with company-wide issues being handled by interdivisional committees and head-office staff departments.
The divisional form can result in limited horizontal decentralisation, as managers are required to report through to their direct supervisors, the parent company’s ‘Board of Directors’.

The literature agrees overwhelmingly that corporate-level conglomerate strategies that embrace very different industries require divisionalised structures. The administrative complexity caused by diversification gets divided up so that each significant market is dealt with by its own specialist and general managers. The head-office is concerned only with controlling and appraising the divisions, allocating capital and scouting out new diversification ventures. Miller (1989) mentions that divisions experience pressures of control from the head office, which often include bureaucratization, formalisation and a loss of flexibility. This precludes business-level strategies of differentiation through innovation. But marketing differentiation strategies and cost leadership business strategies may be useful. Their appropriateness will be a function of the degree of stability in the environment, the prospects of economies of scale, and the degree of bureaucratization in the divisions. The more prevalent these qualities, the greater the appropriateness of cost leadership. The less prevalent the qualities the more suitable the strategy of marketing differentiation.

Further work has considered organisational design, not in terms of what can be achieved by such change, rather strategies that firms can adopt when faced with particular market conditions. One such model was proposed by Miles and Snow (1978). The particular structures that firms can adopt to changing environmental conditions are outlined below, with the strategies required that ensure organisational success:

1. Defender - Protect market share (Retrenchment).
2. Analyser - Protect market share and locate opportunities (Market penetration).
Developing their model, Miles and Snow (1978) considered the different organisational structures available, in anticipation of implementing decisions that ensure optimum performance. Their work though not conducted within the hotel sector, focuses upon firms attempting to achieve a successful fit between the decisions to be taken and the structure within which the organisation sits.

Figure 3.1 - Structure and strategy typologies

Figure 3.1 outlines the strategies and structures required for organisations to achieve their stated objectives.

Miles and Snow (1978) note that organisations should first develop their business objective; protect current market share, or look to locate new opportunities, after
which firms select business decisions that fulfil their objective. This includes a wide range of strategies, from fortification (continuing as normal), through to growth and development. After deciding on the strategic approach to follow, an appropriate structure is defined. After these three stages have been considered the organisation is be referred to as pursuing one of the following:-

Defender

The organisation’s objective is to protect market share by concentrating on improvements in the efficiency of their existing operation, achieved through :-

- narrowing the product/market domains.
- developing within existing target markets.
- attempting to reduce costs but improving quality.
- standardising the firms service procedure.

This defender typology requires a centralised or bureaucratic organisational structure where employees concentrate solely on company policy and procedures. According to Schaffer (1986), Marriott Hotels have successfully followed a defender-strategy approach, as their mission focuses upon being ‘efficient, productive, controlled and profitable’, to help in their development of existing markets as well as being able to reduce costs but not product quality.

Prospector

If the organisation adopts a prospector approach its aim is to find and locate new product and market opportunities by responding to emerging environmental trends. The strategies focus upon growth and development, and consider :-

- responding to new market trends;
- product and market innovation;
• heavy investment within the environmental scanning process;
• minimal long-term capital investments.

In adopting this approach a decentralised and flexible structure is required, encouraging employees to express their innovative ideas, and discuss decisions.

Analyser

The firm's objective is to either protect current market share (defender), or locate new opportunities (prospector). Defenders follow a strategy based on market penetration, attempting to attract more people to use/purchase the product. A prospector on the other hand requires strategies based on market following, with competitors analysis informing the decisions taken. In an attempt to penetrate markets, structure needs to be controlled in nature, as all employees are required to work towards a goal of increased sales. On the other hand, market following requires less formality, as the business is encouraging employees to look outside their organisation, in support of competitor information.

Considering the model proposed by Miles and Snow (1978), an understanding of an ideal, rational approach to formulating decisions needs to be addressed. In theory, when operating in a 'perfect' marketplace (where there is sufficient business for all firms to be successful) an approach proposed by Miles and Snow may be highly beneficial, in that firms define their objectives, and then select the most appropriate strategy to ensure that these decisions are fulfilled. Finally, organisations develop structures that allow these decisions to be implemented. In reality managers face markets which are constantly changing, and external environments that are highly unpredictable (Peters 1987).
3.4 Organisational structure, strategic decisions and the external environment

From research undertaken by Thompson (1967), the author explains that external environments play a key role in the generation of business decisions, as well, ultimately affecting the organisational structure required. The following table highlights decisions to be taken, aligned with the appropriate structure; ensuring businesses remain effective when faced with differing environmental conditions.

Table 3.2 - Environmental stability, structure and strategy

<table>
<thead>
<tr>
<th></th>
<th>Stable/controlled environment</th>
<th>Changing/unstable environment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Structure</strong></td>
<td>Tight structure</td>
<td>Loose structure</td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td>Cost leadership Bureaucracy</td>
<td>Differentiation Innovation</td>
</tr>
</tbody>
</table>


Table 3.2 highlights relationships between the external environment and internal organisation. It proposes two types of environment, stable and changing, and the appropriate structure and strategy linkages that organisations should consider. Tight organisational structures can be adopted when operating within a stable environment, aligned with a strategy of bureaucracy and cost leadership. This structure allows employees to work productively, ensuring they attain their defined goals.

However, organisations interact with environments that are referred to as constantly changing and unstable. According to Olsen (1989, p4), “the existing complexity of the environment is expected to increase, as will variability and uncertainty; the hospitality manager must be capable of knowing and understanding the events which occur in his/her business and general environment”. Due this environmental uncertainty facing the UK hotel sector (BDO 1996), requirements would be to establish a loose structure, where differentiation and innovation can unfold.
According to Glass (1991), competitive times call for the ability to change, and through innovation organisations can gain competitive advantage. If the firm was to operate with a hierarchical structure they would experience difficulties in reacting to change, and may ultimately lose business opportunities. This relationship between organisational structure and environments has witnessed much research, and the table below summarises the major findings:

Table 3.3 - Empirical studies concerning the external environment

<table>
<thead>
<tr>
<th>Authors</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hofer and Schendel (1986)</td>
<td>A changing and competitive environment plays a major part in the generation of strategic decisions for firms.</td>
</tr>
<tr>
<td>Schaffer (1987)</td>
<td>Organisational strategy is conceived of as the means to which organisations attempt to link with, and respond to their environment.</td>
</tr>
</tbody>
</table>

Table 3.3 highlights previous research that has been undertaken in looking at the affects of the external environment on business success. Basing their research on Mintzberg's (1979), 'Structuring of organisations', Tse and Olsen (1990, p17) observe that “success in strategy implementation depends partly on whether a firm’s strategy is congruent and complementary with its structure”. It is from this statement that the authors developed a range of organisational structures that firms can attempt to adopt, in order to support their decisions successfully. These structures can either be:

- formal;
- complex;
- centralised.
The authors note that a formal structure, Mintzberg’s (1979) ‘Simple structure’, is that where rules, procedures, policies and instructions exist, where employees know their role within the organisation and work accordingly. Simple defined strategies work best under such structural conditions, as there is little room for innovation, only assurance that decisions are implemented appropriately.

A complex structure or Mintzberg’s ‘Adhocracy’, is referred to as that where work is divided both vertically and horizontally through the operation, allowing people to operate according to the amount of specialisation they have, and their degree of personal expertise within the firm (Tse and Olsen 1990). Finally, a centralised approach can be adopted when aligning the organisation with intended decisions, as authority is delegated to those performing significant functional tasks or hierarchical decision-making. According to Tse and Olsen (1990) this approach works best when firms are operating in a stable environment, as businesses are forced to operate somehow differently, ‘to gain advantage within a similar marketplace’. This structure is similar to Mintzberg’s (1979) ‘Machine bureaucracy’.

3.5 Alignment and hotel management

This match between organisational structure and external environment is an area that not all firms consider, and a successful fit is more likely to occur by chance than design (Eccles and Teare 1995). The intention here is to explore the sources of advantage to be gained from alignment, using prior research models to help explain the work already undertaken in this field.

During the last ten years the hotel sector has faced both maturity, as well as the emergence of strategy based on defending current market positions (Olsen 1989). His research notes, “firms that prosper direct their strategies to reflect the conditions that exist in the external environment” (Olsen 1989 p6). As well, such businesses consider :-
• the evolving nature and characteristics of a mature marketplace.
• the relevance of strategies for protecting market share in the face of competition.
• the decentralisation of organisational structures, to allow decisions to be taken at lower levels of the hierarchy.

Most of the research into alignment within hotels originates from the United States. Schaffer (1984) reviewed the procedure with Hyatt Hotels. His work sought to explain how hotel firms, after defining their strategic plans, develop the most appropriate structure that fully supports their decisions. Schaffer assumed that structure plays a significant part in business performance, and conceptualised his findings through the structure, strategy and effectiveness model.

**Figure 3.2 - Structure and strategy effectiveness model**

Figure 3.2 outlines the importance of aligning business strategy and organisational structure, and their combined influence on the unit’s effectiveness.
After undertaking a ‘SWOT Analysis’ (business strengths, weaknesses, opportunities and threats), firms develop their operational decisions. This focuses upon, (a) purpose, ‘what do we want to achieve’; (b) goals and objectives, ‘what do we want to do’; and (c) means of attainment, ‘how can this be achieved’. After defining their organisational approach the suggested model moves to consider appropriate structures required, ensuring the implementation of such decisions:

- formality - the degree to which rules and procedures influence the firm.
- complexity - the degree of specialisation and task diversity.
- centralisation - the distribution of authority within the firms hierarchy.

Structure is referred to as the means by which strategy implementation takes place, and directly relates to organisational effectiveness and performance (Schaffer 1984). When considering structure, a number of important variables need to be considered, referred to as structural components:

- age and size - larger organisations give rise to increasing responsibilities, widening the span of control of managers. Older organisations tend to become more formalised due to the presence of culture and resistance to change.
- technology - when an organisation’s technology is centralised and routine a mechanistic structure is most appropriate; whilst organisations where technology becomes complex will require a decentralised structure.
- environment - organisations that operate in stable environments tend to have a mechanistic nature, whilst those operating in a dynamic environment need to be flexible and pro-active.
- power - failure to consider the people with power may ultimately affect the alignment process.

When explaining the model, Schaffer (1984) concludes:
...the degree to which an organisation is able to adapt not only its strategy, but also its structure to its situation, will profoundly effect its ultimate performance (Schaffer 1984, p160).

This model proposed by Schaffer (1984) was tested with Hyatt in the United States. Results showed that the company achieved greater success through appropriately matching their unit operation with the external environment. In ensuring the alignment process was successful, Hyatt downsized their operation, implementing a flatter, decentralised structure where unit managers had the flexibility to adapt their business to the local market conditions. Each hotel operates as a semi-independent property, where managers have the responsibility to implement decisions within their unit.

Overall, the alignment process for unit managers, adjusting operations to ensure customer needs and expectations are met, is a relatively new phenomenon within the hotel sector. Previous studies carried out are analysed below, representing major contributions of knowledge to this field.

Tse and Olsen (1988) analysed the impact of business change, targeting 296 multi-unit restaurant firms in order to note the effects of strategy and structure alignment on business performance. Using Porter's (1980) generic strategies to determine overall strategic orientation, and Dalton et al. (1980) to review structure, Tse and Olsen's (1988) research developed the following hypotheses to test the fit between strategy and structure in restaurant chains:

1. There is no difference in return on sales or return on assets when different structural combinations are exposed to a low cost strategy.
2. There is no difference in return on sales or return on assets when different structural combinations are exposed to a differentiation strategy.
To back up the hypotheses, the authors used statistical T-tests and analysis of variance (ANOVA), and found no positive relationships between strategy, structure and performance. From this initial study, further research was conducted by Dev (1989), Dev and Olsen (1989), West (1990), West and Anthony (1990) and Tse (1991) to review changes in strategic decision making and impacts upon performance. These studies found positive relationships between the variables (strategy, structure and performance), where the most important finding was that concluded by Dev and Olsen (1989). The authors investigated the notion that there is an optimal fit between environment and strategy, using ‘one/two way’ ANOVA tests to reject the following hypotheses:

1. No differences will be found in the performance of hotels classified according to their strategy type.
2. In stable environments, there will be no difference in performance between hotels employing different strategies.
3. In volatile environments, there will be no difference in performance between hotels employing different strategies.

A key result from Dev and Olsen’s study was that their first hypothesis was rejected, in that employing different strategies can result in improved performance. The other two hypotheses were accepted, in that there are no performance improvement implications when environment and strategy align. In conclusion, hotels are successful if they consciously change their approach, but when matching decisions to differing environments, changes in strategy have no effect on business performance (Dev and Olsen 1989).

Of the major empirical studies conducted in the hospitality field, four of the research cases note favourable links between strategy and performance (West and Olsen 1988, Schaffer and Spencer 1988, West 1990 and Tse 1991); whilst conclusions from work undertaken by Tse and Olsen (1988) draw no positive effect, nor do they criticise the approach.
Table 3.4 - Prior studies on adjusting operations to ensure alignment

<table>
<thead>
<tr>
<th>Study</th>
<th>Focus</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>West and Olsen (1988)</td>
<td>Scanning on firms performance</td>
<td>Scanning and strategy effects performance</td>
</tr>
<tr>
<td>Schaffer and Spencer (1988)</td>
<td>Strategic management and organisational performance</td>
<td>Strategic consensus helps performance</td>
</tr>
<tr>
<td>West (1990)</td>
<td>Strategy and scanning on financial performance</td>
<td>Differentiation strategies perform better than focused firms</td>
</tr>
<tr>
<td>Tse (1991)</td>
<td>Strategy, structure and performance</td>
<td>Structure has impact on performance</td>
</tr>
</tbody>
</table>

Table 3.4 observes insights from the literature, in relation to differing organisational structures, and their levels of responsiveness in adjusting and responding to the external environment. Overall, the major conclusion from all research is:-

- To remain competitive in a marketplace that is experiencing turbulent conditions, hotel companies may find benefit in matching their organisational structure, through adjusting operational practices and procedures, with market needs and expectations.

As defined, the latter part of the 90s is likely to continue to see this movement towards hotel firms following a customer-focused approach. Primarily, the reason being the changing expectations of guests, who are now in the position of having a greater supply of hotels to choose from (Slattery 1995). Those hotels that respond to their customers should see enhancements in their level of success, gaining advantage in the face of their competitors.
3.6 The changing role of unit hotel managers

The second part of this chapter considers the changing role of the unit hotel manager, an area that according to Olsen (1991) will see such individuals becoming responsible for the implementation of strategic decisions. This change can be referred to as moving from an operations-orientated role to one which requires strategic-thinking, where success is realised through the greater involvement of people to harness talents within the organisation.

When considering the role that unit managers play within their individual hotel, it can be noted that these managers have had little influence in changing the firms' overall long-term corporate policy. Rather, units will become responsible for their business/tactical decisions, where action can be taken immediately to enable units to be responsive to decisions set by head office, as well proactive to change occurring in their localised environments (Eccles and Teare 1995).

3.6.1 Managing within a strategic-context: Importance for unit hotels

To enable a working definition of strategic management to unfold, it is necessary to first explain the meaning of strategy and strategic decisions. Quinn (1980) defines strategy as:

A pattern or plan that integrates an organisation's major goals, policies and action sequences into a cohesive whole (Quinn 1980, p6).

Organisations develop an overall managerial process, 'a pattern of activity'. Therefore it is this integration of the plan into a cohesive whole, the strategy, that brings organisational success. Further research, (Chandler 1962, Ansoff 1979 and Steiner et al. 1982) all conclude that strategy selection is based on good management practice; the formulation of objectives, establishing a purpose and setting rules and guidelines to enable objectives to be fulfilled.
Webster (1994) refers to strategy, as the building block of strategic management, where if the foundations are not laid down securely, (strategy) then the whole process, (strategic management) can collapse around the organisation. Quinn (1980, p7) continues to state that, “strategic decisions are those decisions that determine the overall direction of the organisation and its ultimate success or failure”. Decisions can be classed as either long-term, ‘strategic plans’; or tactical, ‘decisions that management carry out daily’.

Bates and Dillard (1992, p61) note that the latter half of the 90s will see a change in overall management efforts, “towards an integrated manager who is flexible and responsive to fast changing business conditions”. In responding to change, the following criteria need to be considered. First, establish the standards against which an effective integrated strategy should meet, and second, ensure that these elements are applied to the strategy process. Bates and Dillard (1992) thus conclude that firms need to develop a structure that allows business to be both flexible and adaptable, whilst Reichel (1983, p49) notes, “in today’s business environment organisations need to be flexible, adaptable and continually planning for the future”.

3.6.2 The role of the hotel manager

From research conducted by Campbell et al. (1970), the authors note that instead of asking how is a manager effective, firms in the future will ask what are the characteristics of a manager’s job which allow such individuals to be successful. According to Sayles (1964), managers are not placed into a job which has dedicated responsibilities, rather the individual is asked to complete a range of jobs with differing objectives.

The study by Nailon (1968) focused upon activities of unit managers within the hotel sector, and has influenced a number of subsequent studies. Hales and Nightingale (1986), working with unit managers in decentralised, relatively
autonomous operations note that the unit managers’ role sets varied considerably between the sectors of the industry. The authors define this as a “set of people who have different requirements and expectations of the manager who forms the subject of study” (Hales and Nightingale 1986, p4). The authors also researched the role of the unit manager, and identified the range of people that such an individual interacts with:

**Senior management**

Senior head-office personnel expect the unit manager to focus on tasks, rather than activities, ‘what the unit manager should achieve rather than what they actually do’.

**Subordinates**

Subordinates look to unit managers to help in the completion of their own tasks. The unit manager is seen to provide information and guidance on the jobs that they are required to do, as well the tools with which to do it.

**Junior staff**

Junior staff look to the unit manager as a resource, assisting individuals with their job requirements. “We look to the manager to set the tone of the unit, through observing the manager’s personal attributes” (Hales and Nightingale 1986, p9).

**Customers**

Overall, customers hold expectations of the unit itself rather than the individual manager, as it is the service that they are consuming. They only draw conclusions on the role of the manager when their needs and expectations are not met.
3.6.3 The new role defined

Research by Miles and Snow (1978) and Schaffer (1984, 1986) focuses upon matching organisational structure with strategic decisions, based only at the corporate level. Olsen (1989) notes that as hotel companies decentralise their operations, greater emphasis will be placed upon strategic decisions at unit-level, predicting that unit managers will have a different role to play, to compete effectively at the local level:

...where conditions are becoming extremely competitive, to scan the environment for threats and opportunities, and build a plan based on type of analysis (Olsen 1989, p4)

Implications from studies conducted by Olsen (1989, 1991), were picked up by Slattery and Clark (1992). The authors note that unit managers will be encouraged to become independent decision makers, taking into consideration environmental forces that affect operations. Slattery and Clark generated a list of decisions (table 3.5) that the unit manager may have to take, arising from the decentralisation and emphasis placed on customer service.

Table 3.5 - Changes to the role of unit managers

<table>
<thead>
<tr>
<th>Hotel operation</th>
<th>Business orientation</th>
<th>Ancillary functions</th>
<th>Support functions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line management</td>
<td>Accounting/Finance</td>
<td>Maintenance</td>
<td>Purchasing</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>Personnel/Training</td>
<td>Computing</td>
<td>Fire and safety</td>
</tr>
<tr>
<td>Housekeeping</td>
<td>Audit and control</td>
<td>Public relations</td>
<td>Engineering</td>
</tr>
</tbody>
</table>

Source: Adapted from Slattery, P. and Clark, A. (1992)

Table 3.5 reflects, (a) hotel operation - an extension of their present job; (b) business orientation - business functions relating to the hotel; and (c) ancillary and support - decisions outside of their normal work activities. According to Tse and Olsen (1990), the approach to unit hotel management is changing. In the future managers will be responsible for the implementation of business strategy,
whilst divisional head-office determine the overall corporate approach, “what is our business concerned with” (Tse and Olsen 1990, p17).

Managers will look to staff to ensure alignment between unit operations and guests needs and expectations. In ensuring managers focus attention on this relationship, Mintzberg (1989) explains that firms will need to concentrate internal efforts on the following:

- flexibility - to generate ideas and participate in business decision making.
- adaptability - a structure that moves according to the conditions they face.
- empowerment - giving employees managerial capacity to be creative.

Research by Hahn (1991) focuses on the challenges facing organisations, leading the author to believe that changing environments create new challenges, as well as considerable threats to organisations. Research undertaken by Olsen (1991) concludes that environmental change will need to be incorporated into hotel operations, mainly in the area of tasks and responsibilities to be adopted by unit managers. There will be a greater emphasis placed on goals and objectives, and adjusting operations to ensure needs and expectations are met. Work by Webster (1994) focused on the decisional issues raised by Olsen (1991), and notes unit managers need to incorporate the following actions into their business approach:

- a requirement to be pro-active in all future development, and
- a business climate that supports the implementation of new initiatives.

3.7 Decentralisation and empowerment: Impacts on unit hotel management

The above section has reviewed some of the new practices that may be considered by the unit hotel manager of the future. One of the major issues though with service literature is the impact of decentralisation on operations. It is apparent that in the hotel sector that many of the large multi-national, branded
hotel outlets, Granada/Forte included, are operating through a divisionalised (Mintzberg, 1979) structure. Head-office numbers have been reduced, with autonomous units set up to manage hotels effectively.

The research will now consider the amount of power and responsibility that unit managers have in the running of their operation. Has decentralisation resulted in an empowered hotel workforce, or are hotel managers only responsible for day-to-day operational issues? It is paramount to define empowerment as a precursor of future hotel managers’ responsibilities.

3.7.1 Empowerment: Definitions and importance to unit hotels

It was Lashley (1995a), in research undertaken on employee empowerment in hospitality services, that provides a framework for understanding organisational motives in selecting forms of empowerment. “Empowerment could be typified as being largely concerned with responsible autonomy. That is, it involved job holders being given autonomy to get on with their jobs without on-going close supervision” (Lashley 1995b, p32). Relating this to hotels, it is the provision of managers with a sense of ownership within their area. Mintzberg (1979) talks about selective horizontal and vertical decentralisation, where decisions should be made by managers, and non-managers, who have the necessary expertise.

According to Lashley (1995a) the benefit for organisations to empower managers in the hospitality field, is the gain of competitive advantage. This is further supported by Hubrecht and Teare (1993), who support the notion that empowerment can lead to improved service quality, and “enable employees to take responsibility for the service encounter and delight the customer” (Lashley 1995a, p27). Therefore within hotel operations, empowerment can be seen as a means to enhance customer service. Service quality is ultimately delivered by front-line employees, and the greater the responsibility given to such individuals the better the level of service delivered. Lashley (1995a, p27) suggests that
service quality can have negative connotations for "predictability and consistency, customers vary in their expectations and definitions of successful service encounters". Through empowering individuals, and developing a 'total quality culture', hospitality firms can get closer to their customers, engendering personal feelings of commitment to customer satisfaction. Lashley (1995a), basing his research on Watson (1986), concludes:

...empowerment is an employment strategy which represents a move in managerial perceptions from control to commitment ... employers are merely shifting the locus of control from one imposed externally on employees to one which generates internal self-control in each employee (Lashley 1995a, p28).

Empowerment is therefore giving managers and staff the responsibility, within a decentralised operation, responsibilities concerning control and commitment. The hospitality sector has been renowned for its hierarchical structure (Olsen 1989, 1991), and firms have used this approach to control employee performance. This allowed little scope for variation and innovation. As the sector undergoes radical change, (Eccles and Teare 1995), empowerment may bring the added incentive for employees, ensuring their business remains ahead of the competition.

Table 3.6 - The benefit of empowerment, and problems of disempowerment for the hotel sector

<table>
<thead>
<tr>
<th>Benefits of empowerment</th>
<th>Problems of disempowerment</th>
</tr>
</thead>
<tbody>
<tr>
<td>More responsive service</td>
<td>Limited authority to meet service needs</td>
</tr>
<tr>
<td>Complaints dealt with quickly</td>
<td>Complaints dealt slowly through senior management</td>
</tr>
<tr>
<td>Greater customer satisfaction</td>
<td>High costs in generating new customers</td>
</tr>
<tr>
<td>Well motivated staff</td>
<td>Low morale and poor motivation</td>
</tr>
<tr>
<td>Improved labour stability</td>
<td>High labour turnover</td>
</tr>
<tr>
<td>Increased productivity</td>
<td>Low productivity</td>
</tr>
<tr>
<td>Lower labour costs</td>
<td>Low wages but high labour costs</td>
</tr>
<tr>
<td>High quality</td>
<td>Low quality</td>
</tr>
<tr>
<td>High profits</td>
<td>Low profits</td>
</tr>
</tbody>
</table>

Table 3.6 summarises the benefits of empowerment to hotels, as well as makes reference to issues relating to a centralised business structure.

