

Is rationalisation a desirable strategy for junction hotel

Business, Strategy



This essay will be discussing the affects that Junction Hotel would sustain if they were to implement rationalisation as a strategy. Julien Freund (1968) defines rationalisation as " the organization of life through a division and coordination of activities on the basis of exact study of men's relations with each other, with their tools and their environment, for the purpose of achieving greater efficiency and productivity. " Junction Hotel has recently suffered a fall in customer demand due to the current economic recession; with a new owner and uncertain hierarchical roles within the hotel, their revenue is decreasing rapidly.

Through the use of rationalisation, the hotel overall may become more efficient and reduce costs. However, this strategy may have a negative effect on the staff, causing some staff members to become demotivated and inefficient. After various ownership changes the hotel is now owned by second chance consortium, run by business entrepreneur Simon Chance. The entrepreneur has analysed the current hotels condition, including all staff members and has highlighted the high amount of stress levels and confusion in management within departments.

This creates a negative effect as staff members take situations into their own control. Further evaluating Junction Hotels poor hierarchy structure has caused unnecessary amounts of pressure around the organisation and confusion within the staff as to who their boss actually is. The implications of an unorganised structure of the Junction Hotel have occurred overtime allowing Simon Chance to come to a conclusion that a new change and strategy needs to be applied; thus throughout the essay the strategy of

rationalisation will be analysed in terms of its reflected efficiency within the business.

Rationalisation towards the Junction Hotel organisation as a method itself can provide a positive outlook for a strategy as it links to bureaucracy which provides more of a hierarchical structure, a key fundamental element in which the organisation is lacking. This is easily noticeable in junction hotel by such things as, the current general manager Meg never applying an organisational chart towards the business as she sees it unnecessary by having a social leadership style.

Rationalisation has been a desirable strategy to an extent for many organisations. An example is Henry Ford (1950) who created the assembly line approach, where products were able to be sent down an assembly line in smaller parts in order to break down a larger process, this allowed production speeds to increase through a more efficient manner. Ford's theory implied that using rationalisation would reduce overall cost through lean production. Lean production is a process that's aim is to eliminate any waste, Petterson (2009).

The idea is that experienced and trained employees perform repetitive tasks through perfected techniques within their job roles meaning waste would be minimal therefore reducing costs spent on materials. This method can be applied to Junction Hotel too, for example in the kitchen the repetition of cooking and preparing food in an assembly line approach will help increase efficiency and speed up the process without having a negative effect on

quality, thus through the use of lean production the hotel can reduce cost per customer and reduce waste.

Another excellent example of this is the worldwide organisation 'McDonald's' where Rationalisation has a more sociological term as 'Mcdonaldization' which was first introduced towards food restaurants by Ray Kroc (1950) this gives us an insight to how McDonalds has similarities towards Henry Ford's production methods. Although analysing rationalisation as a concept shows clear advantages, there can be potential drawbacks that some theorists may argue. Morgan (2006) also evaluated rationalisation in his articles thinking of organisations more as machines in a semiautonomous manner making employees 'behave as if they were parts of machines'.

Analysing a more humanist approach he argued how treating people as a machine is degrading towards the human spirit. Furthermore Elton Mayo (1984) investigated against rationalisation approach using the 'Hawthorne experiments' concluding how managers or observers as well as colleagues can affect how well people work. Morgan (2006) also looked into human minds and behaviour and argued that even though machines have an everyday use in society negative effects can occur such as affecting the 'human spirit' in routinized activities.

Rationalisation as an approach towards Junction Hotel can show its advantages in efficiency levels however; even efficiency is not always affected in a positive way as Ritzer (2011) explains using the organisation McDonald's as his focus, constructing social theories in the organisation about how people's creativity can be restrained in the repetitive workforce.

Ritzer (2011) explains his theory upon how individuals in the workplace are affected by a more psychological perspective.

Thinking about the rationalisation approach towards the Junction Hotel may not only limit staff member's creativity, but make the current workplace more repetitive and therefore dull. Increasing managing customers in an efficient time may also create a negative affect by increasing the workload per person present. Further negative effects from this may also demotivate staff members and cause higher stress levels, already currently indicated from Junction Hotel by the deputy manager Linda Wilkinson.

