

Regency grand hotel essay sample

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Sandra Chakri, Senior Vice President of Human Resources, has been sent into examine the current situation being experienced at the Regency Grand Hotel in Bangkok, Thailand. Chakri should evaluate why the current strategy of empowerment has been unsuccessful at the hotel. Part of this analysis should include an assessment of the different types of personalities within the hotel's workforce. Chakri's report should also offer solutions to the increased levels of stress, absenteeism, and turnover rate. Chakri's recommendation should be made as soon as possible, to the Hotel chain's senior management team. After a thorough evaluation, Chakri found that the hotel was dealing with major organizational behaviour issues. The employees had been very resistant to change. There were also many cross-cultural differences that were hindering operations. Furthermore, stress, absenteeism, and employee turnover were at an all-time high. Using her knowledge of OB theory, Chakri made a recommendation to the senior management team. This recommendation involved additional training for employees, adding an advisor for Becker, and implementing stress management strategies. Chakri recommends that these changes be made immediately, in order to maintain the long-term success of the Regency Grand Hotel.

Problem Statement

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the hotel's workforce. Chakri's report should also offer solutions to the increased levels of stress, absenteeism, and turnover rate. Chakri's recommendation should be made as soon as possible, to the Hotel chain's senior management team. OB Issues

There is a number of Organizational Behaviour issues associated with this case. The issue of empowerment plays a big part in this case. Prior to the arrival of Becker, the hotel was operating very smoothly. However, when Becker arrived to the hotel, he gave his employees a high level of empowerment. Some of the employees enjoyed having control within the workplace, but for the most part, employees were uncertain of what was expected of them, and these led to increased stress. Part of the problem can also be attributed to differences in cross-cultural values.

Becker being an American, may not fully understand the cultural differences between the Americans and the Thai people. Becker also lacks core leadership skills, as he makes little to no effort in trying to get his staff to understand what is expected from them. Furthermore, Becker often got frustrated when employees would ask him for guidance in decision making processes. All of these issues have led to increased stress and lower confidence levels amongst the employees. Moreover, the hotel is observing increased absenteeism and turnover rates amongst its employees. Finally, it is interesting to note that employees get paid lucrative bonuses, regardless of the hotel's overall performance. This is something that should be examined closer as it may be the stem of some of the problems. Chakri's

recommendation should address these issues if the hotel plans on becoming successful again. Internal Analysis

Detailed Company Information

The Regency Grand Hotel is a 5-Star hotel located in Bangkok, Thailand. The hotel was regarded as one of Bangkok's most prestigious hotels. It employs 700 employees who enjoy great benefits. The Regency has recently been purchased by an American hotel chain looking to expand into Thailand. Since Becker has implemented his new strategies, the company's reputation has taken a severe hit. An International travel magazine recently described Becker's hotel as "one of Asia's nightmare hotels". If the hotel continues to tarnish its reputation due to internal issues, it will be out of business in no time. Financial Overview

Not much financial information is given, however, in light of the recent change in ownership; one can assume that the Hotel is doing well financially. The hotel has been profitable for the 15 years it has been in existence. Additionally, employees are offered great health benefits, and are paid more than the average market salary. The Regency also pays their employees very lucrative bonuses, therefore it is safe to say they are doing well financially. However, if the current issues continue, the company may run in to financial problems down the line. SWOT Analysis

Strengths

- * One of Bangkok's most prestigious hotels
- * 700 Employees
- * Very profitable since it's opened 15 years ago

Weaknesses

- * Mounting stress levels amongst employees
- * Increased absenteeism due to illness
- * Employee turnover rate at an all-time high

Opportunities

- * New ownership looking to expand in the Thai market

Threats

- * Overall reputation decreasing
- * Negative reviews from numerous travel magazines

Organizational Behaviour Theory

There is much analysis that needs to be done in order to identify the root of the problems being experienced by the Regency Grand Hotel. First and foremost, an analysis of the effects of empowerment must be conducted. Empowerment is defined as a psychological concept represented by four dimensions: * Self-determination- employees feel that they have freedom, independence, and discretion over their work. * Meaning- employees who feel empowered truly believe that the work they are doing has a meaning. * Competence- employees are confident about the level at which they can complete their work. * Impact- empowered employees see themselves as valuable members of the organization.

In theory, empowerment is supposed to increase motivation, job satisfaction, organizational commitment, and job performance. However, empowerment has had an opposite effect for Becker and the Regency Grand Hotel. Becker is used to having his empowerment systems work in the United States,

however, values differ across different cultures. The following chart describes five cross-cultural values, and their implications within the workplace:

Based on the employees' reluctance to buy in to the empowerment system, it appears that they value uncertainty avoidance. The former ownership had very strict laws, and did not encourage creativity from the employees. With Bicker at the helm, the rules within the workplace completely changed, and the employees had a lot more input, and are encouraged to make their own decisions. This drastic change may have been overwhelming for some employees, and may be one of the stressors within the workplace. The employees also show high power distance, as they are always looking for reassurance from Bicker when making decisions. Given the new regime at the hotel, the implementation of empowerment and drastic differences between cross-cultural values, stress has been on the rise for both Bicker and the employees. Stress can be deadly within the workplace, and can kill all positive momentum a business once had. One of the consequences of stress is job burnout. The following chart shows the stages of stress.