3.7.2 Levels and types of employee empowerment

Similar to work conducted by Mintzberg (1979) on the level of decentralisation within organisational structure, Lashley (1995a) developed a range of empowerment strategies that organisations can follow. It is through decentralisation, the shifting of power down the organisations hierarchy, that empowerment has evolved. Organisations now expect line managers to take charge of their unit, and it is research by Lashley (1995a) that sets forward the level of power that such firms can grant to employees. Empowerment through participation, involvement and commitment is outlined below:

**Empowerment through participation**

“When an organisation delegates to employees some of the decision making, which in a traditional organisation would be the domain of management, it can be said to be empowering through participation” (Lashley 1995a, p29). Empowerment through participation is a result of firms operating Mintzberg’s (1979), horizontal decentralisation. Professionals can work rather autonomously in large units, relatively free of control of line managers and in control of most of the decisions that affect their work directly. Lashley (1995a) continues to note that employees participate in identifying and satisfying customer needs, as is the case with Marriott Hotels (Hubrecht and Teare 1993). Marriott subscribe to the philosophy that all employees assume responsibility for the needs of guests.

**Empowerment through involvement**

“When the managerial concern is to gain from employees’ experiences, ideas and suggestions, the intention may be to empower employees through their
involvement in providing feedback, sharing information and making suggestions” (Lashley 1995a, p29). This results in a situation where managers continue to make business decisions, but look to employees to get involved, and help with the decision making process. Within hotels it is the front-line employees who have most communication with guests. According to Lashley (1995a), it is these employees who can add value to the organisation when discussing guest needs, as well, “the impact of company policies on service delivery” (Lashley 1995a, p29). For this to be effective, firms must operate Mintzberg’s (1979) ‘decentralisation’ typology. This is dictated by a reliance on the ‘standardisation of norms’ for coordination. As noted earlier, when an organisation socialises its members to believe in its strong ideology, it can then allow them considerable freedom to act, since they will operate in accordance with the prevailing business norms.

The result is the purest form of decentralisation, in one sense the most democratic form of structure. The intention of empowerment through involvement is to improve organisational effectiveness through enhanced communication. The old ‘them and us’ barriers are removed, and employees feel wanted as they are involved in decision-making and problem-solving processes.

**Empowerment through commitment**

“Empowering employees through greater commitment to the organisation’s goals, encourages employees to take more responsibility for their own performance and its improvement” (Lashley 1995a, p29). Ripley and Ripley (1995) note that employees who are committed to their workplace can benefit organisations through producing enhanced levels of service, which equally ensures satisfied customers and increased profits. To ensure employee commitment, organisations can adopt Mintzberg’s (1979) selective horizontal and vertical decentralisation structure. This structure encourages employees to work in small units and co-ordinate by mutual adjustment, which gives them a sense of power. The business will have a combination, in both cases selective, of
vertical decentralisation - delegation to work groups at different levels in the hierarchy - and horizontal decentralisation - a varying distribution of power within each group of managers and non-managers. In essence, the different decisions are controlled by whoever happens to have the necessary expertise.

In relation to the advantage employee commitment for organisations, Lashley (1995) concludes:

...greater commitment will result in the development of attitudes which are positive to the organisation - employee performance being more closely matched to organisational and customer needs - and more stability among the workforce (Lashley 1995a, p30).

3.7.3 Empowerment in unit hotels: Contextual considerations

Most of the literature relating to empowerment suggests the positive outcomes of such a strategy for firms. Particularly in the hotel sector, recent examples of Marriott Hotels empowering all employees for the benefit of customer service (Hubrecht and Teare 1993), and Hilton, including the ideas and experiences of employees in the managerial decision-making and problem-solving processes (Hirst 1992). Empowerment obviously has potential benefits for the hotel sector, (outlined above), but also has “a number of contextual considerations which are likely to shape managerial considerations” (Lashley 1995a, p30), of how to implement the process successfully. There are dedicated differences between a manufacturing product and a hotel (a service) and it is these differences that determine the contextual considerations, (Lashley 1995a):

- intangibility;
- standardisation (customisation);
- brand attributes.
Intangibility

Hotel firms are constantly trying to gain advantage through intangibles. The best source of advantage is enhanced customer service. There is a limit to the amount of power granted by hotel chains to front-line employees, due to traditional hierarchical hotel structures. Head-office has downsized, passing autonomy to the general manager. It is the amount of power that this individual grants to employees that ensures the level of advantage gained through superior customer service. In a centralised structure, employees will always be looking for permission to assist with customer needs. Hotels may require a mind-set change, away from product offering to service offering. More than ever guests are looking at service as a determinant to whether or not they will return (Eccles and Teare 1996).

Standardisation

The hotel sector is dependant on standardisation. Associated with brands and brand attributes, as well the tangible/intangible service mix; is the degree to which the hotel supplies the customer with a either a standardised product or service experience (Lashley 1995a). In this case, standardisation can also be classed as customisation, as it is the customer who has defined the brand standards. The organisation will then build their product/service offering around their needs and requirements.

Customers’ needs are increasingly difficult to predict, resulting in the level of power granted to managers and employees differing also. Lashley (1995a) makes reference to a fast-food operation basing their offering on a ‘highly-standardised formula’, and as a consequence, managers control the operation. There is little room for innovation, and employees are required to deliver the product according to the operations manual. The fast-food outlet is operating with a centralised structure (Mintzberg 1979). Power rests with the managers, where a dependence
on direct supervision for co-ordination means that each manager tightly controls those below. Overall, within this sector, “the key management task is to ensure delivery of the standard formula” (Lashley 1995a, p31).

According to Sternberg (1992), in other hospitality sectors the needs and requirements of customers are different. The standardised offering is not always acceptable, or even more difficult, customers’ needs are not always predictable. This requires employees to satisfy customers at the time of the service encounter. For this to be successful, empowerment is vital. Employees need to know that they have management and head-office backing in pursuit of going above and beyond their normal working practice. This will result in empowering employees to satisfy needs as they arise.

Sternberg (1992) continues to say that organisations must have a structure which allows employee freedom. Horizontal decentralisation (Mintzberg 1979), ‘to be free of control of line-managers and in control of most of the decisions that affect their work directly’, is that which is required. Similarly the culture of the organisation requires trust. The level of freedom granted to employees through a standardised/customised approach is also dependant on whether the firm is operating as a brand or independently (Lashley 1995a).

**Brand attributes**

According to Kleinwort Benson (1996), over a quarter of total UK-hotel roomstock is in the hands of quoted companies. It is these quoted companies that operate their services through brands, or a series of brands. According to Lashley (1995a), each brand represents a set of attributes with which customers identify product/service perception, and more importantly whether to repeat purchase. In other words brand attributes relate to service delivery, developed through operational intangibles (Lashley 1995a).
With empowerment, the issue is how much power rests with employees. The problem then with brands is how much discretion do employees have over brand standards. Customers select a particular brand for the attributes that make it up, and therefore would not be receiving the stay that had been anticipated, if management and employees of the unit were free to change elements of the offering. Lashley (1995a) refers to the nature of the brand and the degree of flexibility in its definition and interpretation, as ‘issues’. Similarly, the extent to which employees have discretion and autonomy to ensure alignment with customer needs is of great importance. “In some cases, the message will be to give customers what they want; in others it will be give them what they want within the limits of the brand” (Lashley 1995a, p30).

The level of empowerment passed to unit managers within a branded hotel outlet may differ to his/her independent counterpart. How much discretion should managers have to change brand attributes? How can head-office continuously determine their overall approach, “what is our business concerned with” (Tse and Olsen 1990, p17), if managers have discretion to change their branded operation. The literature can help to pose the notion, ‘are unit managers empowered to make decisions strategically about their operation, or is their level of power constrained within the limits of the brand?’. Before considering the outcomes to these issues, it is worth considering a conclusion proposed by Lashley (1995a):

> Ultimately, the success of a particular initiative which claims to empower employees will be judged by the extent to which it enables the empowered to feel personally effective, able to determine outcomes, and to have a degree of control over the significant aspects of their working life (Lashley 1995a, p32).

### 3.8 Decentralisation and empowerment: Impacts on unit managers work

Hales and Tamangani (1996) focused research on the relationship between structure, role expectations and manager’s work activities. Their study noted that
centralised organisations represented operating units which were tightly regulated, whilst decentralised organisations represented autonomy coupled with performance measures. Their study continued to show that decentralisation gave rise to a manager with more formal power and autonomy, a greater range of responsibilities and a broader view of performance, than that of a centralised unit. Of importance though was the amount of constraints that are lifted, post decentralisation. According to the authors, managers were no more free of these operational constraints than their counterparts in centralised business units. Similarly, emphasis was still placed on the day-to-day operational and administrative role, as well as mundane issues, such as staffing levels and routines.

In looking at role expectations of managers when operating under different structural conditions, Stewart et al (1994) conducted a comparative study of managers in the UK, against managers in Germany. As Germany strives for flatter, and more integrated structures than their industry equivalents in the UK, this in turn gives rise to less formalised role expectations, less budgetary control but more involvement in technical tasks. In reality, will the UK see a similar pattern emerging? Hales (1989, 1993) has undertaken much research into organisational structure, and despite the lack of evidence and theory between this variable and managerial work, “there are grounds for believing a priori that such a link exists” (Hales and Tamangani 1996, p735). With centralised organisations, managerial operating practices are governed by policies and regulations set by head-office personnel. The distinction is somewhat different for decentralised operations, where Hales and Tamangani (1996) suggest that managers are in control of their operating processes. However, this is usually supported through the imposition of control from head-office, either through recruitment (inputs) or business performance (outputs). Hales (1993) suggested that in decentralised organisations, “managerial jobs are more generalist and proactive, with greater emphasis on entrepreneurial, resource allocation, liaison and human resource management activities than those in centralised organisations” (Hales 1993,
p736). In review of all literature relating to structure and managerial activity, Hales and Tamangani (1996) define three central themes:

1. Devolution of operational decisions to unit level is often accompanied by tighter control over financial performance.
2. Decentralisation - freedom to succeed but not to fail.
3. Formal centralised regulation may be counter-balanced by informal local autonomy.

Overall, Hales and Tamangani (1996) explain that managers who are empowered to run their unit as a separate business entity, are governed through the imposition by head-office, of tight financial measures. Therefore, decisions taken must be in light of achieving financial results. Conversely, managers working in an environment of strict head-office control are usually empowered to make decisions at the local level. It is in this area that managers can look to gain competitive advantage, aligning the operation to fit local market conditions.

From the three central themes that Hales and Tamangani (1996) defined, in relation to structure and its impact on managerial activity, the authors researched the notions with four service organisations in Zimbabwe. Their decision to select both centralised and decentralised organisations was to explore the extent to which the work of unit managers was influenced by operations being controlled through head-office regulations. Similarly, the extent to which managers were left to their own discretion was explored. From this research, “two sets of findings indicate limits to the extent to which organisational structure, particularly the degree of decentralisation, impinged upon the way in which unit manager roles were defined” (Hales and Tamangani 1996, p743). In summary:

- Certain expectations were common to all managers - there was a strong expectation that unit managers would engage in staff administration (delegating, ensuring staff levels, allocating duties and supervising work).
• None of the unit managers acknowledged that the above activities were integral to what they should be doing.
• Managers were subject to relatively weak and only partly acknowledged expectations concerning general performance development (new business development).

Hales and Tamangani (1996) therefore concluded that even in organisations that support a decentralised structure, there was no significant expectation that unit managers were acting in an entrepreneurial and strategic manner. Rather, such individuals were acting as "organisationally constrained managers" (Hales and Tamangani 1996, p743). The authors continued to note that there was expectation that all managers would be involved in general administrative roles (conducting meetings and disseminating head-office information), as well, this administrative role was more strongly expected of such personnel.

Taken together, this evidence suggests that the organisations per se, regardless of their specific structural configuration or perceived mechanisms of control, constrained managers to work within predetermined systems, rather than leaving them free to act in more proactive, entrepreneurial ways (Hales and Tamangani 1996, p745).

In relation to hotel management, the influence of structure on unit managers' work has significant findings. Generally, in hotel organisations there is a strong expectation attached to completing an administrative role, in particular, problem solving; service quality, the issue of ensuring successful service delivery. However, Hales and Tamangani (1996) note that unit managers in all organisations have had roles primarily defined by head-office. "Greater operational autonomy for unit managers does not necessarily mean freedom from head-office expectations, but rather a change in the nature of those expectations" (Hales and Tamangani 1996, p746). Overall, unit managers of hotels, where much of their responsibility lies in the hands of regulations set by head-office, undertake work concentrating on maintaining the infrastructure and delivering
operational procedures. In comparison, managers whose responsibilities are broader in scope, ‘business responsibilities’, spend more time in looking at methods to improve performance. The role of the unit hotel manager can therefore be likened to that of a ‘gatekeeper’, essentially monitoring and regulating the operational systems and processes.

3.8.1 Empowerment in unit hotels: Managerial responsibility

In looking at the impact of head-office decentralisation for hotel firms, research has focused mainly on the work of Olsen (1989, 1991) and Schaffer (1984, 1986). Both authors believed that decentralisation would lead to a fully empowered hotel manager, undertaking strategic and tactical decisions. Schaffer focused specifically on Hyatt Hotels, to note that managers had full operational autonomy. More recently, Hales and Klidas (1997) undertook research to test whether the scope of unit manager empowerment in reality, was greater, due to decentralisation, than had previously been the case. The authors were looking at the link between empowerment, and its transfer of responsibility for decisions, or rather, empowerment results in the transfer of power to actually take decisions.

A limited amount of research has therefore been undertaken. In particular, frontline service employees (Ashness and Lashley 1995, Lashley 1994, Lashley 1995a, and Schlesinger and Heskett 1992). In relation to such employees, the literature shows that these individuals must be given support to act immediately to an issue raised by customers, be it in offering a solution or recovering the situation. To what extent therefore is empowerment used to assist customer satisfaction is challenged by Hales and Klidas (1997). Lashley (1995a) argues that employee satisfaction increases when the working practice offers greater skill variety, and the assistance of support to the overall business process. By encouraging people to go above and beyond their job description, Lashley (1995a) proposes that empowerment leads to improved organisational performance.
In review of literature, Hales and Klidas (1997) expressed belief that additional research was required, in particular what levels of responsibility were being given to unit managers. Research previously had considered the impact on front-line employees, where in reality this level of empowerment had actually been decided by the unit manager. Hales and Klidas (1997) were more interested in pursuing the level of empowerment that had been granted from head-office, and therefore challenge the comments of Olsen (1989, 1991) and Schaffer (1984, 1986), in that unit managers in the future would be undertaking an independent and autonomous role from central head-office. Hales and Klidas (1997), in particular were drawn to the question of whether or not empowerment represents change. Overall, this represents the extent to which managers have more power, or merely greater responsibility for making decisions. This also leads to the question of whether empowerment entails more employee ‘choice’ of how to conduct work, or ‘voice’ in the way decisions are taken.

Undertaking research in to the extent and nature of empowerment in ten five-star hotels in Amsterdam, Hales and Klidas (1997) were looking to discover whether empowerment provides choice in the implementation of decisions, or rather, managerial voice in implementing decisions from head-office. Their literature search had expressed the notion that empowerment provides employee choice, rather than substantial increases in employee ‘voice’. In review of their findings within the five-star hotel market of Amsterdam, employee ‘voice’ was only noted once. According to the authors, empowerment meant little more than increased employee responsibility for dealing with complaints. Empowerment, in general, simply provides relaxation of regulatory controls and increases in employee discretion (Hales and Klidas 1997). Their research was looking to conclude that empowered or otherwise, employees have, in terms of voice or choice, more power in the workplace than before. Has decentralisation led to an empowered manager?
Overall, the level of empowerment granted to unit hotel managers is still undecided. Managerial autonomy is limited in both scope and depth. Hales and Klidas (1997) make reference to managers having little discretion in the way they react to guest complaints/problems. They are confined to technical choices of how service might be offered or improved, and how service issues might be prevented. Similarly, the authors make reference to managerial autonomy being limited to the depth of responsibility granted. Their ten hotel managers in Amsterdam were responsible for handling guest problems without any transfer of control over the resources or information required, to ensure the problem is eradicated.

Of significant interest to this study is the notion that managers in hotels, supported through a decentralised structure, have in reality little or no greater power in the workplace than before (Hales and Klidas 1997). There are some additional margins of choice available, when taking decisions, but equally little substantial increase in employee voice. This raises the question of whether or not managers will have responsibility to adapt their operation to the needs of the external market, or will head-office state the business proposition and the unit manager is responsible implementation? Will unit managers be able to change their way of working, from operations-oriented to strategic-thinking?

3.9 Conclusion to the review of literature

The literature chapters have attempted to summarise the findings relating to alignment within the hotel sector, focusing attention on the need for an appropriate unit structure that adjusts to, and aligns with customers. The reason for change stems from head-office decentralisation, pushing operational autonomy to unit managers. One such change to their role is that of ensuring the unit is able to respond and adjust to external environmental conditions, particularly as competition increases.
Olsen (1989) explains that within hotel services, an actual product is never sold, rather a concept is offered for the payment of money. Managers and staff should therefore not have a dedicated operational approach to follow, rather determine their business according to guest requirements. This process of adjusting operations to ensure a customer-focused approach needs more commitment and encouragement from management than ever. The implication is that managers need to develop their individual hotel operation; where decisions regarding price, service levels and customer satisfaction can be considered in order to sustain competitive advantage. Units operating with a decentralised head-office structure require managers who are able to undertake strategic approaches rather than their daily operations-orientated role (Eccles and Teare 1995).

On the other hand, recent research from Hales and Tamangani (1996) and Hales and Klidas (1997), shows that the level of power granted to unit managers is not that which was originally sought (Olsen 1989, 1991). Hales and Tamangani (1996) concluded that even in organisations that support a decentralised structure, there was no significant expectation that unit managers were acting in an entrepreneurial and strategic manner. Rather, such individuals were acting as "organisationally constrained managers" (Hales and Tamangani 1996, p743).

Managers are therefore in control of their operating processes. However, this is usually supported through the imposition of control from head-office, either through recruitment (inputs) or business performance (outputs). Empowerment, in general, simply provides relaxation of regulatory controls and increases in employee discretion (Hales and Klidas 1997). Overall, the level of empowerment granted to unit hotel managers is still large. Managerial autonomy is limited in both scope and depth. Hales and Klidas (1997) make reference to managers having little discretion in the way they react to guest complaints/problems. They are confined to technical choices of how service might be offered or improved, and how service issues prevented.
Overall, the literature clearly states that the structure of hotels is changing. Olsen (1989, 1991) makes reference to unit managers having to become ‘strategic-thinkers’, where as Schaffer (1984, 1986), in research conducted in Hyatt Hotels notes that managers are being granted increased responsibility for the running of the operation. In looking for answers to why the industry may be changing, Miller (1989) talks first about hotels in the past thriving on a centralised approach. Pre-globalisation, decisions would be made by head-office, and then implemented back in the unit through direct supervision. Why then was there this move to decentralisation? As hotels began to operate across the globe, decentralisation allowed the organisation to respond quickly to local conditions, and serve as a stimulus for motivation, since people require freedom if they are to perform at full capacity. Hotel managers are operating as individual business units, reacting to local environmental forces. Such individuals know their marketplace, and understand their customers better, than those managers sat back in corporate head-offices. According to Mintzberg (1989), this particular level of decentralisation is referred to as selective decentralisation - the dispersal of power over one or a few kinds of decisions to the same place in the organisation. Decisions are therefore taken by the manager who happens to have the necessary expertise.

Empowerment and decentralisation has obvious potential benefits for the hotel sector (more responsive staff, greater customer satisfaction, increased productivity), but also has a number of contextual factors which are likely to shape managerial considerations. It is Lashley (1995a), Hales and Tamangani (1996) and Hales and Klidas (1997) who have most recently looked at managerial power within service firms, to consider whether or not managers have greater responsibility. In particular they note two areas of difference between a manufacturing product and services which can affect managerial roles.

The first consideration is standardisation. The hotel sector is dependant upon this variable, and will look to build their product/service offering around guests
needs’ and requirements. Therefore, managers control the operation, there is little room for innovation and employees are required to deliver the product according to the operations manual. Within this sector, “the key management task is to ensure delivery of the standard formula” (Lashley 1995a, p31). The second consideration is brand attributes. How much discretion do managers have? Overall, customers select a hotel for the brand as they are familiar with the offer.

It is from these two differences that Hales and Klidas (1997) make reference to managers in hotels, supported through a decentralised structure, having little or no greater power in the workplace than before. There are some additional margins of choice available when taking decisions, but equally little substantial increase in employee voice. Have hotel managers been granted extra responsibility, or are they purely responsible for the implementation of decisions set by head-office?

It is this notion that will be addressed through answering the research questions, as well as helping to inform the study of whether or not managers are able to change their way of working from operations-orientated to strategic-thinking. Is their managerial role defined, or do they have flexibility in responding to the local, external environment?

3.10 Research questions

1. The correlation between strategic thinking and unit enhancement is positively related to alignment?

The first question reflects literature relating to the process of alignment, in particular the successful fit between unit operations and guest requirements. Research studies note that unit hotel managers in the future may be required to operate differently; analysing, choosing and implementing operational decisions that ensure success. This correlation between the strategic approach taken by
managers and its impact on unit enhancement; requires successful alignment of internal operations with external environmental issues.

2. The adjustment of unit operations is positively related to guest requirements?
The second question considers the notion that in adjusting unit hotel operations, managers and staff need to ensure that such change is accomplished in the context of guest requirements. In literature proposed by Schaffer (1984 and 1986), the author considers the importance of structural change for hotels. Increasingly, adjustment needs to be considered in the light of aligning internal capabilities with the external environment (Olsen 1991). The question also considers the notion that unit hotels in the future will be required to adopt a customer-focused approach. Hotels will increasingly consolidate, leading to greater competitiveness between major players. To be successful units are required to adjust their operation to ensure guest needs and expectations are met.

The next chapter determines the methodological approach taken to best address the research questions. The first area highlights the proposed method, qualitative, drawing on previous studies which have considered interviews and observation as a means of collecting research data. The second aspect of the chapter examines the means by which value can be added to existing research and theory. Two studies undertaken in the UK are considered. Finally, research design reviews the sampling methods used, and explains each phase of data collection.
Chapter 4 - Methodology
4.1 Introduction

The previous chapter summarised the literature relating to unit hotels' organisational structure, and the levels of responsiveness in adjusting operations to meet customer needs. Second, a review of the new role to be played by unit managers was considered, in the light of head office decentralisation, and the requirement for such individuals to operate within a strategic-context. In particular, managers focusing attention on a customer-focused approach.

Unit hotels are the locus of the study, requiring managers and staff to look closely at their present operation, in anticipation of adjusting their working practice to reflect the needs of guests. Managers are being encouraged to look for new initiatives that may bring success to the business, as long as such ideas fit within the corporate brand determined by head-office. The basis of a unit hotel, defined by Nebel and Schaffer (1992) is that where the manager is in control of incidents that may influence or effect unit operations. Phillips (1995) helped to explain the advantages of undertaking a study in unit hotels. First, the researcher can review more easily the current strategic position of the business, explaining the level of responsibility and autonomy being passed from head-office. Second, research at the unit hotel level identifies strategic opportunities, threats as well as constraints that such properties may face. Overall the researcher is able to gather information on operational issues more easily from hotel employees, than that which would have been possible by talking to head office personnel.

4.2 Theoretical framework: a qualitative approach

In the context of the aim of the study, 'to determine how unit managers and staff can be more pro-active in adjusting their internal operations, to ensure alignment with external needs', a qualitative methodological approach was adopted for the following reasons :-
1. Data collection techniques of participant observation and in-depth interviews allowed the researcher to determine the internal operations of the unit hotels selected, and more specifically, the constraints that impede the effectiveness of service delivery.