A rationalisation approach towards Junction Hotel as its own concept can show many negative implications however to analyse and overcome the potential disadvantages, linking motivation and personality theories can help manage an overall more efficient approach. Rationalisation can create a dull and repetitive workforce. To help overcome this, financial motivational techniques can be applied such as 'piece pay' addressed by Cheung (1982), as a fixed amount of workers motivated by the level of output they produce per employee. However this is only an effective approach if money is the element of motivation.

Further examples of motivation by financial factors can be bonuses or commission which apply mainly towards sales roles, also motivation can be used with allowances which can include travel as a reward or even medical, to also help show the organisation cares about the well-being of their employees. The examples just discussed show motivational techniques and delegate more time into applying effort towards the Junction Hotels

employee job satisfaction; however they can also be ineffective if they are not applied efficiently.

An example can be simply advertising a reward appropriately to employees as the reward scheme could not seem as encouraging, initially just decreasing the business profits. However advertising the bonus to show the appreciation, rewards individuals instead of groups so each member provides full contribution. Some further disadvantages to consider towards motivational techniques are employees may compare their pay with others creating a demotivating effect.

However as the hotel is financially unstable it may not be wise to constantly use financial methods in order to save costs. There are also non-financial methods of motivation. Looking into methods from Kohn (1998) for motivational factors he has evaluated as a 'longer lasting' effect. Further examples are; job enlargement to broaden tasks, this helps to reduce repetitive behaviour, job rotation to increase employee's interest by moving employees through a range of jobs and job enrichment to create greater responsibility and trust.

Another example of a non-financial method is team working and empowerment, which will help communication within staff members therefore they can plan their work with problems that may occur in the working environment. Relating the non-financial motivational techniques towards Junction Hotel can create job satisfaction and a positive outlook from employees towards the company. However there can be limitations from different individual point of views as Edward and Ryan (1972) discuss how

human motivation requires consideration upon psychological needs to the approach; therefore personality also links to motivational techniques.

Various types of theories analyse motivational strategies including the famous Abraham Maslow (1964) hierarchy of needs. Maslow's eight step model is a clear example of analysing motivation with personality by relating it to individual development. Being a humanist psychologist he relates the hierarchy example to realities of personal experiences. Another interesting theory is Frederick Herzberg (1959) looking at views of satisfaction and dissatisfaction.

Herzberg has a completely different theory compared to Maslow deciding to separate his theory into two which are hygiene factors that are more basic fundamental needs for motivation but are not long term and motivational factors for positive employee satisfaction and superior performance. Another theory to illustrate separating two fundamental theories are called the 'X' and 'Y' theory. The differences between the two theories are one management style applicable for individuals as an authoritarian management style also known as the 'X' theory.

This analyses a type of person that may need more force or punishment and needs to be directed. The second type of management style is participative management style known as the 'Y' theory, which looks more into individuals that are naturally committed to the organisation and have their own self direction. Maslow, Herzberg and Douglas all have similar theories, finding the link between personality and motivation is an important factor to

overall help increase efficiency from employees in the workplace as well as creating job satisfaction from individuals.

There are some criticisms to each theorist for example how Maslow theory is rather broad using his pyramid technique with assumptions that may not necessarily apply to everyone. Herzberg has initially provided a theory which has limitations. This is because although the theory will work a strategy it will vary upon individuals or external factors such as the environment or simply the mood that particular individual is feeling that day. This means individuals can vary and become satisfied or dissatisfied at various days throughout the year because of emotions.

At the same time criticisms of Douglas McGregor's theory (2006) were by his assumptions towards individuals that do not like to work or avoid work and the assumption individuals do not want responsibility. Although evaluating these criticisms about how Maslow, Herzberg and McGregor are fairly broad, they don't cover all aspects of individual perspectives in a workplace. However, it still provides a beneficial insight into trying to effectively manage employees, which can also be applied to benefit Junction Hotel.

Furthermore there are many types of theories which link towards motivation. A further theory is 'Process Theory' and 'Content Theory'. Process theory analysing a process that occurs within the individual, discussed by John Stacey Adams (1964) who proposed a theory based on individuals and their relationships with others, as well as stress levels affecting work negatively.

Content theory however defines motivation in terms of the individuals needs for satisfaction.

This theory of motivation links more towards the previous theory of Maslow's hierarchy of needs with job satisfaction and individual development. This can be applied to Junction Hotel to help the business acknowledge what motivates their employees to increase efficiency. From assessing various motivational theories individual differences have indicated personality is also an important factor within trying to improve job satisfaction for employees within the junction hotel. A further set of approaches when looking into personalities can be Nomothetic, ideographic, and social-radical.