At first, employees are able to cope with the stress, but through time, the ability to cope goes lower and lower. This eventually leads into exhaustion. Job exhaustion may be what many of the employees, along with Becker, are experiencing at the hotel right now, as some of the symptoms of job burnout are absenteeism and high turnover. Another contributing factor to the decline in employee morale at the Regency Hotel, may be Becker's style of leadership. This once again goes back to cross-cultural differences between Becker, and his employees. Becker may be behaving in a manner that is

inconsistent with the cultural expectations of his Thai employees. This may be leading him to being perceived as an ineffective leader. Implications of Analysis

It is clear that something has got to change if the Regency Grand Hotel hopes to get back to the level it once was. Chakri's recommendation will need to address the issue of empowerment, and implement the necessary changes to make every employee feel comfortable within the workplace. Moreover, Chakri's recommendation should encourage Becker (and any of the new American staff members) to become more familiar with the cross-cultural values of the Thai people, in order to better understand them, and lead them in a more efficient manner. Likewise, Chakri will need to implement a strategy that will help reduce the stress within the workplace. A reduced stress level, will hopefully aid in lowering the alarmingly high absenteeism and turnover rates. All of these issues must be addressed, if success is to be maintained at the hotel for the coming years.

Alternatives and Analysis

Alternative 1 - Replace Becker with new manager, implement new system

Pros

* Becker could be replaced by someone who better understands the Thai culture, and therefore manage the employees better. * New system would be implemented.

Cons

- * Another drastic change may be hard on the employees.
- * Can be costly to replace Becker.

- * No guarantee that main problems are fixed.

Analysis: Replacing Becker this early on seems very drastic, and does not offer any definitive solution to the problems being faced. A change of this magnitude may in fact magnify the current issues being faced at the hotel. The cons definitely outweigh the pros in this alternative. Alternative 2- Sell The Hotel

Pros

- * Cut ties with the hotel before reputation gets worse.
- * Do not incur any financial losses.

Cons

- * Losing out on a potentially very profitable business.
- * Gives your hotel chain a bad reputation of “ giving up”. * Leaves the current hotel employees in a massive state of flux. Analysis: Another alternative that Chakri can recommend to the senior management team, would be to sell the hotel all together. By selling the hotel, the American chain would cut all ties with a business who’s reputation is plummeting. By selling it, they would also no longer be accountable for any financial losses the hotel may incur. However, this is not the best solution to the problem. The Regency Grand Hotel is a very prestigious hotel, and has always been profitable since it has been in existence. The company would be wrong to give up on the project this early on. Selling the hotel would give the chain a reputation of “ giving up”, and would leave current hotel employees in a state of flux. This alternative should only be considered as a contingency plan, if the chosen alternative proves to be unsuccessful. Alternative 3- Offer proper training to employees, have someone work closely with Becker to

better understand the Thai culture, and implement stress relieving activities at the workplace. Pros

- * Get everyone on the same page
 - * Make the employees feel comfortable and motivated
 - * Enable Becker to be a better manager, who understands the cultural values of his employees
 - * Reduce stress within the workplace
 - * Hopefully reduce the absenteeism and turnover rates at the hotel
- Cons
- * Training can be expensive

* Becker may not have “ time” to get to learn the culture

Analysis: This alternative offers proper training to employees, to help them get a better understanding and raise their confidence about decision making. Teaching the employees how to evaluate situations and make proper on-the-spot decisions will hopefully make them feel more comfortable and confident within the workplace. It also encourages them to trust their own decisions, and not seek Becker’s approval. This alternative also suggests that someone should work closely with Becker to enable him to have a better understanding of the Thai cultural differences. By better understanding these cross-cultural values, Becker could be a much more effective leader, and be perceived as such by his employees. Finally, this alternative suggests implementing stress relieving activities within the workplace. These would hopefully lower the overall stress rate at the hotel, and with all being well, would reduce the absenteeism and turnover rates. This alternative should be strongly considered, as it addresses all of the key problems being experienced at the hotel.

Recommendation/Implementation Plan

Given the current situation at the Regency Grand Hotel, Chakri should recommend alternative three to the senior management team. This alternative includes offering proper training to all employees at the hotel. The training should emphasize the importance of decision making, and teach the employees how to read and react to a variety of situations. The one downside to this alternative is its cost. But, given to potential profitability and prestige of the hotel, the investment will be well worth it. The training should commence immediately, and be conducted by professionals who understand the different values and learning styles of the Thai people. With proper training, the employees should feel much more at ease when it comes to making decisions. It will also reduce their dependency of Becker when making decisions. This increased comfortability should also decrease stress and increase job satisfaction. Moreover, this alternative recommends finding someone to work closely with Becker for about a month, in order for him to give him a better understanding of the Thai culture.

Being American, and not having much work experience in Thailand, Becker may be a bit lost when it comes to dealing with his staff. This advisor will serve as a guide for Becker in showing him the differences between the two cultures. The advisor will also be there to give solid advice on how to deal with certain employee conflicts that may arise. This additional training for Becker will show him how to adequately deal with his staff, and hopefully make him more at ease with working in Thailand. The alternative also recommends incorporating stress relieving mechanisms within the workplace. Given the recent changes at the hotel, many employees have been overwhelmed and have shown a high resistance to change. The

following chart can be used to help reduce this resistance to change within the workplace.

When observing that chart, it is apparent that this recommendation uses a wide variety of those options. When looking specifically at the stress management section, the chart recommends employees attend sessions to discuss their concerns about the change. This should only occur if the training and increased communication between Becker and his staff is not effective. If these changes are implemented successfully, the Regency Grand Hotel should expect a positive change over the long-term. Contingency

There is a possibility that Chakri's recommendation does not work. For example, Becker may be reluctant to learn about the cross-cultural values of the Thai employees. If this is the case, Becker should be replaced by a manager better suited for the position. There is also the risk of the training not going according to plan, and the hotel's reputation continues to plummet. In this case, the senior management team should carefully evaluate the situation again, and if not plausible solution is found, cut ties with the hotel and move on to another project. These alternatives should only be considered in the event that no improvement is made at the hotel.