The first research question, 'the correlation between strategic thinking and unit enhancement being positively related to alignment', requires careful consideration of the complexity of unit inter-relations. When looking to enhance their operation managers need to be made aware of problematic issues, thus implementing decisions which are seen to bridge the gap between 'what is presently offered', and 'what changes need to be made'.

2. The use of the critical incident technique and focus group interviews allowed the researcher to consider the views expressed by external parties, specifically in determining needs and requirements. This is achieved through reviewing service incidents, as noted to staff members by guests, who described such practise as unsatisfactory. Overall, guests felt so disappointed with the situation that they voiced their concern to a member of the hotel staff.

The second research question considers the notion, 'the adjustment of unit operations being positively related to guest requirements'. Therefore, hotels change the business operation so as to align with the external market. The critical incident technique helps to provide such information, and the focus group interviews, 'best practice solutions' that ensure alignment.

The benefit of a qualitative approach is to capture, through interviews and observation, operational constraints that impact on unit hotels' effectiveness, and then define solutions to such incidents. This approach arises from recommendations made in prior work (Wang 1993 and Phillips 1995), where all previous studies had considered alignment as a means to increase performance, and not consider service enhancement.
In undertaking a qualitative approach, two fundamental objectives were proposed. First, the study would seek to explore ways of optimising unit capabilities, through the appropriate matching of internal capabilities with external customer needs. This would also help to provide enhanced levels of service delivery. Second, to draw on prior work and explore the relevance/fit of the alignment process in the UK hotel sector.

The work of Wang (1993) and Phillips (1995) conducted in the UK hotel sector concluded that further research was required in the field of aligning business operations with markets, but instead of a purely quantitative approach which both authors had followed, a better understanding of causal connections and implications needed to be defined. This would need to include a review of the unit hotels’ internal operations; defined as future decisions to be taken and appropriate structures required; and the external environment, in determining guest needs. Patton (1990) suggested that qualitative methods were originally used in market research, to explore consumer motivations as well as to talk to people about their experiences and perceptions. As this study was looking to determine ideal operational procedures required, in ensuring customer needs and expectations are met, a qualitative approach was considered. As explained by Wang (1993) and Phillips (1995), research would need access to hotel managers, to observe the role they take and the constraints that impinge on their jobs.

Quantitative methods, on the other hand require the use of standardised measures. The varying perspectives and experiences of people can only fit into a limited number of predetermined response categories. Within Wang’s (1993) study, the author used a mail-shot questionnaire to test whether managers were aligned with their customers, and in doing so gave the respondent pre-determined answers to chose from. In essence, customer expectations were never considered. As this study is looking to adjust operations to ensure unit and customer align, qualitative methods would typically provide a wealth of information about a smaller number of people and cases, and reduce overall generalisations (Patton 1990).
4.2.1 Qualitative versus quantitative - the debate

In writings undertaken by Patton (1990), the author notes qualitative methods consisting of three kinds of data collection; (1) in-depth interviews, (2) direct observation and (3) written documents. Data from such interviews consists of direct quotations from people about their own experiences, opinions, feeling and knowledge; whilst through methods of observation, data collection consists of detailed descriptions of people's activities, behaviour and actions. The benefit of qualitative research therefore is that a full range of interpersonal interactions (part of the observable human experience) are gained. (Patton 1990). Noting the difference between the two research approaches taken, qualitative and quantitative, Patton (1990) observes that qualitative methods permit:

...the evaluator to study selected issues in depth and detail, approaching fieldwork without being constrained by predetermined categories of analysis contributes to the depth, openness and detail of qualitative inquiry (Patton 1990, p10).

Easterby-Smith et al. (1993) define the qualitative approach as applied research, where the purpose is to inform action, enhance decision making and apply knowledge to solve human and societal problems. According to the Research and Development sub-committee (1979), who identify appropriate uses for qualitative data, their statements below have theoretical significance to the approach taken:

1. Qualitative methods help gather information about the characteristics of a changing, new or unfamiliar market. The nature of this information requires exploration and discovery using personal interview methods.
2. Qualitative methods are appropriate for gathering information which is too subtle and too complex to be tailored to the structured, standardised techniques of quantitative research.
To summarise, the use of qualitative research offered several advantages. First, it helps to explore the internal issues facing managers and staff in their daily roles, which need to be considered when looking for solutions to operational issues. Second, the approach facilitated closer and more detailed observations of defined areas under study. Diesing (1972) concludes that theoretical concepts are more realistic if they are derived from observation rather than abstraction. Further, through the techniques of non-participant observation and in-depth interviews, the fieldwork was undertaken without being constrained by pre-determined categories of analysis, which according to Patton (1990):

...contributes to the depth and detail of qualitative inquiry (Patton 1990, p11).

When analysing the limitations of previous studies, all such material made reference to the poor use of qualitative methods, in particular a lack of research into factors relating to how unit managers make decisions, or consideration for variables like job satisfaction and internal human resource issues (Wang 1993 and Phillips 1995). Therefore, the approach taken ensured unit managers and staff were interviewed and observed, suggesting appropriate adjustments required to align the business with the external market.

This first phase of the methodology chapter has explained that the study took place within unit hotels, in order to receive as much information as possible regarding unit constraints and guest service incidents. The method proposed was qualitative in nature, using interviews and observation with staff members to collect the relevant information. Data collection concerning service incidents would not have been possible by targeting head office personnel, as such individuals would not be familiar with localised unit issues.

Moving forward from the qualitative method proposed, the next section of the chapter reviews previous research undertaken (Wang 1993 and Phillips 1995).
4.3 Rationale for the qualitative approach taken

The two such studies (Wang 1993 and Phillips 1995) concentrated solely on a quantitative paradigm, collecting data through mail-shot questionnaires and using the rejection of hypotheses to show whether such variables constitute dependence on each other. In part, these limitations give rise to the need for a qualitative approach, to review the internal causes of failure in matching unit operations with external customer needs.

The first study, undertaken by Wang (1993) was concerned with UK hotel sector environments, business strategy and unit structure; and through alignment how performance levels improve. Phillips (1995) viewed alignment as a process whereby improvement in performance is the anticipated goal. He concentrated on the need for a planning system that encourages managers to successfully adopt the alignment process.

A review of Wang’s (1993) work

Wang (1993) investigated whether or not a significant difference exists in the performance of hotel firms classified according to an environment-business fit. In undertaking the study, the author selected a number of hotel companies where a questionnaire was sent to each hotel manager. He draws his sample from units, consortia and private individuals. Wang (1993) noted this as being a limiting factor in the drawing of conclusions, as each sector (unit hotels, consortia and individuals), has different goals and customer expectations. For instance, small individual hotels have particular target markets where customer needs and expectations are known, whilst multi-unit operators are targeting greater diversity in terms of customer needs and wishes.

Based on Wang’s (1993) empirical literature findings, the following hypothesis was stated, in the null form:
There will be no significant difference in the performance of hotel firms classified according to the environment-strategy-structure fit (Wang 1993, p41).

Therefore, if it is found that the environment-strategy-structure fit does not impact on the performance of firms in the UK hotel sector then the null hypothesis will be accepted. Therefore, a fit or interaction among environment, strategy and organisational structure does not have to occur for hotel firms to perform better (Wang 1993). In testing the hypothesis, the first stage entailed using principal components of factor analysis. This enabled the transformation of variables into a number of composite and substantially uncorrelated variables that are more easily interpreted. In the second stage, multiple discriminant analysis was used to test whether you can discriminate against high and low performance hotel firms using environmental, strategic and structural dimensions.

Wang (1993) concluded that there is a significant effect of the environment-strategy-structure fit on performance, both for ‘return on capital employed’ and ‘return on assets’, but not in ‘sales growth’. The results of the hypothesis testing show performance improvements, but evidence from research to date does not appear to suggest that neither environment, strategy, nor organisational structure acting alone is sufficient to explain differences in performance.

When analysing the limitations of Wang’s (1993) study, the research is instantly drawn to the quantitative approach taken, and the targeting of general managers and executives. In undertaking a study to show the performance implications arising from alignment, in particular when working with the variable ‘structure’, better appreciation of how the unit operates is required. This can help to define the changes that may need to be made. As well, in targeting senior personnel through a mail-shot questionnaire, the researcher is not getting the full picture of how the unit operates.
A second limitation of Wang’s (1993) study is also apparent when considering the external environmental issues, in particular customers. Overall, Wang (1993) made no attempt to consider their needs and requirements, rather managers were asked to complete a questionnaire concerning guests thoughts. When seeking a better understanding of unit effectiveness, findings can only be truly representative if customer comments are noted, enabling conclusions to be drawn on the manner in which their needs and expectations have been met.

A review of Phillips’ (1995) work

The second major study conducted in the UK hotel sector, reviewed alignment as the variable for enhanced performance, and was undertaken by Phillips (1995), to review the strategy-planning phenomenon. On the basis of arguments advanced from the literature, a multi-dimensional contingency model was proposed, to consist of strategy, planning system characteristics, environmental issues and business performance. The findings were again tested through the development of hypotheses.

Similar to the approach taken by Wang (1993), Phillips’ (1995) collected data through mail-shot questionnaires. Concentrating solely on mail-shots, the sample of hotels was drawn from a list of publicly-quoted operators, where each general manager was contacted. In devising the study, Phillips (1995) became interested in examining not only the individual effects of strategic orientation and the design characteristics of the strategic planning system on business performance, but also their combined additive effect. It was from these links that the hypotheses, in the null form, were devised:-

- There is no difference in the performance of hotels classified according to their strategy type.
- There is no difference in the performance of hotels classified according to their competitive strategy.
In hotels with developed strategic planning systems, there is no difference in performance between firms with different strategic orientation.

These hypotheses were tested through one-way analysis of variance, and noted the following. First, there is no significant relationship between the hotel’s strategic orientation and overall performance, and second, there is a significant relationship between the hotel’s competitive strategy and overall performance. Phillips (1995) concludes that strategic decisions are more important for firms in their strive to optimise performance, than changes in orientation.

The main limitation from Phillips’ (1995) work concerned lack of unit response as people did not respond to the questionnaire, therefore no follow-up or in-depth interviews were conducted. Also, the study had limited knowledge of how hotels operate, a concern when looking to develop a model which proposes strategic and structural characteristics. The author was attempting to devise a system which contained elements of ‘how to operate’, when in fact no research had actually been conducted inside the organisation. From postal-questionnaires, Phillips was relying on participants to provide their own views on operational activities, and unit performance. Such self-report data from postal questionnaires is susceptible to perceptual or attitudinal bias, or even lack of knowledge, reducing the reliability and validity of data.

Table 4.1 - Limitations arising from studies concerning alignment

<table>
<thead>
<tr>
<th>Limitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Hotels selected from different sector approaches; multi unit hotels, hotel consortia and individual properties.</td>
</tr>
<tr>
<td>• Data susceptible to perceptual or attitudinal bias, due to the questionnaire being completed solely by the hotel manager.</td>
</tr>
<tr>
<td>• Lack of questionnaire response, and thus no follow-up in-depth interviews.</td>
</tr>
<tr>
<td>• Lack of inside knowledge of how the units operate.</td>
</tr>
<tr>
<td>• No interaction with customers.</td>
</tr>
</tbody>
</table>

Table 4.1 summarises the limitations arising from studies undertaken by Wang (1993) and Phillips (1995). From both research studies, each of the authors had recommendations for future work, and it is from these that the study in question developed. In looking to optimise unit operations through alignment of internal capabilities and external considerations, a qualitative approach is required, whereby managers and staff are interviewed/observed, to gain knowledge of existing internal issues. Also, factors which relate to how decisions are taken within units, as well variables such as job satisfaction and internal human resource issues, should be of benefit to overall conclusions.

In helping to define the appropriate methodological approach, consideration of Wang’s (1993) implications are noted. Future researchers might extend their studies to use more refined and measurable taxonomies to overcome problems and limitations. From this, a better understanding of causal connections and performance implications can be defined, i.e. relationships between internal unit capabilities and the external customer.

Table 4.2 - Recommendations for future studies

| ⇒ To use more refined and measurable taxonomies to overcome limitations. |
| ⇒ A better understanding of causal connections and performance implications need to be defined. |
| ⇒ The collection of objective data than that which is contained in archival or financial records. |
| ⇒ To include factors which relate to how decisions are taken within the unit, as well considering outcome variables like job satisfaction and internal human resource issues. |


The above, Table 4.2 outlines Wang (1993) and Phillips’ (1995) recommendations for future research.
4.4 Research design

This section first reviews the sampling process used, and a description of the hotels selected. The three phases of data collection are then considered, highlighting the qualitative methods used in gathering the relevant information. It is this method that helps to support the research questions, allowing the study to look beyond the operational role of general managers, in the light of suggesting optimal unit adjustments that ensure service enhancement.

4.4.1 Sampling procedure

According to Patton (1990), the sampling procedure captures very well the difference between quantitative and qualitative methods. Qualitative inquiry typically focuses in-depth on relatively small samples, selected purposefully. Quantitative methods on the other hand depend on larger samples selected at random. Not only are the techniques for sampling different, but the very logic of each approach is unique because the purpose of each strategy is different.

Within a quantitative methodological approach, probability sampling is used to select a truly random and statistically representative sample that permits generalisations from the sample to a larger population. This was the method used by Wang (1993), who sent mail-shot questionnaires to over 200 hotel general managers, as well as Phillips (1995) who conducted a similar approach but to fewer individuals. Easterby-Smith et al. (1993) explain that research conducted by means of a qualitative approach attempts to select samples based on a given purpose, whilst Patton (1990, p169) praises the logic and power of purposeful sampling to select "information-rich cases for study in depth".

Data collection therefore took place within Forte Hotel's London Region, using three of their London properties as a representative sample. In selecting these properties, the sampling method used was that of 'convenience sampling' (Pizam
1994). The convenience element to the study was London, due to elements of cost as well as being granted access to undertake such an approach. Therefore the researcher chose the closest units as respondents, but ensured that the selection incorporated a range of different standards and customer service expectations. According to Patton (1990), convenience sampling is viewed as being one of sixteen sampling strategies that can be adopted when using purposeful sampling, and probably the most common sampling strategy.

The hotels were chosen for two differing, but equally important reasons. First, through the hotel star system that measures standards and is a means by which guests’ perceptions are established, a three star, a four star and a five star hotel were chosen. This allowed the study to draw conclusions on the UK hotel market as such standards are awarded for service and quality. Hoteliers have procedures and obligations to meet. Second, Forte London region has two branded operations; Posthouse and Le Meridien as well as a collection of un-branded properties which trade under the name Forte Signature Hotels. Therefore a hotel was selected from each operation, enabling representative conclusions to be returned to Forte.

Hotel A

Hotel A is a three star city-centre leisure hotel, branded as Forte Posthouse. This brand has a further two hotels in central London, as well 140 Posthouse hotels across the UK provinces. The brand was developed in 1992, under the remit that all hotels offer similar services, from dining concepts through to leisure facilities. Competition to Posthouse can be seen as coming from Novotel and Holiday Inn.
Hotel B

Hotel B is a four star business/leisure hotel, again centrally located in London. The mix of guests reflects the changing concept within the unit, business during the week and leisure guests at the weekend. The hotel does not belong to a particular brand, but operates under the Forte Hotels umbrella, having a free role in deciding operational routes to follow. Competition to this individual property is from both London as well as UK establishments, where such hotel chains as Marriott, DeVere and Swallow International. All such companies have a split in their guest portfolio, between business mid-week and leisure at the weekend.

Hotel C

Hotel C is a five star, Le Meridien property (brand name). The hotel is one of two Meridien properties in London, which is further supported by 90 hotels across the world. This particular unit is one of Forte’s flag-ship hotels in London. Their client base is once again a strong mix of both business/leisure guests. Competition mainly comes from the United States business traveller hotels; Hilton International, Sheraton, Hyatt, Marriott and Inter-Continental. Of the three hotels selected, Hotel C can be described as being the closest unit to its competitors in regards to products and services offered, as much work has been undertaken to offer the ‘ideal’ product for the business traveller.

Sample size

Patton (1990, p184) observes that “there are no rules for sample size in qualitative inquiry”, instead sample size depends on what you want to know, the purpose of the inquiry. As this study was attempting to propose that unit managers and staff adjust their operation according to market demands, in-depth information was required, specifically in areas of operational constraints. The sample size selected was three hotels, representing the three, four and five star
market of hotels. Patton (1990) states that information from a small sample can be very valuable, especially if these cases are information-rich. Taking into consideration the notion defined above by Patton (1990), in the light of ensuring in-depth information, the study targeted four layers of hotel staff, within each of the three hotels:-

- unit manager (general manager) - the person in charge of the overall operation.
- departmental manager - an appointed manager of a hotel department.
- line managers - a manager of a particular unit outlet.
- operatives - staff members involved in the running of departmental operations.

With departmental managers, five operational departments were contacted; food and beverage, front office, housekeeping, conference and banqueting and personnel and training. These departments were chosen as they represent the senior team within hotels. They are directly responsible for reporting decisions and issues relevant to their operation through to the unit manager. The reason for selecting line managers is that their role is one of a supervisory nature, helping operative staff members to fulfil their roles. They are also required to ensure that their outlet performance is reported directly through to their departmental head. Operatives were those staff members working in the same or different departments.

In review, forty-eight people were selected for assistance with data collection, through a combination of interviews and observations. Of the 48 people selected, the numbers of individuals per hotel totalled 16, and included the following :-

1 unit manager;
5 departmental managers;
5 line managers (one line manager from each department);
5 operatives (one operative from each department).
4.4.2 Data collection - stage 1

Stage one of the research was referred to as the exploratory stage, where the researcher spent two weeks in each of the properties shadowing the departmental managers and general manager. The basis of this was to ensure that the researcher became familiar with the unit, as the individual had neither worked or stayed in the hotels prior to the research being undertaken.

The method used was participant observation, shadowing departmental managers around their unit operation. This allowed the researcher to understand the service issues as expressed by guests, as well as witness the physical problems with certain aspects of the hotels infrastructure. This notion of shadowing is similar to the classification of ‘observation alone’, as defined by Easterby-Smith et al. (1993). With observation alone the researcher avoids sustained operational interaction with those under study. Other than following the individual through their operation, the researcher at no time made an attempt, or was offered the opportunity to become an employee. According to Easterby-Smith et al. a neutral stance is important and “such a technique gives an extremely accurate picture of what takes place and how long they take, even if they fall short of giving a full account of why things are happening” (Easterby-Smith et al. 1993, p100).

During this stage, participant observation facilitated a better understanding of the complexities of the situation, as in-depth interviews allow the researcher to collect ‘what people say’, but observation helps explain ‘what people do’. According to Patton (1990), participant observation enables the researcher to understand a programme to an extent not entirely possible when using insights only obtained through interviews, whilst Becker and Geer (1970) note that in the conduct of social science research, participant observation is the most comprehensive of all research strategies. Data collected through participant observation permits the researcher to understand a programme better than when only using insights of others through interviews.
4.4.3 Data collection - stage 2

Moving from the exploratory stage, the research attempted to determine the operational constraints that impact on the successful delivery of customer service. In addressing this, the researcher conducted in-depth interviews with the unit manager, and five departmental managers (food and beverage, front office, housekeeping, conference and banqueting and personnel and training). These constraints will cause difficulty to units when looking to enhance service delivery, thus the interview approach was used to define precisely such issues.

Through interviews, the research sought to consider operational constraints that staff define as being an issue. Thus, detail-oriented probes, the basic ‘who’, ‘what’, ‘where’, ‘when’ and ‘how’ were used to obtain a complete and detailed picture of the incident, or the experience of an incident as informed to the staff member. Techniques of probing also ensure ideal solutions are offered by departmental managers, reducing levels of negativity as expressed by staff who are unable to eradicate the issues. According to Easterby-Smith et al. (1993) "probes are used to deepen the response to a question, to increase the richness of the data being obtained, and to give cues to the interviewee about the level of response that is desired" (Easterby-Smith et al. 1993, p324).

According to Patton (1990), “the purpose of open-ended interviewing is not to put things in someone’s mind but to access the perspective of the person being interviewed” (Patton 1990, p278). The question asked by the researcher should be completely open in nature, allowing employees to express freely any issues that they see as being of unit concern. In further definitions of interviewing, Burgess (1982) notes that “the interview is an opportunity for the researcher to uncover new clues, open up new dimensions of a problem and to secure vivid, accurate inclusive accounts that are based on personal experience” (Burgess 1982, p107). Thus, through qualitative interviewing you interview people to find out what you cannot directly observe.
The overall interviewing approach taken then within the study was open-ended, in particular the standardised open-ended interviewing technique (Patton 1990). Here questions are carefully worded/arranged with the intent of taking each respondent through the same sequence and asking each respondent the same questions, minimising variation in the questions posed. All of the unit managers and senior team from the three hotels undertook interviews, where according to Patton (1990):

...as respondents answer the same questions the comparability of responses is made easier as well reducing interviewer effects and bias (Patton 1990, p281).

Interviewing through open-ended questions, according to Easterby-Smith et al. (1993) allows findings to be of greater depth, better informed and variable in their content, compared to that which would arise from a quantitative approach. These open-ended results allowed the researcher to see the whole picture as if they were a respondent, as well as to capture views of people without pre­determining their thoughts through prior selection of questionnaire categories. Also, interviews with the unit manager and senior team reduced the possibility of bias, that could arise from having different interviews with these individuals.

4.4.4 Data collection - stage 3

From the comment from Easterby-Smith et al. (1993) that ‘observation alone’ does not give the research a full account of what is happening, a third method of research was brought to the study. This was to determine critical service incidents that cause guests to feel dissatisfied. It is then from these incidents that best practice operational solutions can be applied.

In anticipation of collecting such incidents, unit teams consisting of line managers and operatives were set up, as well as individual meetings with the unit manager and senior team, to discuss service issues. The method proposed was the
critical incident technique, allowing staff members to express service issues as voiced by customers, and then propose ideal solutions that enable the incident to be eradicated from future operations. The individuals who took part in the critical incident technique filled in an appropriate incident collection form (Appendix III), which when completed was returned to the researcher. With unit managers and departmental managers this form was completed in an interview setting with the researcher present, whilst with line managers and operatives, the form was completed within a group setting.

**Contrasting incidents from the different levels of unit hierarchy**

In determining critical incidents according to the level of responsibility held within the unit, the research is able to demonstrate to hotels a requirement to consider input from all staff members, when looking to enhance operations. Overall, the critical service incidents expressed by unit managers should be of higher consequence, and be of greater concern to the unit than those issues described by chambermaids. In reality though, when looking to align operations with guest requirements, both concerns need equal consideration. All incidents that cause guests to note dissatisfaction need to be brought to the attention of the unit manager.

**Incidents defined by the unit manager and senior team - through in-depth interviews**

When determining critical incidents (those incidents that affect service delivery), as defined by the unit manager and senior team, interviews were conducted with such individuals. In relation to the senior team, this included; food and beverage, front office, housekeeping, conference and banqueting and the personnel and training department. In response to the incidents given the researcher attempted, through methods of probing, to determine the ideal solution to the defined problem. The incidents were then classified by department, as each manager was
recounting incidents that were critical to their operation rather than the overall unit. The exception here was that of the unit manager, as the individual was defining incidents that have impact on the whole business operation.

Incidents defined by line managers and operatives - through focus group interviews

Determining critical incidents as defined by line managers and unit operatives, a group of individuals were invited to form a small-working party that discussed, within a group setting, incidents and their solutions. The use of focus group interviews was not feasible with the unit manager and senior team, as it would be difficult to take out such leading unit personnel for long periods of time. According to Patton (1990), focus group interviews are indeed interviews, and not discussions, and are a highly efficient qualitative data collection technique. Using a relatively homogeneous group of people, such participants get to hear each others responses and to make additional comments beyond their own original responses as they hear what other people have to say.

Focus group interviews can also provide quality controls on data collection, in that the participants provide checks and balances on each other that weed out false or extreme views. According to Patton (1990, p336) “the group’s dynamics typically contribute to focusing on the most important topics and issues”. Thus, the working party that was set up consisted of ten staff members per hotel, one line manager from each of the five departments selected, as well one operative from each department. The meeting was set up to discuss incidents that had arisen, and then collectively discuss solutions. The benefit of staff working together was to help in the determination of solutions, bringing new ideas and perspectives from staff members who were unfamiliar with the workings of all departments.
Therefore the methodological approach taken, the critical incident technique was first developed by Flanagan (1954), who set out to identify critical requirements in job performance through teasing out information which was not readily expressed. Flanagan defines the critical incident technique:

...as a set of procedures for collecting direct observations of human behaviour in such a way as to facilitate their potential usefulness in solving practical problems (Flanagan 1954, p327).