The approach known as nomothetic is a psychologists study upon what we share with others and what makes the specific individual person unique. The nomothetic approach to personality discussed by Whitcomb and Merrell (2013), identifies personality traits and uses group data for its findings to help predict human behaviour and emotional variances, for example questionnaires. Idiographic however by analysing uniqueness in individuals which were affected by past experiences, thus affecting the present behaviour in different situations.

Idiographic is much more difficult to measure as there is so many various effects that can effect an individual's response. The social approach to personality is also an important factor as Kohn (1999) discusses individuals to be 'self- directed in their own orientation' . This is an excellent example of a link towards Douglas and his ' Y' theory, analysing naturally committed self-direction from individuals. Applying nomothetic idiographic or social

radical theories towards Junction Hotel can improve the social relationship between staff members.

The approaches to observing the unique individual differences in the working environment can create a positive and comfortable atmosphere for employees, therefore improving motivation and efficiency within the working environment. Personality can be complex because of individual opinions between employees within the Junction Hotel, but it can also be affected by the situation. For example Kohlberg used his six stages of development to cover the personality changes, where when questioned and challenged he found it can provide more motivation.

His stages reflect the broader viewpoints analysing each person in his study that is 'free to pursue his or her individual interests' Crain (1985). The Junction Hotel can measure personality by various strategies such as observations, interviews, group activities and questionnaires; however the two main types of collecting information when measuring personality can be quantitative and qualitative data. Qualitative data measures personality based on opinions and views, whereas quantitative data uses an analysis of statistical information.

Quantitative data is a more measurable type of strategy because numbers can be easily calculated to provide an effective conclusion such as in a questionnaire, compared to qualitative data because people do not always respond in the same way in opinions. However both types of strategies can be criticised as false results can be produced because of personal and

individual reasons. An example for this is false data from feedback that can be a result from embarrassment, creating an ineffective strategy.

This shows because of individual complexity Junction Hotel should use various methods as techniques to help measure personality traits. By relating personality changes to situations in the Junction Hotel it shows its importance by indicating the deputy manager's stressful situation of becoming overworked. This can affect the hotel negatively by allowing her to make poor decisions when in leadership of departments within the organisation. From an overall perspective using the strategy rationalisation as a concept can provide both advantages and disadvantages.

The use of rationalisation would help increase consistency to Junction Hotel by creating a better hierarchy flow within the organisation to ensure any issues are dealt with more directly to managers, allowing staff to delegate their efficiency in the workplace. However, although the hotel will have an improved organisational structure it is important to maximise efficiency by looking at employee's perspectives to help eliminate the dehumanizing effect from rationalisation.

This is improved by using motivational techniques for job satisfaction as well using judgement on personality techniques, which is a key element in helping the managers improve their leadership styles as well as providing a positive environment; thus giving the hotel its prestigious and inviting image that Simon Chance has begun to develop, to which he has named as 'Golden Standard Service' providing the hotel to thrive and become competitive. However by implementing rationalisation as a strategy judging

by the location within a competitive city, Junction Hotel may become more of a routinized, predictable common franchise.

To help increase long term efficiency the hotel must apply a better unique selling point; therefore the use of rationalisation as a strategy can only be applied to an extent. Junction Hotel, located in London is the capital of the United Kingdom and therefore generates a broader wealthy sector of customers. Applying a unique selling point towards a wealthy target market can therefore help increase the Junction Hotel customer base, by adapting to the main customers behavioural characteristics that attract them to business.

An example to help target this specific sector of customers is providing low cost luxury benefits and appearances within the hotel, for a more comforting stay. This increases the organisations opportunity to target upper class customer's aswell as their unique selling point providing a competitive edge however, this contradicts rationalisation by altering customer needs in forms of luxury in order to maximise customer satisfaction.

To conclude although personality and motivational factors can help increase efficiency from the routinized strategy of rationalisation, the strategy can only partially be used, as long term efficiency also determines external factors for a more effective approach. For long term efficiency and longevity for Junction Hotel as an organisation, the hotel would need to adapt to the individual personalities of employees within the organisation in order to drive motivation aswell as implementing a unique selling point for a target market such as businessmen or women.