According to Easterby-Smith et al. (1993), ‘by incident’, Flanagan meant any “observable human activity that is sufficiently complete in itself to permit inference or prediction to be made about the person performing the act” (Easterby-Smith et al. 1993, p83). Thus, to be critical the incident must occur in a situation where the purpose or intent of the act is clear to the observer. In his writings, Flanagan (1954) describes the technique as being very objective, claiming its value as being able to bridge the gap between the observation and recording and interpretation of the reasons behind the action. The method therefore has been used in a wide array of studies, including management, (White and Locke 1981), human resources (Hough 1984, Latham and Saari 1984, Latham and Saari 1980 and Pursell et al. 1980), hospitality (Gamble et al. 1994 and Lockwood 1992) and education (Copas 1984 and Cotterell 1982). This technique works via collecting defined observations, and then classifying these in such a way to make them useful in addressing problems (Lockwood 1994).

Categorising the incidents

After collecting service issues relating to guest dissatisfaction, the defined incidents were then placed into categories, so that all separate but similar concerns are placed under the same heading. The list of categories was taken from the customer services department within Forte Hotels. The categories relate
to operational areas of the hotel, and a complete list of the categories is presented at appendix IV.

4.5 Methodological triangulation

Reviewing the qualitative methods used to collect data; participant observation, in-depth interviews, the critical incident technique and focus group interviews, the study was attempting to increase the overall reliability and validity of such information through a triangular methodological approach. Patton (1990) notes that an important way to strengthen a study is through triangulation, “or the combination of methodologies in the study of the same phenomena or programs” (Patton 1990, p187). Denzin (1978), also considered the advantages to be gained for a researcher who uses multiple methods to study a single problem:

...no single method ever adequately solves the problem of rival causal factors... Because each method reveals different aspects of empirical reality, multiple methods of observation must be employed. This is termed triangulation (Denzin, 1978, p28).

Overall, “combinations of interviewing, observation and document analysis are expected in social science fieldwork” (Patton 1990, p187). Studies that rely on one method are more vulnerable to errors linked to that method (loaded questions or/and biased responses), than studies that use multiple methods in which different types of data provide cross-check analysis. (Patton 1990).

In conclusion the choice of methods used in managerial research should ensure that a clear message can be discerned and that all researchers strive for validity and reliability in their work (Patton 1990). This study was grounded in a qualitative nature, where data was collected through in-depth interviewing, observation and the critical incident technique. Due to this, discussion focusing upon practicability and sustaining the co-operation of respondents became less of
an issue, as methodologies which allow the respondent to reflect their own views are likely to be more acceptable in their application.

4.6 Data analysis

After collecting the data through the methodological approached described below, the research then was concerned with analysing such data. According to Patton (1990):

The purpose of qualitative inquiry is to produce findings. The process of data collection is not an end in itself. The culminating activities of qualitative inquiry are analysis, interpretation and presentation of findings” (Patton 1990, p371).

The challenge for the researcher is to make sense of massive amounts of data, identify significant patterns, and communicate the essence of what the data reveals. Due to the large number of interviews undertaken and observations made, the case study method was used to analyse such data. According to Patton (1990, p384), “this method involves organising the data by specific cases, providing information for further inductive analysis”.

From research conducted by Denzin (1989), the author notes that the purpose of classifying qualitative data for case analysis is to facilitate the search for patterns and themes within a particular setting or across cases, whilst Patton (1990) explains the purpose of the approach “as gathering comprehensive, systematic and in-depth information about each case of interest” (Patton 1990, p384).

Analysing observational data

With the first stage of data collection, the researcher was looking for operational constraints that impact on delivering guests needs and expectations. During the
analysis of data, the following strategies were employed, helping to define the most important issues from staff observations:

Table 4.3 Strategies used for analysing observational data

<table>
<thead>
<tr>
<th>Options</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chronology</td>
<td>Described what was observed over time, to help tell the story from beginning to end.</td>
</tr>
<tr>
<td>Key events</td>
<td>To present the critical constraints, as told by departmental managers, and unit manager.</td>
</tr>
<tr>
<td>People</td>
<td>As individual staff members and unit hotels are the primary units of analysis, so the case studies focus on these elements.</td>
</tr>
<tr>
<td>Issues</td>
<td>The observations are pulled together to illuminate the key issues, which can then be used as a means for cross-case analysis.</td>
</tr>
</tbody>
</table>

Table 4.3 explains the strategies used for analysing the observational data, collected during stage one of the research study.

Analysing interview data

The second stage of the study consisted of the researcher questioning the unit manager and departmental managers, through in-depth interviews, to define constraints with their particular operation. Such concerns are those which cause guests to complain. Therefore, the research was interested in determining whether such problems were infrastructural, or issues relating to poor service delivery.

In research conducted by Patton (1990), when analysing interviews the first decision to be made is whether or not to begin with case analysis or cross-case analysis. When beginning with case analysis, the researcher writes a case study for each unit used; whilst when beginning with cross-case analysis, the study groups together answers from different units to common questions or
perspectives on central issues. As a standardised open-ended interview approach was taken, it is appropriate to begin with individual case studies, where variations in individual units are the primary focus. In undertaking this approach, Patton (1990) notes that the researcher has to write a case analysis using all the data from each unit, before considering cross-case analysis. Within the study each hotel is analysed separately, according to the service standard and client base that the hotel relates to. From this, cross-case analysis can then be undertaken, to determine common constraints and issues that affect all the sampled hotels.

Analysing critical incident technique data

The incident technique was used to determine specific critical service issues, relating to incidents expressed by guests but re-told by staff members. All of the individuals who took part in the critical incident technique filled in an appropriate incident collection form, which once completed was returned to the researcher. With unit managers and departmental managers this form was completed in an interview setting with the researcher present, whilst with line managers and operatives, the form was completed within a group setting.

The second major aspect to this technique is to define best practice solutions that eradicate such incidents from future operations. In-depth interviews were conducted with the unit managers and departmental managers, to note solutions, whilst with line managers and operatives, focus group interviews were conducted. Therefore, once all forms had been returned, analysis was undertaken. Tables were drawn up to show the major issues affecting satisfaction levels in each hotel. The basis of such was to provide unit managers and staff with best practice solutions to levels of poor service.
4.6.1 Constructing the three cases

In displaying all the information collected, three separate case studies were drawn-up. Each case contains specific data, which according to Patton (1990):

...consists of all the information one has about each case. Each case analysis includes all the interview data, the observational data, the documentary data, impressions and statements of others about the case, and data over time - in effect, all the information one has accumulated about each particular case goes into that case study (Patton 1990, p 386).

Once the raw data had been collected, the researcher then wrote a case record, pulling together all of the findings and interpretations from staff members. This included information that was to be used in helping to write the final case analysis of the representative hotel sample :-

- three-star, UK branded business hotel.
- four-star, un-branded leisure hotel.
- five-star, internationally branded business/leisure hotel.

Data from each case is then compared and contrasted, in the light of determining similar service issues that were expressed by unit managers and staff as being critical to operations from the above range of unit hotels. This approach allows the reader to understand the case as a unique, holistic entity if required (Stenhouse 1977), “but also at some point in analysis it is possible to compare and contrast cases” (Patton 1990, p387).

After such cases had been written, further analysis was conducted through an inductive approach. Patton (1990) refers to inductive analysis as that being where patterns, themes and categories emerge from the data, where conclusions are drawn from the findings. This differs from a deductive approach, where such
final comments would have been imposed on the study prior to data collection and analysis. Therefore, the final outcome from data collection is the development of a brand-based model for operational and service adjustments, where appropriate material is induced from the case studies. In particular, unit hotels will have access to best practice operational adjustments when looking to align the internal business with the needs of the defined market.

4.7 Methodological limitations

One of the issues with the methodological approach taken was that customers were never accounted for. Therefore, to ensure customers were accounted for the critical incident technique was used to collect guest data. The incidents outlined in this study are a collation of areas of conflict which had been expressed to staff members by guests. Forte Hotels were not supportive in allowing the study to run focus group sessions or individual interviews with guests.

Flanagan (1954) designed the critical incident technique as a method that would help to tease out information when it is not readily available. In looking to determine areas of dissatisfaction, this technique fulfilled the purpose well. Overall, the issue of not having face-to-face contact with guests was more problematic in the development of best practise solutions, than actual incidents. As the study was looking to determine needs and then adjust/fine tune the operation around such needs, concerns can lie with the fact that solutions to incidents were derived from unit staff, and not the guest. This can result in the unit adopting solutions to align with guests, when in reality these solutions may not meet their expectations. It was apparent to the study that focus group sessions with customers would have provided adequate solutions to defined issues.

The critical incident technique was supporting the study’s need to generate operational incidents, but it was staff members who were offering operational responses. The answer to this would be to extend the study so that solutions are
presented to guests, where such individuals are asked to comment on responses in the light of determining whether or not this is what they required. If guests note these solutions as not ideal, then the study could be extended to use customer focus groups as a means to generate ideal requirements. This would have ensured the implementation of a full customer-focused approach, as unit hotels first find out the issues which cause dissatisfaction and then offer guests the opportunity to suggest ideal solutions.

The research was looking to show that unit hotels should align their operation with the needs of guests, and more importantly, operational solutions were required to eradicate such incidents from future operations. Overall it was not possible for guests to state the appropriate actions required. The study therefore contacted unit staff to suggest operational responses. Unit staff were providing solutions to ensure guest satisfaction. These solutions may be more operationally viable in terms of implementation than those solutions that might have been determined by paying guests. Customers would have been looking for solutions to support their individual expectations, and not an operational response that would be supportive of all guests of the hotel.

4.8 Conclusion

This chapter has outlined the methodological approach, a qualitative study collecting data through four different research techniques; participant observation, in-depth interviews, critical incident technique and focus group interviews. From the large amount of information collected, it was anticipated that the case study method would be used to analyse such data, in the light of addressing the research questions.

Previous studies in this field had all considered a quantitative approach, basing their conclusions on the rejection/acception of hypotheses. No such study had actually undertaken research inside unit hotel operations; missing vital data in
relation to internal strengths and weaknesses, managerial-operational staff conflicts, the unit-head office relationship, and most importantly operational constraints that impact on guest dissatisfaction levels.

As well as using conclusions from Wang (1993) and Phillips (1995) as a means to undertake a research qualitatively, the research questions arising from the review of literature were concerned with unit enhancement. This required the researcher to explore constraints within the units operation. The research techniques decided upon in review of collecting information were participant observation and in-depth interviews, to highlight operational constraints. The critical incident technique was also proposed, to determine areas of guest dissatisfaction. Finally, focus group interviews helped to develop best practice solutions and appropriate operational adjustments required.

Chapter five will now review the results from observation and in-depth interviews with unit managers and the senior team. This stage of research was looking to answer the research question, ‘the correlation between decision making and unit enhancement is positively related to alignment’. The results of data collection are analysed through the case study method, where each hotel is represented as a separate case.

The basis of this stage was to review operational concerns that impede on successful service delivery. Through presenting each case separately, the research is able to determine operational practice within a range of multi-unit hotel operations. Finally, commonalities across selected hotels are defined, to show which areas of unit operation cause managers and staff most concern.
Chapter 5 - Analysis through the case study method of the operational constraints that impede on successful service delivery
5.1 Introduction

The previous chapter summarised the methodological approach taken. In addressing the research questions, qualitative methods were used, ensuring that interviews and observation were conducted with unit managers and employees within the sample of hotels selected. Data was collected through four techniques; observation, interviews, critical incident technique and focus group interviews.

This chapter reviews findings collected from the first two phases of data collection. During these stages, three London hotels were contacted. This was a representative sample drawn from Forte Hotels London portfolio. For reasons of confidentiality, the hotels will be referred to as A, B and C. Through participant observation and in-depth interviews, the researcher attempted to note, ‘operational constraints that impact on the successful delivery of customer service?’ In answering the question, interviews and observation were conducted with the unit manager (general hotel manager) and the senior executive team, individuals responsible for managing the major departments:

- General Manager;
- Food and Beverage Manager;
- Front Office Manager;
- Conference and Banqueting Manager;
- Executive Housekeeper.
- Personnel and Training Manager.

With the above individuals, the researcher was able to probe each staff member for operational constraints that impact on the effective delivery of customer service, and in presenting the collected data regarding these interviews and observations, three separate case studies follow.
5.2 Case 1 - Hotel A

Hotel A, situated within central London is a three star business/leisure property. The hotel was converted to Posthouse after the Granada acquisition, previously the hotel had been branded as a Crest property.

The Forte hotel directory defines the hotel as modern, situated in the heart of literary London, minutes from landmarks such as the British museum and the surrounding streets with antiquarian bookshops. Its restaurant, lively cafe/bar and location near Russell Square tube station make this a convenient base for exploring other West End sights. The facilities of the hotel are as follows :-

• 236 bedrooms, 3 suites, 40 family rooms and 5 executive rooms;
• Boulevard restaurant (carvery);
• Boulevard bar;
• Johnston’s cafe bar;
• Room service, hairdryer, trouser press and refreshment tray.

5.2.1 Key issues as explained by the unit manager

The key issue facing the unit manager at Hotel A is to develop consistency in the delivery of customer service. One reason for this was the introduction by company head office of a customer satisfaction target of 85% in their London hotels.

The unit manager must reduce levels of inconsistency in order to reach this target. For this to happen the hotel needs to consider the development of a team-orientated spirit, whereby employees work together to fulfil expectations. One benefit of a team approach, as explained by the manager, is “allowing the negatives of the business to be recognised, therefore problems can be resolved before exploding back to head-office”.

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Further, when considering operational constraints that can impede on the delivery of satisfaction levels, the unit manager talked about the lack of investment support supplied by head office for the up-grading of bedrooms. In ‘making-do’ with the current investment levels, the unit is attempting to develop a strong relationship between the product/service interface, where the unit manager noted “any product that may be seen as being a problem just requires extra attention” (General Manager - Hotel A).

Overall, the manager of Hotel A was responsible for running the unit successfully, but due to brand issues has little autonomy to operate within a strategic context. Any changes have to be considered in terms of ensuring brand consistency. Overall, the allocation of head-office budgets is a major aspect of the role.

5.2.2 Key issues defined by each department

Undertaking data collection through observation and in-depth interviews, the research was able to collect information on defined operational constraints within the unit, those areas that may impede on the effective delivery of customer service. The following pages represent these constraints, as outlined by the senior team.

Food and beverage manager

The food and beverage department has undergone radical change since the Granada takeover. The reason is that the hotel was re-branded from a Crest hotel to Posthouse, and the restaurant was changed to reflect the standardised Posthouse approach. The problem with this is that the food and beverage manager lost all flexibility and scope in the types of food on offer. Previously the restaurant offered a daily menu but now the food has to reflect the brand with which they are associated.
Front office manager

The front officer manager is responsible for all staff and guests within the reception area of the hotel. Within front office at Hotel A, the main area of concern lies with reception, as it is here that customer impressions are first made. A major issue at reception is that staff members are having to solve guest complaints that have arisen from other operational areas of the hotel. The front office manager is therefore concerned that staff are spending too long explaining to guests that they are sorry for their particular problem, when in reality the problem has arisen within another department.

Conference and banqueting manager

Hotel A is positioned as a conference hotel within central London. Within the department, issues of concern in terms of guest satisfaction are less than their departmental counterparts. Conference visitors find the overall product (the conference) to be satisfactory. Issues will focus on room layout, noise and lighting levels. Overall, this is an area where the unit manager has little flexibility as such change requires physical re-structuring of the hotel.

Executive housekeeper

The executive housekeeper within a hotel is responsible for ensuring that bedrooms and public areas are maintained professionally. Chambermaids and housekeepers also report to them. Within the housekeeping department of Hotel A, major issues focus on the state of the bedrooms, rather than the service delivered by the room-maids. Guests perceive poor fixtures and fittings in the bedroom as representing a dirty bedroom, when in reality the room is clean but the infrastructure is in need of repair. Due to this maids feel that how ever hard they try in terms of improving the overall product, guests will still note reference to a poor and dirty room.
Personnel and training manager

One of the main issues arising within personnel is the lack of a full-time operation, as the departmental function is split between two hotels. This results in personnel and training only being within the unit on certain days of the week, causing staff to feel as though they have little support. Further, staff also felt that training programmes did not take into consideration their thoughts and ideas. Within Forte’s operations in London, staff turnover is one of the major issues facing the personnel and training department, as staff turnover is running at 60%.

5.2.3 Case summary

In summary, the following table highlights the issues faced by each department:

Table 5.1 - Operational constraints facing Hotel A

<table>
<thead>
<tr>
<th>Department</th>
<th>Constraints</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and beverage</td>
<td>• the introduction of a branded menu ensures standards are met but does not enhance service delivery</td>
</tr>
<tr>
<td>Front office</td>
<td>• reception desk is the point of contact for guest complaints - receptionists become annoyed</td>
</tr>
<tr>
<td>Conference and banqueting</td>
<td>• issues with room layout, noise and lighting levels</td>
</tr>
<tr>
<td>Housekeeping</td>
<td>• poor state of fixtures and fittings in the bedroom</td>
</tr>
<tr>
<td>Personnel and training</td>
<td>• lack of full-time operation as this department is split between two hotels</td>
</tr>
</tbody>
</table>

Table 5.1 highlights operational constraints within Hotel A. It is these constraints that impede on the successful delivery of customer service.
For further analysis, the secondary data results collected for Hotel A from the guest departure questionnaire were introduced, to show whether these constraints registered by managers were noted by guests as areas of service dissatisfaction.

Table 5.2 - Operational constraints and guest dissatisfaction

<table>
<thead>
<tr>
<th>Department</th>
<th>Constraints</th>
<th>Area of guest dissatisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and beverage</td>
<td>• the introduction of a branded menu ensures standards are met but does not enhance service delivery</td>
<td>• 29% of guests dissatisfied with the choice of dishes on the menu</td>
</tr>
<tr>
<td>Front office</td>
<td>• reception desk is the point of contact for guest complaints - receptionists become annoyed</td>
<td>• 19% of guests dissatisfied with efficiency of check-in</td>
</tr>
<tr>
<td>Conference and banqueting</td>
<td>• issues with room layout, noise and lighting levels</td>
<td>• ----------</td>
</tr>
<tr>
<td>Housekeeping</td>
<td>• poor state of fixtures and fittings in the bedroom</td>
<td>• 21% of guests dissatisfied with bedroom furniture</td>
</tr>
<tr>
<td>Personnel and training</td>
<td>• lack of full-time operation as this department is split between two hotels</td>
<td>• ----------</td>
</tr>
</tbody>
</table>

Table 5.2 highlights the operational constraints within Hotel A, and then the level of dissatisfaction registered by guests, through the guest departure questionnaire.

Food and beverage

When observing the workings of this particular department, the hotel had just been converted to operate as a Posthouse, where all menus across the brand are the same. From guest feedback, 29% of guests were dissatisfied with the new menu offered, explaining that dissatisfaction was due to no choice.
Front office

The issue of concern for front office was that reception staff were starting to become annoyed with the amount of complaints addressed to the desk. The majority of these complaints are due to other departmental failings, and whilst the reception staff do their best to solve such issues, the majority of the time they need to speak with senior members of staff. This causes operational frustration, as staff are not empowered to solve guest issues.

Due to the problem of handling guest complaints and the effects on service delivery, 19% of guests who completed the questionnaire stated that they were dissatisfied with the efficiency of their check-in. Receptionists are passing their negative feelings on to guests.

Housekeeping

The issue with housekeeping, as explained by the executive housekeeper was the state of fixtures and fittings in the bedroom. Due to a lack of financial capital available for bedroom renovation rooms are beginning to show their age. Housekeeping are therefore concerned that guests note this problem as being service related and not product specific. In review, 21% of guests were dissatisfied with the condition of the furniture and fittings in the bedroom.

5.3 Case 2 - Hotel B

Hotel B, situated in central London, is a four star business/leisure hotel. The property is within the London collection of hotels, referred to by name rather than by brand. The Forte hotel directory defines the hotel “as both modern and newly renovated, within easy walking distance of Trafalgar Square and the National Gallery” (Forte leisure breaks brochure).
5.3.1 Key issues as explained by the unit manager

The key issue facing the unit manager is the up-grading of the hotel from a three star tourist hotel, to a fully-functional business-conference hotel. Whilst this transition takes place, guests have commented about recent increases in hotel prices, but witnessed no overall improvements in levels of service. The manager is therefore concerned with defining these new expectation levels, to determine what guests require when staying.

The manager is committed to the notion that the way forward for enhanced customer service is through greater unit training. A closer working relationship is required between all departments, whereby unit outlets inform the training team of required courses. Likewise, there is a need for the establishment of a guest relations department within Hotel B, so that all comments posted by guests are passed to such individuals for particular action. Overall, the manager has full support from head-office in implementing training programmes. The manager is free to bring in training consultants to work closely with all staff members. Similarly, the unit is un-branded and therefore has no operations manual setting out how service is to be delivered. The sheer size of the hotel requires the manager to be flexible in the way the hotel operates, and in the decisions which are required to ensure guest needs and expectations are met.

5.3.2 Key issues defined by each department

Food and beverage manager

Within the food and beverage department of Hotel B, it was apparent that the restaurant was witnessing a major shortage in the number of guests visiting. The restaurant underwent major refurbishment during the first half of 1996, changing the dining concept from a traditional carvery, to a new modern bistro concept. The departmental manager noted that since this change the restaurant has
suffered in the number of covers processed, due to a large proportion of older
guests who were still looking for the traditional British dining experience.
Overall, this change was actioned by the unit manager.

Front office manager

The main concern for the front office manager was the requirement to check-
in/out guests as quickly as possible, hindered by unit size of nearly 800
bedrooms. Due to the number of people staying, the lobby area can become
extremely busy, with queues developing. A further concern with these queues is
that staff are not able to talk to, and build rapport with the guest. Customers
waiting become aggravated if staff are spending too long with each individual.

Conference and banqueting manager

Hotel B, positioned within central London, is marketed as an ideal hotel for
hosting a conference, therefore the unit spent most of 1996 re-designing and
upgrading their existing conference rooms. A total of ten rooms was established,
with the area re-named as the ‘Academy’. The main issue made aware to the
researcher within this department was that of a shortage of staff. A further team
member was required to help the conference desk, since if the host is away from
their work-station then the next guest arriving will face an un-manned desk.

Executive housekeeper

Within housekeeping, issues focused on staff turnover. Due to the problem of
high staff turnover there is only two days of the week when all areas to be
covered by housekeeping are manned adequately. For the remainder of the week
the number of rooms to be brought onto the system is slower than the number of
guests arriving. This creates the situation whereby guests have to wait within the
lobby area for room availability.
Personnel and training manager

Linked closely to the problems that face housekeeping, personnel and training also have to contend with issues of high staff turnover. Working closely with each department, the personnel and training manager has put together a proposal for staff members to be involved in job rotation. This allows employees to move around the unit, in particular to those areas experiencing difficulty. The benefit of such a proposal for staff is job enrichment. Due to greater emphasis placed on service by head-office, personnel developed a customer contact skills programme. This was offered to all employees over a four month period.

5.3.3 Case summary

Table 5.3 - Operational constraints facing Hotel B

<table>
<thead>
<tr>
<th>Department</th>
<th>Constraints</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and beverage</td>
<td>• the introduction of a new restaurant and menu concept to reflect the change in customer profile from overseas leisure tourists to business travellers</td>
</tr>
<tr>
<td>Front office</td>
<td>• long queues forming for check-in/out - issues also with level of guest rapport</td>
</tr>
<tr>
<td>Conference and banqueting</td>
<td>• shortage of staff - resulting in an un-manned conference desk awaiting delegates</td>
</tr>
<tr>
<td>Housekeeping</td>
<td>• high turnover of staff - causing concern in the number of days when all rooms can be completed effectively</td>
</tr>
<tr>
<td>Personnel and training</td>
<td>• under-utilisation of staff in certain departments whilst other parts of the unit are experiencing service delays</td>
</tr>
</tbody>
</table>

Table 5.3 highlights operational constraints within Hotel B. It is these constraints that impede on the successful delivery of customer service.
For further analysis, the secondary data results collected for Hotel B from the guest departure questionnaire were introduced, to show whether these constraints registered by departmental managers were noted by guests as areas of service dissatisfaction.

Table 5.4 - Operational constraints and guest dissatisfaction

<table>
<thead>
<tr>
<th>Department</th>
<th>Constraints</th>
<th>Area of guest dissatisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and beverage</td>
<td>• the introduction of a new restaurant and menu concept to reflect the change in customer profile from overseas leisure tourists to business travellers</td>
<td>• 21% of guests dissatisfied with the quality of food served in the restaurant</td>
</tr>
<tr>
<td>Front office</td>
<td>• long queues forming for check-in/out - issues also with level of guest rapport</td>
<td>• 23% of guests dissatisfied with the speed and efficiency of check-in</td>
</tr>
<tr>
<td>Conference and banqueting</td>
<td>• shortage of staff - resulting in an un-manned conference desk awaiting delegates</td>
<td>• ---------------</td>
</tr>
<tr>
<td>Housekeeping</td>
<td>• high turnover of staff - causing concern in the number of days when all rooms can be completed effectively</td>
<td>• 8% of guests dissatisfied with the cleanliness of the bedroom</td>
</tr>
<tr>
<td>Personnel and training</td>
<td>• under-utilisation of staff in certain departments whilst other parts of the unit are experiencing service delays</td>
<td>• 25% of guests dissatisfied with levels of staff courtesy</td>
</tr>
</tbody>
</table>

Table 5.4 highlights the operational constraints within Hotel B, and then the level of dissatisfaction registered by guests, through the guest departure questionnaire.
Food and beverage

According to the food and beverage manager, the concern was that since redesigning the whole experience, the number of people eating in the restaurant has fallen dramatically. Guests visiting the hotel are of an older age-group than that which the restaurant is targeting, causing these individuals to go outside the hotel for dinner. From guest feedback, 21% of guests were dissatisfied with the food served in the restaurant. Of the guests eating, individuals would have preferred the carvery.

Front office

The issue here in relation to guest satisfaction is the requirement for checking-in/out guests as quickly as possible, hindered in their attempt by a unit size of nearly 800 bedrooms. Due to the number of people staying, the lobby area can become congested at peak times of the day, resulting in long queues forming at the reception desk. When analysing the guest questionnaires, 23% were dissatisfied with the speed and efficiency of check-in.

Housekeeping

In analysing operational constraints relating to housekeeping, the study can note that the department is concerned with the high levels of staff turnover. Due to this there are only two days of the week when all areas to be covered by housekeeping can be handled through present staffing levels. This creates the situation whereby guests have wait for their room, and maids rush the operation. When analysing guest satisfaction levels, taken from the guest questionnaire, 8% showed dissatisfaction with the cleanliness in the bedroom. Overall, guests were noting dissatisfaction with bedroom comfort. Operationally this is an issue, as individuals staying in hotels are primarily there for accommodation purposes.
5.4 Case 3 - Hotel C

Hotel C, situated in the west end of London is a five star business/leisure hotel. The property is branded as Le Meridien, which is a collection of five star hotels and resorts located around the world, acquired in 1984 when Forte PLC bought the chain from the Air France group.

The Forte hotel directory notes that “when the famous hotel opened in 1908, it was described as being the most luxurious in London and also in the heart of everything that matters. Today, the 5-star west end location still makes it close to London’s best theatres and most elegant shopping streets. Furthermore, the hotel has been refurbished in a way which preserves the Edwardian ambience and yet offers every modern comfort” (Forte leisure breaks brochure). In terms of facilities, the directory noted :-

- 232 bedrooms, 34 suites including one four-poster;
- Oak room, gourmet restaurant;
- Terrace garden restaurant and brasserie;
- Burlington bar and Parallel bar;
- Health club - swimming pool, sauna, steam bath, solarium and gym.

5.4.1 Key issues as explained by the unit manager

Within Hotel C the unit manager is most concerned with keeping high standards, assisting in the defence against competition. Particular attention focuses on the fine line between standard and rapport, as many guests stay at such a property to avoid the pressures of people, and do not want to be constantly bothered by staff. As the manuals produced for Le Meridien do not contain instructions concerning rapport, each individual manager can look to develop their own procedure that encourages staff to communicate with guests.
The main concern when looking to improve service levels is the lack of commitment by staff to fully define the problems that have arisen. This results in problems never being solved, instead, numerous attempts are made to shorten the effects of something similar happening again. Overall, a five star hotel needs to offer consistent service, and through the manual this can be delivered. The problem then arises that all effort is channelled into ensuring that these standards are met, rather than looking to change operations that may be causing guests to feel negativity towards the hotel.

5.4.2 Key issues defined by each department

Food and beverage manager

When shadowing the food and beverage manager, the main issues to arise were that of poor sales and staff attitude. With regards to poor sales, increased public exposure to the restaurants and bars on offer needs consideration, in particular for individual outlet managers to take greater responsibility in the marketing of their operation. The individual outlet managers are only responsible for managing their operation, and do not attempt to bring in more business. The philosophy within Meridien is that each department has a specific job that they undertake, supported through the procedures manual.

Further concern for food and beverage was in relation to staff-guest relationships. Within Hotel C, the restaurants have developed extensive menus, which have attracted much praise. Overall, guests who may want to order something different from the menu are finding that their requests are refused. In reality the chefs are refusing to offer the food, telling the waiters to inform the guest that the item is temporarily un-available. This issue is becoming even more controversial as waiters are now beginning to refuse the item as soon as guests order, rather than receive the negative response from chefs.
Front office manager

The research undertaken with the front office manager, highlighted concern with issues relating to quality and guest requirements. Due to the nature of the hotel, where all rooms are different in terms of size and layout, problems can arise when guests are allocated rooms which are not to their liking. Due to the high price charged, guests feel that certain rooms do not match their expectation levels, causing these individuals to ask for a room change. Overall, the problem causes irritation to reception as they have little control over structural issues.

Conference and banqueting manager

Hotel C situated in the west end of London is an ideal location for both conferences and banquets, contributing significant financial return to the unit. In review of areas that may cause dissatisfaction, the conference and banqueting manager was most concerned with improving the communication between departmental operators and administrative staff. The relevance of this would be to increase the fulfilment levels of customer requirements/expectations, ie to ensure that clients' wishes are met throughout.

Executive housekeeper

The executive housekeeper is not concerned with issues focusing on poor fixtures and fittings and overall decor. Issues therefore relate to the actual process of cleaning the room. Due to building design, many of the floors are referred to as being split-level, where stairs break-up the flow of each corridor. This results in the cleaning process taking a longer time, causing maids to feel irritated with the situation that they face. Overall, the only time that this situation may irritate a guest is when the situation becomes too much for the maids and they leave, causing the department to be short-staffed.
Personnel and training manager

Issues with personnel and training are somewhat muted within the Meridien operation, due to the training process being passed down to departmental trainers. Therefore, issues that do come to surface are severe training problems, where focus lies with managerial competencies. A second issue explained was that of concern for the introduction of rapport building by the unit manager. In offering five star service, the manuals teach staff members to be polite as well as professional, but makes no attempt to introduce staff rapport to the operation. Rapport building cannot be delivered through a manual, so personnel and training need to look at ways of ensuring staff to talk to guests as human-beings, and not just there to purely serve needs.

5.4.3 Case summary

Table 5.5 - Operational constraints facing Hotel C

<table>
<thead>
<tr>
<th>Department</th>
<th>Constraints</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and beverage</td>
<td>• staff arrogance in relation to food delivery</td>
</tr>
<tr>
<td>Front office</td>
<td>• quality and guest requirements - bedrooms are different in terms of size and layout; problems arise when guests are allocated small rooms</td>
</tr>
<tr>
<td>Conference and banqueting</td>
<td>• reservation staff book room sales as well as conferences - conferences are generally more specific requiring dedicated agents</td>
</tr>
<tr>
<td>Housekeeping</td>
<td>• design of the building and its effect on the efficiency of cleaning bedrooms</td>
</tr>
<tr>
<td>Personnel and training</td>
<td>• over-dependency of standards and subsequent delivery - poor rapport building with guests</td>
</tr>
</tbody>
</table>
Table 5.5 highlights operational constraints within Hotel C. It is these constraints that impede on the successful delivery of customer service. For further analysis, the secondary data results collected for Hotel C from the guest departure questionnaire were introduced, to show whether these constraints registered by departmental managers were noted by guests as areas of service dissatisfaction.

Table 5.6 - Operational constraints and guest dissatisfaction

<table>
<thead>
<tr>
<th>Department</th>
<th>Constraints</th>
<th>Area of guest dissatisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and beverage</td>
<td>• staff arrogance in relation to food delivery</td>
<td>• 15% of guests dissatisfied with room service</td>
</tr>
<tr>
<td>Front office</td>
<td>• quality and guest requirements - bedrooms are different in terms of size and layout; problems arise when guests are allocated small rooms</td>
<td>• 7% of guests dissatisfied with the size of the overall bedroom</td>
</tr>
<tr>
<td>Conference and banqueting</td>
<td>• reservation staff book room sales as well as conferences - conferences are generally more specific requiring dedicated agents</td>
<td>• ..........</td>
</tr>
<tr>
<td>Housekeeping</td>
<td>• design of the building and its effect on the efficiency of cleaning bedrooms</td>
<td>• 5% of guests dissatisfied with the cleanliness of the bedroom</td>
</tr>
<tr>
<td>Personnel and training</td>
<td>• over-dependency of standards and subsequent delivery - poor rapport building with guests</td>
<td>• ..........</td>
</tr>
</tbody>
</table>

Table 5.6 highlights the operational constraints within Hotel C, and then the level of dissatisfaction registered by guests, through the guest departure questionnaire.
Food and beverage

When observing the workings of this particular department, room service was noted as a concern by the food and beverage manager. This was further supported by guests. The problem was the lack of welcome offered when guests opened their doors to room service. Therefore, staff were delivering the appropriate food, on time, but with no rapport developed or friendliness offered. The manual had developed the standard that the employee should deliver, ‘that of leaving the food and getting out of the room as quickly as possible’, so as not to disturb the guest. From analysis of the questionnaires, 15% of the people who completed the measure showed a level of dissatisfaction with room service.

Front office

The second department, front office, expressed concern with quality of the bedrooms and guest requirements. Due to the nature of the hotel, where all rooms are different in terms of size and layout, problems were realised when guests are allocated rooms that are not to their liking. Overall, 7% of guests completing the questionnaire expressed dissatisfaction with the size of the bedroom offered. The front office manager had no power to resolve this issue, as problems are of a structural nature. The only way to handle this problem would be to reduce the rate charged to guests. This is not common practise, as head-office set particularly challenging room yields that each hotel should strive to achieve.

Housekeeping

The concern noted by the executive housekeeper was that of the cleaning of rooms, and not the fixtures and fittings. Due to the nature of the hotel, many of the floors have split-levels, therefore the cleaning process is slowed down. From the analysis taken from the guest questionnaire, 5% of the guests actually expressed dissatisfaction with the cleanliness of the room. The issue noted by the
departmental manager is therefore of greater concern to the department than first anticipated. The maids are having to rush their job, which then has a particular knock-on effect on the level of room cleanliness.

Overall, in Hotel C too much attention is given to the operational manuals, ensuring that staff are constantly delivering the approach. New initiatives are discouraged in the light of enhancing service delivery, as the manuals were developed to enable a situation whereby any guest visiting a Meridien hotel should receive similar service. Therefore, staff are not encouraged to look beyond their department, rather to concentrate solely on the successful running of operations laid down by the brand.

The brand is satisfying the international business traveller, who when leaving London may visit Paris, Chicago and Delhi. Therefore, the Meridien operation is similar in all their locations and it is through this approach that the hotel attracts their clientele. In relation to the job of the unit manager, little empowerment is offered. Basically the unit runs to a standardised manual. The brand is so strong that even guest requests are sometimes refused, as they do not fit comfortably with the image that the brand/hotel is constantly trying to deliver.

5.5 Commonalities and contrasts from Hotels A, B and C

In looking for commonalities from the analysis of the three case studies undertaken, the study can note two such areas.

*Constraints noted by departmental managers were also highlighted as areas of dissatisfaction by guests:*

Three departments across all units suffered similar guest dissatisfaction levels in relation to constraints outlined earlier by the departmental managers. The
constraints highlighted during interviews were supported by guests, scoring a high degree of dissatisfaction with the service offered.

Figure 5.1 - Constraints and guest dissatisfaction, across the three hotels

Figure 5.1 identifies the three areas, across the three hotels where departmental managers note dissatisfaction, as well as guests through the guest departure questionnaire. Within a hotel these areas are seen as being the main reason for a person to stay, and due to the heavy emphasis placed on their work, are areas that receive the most guest comments. In ensuring that needs and expectations are met, unit managers are required to constantly review these operations. A person stays in a hotel for shelter, requiring a bed (housekeeping), also the individual requires to eat (food and beverage) and finally the person needs to be checked-in and allocated a room (front office).
Decisions taken by units that did not take into consideration the needs and expectations of guests.

The study also notes that certain decisions taken by units did not align with the needs of their guests, particularly in Hotels A and B. The following tables review these changes made to internal operations and their effects on guest satisfaction levels.

Table 5.7 - Hotel A: change in operation and guest dissatisfaction

<table>
<thead>
<tr>
<th>Department</th>
<th>Food and beverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change</td>
<td>The introduction of a new restaurant</td>
</tr>
<tr>
<td>Guest dissatisfaction</td>
<td>Choice of dishes offered on the menu</td>
</tr>
</tbody>
</table>

Table 5.7 notes that within the food and beverage department of Hotel A, the restaurant concept was changed due to the hotel being re-branded from Crest to Posthouse. As a Crest hotel, the restaurant was able to offer a mixture of A la carte and Table D’hôte dishes. Since re-branding, the unit has to offer a standardised menu, similar to that offered across the Posthouse range. The unit manager had no choice but to change the restaurant product as the Posthouse brand is so well developed. It would not have been viable to have a particular branded hotel with different product characteristics. This would lead to brand confusion.

Table 5.8 - Hotel B: change in operation and guest dissatisfaction

<table>
<thead>
<tr>
<th>Department</th>
<th>Food and beverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change</td>
<td>The introduction of a new restaurant and menu concept</td>
</tr>
<tr>
<td>Guest dissatisfaction</td>
<td>Guests dissatisfied with the quality of food served</td>
</tr>
</tbody>
</table>
Table 5.8 reflects the change in the restaurant approach adopted within Hotel B, from what had been a traditional carvery approach to a new modern Mediterranean concept. The reasoning behind this was the up-grading of the unit from a three-star overseas leisure hotel, to four-star business property. In order for the operation to attract such clientele, unit personnel perceived that business travellers prefer a more up-market bistro. Here, the unit manager was responsible for the change. The hotel is un-branded, and therefore able to change the operation more easily. The issue though was that the operation was changed without talking to customers. It was presumed that the carvery approach was not required, and that the bistro would ensure success. Alignment between operations and guest needs had not been considered.

5.6 Conclusion to research question

Through the use of participant observation and in-depth interviews for data collection, and the subsequent use of case studies to analyse data, conclusions are drawn in response to the first research question :-

- The correlation between strategic thinking and unit enhancement is positively related to alignment

This first question reflects the literature relating to the process of alignment, in particular the successful fit between unit operations and guest requirements. Research studies note that managers in the future may be required to operate differently. This correlation between the approach taken by managers and its impact on unit enhancement, requires successful alignment of internal operations with external environmental issues. Overall, to ensure unit effectiveness managers need to make decisions that focus on the needs and requirements of guests. In particular, alignment of such variables is the organisational catalyst to ensure success.
With Hotel B, the unit manager was granted autonomy to run the unit, and with this, responsibility for implementing strategic decisions. Therefore, the manager opted to change the restaurant concept, upgrading the dining experience to that of a four-star business offering. These changes led to overall guest dissatisfaction. In adjusting the restaurant operation to the needs of guests, rather than perceiving their values, Hotel B may have witnessed increased sales as people would continue to see benefit in eating in an establishment which they had become accustomed to.

The analysis of collected data therefore concludes that managers and staff can use the alignment process to enhance their unit operation, but only if the decisions taken fit with guest needs and market expectations. In review, the unit is unbranded allowing the manager full autonomy in changing the nature of the operation. This change may have been successful if such personnel had considered the needs of their customers, rather than stating their requirements themselves. Alignment would have ensured that operational changes undertaken lead to the satisfaction of customers.

The story is somewhat different for Hotel A. Operating under the constraints of the Posthouse brand, the unit manager had little choice but to implement the new restaurant. It was apparent that guests may complain, but due to brand characteristics being so strong, it was still decided that the hotel would have to live with this operational change. In this scenario, alignment is not possible. The research question was looking to show that managers, when undertaking their new approach should ensure that all decisions taken fit with the needs of customers. If this is the case then the unit is successful.

The unit manager of Hotel A had not witnessed the operational responsibilities that had been previously mentioned in literature of Olsen (1989, 1991). The individual was not operating within a ‘strategic-context’, rather, in charge of running a heavily branded operation. Brand characteristics are set by head-office,
with little input from managers. It is then the job of such individuals to ensure brand standards are delivered, according to the manual. The unit manager has some additional margins of ‘choice’, when taking decisions, but equally little substantial increase in employee ‘voice’. It was Hales and Klidas (1997) who concluded that unit hotel managers do not really have any greater responsibility in adapting their operation to the needs of the external market. In reality, head-office state the business proposition and the unit manager is responsible for implementation. In review of Hotel A, this was certainly the case. The unit manager, and food and beverage manager were aware of the potential problems that could arise with changing the restaurant, but had no choice in the matter. Head-office decided to convert the hotel from a Crest property to a Posthouse, which is then required to adopt the traditional Posthouse brand characteristics. It was then the unit managers responsibility for implementation.

Within Hotel C, a five star international business/leisure property, the role of the manager comes across as that of a ‘host’, meeting and greeting guests. The majority of bedrooms and public areas are of a luxury standard (certain guest expectations are not met, and therefore result in negative comments). This points to the fact that a smaller amount of product changes are required, rather areas of concern lie with service. The manager is responsible for implementing five-star service, consistent with the Meridien brand. As with Posthouse managers, such individuals have little input to brand standards, rather they are granted autonomy and responsibility for implementation. The managers are restricted in the level of strategic direction they take due to brand consistency.

In conclusion, it is apparent that alignment of internal operations with the needs of guest requirements will help to ensure unit effectiveness. Managers undertake change of a strategic nature in order to ensure customers are satisfied with the product/service offered. If such change is taken without considering external needs, the operation may witness guests noting negative responses to this new offering. Such was the case with Hotel B, where the unit manager changed the
restaurant to suit the new 4-star business guest. The hotel had not considered the needs of guests when making decisions, and should not be surprised to see the amount of guests using their service falling.

The work by Olsen (1989, 1991) and Schaffer (1984, 1986) reviewing the new roles to be played by unit managers in the future, regarding the undertaking of strategic decisions, will require more than ever alignment. In reality, this is the case, and decisions need to fit with customer needs, but more importantly, the power of branding does not allow such change to be implemented. Brand consistency what hotels are trying to achieve. Managers are responsible for ensuring that this happens. The strategic decisions to be taken will be set by head-office, and managers will be responsible for implementation.

It is Hales and Tamangani (1996) who worked on the assumption that the level of power granted to unit managers is not the level which was originally sought. Overall, there is no significant expectation that unit managers were acting in an entrepreneurial manner. Rather such individuals are acting as “organisationally constrained managers” (Hales and Tamangani 1996, p743).

Moving forward from the operational constraints that affect service delivery, the second phase of data collection is analysed through chapter six. Taking each unit in turn, the critical incident technique was applied to general managers, departmental heads, line managers and operatives. The relevance of this technique was to define specific service incidents that cause guest dissatisfaction, and then through focus group interviews to generate ideal ‘best practice’ solutions. It is these solutions that would then be used as the basis for adjusting operational procedures.

The use of the critical incident technique with a range of staff members ensures comparisons can be made in relation to defined incidents and solutions. This technique first reviews responses set forward by staff, from within different
positions of the units hierarchy, and second, determines the appropriate continual adjustment and alignment procedures required, according to employee positions. This can help the study to review which members of the hotel team are most aligned with the needs and expectations of guests.
Chapter 6 - Service incidents that cause guest dissatisfaction, and the proposed operational adjustments required
6.1 Introduction

Chapter five, through the case study method, analysed data collected from stages one and two of the research. The data relates to participant observation and in-depth interviews conducted with unit managers and their senior teams, focusing on the operational constraints that may cause guests to receive service dissatisfaction. Each hotel was analysed first as an individual case, and then brought together to see if any common threads appeared across the range of hotels sampled.

Further, the research questions relating to decision making, unit enhancement and alignment are answered. Drawing on case study material the chapter concludes that the alignment process is of benefit to unit hotels, but decisions need to be taken in the light of fulfilling guest requirements. The hotel can then adjust their operation accordingly. However, those hotels which operate under strong brand standards have little chance to implement successful alignment between operation and customer. The reason is that head-office make all the operational decisions, and the manager is responsible only for implementation.

From the conclusions arising from the three case studies outlined in chapter five, the study notes that unit hotels do not consciously attempt to adjust their internal operations with customer needs and expectations, as changes were made which resulted in guest satisfaction levels falling. Therefore, in determining the areas of service where improvements and solutions are required, a third stage of data collection was undertaken. The critical incident technique was proposed, providing the means by which a list of service issues defined as critical can be drawn up, to the extent to which concerns cause guests to feel dissatisfied. Through this method, the unit is able to determine specific market requirements, as such incidents are a reflection of the way the individual perceived their visit to the hotel.
Determining incidents and solutions according to positions held within unit hierarchy (unit manager, departmental managers and line managers/operatives), the study was able to define the types of incidents that arise within different job levels of unit hotel personnel, as well the appropriate responses given to ensure adjustments of the operation in the light of meeting guest requirements.

6.2 Critical incidents and solutions - Hotel A

Unit manager

The main concern for unit managers was the ability to focus on the broader issues of the operation, in particular the poor response to guest complaints. The manager is looking to control the overall delivery of enhanced customer service, in particular the inconsistency of staff members when resolving a guest complaint. Problems arise when staff members within a particular department handle guests complaints differently, causing guests to feel frustrated.

The unit manager, in offering a solution to this problem suggested that a standardised compensation scheme should be set up. This would allow the staff member to offer the guest a standardised reply according to the issue that was raised. As Hotel A is branded as a Posthouse, such a solution could be considered, as the operations manual sets forward stages of the delivery process.

Departmental managers

The food and beverage manager noted incidents with delivery of room service, overall the service was too slow. Second, the front office manager was concerned with the reception layout, as the computer system is set too low down, causing guests to lose eye contact with the receptionist. Finally, the executive housekeeper made reference to guests not being able to control the heating in their rooms. Overall the department has no control over the situation.
The solutions considered by departmental managers were all in relation to removing problems from their operation. The food and beverage manager decided to re-direct the ordering system from the room-service operation to switchboard, as when all attendants were busy the phone would not be answered. This would ensure that guests were answered immediately, to speed up the whole delivery process. With front office, the manager looked to enlarge the reception desk in response to guests commenting about having no space to check-in.

**Line managers/operatives**

The main issues for food and beverage were the quality of food offered in the restaurant. With housekeeping, issues focus on dirty linen, a considerable problem for the hotel as the main reason for staying within the establishment is for a clean and tidy room. Front office staff were making reference to guests complaining about the size of rooms.

The solutions from these individuals were all of a tangible nature, requiring a physical change in how the unit operates. With food and beverage, staff note that a review of the hotel’s supplier was required, and then to monitor deliveries to ensure the standards are met. Front office is constantly pressured by guests who point out that the room is not the same size as that stated by central reservations, and as a solution, propose that members of the reservation team visit the hotel, to be better informed of the rooms they sell.

Overall, the solutions offered were different for each level of the unit’s hierarchy. The unit manager, whose incidents were broad ranging, was looking to standardise certain procedures, to ensure consistency. Departmental managers though were more concerned with ensuring the removal of issues from their operation, suggesting service delivery solutions that addressed the problem. With line managers and operatives the incidents could be described as operational.
6.3 Critical incidents and solutions - Hotel B

Unit manager

Of concern to the unit manager is the notion that guests are not encouraged to communicate levels of dissatisfaction, resulting in guests leaving the unit unhappy. If such individuals highlight the problems whilst still in the building, then staff can hopefully resolve such matters, but once the person has left it is very difficult for the unit to practice effective service recovery. The unit manager, in search of guest comments, proposes to offer incentives for individuals to complete the guest satisfaction questionnaire. This means of analysis would ensure that the unit receives comments regarding their overall operation, highlighting areas where adjustments and changes need to be made.

Departmental managers

The departmental managers, when noting critical incidents were most concerned with the delivery of service by their staff members. The food and beverage manager recounted issues relating to the restaurant, in particular the quality of the food offered, whilst the front office manager was concerned with issues relating to unhelpful reception staff. These matters can be described as internal constraints, impeding the success of the operation. The issue with food and beverage relates to an earlier change made in the restaurant, whilst reception has problems due to the overall capacity of the hotel.

The departmental managers were concerned with eradicating problems from their operation. Front office proposed to introduce staff members who ‘float’ around the operation, moving to different areas when busy. The executive housekeeper in Hotel B was once again the only department that was unable to offer solutions to incidents, as concerns with small rooms would require financial assistance.
Line managers/operatives

Line managers and operatives recorded issues of operational concern. Food and beverage noted queuing difficulties for breakfast, whilst front office identified a slow check-in procedure. The issues raised with housekeeping were similar to Hotel A, in that the incidents relate to physical infrastructural problems, this time concerns with bedrooms being too small.

Suggestions and adjustments to be made by line managers and operatives concerned changing their overall work procedures. With food and beverage, guests were noting that they had to wait too long to be seated for breakfast, therefore the individuals proposed to open one of the bar areas to serve a buffet-style continental breakfast. Front office operatives, in looking to reduce the problems with queues during check-in/out, suggested that the unit should emphasise the express check-in/out option, to remove people from the lobby area.

The levels of impact from the proposed solutions did differ, with the unit manager looking at solutions that impact on the overall business operation, whilst departmental managers were more concerned with removing issues from their particular function. Finally, line managers and operatives propose solutions that ensure the guest moves through their operation both efficiently and effectively.

6.4 Critical incidents and solutions - Hotel C

Unit manager

The unit manager of Hotel C, a five-star property branded as Meridien, noted that no actions were being taken to find the root cause of guest complaints. Therefore staff members were offering a response to the problem as dictated by the operations manual, but not working as a cohesive unit to solve such issues. The reason is that all departments are consciously striving to offer five-star service,
which if implemented correctly should ensure that guests do not have reasons to comment negatively about their stay. In looking to eradicate this issue, the unit manager is considering setting up pre-determined problem solving solutions, so that incidents are handled within the same professional manner.

**Departmental managers**

With relation to hotels being defined as five star, concern can sometimes focus on staff being resistant to change, and in review of such data collected, one such incident was with menu requests. The restaurants of Hotel C offer high-class menus, where the chefs have taken considerable time in organising the menu. The issue is that guests are requesting different items from those on the menu, causing chefs to feel frustrated and refusing to prepare such a dish. The departmental incidents are of a non-tangible nature, relating to service and expectation levels and not elements such as fixtures and fittings.

**Line managers/operatives**

Due to the hotel’s status, a porter service is available. This results in baggage being removed from guests when they arrive, and they are informed that their bags will be forwarded to the room. One of the service incidents defined is that it takes a long time for bags to be delivered, causing guests to feel frustrated with the service. In generating a solution, the group suggested that receptionists could be the people used to transfer guest luggage. Meridien policy already states that all guests should be offered the choice of being shown to their room by the person who checks them in at the desk. When considering the incidents raised in relation to food and beverage, the first concern was that of a limited menu (poor choice of dishes), and secondly, a long wait for room service. In solution to poor choices offered, the individual members decided that guest focus groups were to be used, to help determine ideal food requirements.
Much attention has focused on the delivery of five-star service, through the operations manual approach. However not all guests want to be exposed to such traditions. Guests commented that the restaurant service is too slow, and would prefer an express menu option. The Meridien operations manual does account for such an approach. Attention now needs to focus on resolving service and operational issues, moving away from the standards to concentrate on customer requirements.

6.5 Anticipated guest requirements and unit adjustments required

From the incidents noted above, the next stage of this chapter determines the anticipated guest requirements for each of the hotels. These suggested ideas arise from the negative experiences reflected by guests to staff members. Such issues were therefore a reflection of guest dissatisfaction. In reversing these levels of dissatisfaction, the study looked to develop a range of anticipated guest needs. It is these needs which are the basis for ensuring that guest expectations are met.

To ensure these anticipated requirements are introduced, managers and staff must ensure that the operation is adjusted to align with such proposals. This is the basis of the study, to show that unit hotels attempt to continually fine-tune the operation to meet customer requirements.

6.5.1 Guest requirements - Hotel A

Hotel A is a three-star, UK branded, business hotel. This brand has operations throughout the UK, where all such units offer similar products. Of importance to the guest at such an establishment is the requirement for an effective complaints procedure, ensuring that if a problem arises then the individual feels as though the manner is handled professionally. Business guests, due to problems with time, do not complete the satisfaction questionnaire, and instead would prefer a dedicated area to note their frustrations.
Within the food and beverage operation, guests noted concerns with slow room service, and when looking to use such an operation, the unit must ensure efficient and effective delivery. Levels of dissatisfaction had also been recorded with certain foods, and as the meal is an important consideration for guests choosing to eat, adjustments need to be made. With front office, guests require the reception check-in area to be well signposted, with seating areas provided if a queue has formed. When attending conferences, incidents raised by guests included issues such as room layout. To ensure their needs are met, the conference department should attempt to contact the organiser prior to the event, thus finalising all arrangements. The final requirement, when analysing the critical service issues was in relation to housekeeping. Guests noted problems with the room being too hot, and asking for air-conditioning. In view of not having a pre-installed system, solutions proposed included the requirement for portable units, helping to introduce cooler air into the bedroom. These anticipated requirements, off-set by adjustments to the operation can help to ensure that the unit is aligned with customer needs and requirements.

Table 6.1 - Anticipated guest requirements - Hotel A

<table>
<thead>
<tr>
<th>Department</th>
<th>Unit operation</th>
<th>Anticipated guest requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit overall</td>
<td>• Complaints</td>
<td>• When guests note a problem, that it is solved both professionally as well as effectively</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>• Room service</td>
<td>• Order to be taken efficiently, and delivered according to the time stated</td>
</tr>
<tr>
<td>Front office</td>
<td>• Reception</td>
<td>• Check-in desks well signposted</td>
</tr>
<tr>
<td>Conferences</td>
<td>• Business meeting</td>
<td>• Room set up according to the requirements of the conference organiser</td>
</tr>
<tr>
<td>Housekeeping</td>
<td>• Bedrooms - heating</td>
<td>• The provision of a portable air-conditioning unit during the summer</td>
</tr>
</tbody>
</table>

In review of areas of dissatisfaction, Table 6.1 outlines anticipated guest requirements that will help to ensure expectations in the future are met.
Table 6.2 - Best practice solutions and unit adjustments - Hotel A

<table>
<thead>
<tr>
<th>Department</th>
<th>Unit operation</th>
<th>Best practice solutions - unit adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit overall</td>
<td>• Complaints</td>
<td>• Standardised customer compensation scheme</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>• Room service</td>
<td>• Re-direct the phone away from room service to switchboard</td>
</tr>
<tr>
<td>Front office</td>
<td>• Reception</td>
<td>• Enlarge the overall reception desk</td>
</tr>
<tr>
<td>Conferences</td>
<td>• Business meeting</td>
<td>• Conference staff to communicate with customers prior to event</td>
</tr>
<tr>
<td>Housekeeping</td>
<td>• Bedrooms - heating</td>
<td>• Portable air-conditioning systems to regulate the temperature</td>
</tr>
</tbody>
</table>

The above table, 6.2 determines the best practice solutions required to ensure alignment of the internal operation with guest needs.

6.5.2 Guest requirements - Hotel B

Hotel B is a four-star, UK un-branded, leisure hotel. Due to the un-branded nature of the operation, the unit manager and staff have full autonomy in anticipation of the decisions they want to take. Through conducting the incident technique, one of the major issues to be put forward was the lack of empowered staff to resolve guest issues. Staff members were passing guest problems onto other colleagues. A dedicated area where guests can comment on the level of satisfaction achieved is required.

With food and beverage, most leisure guests stay on a bed and breakfast rate. Therefore issues can arise in relation to queues forming. In adjusting the operation, the solution offered was that of opening up one of the bar areas for the service of buffet-style continental breakfast, thus removing people from the restaurant. With front office, much staff-guest interaction takes place, and because of the high proportion of leisure guests, receptionists spend a lot of time talking with customers. In relation to ideal requirements, the study can note that this procedure needs to be highly effective, where guests are made to feel welcome and rapport developed. The problem with this for Hotel B, is the sheer
size, thus queues at check-in develop. In solution, staff members suggest that those individuals who are not looking for personal contact with receptionists should be provided with an express registration option.

Table 6.3 - Anticipated guest requirements - Hotel B

<table>
<thead>
<tr>
<th>Department</th>
<th>Unit operation</th>
<th>Anticipated guest requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit overall</td>
<td>• Complaints procedure</td>
<td>• A dedicated guest relations area, with empowered staff to resolve critical issues</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>• Restaurant - breakfast</td>
<td>• When arriving for breakfast in the morning, that a beverage breakfast table is ready straight away</td>
</tr>
<tr>
<td>Front office</td>
<td>• Reception - checkin</td>
<td>• Efficient check-in procedure, or the provision of express check-in/out to avoid queues</td>
</tr>
<tr>
<td>Conferences</td>
<td>• Business meeting</td>
<td>• Conference desk with an attendant, to ensure that any problems can be resolved quickly</td>
</tr>
<tr>
<td>Housekeeping</td>
<td>• Bedrooms - fittings</td>
<td>• Room furniture that is well maintained, serving the purpose for which guests require</td>
</tr>
</tbody>
</table>

In review of areas of dissatisfaction, Table 6.3 outlines anticipated guest requirements that will help to ensure expectations in the future are met.

Table 6.4 - Best practice solutions and unit adjustments - Hotel B

<table>
<thead>
<tr>
<th>Department</th>
<th>Unit operation</th>
<th>Best practice solutions - unit adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit overall</td>
<td>• Complaints procedure</td>
<td>• Greater incentive required for customers to review operation</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>• Restaurant - breakfast</td>
<td>• To open one of the bars to provide a buffet-style breakfast</td>
</tr>
<tr>
<td>Front office</td>
<td>• Reception - checkin</td>
<td>• Increase the number of receptionists on duty, as well promote the express option</td>
</tr>
<tr>
<td>Conferences</td>
<td>• Business meeting</td>
<td>• Place a card at the desk when the staff member is attending to another client</td>
</tr>
<tr>
<td>Housekeeping</td>
<td>• Bedrooms - fittings</td>
<td>• Provide a room care card for guests to note infrastructural concerns in the room</td>
</tr>
</tbody>
</table>

The above table, 6.4 determines the best practice solutions required to ensure alignment of the internal operation with guest needs.
6.5.3 Guest requirements - Hotel C

The bedrooms and public areas are of exceptional standard, thus issues are all service related. Problem arise with the operational approach taken, that of training via a manual. There is belief that if the service is delivered according to this booklet, then all guest expectation levels will have been met. The concern is that guests’ expectations change. To anticipate and meet guests’ requirements, the critical incident technique revealed three areas of service dissatisfaction; food and beverage, front office and housekeeping. With food and beverage, guests were noting issues with the choice of meals in the restaurant. Guests require a less traditional dining approach, to include new lighter options. Linked closely to the menu is the level of service. Guests note that the food is served slowly and to meet their needs the unit should serve the option of an express menu.

With front office, areas of improvement are needed. Guests refer to waiting in the lobby area for their rooms to be made up as poor service, and propose therefore that rooms need to be ready on arrival. In looking for a solution, staff members propose that reservations should aim to define an arrival time from the guest when they first book. After checking-in, guests then note that the porterage system taking luggage to the room, is extremely slow, and would prefer to take their own bags than wait for delivery. In response, the adjustment could be that of receptionists helping with luggage when showing guests to their room.

Table 6.5 - Anticipated guest requirements - Hotel C

<table>
<thead>
<tr>
<th>Department</th>
<th>Unit operation</th>
<th>Anticipated guest requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and beverage</td>
<td>Restaurant - service</td>
<td>For both a full meal service, as well as express options available</td>
</tr>
<tr>
<td>Front office</td>
<td>Reception</td>
<td>Ensure rooms ready on arrival, and bags to be delivered to the room straight after check-in</td>
</tr>
<tr>
<td>Housekeeping</td>
<td>Bathroom - amenities</td>
<td>For all toiletries to be provided, and replenished within the bathroom</td>
</tr>
</tbody>
</table>
In review of areas of dissatisfaction, Table 6.5 outlines anticipated guest requirements that will help to ensure expectations in the future are met.

Table 6.6 - Best practice solutions and adjustments - Hotel C

<table>
<thead>
<tr>
<th>Department</th>
<th>Unit operation</th>
<th>Best practice solutions - unit adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and beverage</td>
<td>• Restaurant - service</td>
<td>• Provision of an express-menu, and lighter choices made available</td>
</tr>
<tr>
<td>Front office</td>
<td>• Reception</td>
<td>• Reservations to determine arrival time, and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>receptionists to help with guests luggage</td>
</tr>
<tr>
<td>Housekeeping</td>
<td>• Bathroom - amenities</td>
<td>• Introduction of a new inventory system - orders processed quickly and efficiently</td>
</tr>
</tbody>
</table>

The above table, 6.6 determines the best practice solutions required to ensure alignment of the internal operation with guest needs.

6.6 Conclusion to research question

In collecting service issues through the critical incident technique, the study was able to answer the second research question. This considered:

- The adjustment of unit operations is positively related to guest requirements

According to Olsen (1989, 1991) and Schaffer (1984, 1986) hotel firms when looking to change their operation need to consider organisational structure and external environment, ensuring both elements align and fit together. It is from their findings that the research question developed, in anticipation of unit hotels adjusting their operations according to the requirements set forward by guests.

In using the critical incident technique the study was able to reflect areas of guest dissatisfaction, and then through focus group interviews, staff members provide ideal best practice solutions. In analysis of such incidents, the study was able to define anticipated guest requirements for each of the hotels selected. Finally, unit
staff can attempt to adjust their operation to meet such needs, ensuring alignment between the external guest and the internal capabilities of the unit.

Overall, the conclusion to the research question is of a positive nature. When changing any area of the business customer requirements need to be considered. Change should focus on the customer, and not purely for commercial and financial reasons. Hotel B, in changing their restaurant concept did not consider the customer. Change was undertaken for commercial reasons, and in the end, financial returns were no greater than that which had been witnessed previously. Similarly, Hotel C, operating within tight constraints, have not considered the requirements of guests. The restaurant was continuing to offer a traditional five-star lunch, ‘silver-service’, when in reality guests wanted a lighter, more express-style offering.

This is difficult to consider as Hotel C is operating on tradition, and customer expectations are taken from the past. They believe that this level of service is required in such a prestigious establishment, and are therefore reluctant to change in fear of losing status. In their view adjustment of operations actually has negative impact on guest stays. In reality, the changes proposed would ensure unit enhancement.

Areas of conflict with the research question focus around managerial power. How much responsibility do the managers have to adjust their operation? From the data, levels of guest dissatisfaction either focus on structural issues, or fundamental changes in operational policy. Therefore, can the unit manager actually adjust the business to fit these needs?

In looking first at Hotel A, areas of dissatisfaction are noted for both service and product related issues. Guests feel that their complaints are not handled effectively and depend heavily on the person you complain to. Certain individuals are more understanding than others. To ensure an effective system is delivered,
the unit is looking at the development of a standardised customer compensation scheme. In reality, the manager will have little flexibility in undertaking such adjustments. Head-office will want to know why the issues are not being solved. If a standardised scheme was to be considered, then all Posthouse Hotels would have to take part. In ensuring brand consistency, Hotel A would have to work with all other outlets, to decide a favourable compensation level. Issues with food and beverage, however, can be solved in-house, as the department is aiming to ensure that the room service phone is always manned. In theory, the Posthouse operations manual states that orders should be taken throughout a dedicated period. Instead of the unit manager employing more staff, a simple transfer of the phone to switchboard will ensure that all calls are answered, and orders taken accordingly. In conclusion, the hotel is adjust the operation to fit customer needs.

The issue with front desk, that of computer terminals being set too low down and the check-in area being too small, is an operational difficulty that the manager has little control over. The desks are fitted by contractors commissioned by head-office, and are a standardised size. In reality, the power of brand characteristics is hindering the unit manager in running the hotel to its optimal capacity. The reasoning behind branding is customer loyalty, as branded hotels ensure consistency across the group's portfolio. It would therefore not be appropriate for a guest to see a different approach at each of the Posthouses they visit. People know what they are getting, and that's why a sense of loyalty and commitment begins to grow. Overall, the unit manager is not able to adjust the unit according to the needs of guests, as certain areas of change may in fact move the unit away from brand standards.

Hotel B, operating as a stand alone unit, similarly witnessed guest dissatisfaction focusing on product and service issues. When reviewing the effective handling of guest complaints, the hotel was able to set up a guest relations desk in the lobby area. This allowed guests one point of contact when registering a complaint. This was not possible in Hotel A, as across the UK, no Posthouse Hotel has a separate
guest relations desk. The manager decided that this would assist the operation, therefore carried out the development without head-office interference. An area where solutions are more difficult to solve is in relation to the size of the hotel. Both check-in/out, as well as breakfast are areas of operational concern. Due to the hotel having in excess of 800 rooms, check-in/out for guests can become tedious. Long queues form, and reception staff are unable to develop rapport. The hotel cannot deal with all people wanting to use the service at once, thus this is an area of the operation where infrastructural change may make no difference. The unit manager therefore decided to implement express check-in/out service, so guests can go straight to the rooms, as well as leave more easily. Queuing is a thing of the past to those individuals who use this service. The hotel decided on the operational change as positively responding to guest requirements.

Overall, the manager has more flexibility in changing the operation, as there are no brand restrictions in place. The hotel is there to serve the needs of guests. Each guest is different, thus the business listens to their concern and changes operations accordingly.

Finally, with Hotel C the manager was focusing heavily on the delivery of five-star service. Guest requirements were not always being fulfilled, rather the hotel was offering a service which they had become accustomed to. Guests were noting that the hotel was offering services which they did not require. For instance the ‘formal lunch’. Express lunch is not a Meridien policy, therefore is difficult to implement. The manager is responsible for offering a particular type of service. Where the managers do have freedom though is with operational tangibles. For instance, the menu is not standardised, but it must meet the needs of a five-star hotel. Equally, the manager has complete flexibility to put fax machines in the bedrooms. This is not common policy across all Meridiens, but the manual only relates to service, and not to physical products.
The manager is therefore responsible for implementing the service procedure into the building. Issues with porterage help to explain this notion. Policy states that guests do not take luggage to their room. Frequently the guest is receiving their luggage a long time after check-in. It is not operationally correct to tell the guest there maybe a delay in transferring their luggage. Rather, the bags are taken from the guest. Certain staff members had been informed by guests that they know of such delay, and therefore were prepared to take their bags themselves. In conclusion, a simple operational function can actually cause guest dissatisfaction. The level of service is so standardised that flexibility and innovation are discouraged.

6.7 Summary

Stage three of data collection reviewed critical incidents within unit hotel operations, to define those service issues that cause guests to feel dissatisfied with their stay. The incidents were collected through the critical incident technique; interviewing unit managers, departmental managers, line managers/operatives. These individuals were recounting issues that had been brought to their attention by guests. In determining incidents, the research then considered ideal solutions to such concerns, where staff members in both a group setting as well as individually looked to offer best practice responses. The basis of their suggestions was to remove the incident from the operation, instead of continuing to offer short-term solutions.

In determining incidents and solutions from different levels of the unit hierarchy, the research was looking to represent the issues that arise from within specific job levels. In conclusion, all incidents were seen as critical to the success of the organisation, the only difference being the focus and depth of their explanation. With unit managers, consideration fell on the overall hotel operation, noting problems with the implementation of a customer-focused approach.
The incidents highlighted by departmental managers were more concerned with ensuring the removal of issues from their operation. They suggested service delivery solutions that help to address the problem. With line managers and operatives the incidents can be defined as purely operational. They were reviewing problems and procedures within their jobs. Suggested solutions to remove such incidents focus on physical change of their operational role. As line managers and operatives are in touch with customers for most of the day, their solutions help to remove problems from the service delivery process.

The final part of the chapter helped to define anticipated guest requirements, explaining to unit managers the importance of change in staying in touch with customers. This helps to support the research question, ‘the adjustment of unit operations is positively related to guest requirements’, as research data sought to determine critical incidents (as a means to define guest requirements), and then through the discussion of solutions, enable the introduction of operational adjustments. In conclusion, unit hotels should first determine guest needs and then adjust their internal operation accordingly.

Overall, unit hotels are not always able to adjust their operation as power lies in the hands of head-offices. Brands are developed to ensure guests know completely the product they are about to purchase. It is more difficult to know the level of service to be received due to problems with intangibility. People are aware of the room contents, the average price and the overall level of comfort. Therefore the individual is buying reassurance of the product that they are about to receive. In hotels where brand standards are set in tablets of stone, unit managers have little input into operational change. They have to live with the problems, ensuring that all other areas of the guests stay are truly memorable. Referred to as managing the product/service interface, the manager hopes that all other areas of their stay have been so good that they will return. On the other hand, managers running independent (un-branded) properties have greater flexibility in adapting the operation to fit with guest needs. In conclusion, the
hotel is undertaking change which results in guest loyalty and commitment, as the individual is being listened to, and the operation changing accordingly. Overall, it is therefore the alignment process that ensures change, and it is this change that leads to unit success.

The final chapter will now determine the implications of the research study and its findings to both theory and practical applications. The theoretical conclusions relate back to the literature, to review the results of the study in responding to the defined research questions. Second, the practical applications are of interest to industry, and link back to the constraints and incidents highlighted.

To conclude, a brand-based model for operational and service adjustments is proposed, whereby fine-tuning adjustments are offered to representative samples of London hotels; a three star, branded business hotel, a four-star, un-branded leisure hotel and a five star, internationally branded business/leisure hotel.
Chapter 7 - Discussion of findings, and implications of the study for academia as well as the unit hotel sector
7.1 Introduction

Chapter six analysed the critical incidents collected from staff members at four different levels of the unit’s hierarchy. These incidents relate to unsatisfactory levels of service experienced by guests, and in order to adjust unit operations to match guest requirements, such incidents require operational solutions. Therefore, in a group setting with line managers and operatives and individual interviews with senior management the study introduced best practice solutions. It is such solutions that help to ensure continual adjustment of unit operations to match guest needs.

The aim of the study was to define how unit managers and staff can be more pro-active in adjusting their internal operations, to ensure alignment with customer needs. Those unit hotels that undertake a more strategic-thinking approach, to consider guests' needs and expectations should witness increases in performance, as it is the customer who is informing the unit of areas of poor service. These thoughts and ideas, as expressed by guests can then be incorporated into the hotel.

To assist the study, an informative literature review was considered. In particular articles relating to the changing role of the hotel manager (Olsen 1989 and 1991) were consulted. Commenting on the situation within the United States, the author informs both industry and academics alike that the 1990s will witness a move whereby hotel managers become responsible for analysing, choosing and implementing decisions at the local level. If this becomes the prevailing situation for the latter half of the 1990s then these managers will need to consider organisational structure, ‘how they operate’, in the light of aligning operations with the market place. The work undertaken by Olsen (1989 and 1991), facilitated hospitality researchers to study notions of aligning internal decisions with the external environment. In particular Wang (1993) and Phillips (1995)
whose studies, based on UK multi-unit hotels looked at the effects of aligning strategy, structure and external environment. Conclusions to their research note:

- unit hotels that adopt a strategic approach to their operation see greater dividend than those hotels that manage on an ad-hoc basis.
- the external environment is the major influential variable that affects operations.

Therefore, it was suggested that unit effectiveness can be enhanced through aligning these two variables, but all work has concluded that a qualitative approach is required. This ensures the inclusion of situations whereby managers and staff are interviewed and observed, gaining a better understanding of the internal operational issues they face.

In review of limitations from prior research and areas defined as future work, this study considered a qualitative paradigm. The basis of such was to draw conclusions on the importance of adjusting unit operations to ensure continual alignment with guest needs. In helping to achieve the study's aim, two research questions were proposed. These questions helped form the stages of data collection. The first research question related to stages one and two, where the aim was to consider operational constraints that impede effective service delivery. The second question made reference to service incidents and best practice solutions. Such responses would help in adjusting unit operations to meet guest requirements. Conclusions to the stages of data are now discussed.

7.2 Constraints affecting the implementation of a customer-focused approach

Hotel A

Hotel A, a three-star, UK branded business hotel was re-branded as a Posthouse in 1996. As such, all departments changed their operational focus. With food and
beverage, the constraint highlighted was in response to the menu. In essence the restaurant concept changed, from what had been a bistro approach to the standardised Posthouse offering. From this menu change, 29% of guests reported dissatisfaction with the new offering, explaining that levels of dissatisfaction correspond to limited choices available. At the time of such change, the departmental manager fought hard against the measures but was unsuccessful. This was due to the Posthouse brand being developed around the philosophy that all hotels throughout the portfolio operate similar products.

Constraints in front office focused upon receptionists, who were becoming annoyed with the amount of complaints that were being brought to their attention. The front office manager was concerned that this frustration could be passed on to the guest and from data analysis, 19% of guests who completed the questionnaire were dissatisfied with the efficiency of check-in.

Hotel B

Hotel B, a four-star, UK un-branded leisure operation notes similar problems (as with Hotel A) with food and beverage. However, Hotel B is un-branded, and decided to change their restaurant. The concept was changed from a traditional carvery approach to a new Mediterranean bistro. Since modernisation there has been a dramatic fall in the number of people eating in the restaurant. In analysis of the level of guest feedback, 21% of guests were dissatisfied with the food served and of those guests eating, many expressed preference for the carvery.

The second department to note operational constraints was housekeeping, where issues relate to high staff turnover. Under current staffing levels there are only two days in the week in which all areas are covered. Therefore, for the remaining days of the week the number of rooms to be brought onto the system (cleaned and checked), is slower than that of the number of guests arriving.
Hotel C

The first area of discussion relates to food and beverage. When observing the workings of this particular department, room service was noted as being a concern. In analysing the questionnaire, 15% of the people expressed dissatisfaction and the basis of this was the lack of welcome offered to guests. Similarly, there was no follow-up in relation to had everything been satisfactory. The staff were delivering the meal on time, but with no guest rapport.

With housekeeping, concerns expressed were in relation to actual cleaning of rooms, and not the fixtures and fittings. Due to the nature of the hotel many floors have split-levels. Stairs break-up the flow of corridors causing maids to work in pairs. Assistance is then given in moving the cleaning utensils between the levels. Overall this slows down the cleaning process and in analysis of questionnaires, 5% expressed dissatisfaction with the cleanliness of the room.

Summary

From the data collected the study can note that all three units had not consciously looked at introducing a customer-focused approach. In essence, the alignment process is more likely to happen by chance than through managerial commitment. Hotel A had been forced to introduce a new managerial concept, ‘success through service’ as the unit manager has little input to the strategic decision making process. The unit is so heavily branded that the manager is responsible for implementing head-office decisions. The ‘success through service’ initiative was a reactive measure to the unit’s poor service record. This scheme can be best described as the unit manager implementing a new sense of ‘voice’ and not a definitive level of ‘choice’ that Olsen (1989, 1991) had talked about previously with his ‘strategic-orientation’ research.
With Hotel B, the restaurant concept changed. The hotel was up-graded from three to four-star. With this the unit manager presumed that business travellers would appreciate the new restaurant, rather than the traditional carvery approach. In reality, the reverse was witnessed. The manager had complete autonomy in changing the restaurant, but if the hotel had actually talked with guests first then the food and beverage department may have witnessed a more profitable outcome.

Hotel C, a five-star branded business/leisure property presumed that by operating a traditional five-star approach guest requirements would be met. In reality, guests are complaining that the hotel is too standardised with little rapport developed. The service approach needs to change and it is for management to realise that not all individuals require this formal, traditional approach. Many guests would like to be offered a more simplified level of service.

7.3 Theoretical implications of the study

The aim of the study was to determine how unit managers and staff can be more pro-active in adjusting their internal operations, to ensure alignment with customer needs. In doing so, the study picked on four previous research offerings, where the pioneering work in this field first originated in the United States. Olsen (1989 and 1991) was the first to look at the benefit of unit managers attempting to operate within a strategic-context; analysing, choosing and implementing decisions, rather than focusing on an operations-oriented role.

As noted by Olsen (1989) those managers who align their operation with the external environment are changing their traditional work patterns, and it is this which is required as hotels become ever more empowered to run their unit as a separate entity. An issue with this conclusion from Olsen (1989) is that many hotel companies are now using brands as a means to develop a cost-saving
approach, as was the case with Hotel A. Here, managers have less of a say in overall decisions, rather a greater involvement with delivery of brand standards.

Two further studies, Wang (1993) and Phillips (1995) conducted research in the UK hotel sector, using hypotheses testing as a means to accept or reject notions that performance is affected when hotels align structure, strategy and environment. In conclusion, Wang (1993) stated that there is a significant effect of the environment-strategy-structure fit on performance, both for ‘return on capital employed’ and ‘return on assets’, but not in sales growth. Phillips’ (1995) study became more interested in examining the combined affect of strategic orientation and strategic planning on business performance. Overall, strategic decisions are more important for firms than changes in orientation.

Both authors recommend important considerations for future work, and it was from these that the study in question developed. In looking to optimise unit operations through adjusting internal capabilities to external considerations, a more qualitative approach would be required, whereby managers and staff are interviewed/observed to gain knowledge of operational issues.

7.3.1 Conclusions to the research questions

Research question 1

In conducting interviews and observations with departmental managers, it was noted that certain operational constraints impede on delivery of successful service. In looking to optimise unit operations, in relation to aligning internal capabilities with guest requirements, such issues need to be resolved as they can contribute to the negativity of overall expectations. Using participant observation and in-depth interviews to collect data, with case study analysis to review findings, the study addressed the question :-
The correlation between strategic thinking and unit enhancement is positively related to alignment.

To ensure unit effectiveness, alignment of internal operations with guest needs and expectations is required. For example, with Hotel B the unit manager was granted autonomy to implement strategic decisions. The manager opted to change the restaurant concept, upgrading the dining experience to suit a more business-focused clientele. Data concludes that managers and staff can enhance their unit through the alignment process, but only if these decisions fit with guest needs. This helps prove that the external environment is vital to firms when undertaking strategic decisions, and supports the conclusion from research conducted by Dev and Olsen (1989). The authors suggest that the environment is the major influential variable that affects operations, rather than direct relationships between decision-taking and performance. Decisions are of little relevance to the unit unless they support guest requirements.

With Hotel B, the unit manager was granted autonomy to run the unit and with this, responsibility for implementing strategic decisions. They opted to change their restaurant concept, upgrading the dining experience to that of a four-star business offering. These changes led to overall guest dissatisfaction. If Hotel B had adjusted the restaurant operation to the needs of guests, rather than perceiving their values, it may have witnessed increased sales. Guests would continue to see benefit in eating in an establishment which they had become accustomed to. The analysis of collected data therefore concludes that managers and staff can use the alignment process to enhance their unit operation, but only if the decisions taken fit with guest needs and market expectations.

The story is somewhat different for Hotel A. Operating under the constraints of the Posthouse brand, the unit manager had little choice but to introduce the new restaurant operation. It was apparent that guests may complain, but due to brand characteristics being so strong, it was still decided that the hotel would have to
live with this operational change. In this scenario, alignment is not possible. The research question was looking to show that managers, when undertaking their new approach should ensure that decisions taken fit with the needs of customers. The unit manager of Hotel A had not witnessed the operational responsibilities that had been previously mentioned in literature of Olsen (1989, 1991). The individual was not operating within a ‘strategic-context’, rather, in charge of running a heavily branded operation. Brand characteristics are set by head-office, with little input from managers. It is then the job of such individuals to ensure brand standards are delivered, according to the manual. The unit manager has some additional margins of ‘choice’, when taking decisions, but equally little substantial increase in employee ‘voice’. In review of Hotel A, this was certainly the case. The unit manager, and food and beverage manager were aware of the potential problems that could arise, but had no choice in the matter. Head-office decided to convert the hotel from a Crest property to a Posthouse, which is then required to adopt the traditional Posthouse brand characteristics. It was then the unit manager’s responsibility for implementation.

It is apparent that alignment of internal operations with the needs of guests will help to ensure unit effectiveness. Managers undertake change of a strategic nature in order to ensure customers are satisfied with the product/service offered. If such change is taken without considering external needs, the operation may witness negative responses to this new offering. The work by Olsen (1989, 1991) reviewing the new roles to be played by unit managers regarding the undertaking of strategic decisions, will require more alignment than ever. In reality, this is the case, and decisions need to fit with customer needs, but more importantly, the power of branding does not allow such change to be implemented. Brand consistency is what hotels are trying to achieve. Managers are responsible for ensuring that this happens. The strategic decisions to be taken will be set by head-office, and managers will be responsible for implementation. Alignment is therefore more achievable in those hotels that are un-branded, where managers have flexibility in the running of their business.
Research question 2

When using the critical incident technique for collecting service issues and focus group interviews to determine ideal solutions to such incidents, the research was able to review the second research question.

- The adjustment of unit operations is positively related to guest requirements

Overall, the conclusion to the research question is of a positive nature. When looking to change any area of the business, customer requirements need to be considered. Change should focus on the customer, and not purely for commercial and financial reasons. Hotel B, in changing their restaurant concept did not consider the customer. Change was undertaken for commercial reasons, and in the end, financial returns were no greater than those which had been witnessed previously. Similarly, Hotel C, operating within tight constraints, have not considered the requirements of guests. The restaurant was continuing to offer a traditional five-star lunch, delivered through ‘silver-service’, when in reality guests wanted a lighter, more express-style offering.

Areas of conflict with the research question focus around managerial power. How much responsibility do the managers have to adjust their operation? From the data, levels of guest dissatisfaction either focus on structural issues, or fundamental changes in operational policy. Therefore, can the unit manager actually adjust the business to fit these needs?

In looking first at Hotel A, areas of dissatisfaction are noted for both service and product related issues. Guests feel that their complaints are not handled effectively and the outcome depends heavily on the person you complain to. To ensure an effective system is delivered, the unit is looking at the development of a standardised customer compensation scheme. In reality, the manager will have little flexibility in undertaking such adjustments. In the first instance, head-office
will want to know why the issues are not being solved, rather than looking at a set level of compensation. In ensuring brand consistency, Hotel A would have to work with all other outlets, to decide a favourable compensation level. In reality, the power of brand characteristics is hindering the unit manager in running the hotel to its optimal capacity.

Hotel B, operating as a stand alone unit, similarly witnessed guest dissatisfaction focusing on product and service issues. In aiming to handle guest complaints effectively, the hotel was able to set up a guest relations desk in the lobby area. The manager decided that this would assist the operation and therefore carried out the development without head-office interference. An area where solutions are more difficult to find is in relation to the size of the hotel. Both check-in/out, as well as breakfast are areas of operational concern. Long queues form, and reception staff are unable to develop rapport. The hotel cannot deal with all people wanting to use the service at once, thus this is an area of the operation where infrastructural change may make no difference. The unit manager decided to implement express check-in/out service. The hotel changed as a positive response to guest requirements.

Finally, with Hotel C the manager was focusing heavily on the delivery of five-star service. Guest requirements were not always being fulfilled, rather the hotel was offering a service which they had become accustomed to. Guests were noting that the hotel was offering services which they did not require. For instance the ‘formal lunch’. Express lunch is not a Meridien policy, therefore is difficult to implement. Overall, the manager is responsible for offering a particular type of service. Where the managers do have freedom though is with operational tangibles. For instance, the menu is not standardised, but must reflect the expectations of a five-star hotel. The manager has complete autonomy to make physical changes to the hotel, and align these variables with guest needs, but has little assistance when it comes to the level of service. The operations manual is completely focused on how the service should be delivered.
In conclusion, the study looked to fill gaps in existing research by looking inside unit hotels to determine ideal business operations required, so that alignment between unit and guest is successful. To compliment the work of Wang (1993) and Phillips (1995), this study through interviews and observations suggested to units incidents that require solutions, in the light of guests enjoying their stay.

As stated in the introduction, the aim of the study was to develop a brand based model that determines operational and service adjustments required, in the light of ensuring internal unit capabilities are aligned with the needs and requirements of guests. In essence, 'how do you encourage unit managers and staff to seek, explore and maintain a broader view of operational matters'?

Research studies had noted that in the future unit managers will operate within a strategic context (Olsen 1991); analysing, choosing and implementing future strategic decisions in the light of ensuring unit success. This new role arises from implications of decentralisation, where autonomy is passed to managers to run their unit according to the demands imposed on them by market characteristics. With Hotel B, the unit manager was granted autonomy to run the unit and due to this, responsibility for implementing strategic decisions. The manager opted to change the restaurant concept, which actually led to overall guest dissatisfaction.

Adjusting the restaurant operation to the needs of guests, rather than perceived values, Hotel B may have witnessed increased sales. Guests would continue to see benefit of eating within an establishment which they are accustomed to. The analysis of data concludes that managers can use the alignment process to enhance their unit operation, but only if the decisions taken fit with guest needs. Similarly, issues focusing on standardisation and branding are now known to affect the alignment process. They have a tremendous impact on the level of empowerment granted to unit managers. Undertaking research into the extent and nature of empowerment in ten five-star hotels in Amsterdam, Hales and Klidas (1997) were looking to discover whether empowerment provides managers with
greater choice in the implementation of decisions, or rather, managerial voice in implementing decisions from head-office. Their literature search had expressed the notion that empowerment provides employee choice, rather than substantial increases in employee 'voice'. In review of their findings, empowerment meant little more than increased employee responsibility for dealing with complaints.

Overall, the level of empowerment granted to unit hotel managers is still at large. Managerial autonomy is limited in both scope and depth. Hales and Klidas (1997) make reference to managers having little discretion in the way they react to guest complaints/problems. They are confined to technical choices of how service might be offered or improved, and how service issues prevented. Similarly, the authors make reference to managerial autonomy being limited to the depth of responsibility granted. Individuals were responsible for handling guest problems without any transfer of control over the resources or information required, to ensure the problem is eradicated.

Of significant interest to this study is the notion that managers in hotels, supported through a decentralised structure, have in reality little or no greater power in the workplace than before (Hales and Klidas 1997). There are some additional margins of choice available, when taking decisions, but equally little substantial increase in employee voice. This in turn questions whether or not managers will have responsibility to adapt their operation to the needs of the external market, or in reality, head-office state the business proposition and the unit manager is responsible for implementation.
7.4 Practical applications of the study

Many unit managers may refer to the notion of aligning internal operations with guest requirements as something that they already practice. Research conducted within the three hotels showed that this is not the case, as decisions were being made which did not consider guest satisfaction levels.

In conclusion for Forte Hotels, the first implication is that constraints highlighted by departmental managers were also recorded by guests. Overall the units knew that such issues would be a problem, but continued to operate in a similar manner. No attempt was made to eradicate such issues, rather the units continued to compensate for them. In defence of the unit manager, certain constraints actually require financial investment and without assistance the unit is left to operate under such conditions.

A second implication for Forte can also be noted, particularly in relation to branding. Within Posthouse, head-office is ensuring that all units across the UK offer similar products. This helps to achieve considerable cost-savings, rather than allow unit managers to align their operation to the local environment. Le Meridien, the five-star business/leisure brand does not have the same branding problem as Posthouse, but implications from the study show that guests are not receiving appropriate staff-customer rapport. Rather, staff members are referred to as ‘machines’, in that they know how to serve the guest professionally, but suffer customer-contact skills. This has arisen due to operational training being delivered through a rigorous manual, where staff are taught how to deliver five-star service, but not how to interact with guests.

Issues therefore need to be addressed within Forte’s brands. First, Posthouse is not attempting to align their operation with the customer. Managers have little responsibility in undertaking decisions and more importantly are not able to change the face of their operation, because of the damage that this may have on
brand consistency. Posthouse are trying to operate similar products across the whole of the UK, thus change takes place regardless of what customers think. This particular brand is a means by which Forte can establish cost-leadership. The Meridien brand suffers from over emphasis on service delivery, whereby if products are served according to manuals then expectations will have been met.

Overall, to anticipate alignment between business operations and guest requirements, the following model is proposed (figure 7.1). In analysis, the model shows that when guest requirements are met, there is alignment between the operation and the external customer. Similarly, if a guest is dissatisfied then a critical service incident has occurred, and it is from these incidents that future requirements are determined. Finally, the unit adjusts its operations accordingly.

**Figure 7.1 Alignment and adjustment of unit operations**

![Diagram](image)

Figure 7.1 explains the alignment process for unit hotels.
7.4.1 Brand-based model for operational/service adjustments

As three different hotel operations were selected, the following models represent guest requirements for the particular hotel brand, as well as propose operational adjustments required.

A three-star. UK branded, business hotel

The first hotel selected was a three-star business hotel. The brand was Forte Posthouse, restricted to the UK market, competing directly with Novotel, Hilton National, Holiday Inn and Moat House. The brand has a strong business following as hotels throughout the portfolio offer similar products.

From the requirements of the guests, the study can note that business travellers are instantly concerned with the speed and efficiency of service. Individuals require a dedicated area where they can register a complaint, rather than spending time having to fill in questionnaires. The check-in process is equally important. Speed is again a major consideration, but as the hotel has no express service then guests know they will have to check-in formally. Therefore, check-in should be easily accessible with areas for people to sit down whilst waiting. Linked to this process, guests were noting that the room size is an influential variable when determining whether requirements have been met. The guest requires a room which takes the place of their overall home, providing an area where they can conduct work, as well soft furnishings to relax.

Finally, a large percentage of Posthouse trade is made up of conferences and meetings. Of most importance to the guest is the layout of the room, ensuring the facilities and infrastructure are those which were requested previously.
Business guest arrives at the hotel

Increase the size of the reception area

Large check-in area, as well seats available to sit down

Review the linen contractor, monitor deliveries

Central sales team to visit the hotel and observe bedrooms

To be allocated a room that ensures the guest can work as well, rest

Clean and well presented bedroom linen

Guest requires food

Re-direct the room service phone to switchboard

Review food supplier and monitor deliveries

Restaurant food to be served at the correct temperature

Room service to be delivered on time and efficiently
A four-star, UK non-branded, leisure hotel

The second hotel to study was a four-star, non-branded, leisure hotel. In relation to requirements and operational adjustments, the study first notes that guests require a dedicated area to comment about the service provided. Due to the fact that they are on holiday, guests have free-time to talk with staff members regarding areas of dissatisfaction. When checking-in, individuals do not want to spend too long waiting in queues as many guests are overseas visitors who just want to get to the room and relax. Linked to this issue of waiting, customers also feel that they should be made to feel welcome. Leisure travellers are normally paying their own bills and expect to be spoken to and asked if everything was satisfactory.

With food and beverage, the guest feels that there is much choice outside of the hotel. Therefore, their requirements when opting to eat in the hotel restaurant refer to the quality of food. As well, staff need to be attentive and assist guests with the choice of meals on offer. The second aspect of this department relates to breakfast. Virtually all guests take breakfast as the cost is included in their room rate. This causes major queues and guests note that their main requirement is that a table is ready on arrival. Finally, aspects of housekeeping are noted, in particular that the furniture allows individuals to rest and feel at ease.
Customers asked to suggest menu options

Conscious effort by staff with levels of satisfaction

Table is ready for guests on arrival for breakfast

Provide a buffet breakfast area

Guest requires food

Room care card for guests to note maintenance issues

Express check-in/out options

Efficient and effective check-in procedure

Provided a bedroom with well maintained furniture

Leisure guest arrives at the hotel
A five-star, Internationally branded, business/leisure hotel

The third hotel selected was a five-star, internationally branded, business/leisure hotel. During the week, customers are predominantly business travellers whilst at the weekend the market changes and leisure guests arrive. In essence, the requirements of such individuals are similar, as the price of the hotel reflects the level of service that people require.

When guests arrive at the hotel, their first requirement is that their room is ready. Individuals do not want to have to wait in the lobby area. After checking-in, the next most important aspect of their stay is to ensure that luggage is delivered as soon as the guest has been shown to the room. As the hotel offers porterage, guests except to use the service as a means to get their bags to the room as quickly as possible. During the stay, many customers also want to eat in the hotel restaurant. Their main concern lies with efficient service. Similarly, if customers require something different to that offered by the menu, then they perceive the level of service as being reflected in the hotel’s ability to comply with such a request. The second aspect of food and beverage relates to the type of food offered. Many guests have shown concern with the full meal service. It is apparent that guests would prefer a lighter, express-menu option.

The final requirement is in relation to housekeeping. Due to the hotel’s status, all guest bathrooms contain a full range of toiletries. Many frequent travellers are aware of this and look forward to the products on offer. This can cause concern if such items are not replenished in bathrooms. It is a simple errors like this that can cause guests to feel a sense of dissatisfaction and more importantly result in guests not returning.
Inform staff that all guest requests are met

Efficient service, where staff are available

Full-service meal, as well express-menu available

Customer focus groups to decide menu options

Business/Leisure guest arrives at the hotel

Rooms ready on arrival

Efficient porterage of luggage to bedrooms

Guest requires food

Reservations to discuss with guests arrival times

Toiletries to be provided and replenished daily

Introduction of an inventory system for ordering
The above brand-based models, representing operational and service adjustments, can assist unit managers and staff to align their operation with the needs and requirements of customers.

In analysis of the models, each of the three approaches has different guest requirements. With the three-star, business hotel, guests were most concerned with the speed of the operation. This included how fast a guest could pass through check-in, or the time it would take for room service to be delivered. The leisure guest focused more on the standards being delivered. As these individuals were paying their own bills, expectations centred on efficiency and the way they were made to feel welcome within the hotel. Finally, guests to the five-star property focused their attention on quality. This does not mean luxury, but the general attempt to ensure that service is delivered efficiently and discreetly. Customers expect staff to look after all their needs and if such a product cannot be found then an alternative is offered. The high price that guests pay is reflected in their anticipated service capacity.

Overall, each of the hotels is entirely different, reflected perfectly with the three brand-based models proposed. Each model ensures effective alignment of the internal operation to guest requirements.

7.5 Study limitations and recommendations for further research

This section reviews the limitations of the study, where the first issue to be noted is the size and location of the sample. According to Patton (1990), qualitative research studies generally have small samples, but the issue here was that only three London properties were approached. However, these units were representative of the UK multi-unit hotel sector; three-, four- and five-star properties; business and leisure hotels as well branded and un-branded properties, but data was only collected from London.
Using this limitation as a basis for further research, any further study could open-up the sample to include multi-unit hotels outside London, to get a fairer representation of the critical service incidents affecting guests in the provinces. Due to heavy emphasis on branding, many incidents witnessed in London would also happen in the UK. As the multi-unit hotels in the UK are generally smaller than in London, issues such as queues forming at check-in, and waiting for a table for breakfast may not be so influential.

The second limitation is that by aligning internal and guest expectations as a basis to improve performance, no performance measure was actually selected. Rather, the study provides a list of incidents and best practice solutions to ensure guests’ requests are met. The study provides evidence that these issues need to be resolved, but there is no statistical representation showing that unit performance levels would increase if such changes were adopted. Future research could use the secondary data collected from the guest departure questionnaires. This could show whether levels of dissatisfaction have actually decreased since the unit attempted to align their internal capabilities. If the study could prove that the percentage levels of guest dissatisfaction were lower, then conclusions could be drawn that guests demands are being met and the alignment process is of commercial benefit.

The third limitation within the study was that the best practice solutions to the defined incidents were actually generated by staff members. This can result in the unit adopting such solutions, to align their business with the guest, when in reality the solutions offered may not meet the guest’s expectations. The answer to this would be to extend the study so that solutions are offered to guests who are asked to comment on responses, in order to determine whether or not this is what they require. If guests note these solutions as not being ideal, then the study could be extended to use customer focus groups as a means to generate their future requirements. This would ensure that a full customer-focused approach had been undertaken.
The basis for future research in the field of adjusting internal capabilities with the external environment (alignment), will benefit substantially if researchers continue to collect relevant data through qualitative paradigms. Through access to unit managers and staff, researchers are able to get hold of information relating to operational problems. They will be better able to determine which areas of the unit require support to ensure service levels are maintained. Through a purely statistical method, the important internal issues are missed, as questionnaires only give responses to defined questions. The second benefit of researching through qualitative methods is that guests can attend focus group settings, providing the researcher with their ideal requirements when staying at a particular hotel. Collecting operational data through observation supported by focus group interviews, research is able to ensure that unit hotels are aware of the operational adjustments required to support guest requirements.

One of the issues with the methodological approach taken was that customers were never consulted for. Therefore, to ensure customers were taken into consideration the critical incident technique was used to collect guest data. The incidents, as told in this study, are a collation of areas of conflict which had been expressed to staff members by guests. As the study was looking to determine needs and then adjust/fine tune the operation around such needs, concerns can lie with the fact that solutions to incidents were derived from unit staff, and not the guest. This can result in the unit adopting solutions to align with guests, when in reality these solutions may not meet their expectations. It was apparent that focus group sessions with customers would have provided adequate solutions to defined operational issues.
Further research

As defined above, a limitation of the study lies with the hotels sampled. London properties were the only hotels used, as well the three properties belong to the same operator, Forte Hotels. Therefore future research could open-up both limitations and propose to research within UK provincial hotels, as well as a cross-comparison with different hotel chains. Of interest to the hotel sector would be the noting of critical incidents outside London, to see whether provincial properties are suffering similar service issues, or instead a new list of incidents which cause guest dissatisfaction. Secondly, by stretching the sample to study hotels from different companies, research would be able to draw conclusions on which of the hotel chains is most aligned with their customer needs. This would be a fairly simple procedure as most hotel operators offer similar operations. The brand based models could also be tested on properties outside London, to show unit hotels how best to adjust their operation to guest needs.

Further research could also benefit from a combination of the use of qualitative and quantitative paradigms. In collecting incidents through the qualitative approach, research is able to show whether or not the unit is aligned with customer requirements. The problem then lies with the question of whether the unit gained financially or competitively. Researchers could look to quantify some value to unit hotels from introducing alignment. This could include measuring sales growth, as hotels would expect to see visitor numbers increase if their requirements are met. Research could also measure the number of repeat visitors, showing that due to needs and expectations being met individuals have a sense of loyalty to the hotel and return.
Appendices
Appendix I reflects the present operation of Forte Hotels, in particular senior managers, and how they report through to the company directors. Through this organisational structure, each unit manager reports directly through to an operations director, and then through to the divisional managing director. This results in a quicker line of communication between head-office and unit, than that which had been in place when the business was operating as Forte PLC.
Appendix II - Granada and the UK hotel sector

The following pages will review Granada’s operation (Forte Hotels) within the UK hotel sector, taken from research conducted by Kleinwort Benson (1996). This research is conducted by financial analysts, who review all publicly quoted hotel operators, through the following key measures:

- market share of hotels
- market share of rooms
- hotel location
- hotel size
- hotel configuration
- hotel affiliation

In defining the above, all results and tables are drawn from the Kleinwort Benson Hotel Report (1996).

In January 1996 there were 51 constituent hotel companies operating in the UK, where this figure is set to rise by the end of 1997, due to the increasing number of hotel companies to be floated; Macdonald Hotels and Millenium and Copthorne Hotels. According to the report, certain hotel operations represent only a minimal part of the parent companies business, resulting in the operation underperforming as they have no prior knowledge of the hotel sector.
Market share of hotels

According to Wearne and Morrison market share is:

...a figure that demonstrates how the business is doing by comparison with others in the same area of activity (Wearne and Morrison 1996, p42).

Kleinwort Benson noted that the following changes impacted on overall UK hotel market share ratings:

- Granada acquired Forte to become the largest hotelier in the UK
- Whitbread entered into an agreement with Marriott International

Granada has the highest number of hotels in the UK, 27.75% of the market, with Whitbread second, a share of 10.55%. Their report notes that Granada, Whitbread and Thistle are the only operators with more than 100 hotels each, in the UK.

UK hotels market share ranking

<table>
<thead>
<tr>
<th>Holding company</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Granada</td>
<td>27.75</td>
</tr>
<tr>
<td>Whitbread</td>
<td>10.55</td>
</tr>
<tr>
<td>Thistle</td>
<td>7.66</td>
</tr>
<tr>
<td>Moat House</td>
<td>6.21</td>
</tr>
<tr>
<td>Scottish and Newcastle</td>
<td>5.06</td>
</tr>
<tr>
<td>Bass</td>
<td>4.70</td>
</tr>
<tr>
<td>Allied Domecq</td>
<td>4.26</td>
</tr>
<tr>
<td>Greenalls</td>
<td>4.26</td>
</tr>
<tr>
<td>Stakis</td>
<td>3.18</td>
</tr>
<tr>
<td>Ladbroke</td>
<td>3.03</td>
</tr>
</tbody>
</table>

Source: Kleinwort Benson (1996)
Market share of rooms

During 1996 UK room stock rose (the amount of rooms on sale to the public), with the net addition of 2,000 rooms, an increase of 1.6% on 1995. Most additions were in the Budget Lodge sector, as Whitbread added 1,435 rooms to its Travel Inn chain, and Granada 666 rooms through Travelodge.

In terms of overall ranking, Granada had the highest number of rooms, with a market share of 26.03%, followed by Thistle and Whitbread with 11.11% and 7.81% respectively. Granada therefore has the most hotels in the UK, as well the number of rooms.

UK hotels room market share ranking

<table>
<thead>
<tr>
<th>Holding company</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Granada</td>
<td>26.03</td>
</tr>
<tr>
<td>Thistle</td>
<td>11.11</td>
</tr>
<tr>
<td>Whitbread</td>
<td>7.81</td>
</tr>
<tr>
<td>Moat House</td>
<td>7.76</td>
</tr>
<tr>
<td>Ladbroke</td>
<td>6.86</td>
</tr>
<tr>
<td>Stakis</td>
<td>4.14</td>
</tr>
<tr>
<td>Bass</td>
<td>4.07</td>
</tr>
<tr>
<td>Greenalls</td>
<td>3.63</td>
</tr>
<tr>
<td>Vaux</td>
<td>3.57</td>
</tr>
<tr>
<td>Accor</td>
<td>3.54</td>
</tr>
</tbody>
</table>

Source: Kleinwort Benson (1996)
Hotel size - number of rooms

As few hotels, other than Budget Lodges have been added to the UK market and larger hotels in London have been sold to private investors, the average size of hotels fell from 90 rooms to 89 rooms during the 1996 period. Kleinwort Benson do not predict any change in overall hotel size for 1997, as development will concentrate on the Budget Lodge sector, which due to the small number of rooms developed, has little effect on changing overall hotel size averages.

Granada has a large exposure to the small hotels sector through their branded lodges, but still remains 15th in the ranking of companies by hotel size. The reason being they still have a large proportion of room stock in non-budget sectors. In comparison, Whitbread has a ranking of 29, as they similarly have Budget Lodges, but a smaller proportion than Granada of large hotels.

Table 2.3 - UK hotels hotel size ranking

<table>
<thead>
<tr>
<th>Holding company</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Lonrho</td>
<td>36.53</td>
</tr>
<tr>
<td>2. Renaissance</td>
<td>33.55</td>
</tr>
<tr>
<td>3. Seibu Saison</td>
<td>32.79</td>
</tr>
<tr>
<td>4. Four Seasons</td>
<td>32.00</td>
</tr>
<tr>
<td>5. ITT</td>
<td>28.16</td>
</tr>
<tr>
<td>6. Ladbroke</td>
<td>25.67</td>
</tr>
<tr>
<td>7. Marriott</td>
<td>25.57</td>
</tr>
<tr>
<td>8. Guinness</td>
<td>25.12</td>
</tr>
<tr>
<td>9. Ascot Holdings</td>
<td>22.80</td>
</tr>
<tr>
<td>10. Brierley</td>
<td>22.49</td>
</tr>
<tr>
<td>15. Granada</td>
<td>17.27</td>
</tr>
</tbody>
</table>

Source: Kleinwort Benson (1996)
Hotel configuration - levels of service

Of the total UK hotels (1,384), 767 hotels have full service, 366 hotels have a limited service and 251 hotels are room only. Kleinwort Benson refer to full service hotels as those properties with bar, restaurant and room service. Full service hotels account for 80.38% of the total UK roomstock.

Of the 51 companies represented in the UK, the top 21 companies have a maximum index as all of their room stock is in full feature hotels. The bottom 18 companies have all of their room stock in limited feature hotels. The twelve companies in the middle have diversified portfolios and contain most of the major chains in the UK. Granada are ranked 28, as Posthouse, Heritage and Meridien are full-feature properties, whilst the Travelodge brand are all room only properties.

UK hotels configuration ranking

<table>
<thead>
<tr>
<th>Holding company</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Arcadian</td>
<td>57.00</td>
</tr>
<tr>
<td>2. Ascot Holdings</td>
<td>57.00</td>
</tr>
<tr>
<td>3. Bridgend</td>
<td>57.00</td>
</tr>
<tr>
<td>4. Brierley</td>
<td>57.00</td>
</tr>
<tr>
<td>5. Four Seasons</td>
<td>57.00</td>
</tr>
<tr>
<td>6. HHC</td>
<td>57.00</td>
</tr>
<tr>
<td>7. ITT</td>
<td>57.00</td>
</tr>
<tr>
<td>8. Jurys</td>
<td>57.00</td>
</tr>
<tr>
<td>9. Ladbroke</td>
<td>57.00</td>
</tr>
<tr>
<td>10. Lonrho</td>
<td>57.00</td>
</tr>
<tr>
<td>28. Granada</td>
<td>48.86</td>
</tr>
</tbody>
</table>

Source: Kleinwort Benson (1996)
Affiliation between hotel and parent company

Of the 51 quoted hotel companies operating in the UK, 32 of these operatives score high on the affiliation index, since all of their hotels are owned by the company. According to the report low capital cost forms of affiliation such as management contracting and franchising are still at an early stage, whilst companies still develop and grow through property acquisition.

The low ranking of chains such as Granada, Bass, Ladbroke and Whitbread reflect their greater emphasis on management contracting and franchising. This will thus impact on the ability of unit managers to run their hotel within a strategic context, rather than concentrating solely on day-to-day operations.

UK hotels affiliation ranking

<table>
<thead>
<tr>
<th>Holding company</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Accor</td>
<td>33.00</td>
</tr>
<tr>
<td>2. Allied Domecq</td>
<td>33.00</td>
</tr>
<tr>
<td>3. Ascot Holdings</td>
<td>33.00</td>
</tr>
<tr>
<td>4. Barr and Wallace</td>
<td>33.00</td>
</tr>
<tr>
<td>5. Bridgened</td>
<td>33.00</td>
</tr>
<tr>
<td>6. Burtonwood</td>
<td>33.00</td>
</tr>
<tr>
<td>7. Eldridge Pope</td>
<td>33.00</td>
</tr>
<tr>
<td>8. European Leisure</td>
<td>33.00</td>
</tr>
<tr>
<td>9. Farringford</td>
<td>33.00</td>
</tr>
<tr>
<td>10. First Leisure</td>
<td>33.00</td>
</tr>
<tr>
<td>40. Granada</td>
<td>31.76</td>
</tr>
</tbody>
</table>

Source: Kleinwort Benson (1996)
### Appendix III - Service incident report form

<table>
<thead>
<tr>
<th>Service Incident</th>
</tr>
</thead>
<tbody>
<tr>
<td>Setting and People Involved</td>
</tr>
<tr>
<td>Incident Description</td>
</tr>
<tr>
<td>Critical points</td>
</tr>
<tr>
<td>Positive/negative</td>
</tr>
</tbody>
</table>
### Appendix IV - Critical incident categories

<table>
<thead>
<tr>
<th>Incident area</th>
<th>Description of incident</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Restaurant - Spilt food</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Restaurant - Dirty tables</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Restaurant - Poor drink service</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Restaurant - Quality/presentation of starter</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Restaurant - Presentation of main course</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Restaurant - Quality/presentation of main course</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Restaurant - Slow service</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Restaurant - Uncleared tables</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Restaurant - Unhelpful/untrained staff</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Restaurant - Long wait for table (despite availability)</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Restaurant - Proximity to smoking section</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Restaurant - Location of table</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Restaurant - Temperature of food</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Restaurant - Portion size</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Bar - Poor drink service</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Bar - Unhelpful/untrained staff</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Bar - Slow service</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Bar - Quality of bar food</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Room service slow/not delivered on time</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Room service - Quality of food</td>
</tr>
<tr>
<td>FOOD AND BEVERAGE</td>
<td>Room service - Tray not cleared</td>
</tr>
<tr>
<td>FRONT OFFICE</td>
<td>Concierge - Luggage storage</td>
</tr>
<tr>
<td>FRONT OFFICE</td>
<td>Delivery of fax and mail</td>
</tr>
<tr>
<td>FRONT OFFICE</td>
<td>Poor reception layout</td>
</tr>
<tr>
<td>FRONT OFFICE</td>
<td>Accommodation instructions not honoured</td>
</tr>
<tr>
<td>FRONT OFFICE</td>
<td>Bedroom too small</td>
</tr>
<tr>
<td>FRONT OFFICE</td>
<td>Rate/error query</td>
</tr>
<tr>
<td>FRONT OFFICE</td>
<td>Allocation of smoking/non-smoking room</td>
</tr>
<tr>
<td>FRONT OFFICE</td>
<td>Failure to supply written confirmation</td>
</tr>
<tr>
<td>FRONT OFFICE</td>
<td>Objection to credit card imprint</td>
</tr>
<tr>
<td>FRONT OFFICE</td>
<td>Slow check-out</td>
</tr>
<tr>
<td>FRONT OFFICE</td>
<td>Unhelpful reception staff</td>
</tr>
<tr>
<td>FRONT OFFICE</td>
<td>Lack of porterage</td>
</tr>
<tr>
<td>FRONT OFFICE</td>
<td>Error on billing</td>
</tr>
<tr>
<td>HOUSEKEEPING</td>
<td>Bedroom dirty</td>
</tr>
<tr>
<td>HOUSEKEEPING</td>
<td>Bedroom - Dirty linen</td>
</tr>
<tr>
<td>HOUSEKEEPING</td>
<td>Bedroom - Prepared for single occupancy only</td>
</tr>
<tr>
<td>HOUSEKEEPING</td>
<td>Bedroom - Poor/inadequate lighting</td>
</tr>
<tr>
<td>HOUSEKEEPING</td>
<td>Bathroom dirty</td>
</tr>
<tr>
<td>HOUSEKEEPING</td>
<td>Bathroom - Dirty towels</td>
</tr>
<tr>
<td>HOUSEKEEPING</td>
<td>Bathroom - Cracked bath/basin/toilet</td>
</tr>
<tr>
<td>HOUSEKEEPING</td>
<td>Bathroom - Mouldy grouting</td>
</tr>
<tr>
<td>HOUSEKEEPING</td>
<td>Bathroom - Lack of amenities</td>
</tr>
<tr>
<td>HOUSEKEEPING</td>
<td>Dirty corridors</td>
</tr>
<tr>
<td>MAINTENANCE</td>
<td>Public areas - Untidy</td>
</tr>
<tr>
<td>MAINTENANCE</td>
<td>Public areas - Tired/scruffy decor</td>
</tr>
<tr>
<td>MAINTENANCE</td>
<td>Public areas - Dirty/ripped seating</td>
</tr>
<tr>
<td>MAINTENANCE</td>
<td>Public areas - Untidy external appearance</td>
</tr>
<tr>
<td>MAINTENANCE</td>
<td>Bedroom/bathroom - Inability to regulate heating</td>
</tr>
<tr>
<td>MAINTENANCE</td>
<td>Bedroom/bathroom - No hot water</td>
</tr>
<tr>
<td>Category</td>
<td>Issue</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>MAINTENANCE</td>
<td>Bedroom/bathroom - Peeling wallpaper</td>
</tr>
<tr>
<td>MAINTENANCE</td>
<td>Bedroom/bathroom - Floors/walls/ceilings</td>
</tr>
<tr>
<td>MAINTENANCE</td>
<td>Bedroom/bathroom - Furnishings</td>
</tr>
<tr>
<td>MAINTENANCE</td>
<td>Car park untidy</td>
</tr>
<tr>
<td>MEETINGS AND CONFERENCES</td>
<td>Room not properly prepared/size inadequate</td>
</tr>
<tr>
<td>MEETINGS AND CONFERENCES</td>
<td>Lack of amenities</td>
</tr>
<tr>
<td>MEETINGS AND CONFERENCES</td>
<td>Lack of ventilation/air conditioning</td>
</tr>
<tr>
<td>MEETINGS AND CONFERENCES</td>
<td>Messages not provided in timely fashion</td>
</tr>
<tr>
<td>MEETINGS AND CONFERENCES</td>
<td>Client instructions not fulfilled</td>
</tr>
<tr>
<td>MEETINGS AND CONFERENCES</td>
<td>Lack of formal greeting</td>
</tr>
<tr>
<td>MEETINGS AND CONFERENCES</td>
<td>Meeting not clearly signposted within property</td>
</tr>
<tr>
<td>NOISE</td>
<td>Bedroom - Disturbance from rowdy guests</td>
</tr>
<tr>
<td>NOISE</td>
<td>Bedroom - Disturbance from functions</td>
</tr>
<tr>
<td>NOISE</td>
<td>Bedroom - Disturbance from lifts/plumbing</td>
</tr>
<tr>
<td>OTHER</td>
<td>Dogs policy</td>
</tr>
<tr>
<td>POLICY</td>
<td>Children’s policy</td>
</tr>
<tr>
<td>POLICY</td>
<td>Single room supplement</td>
</tr>
<tr>
<td>POLICY</td>
<td>Disabled facilities/access</td>
</tr>
<tr>
<td>RESERVATIONS CENTRE</td>
<td>Room size</td>
</tr>
<tr>
<td>RESERVATIONS CENTRE</td>
<td>Unable to contact due to number engaged</td>
</tr>
<tr>
<td>RESERVATIONS CENTRE</td>
<td>Rang but no response</td>
</tr>
<tr>
<td>RESERVATIONS CENTRE</td>
<td>Reservation agent unhelpful</td>
</tr>
<tr>
<td>RESERVATIONS CENTRE</td>
<td>Confusion over tariffs</td>
</tr>
<tr>
<td>RESERVATIONS CENTRE</td>
<td>Did not mention best offers available</td>
</tr>
<tr>
<td>RESERVATIONS CENTRE</td>
<td>Reservation quotation differs from final invoice</td>
</tr>
<tr>
<td>SECURITY</td>
<td>Theft from car park</td>
</tr>
<tr>
<td>SECURITY</td>
<td>Vandalism in car park</td>
</tr>
<tr>
<td>SECURITY</td>
<td>Theft from room</td>
</tr>
</tbody>
</table>
Appendix V - Incident descriptions

Hotel A

Unit manager;

- ADMINISTRATION - Poor/lack of response to complaint.
  ⇒ Inconsistency of staff members in solving guest complaints.

Food and beverage;

Departmental manager :-
- FOOD AND BEVERAGE - Room service slow.
  ⇒ During 6-10pm, no person is manning the phone in the room service office.

Line managers/operatives :-
- FOOD AND BEVERAGE - Restaurant - Quality of main course.
  ⇒ Salad served to guest was of poor quality.

Front office;

Departmental manager :-
- FRONT OF HOUSE - Poor reception layout.
  ⇒ Layout of the desk, where the computers are set to low down, as well not enough seating areas.

Line manager/operatives :-
- FRONT OF HOUSE - Bedroom too small.
  ⇒ Guest informed by central reservations of the size of room, on arrival the room was smaller than that which had been anticipated.
Conference and banqueting;

Departmental manager :-
- MEETINGS AND CONFERENCES - Client instructions not fulfilled.
  ⇒ Only looking after the conference organiser, and not the conference attendees.

Line manager/operatives :-
- MEETINGS AND CONFERENCES - Banqueting - Poor drink service.
  ⇒ Guest requested a private bar, before the function, this was not honoured.

Housekeeping;

Departmental manager :-
- MAINTENANCE - Inability to regulate heating.
  ⇒ No air conditioning

Line manager/operatives :-.
- HOUSEKEEPING - Bedroom - Dirty Linen.
  ⇒ Sheets on the bed were ripped.

Personnel and training;

Departmental manager :-
- OTHER - Training.
  ⇒ The present training office is within another hotel, so no dedicated trainer in
    the hotel each day.
Hotel B

Unit manager;

- ADMINISTRATION - Poor/lack of response to complaint.
  ⇒ Guests have no dedicated area to note levels of dissatisfaction.

Food and beverage;

Departmental manager :-
- FOOD AND BEVERAGE - Restaurant - Quality of main course.
  ⇒ The menu on offer changed, from a carvery approach to a mediterranean bistro.

Line managers/operatives :-
- FOOD AND BEVERAGE - Restaurant - Long wait for table.
  ⇒ Having to wait twenty minutes for a table for breakfast.

Front office;

Departmental manager :-
- FRONT OF HOUSE - Unhelpful reception staff.
  ⇒ No rapport developed with the guest, staff are just completing a routine procedure.

Line manager/operatives :-
- FRONT OF HOUSE - Slow check-in/out.
  ⇒ People arriving after a long journey were having to wait a long time to check-in.
Conference and banqueting;

Departmental manager :-

- MEETINGS AND CONFERENCES - Lack of formal greeting
  ⇒ Due to shortage of staff, the conference desk is not always manned, thus guests have no person to assist them.

Line manager/operatives :-

- MEETINGS AND CONFERENCES - Clients instructions not fulfilled.
  ⇒ Visual equipment in the conference rooms, which staff had not been trained to use.

Housekeeping;

Departmental manager :-

- MAINTENANCE - Bedroom - Furnishings.
  ⇒ Infrastructural concerns with rooms, wallpaper ripped and torn carpets.

Line manager/operatives :-.

- MAINTENANCE - Bedroom - Furnishings.
  ⇒ Bedroom furniture old and worn, needed replacing.

Personnel and training;

Departmental manager :-

- ADMINISTRATION - Manager deals with matter ineffectively.
  ⇒ Lack of support for guests when noting a complaint, passing all responsibility to other members of staff.
Hotel C

Unit manager;

- ADMINISTRATION - Poor/lack of response to complaint.
  ⇒ No actions taken to find the root cause of guest complaints.

Food and beverage;

Departmental manager :
- FOOD AND BEVERAGE - Restaurant - Unhelpful staff
  ⇒ Restaurant staff refusing to accept orders taken from guests, as they were not choosing from the menu.

Line managers/operatives :
- FOOD AND BEVERAGE - Restaurant - Quality of main course.
  ⇒ Served a traditional five-star, silver-service meal - no light meal options on available.

Front office;

Departmental manager :
- FRONT OF HOUSE - Accommodation not honoured.
  ⇒ Guest requested a particular room, on arrival the room had been allocated to someone else.

Line manager/operatives :
- FRONT OF HOUSE - Lack of porterage.
  ⇒ Guest luggage taking too long to be delivered to the room, after checking-in.
Conference and banqueting;

Departmental manager :-

• MEETINGS AND CONFERENCES - Meeting not clearly signposted.
  ⇒ No signage within the lobby area informing guests the whereabouts of their event.

Housekeeping;

Departmental manager :-

• HOUSEKEEPING - Lack of amenities.
  ⇒ Missing toiletry items in the guests bathroom.

Line manager/operatives :-.

• HOUSEKEEPING - Lack of amenities.
  ⇒ Missing toiletry items in the guests bathroom.

Personnel and training;

Departmental manager :-

• OTHER - Training.
  ⇒ Issues relating to rapport building, guests refer to staff members as just doing their job, and make no attempts to have a conversation with such individuals.


