

# [Introduction and bob kharazmi (global officer, worldwide operations)](https://assignbuster.com/introduction-and-bob-kharazmi-global-officer-worldwide-operations/)

IntroductionChange is thelaw of life. And those who look only to the past or present are certain to missthe future.

–John F. KennedyMany people think the quality improvement techniques used inmanufacturing cannot be applied to the service industry. In both industrieswork is accomplished through systems transforming inputs (people, material andprocesses) into outputs either product or service. Managementon a manufacturing industry might concentrate their quality improvement effortson materials and machines, whereas on a service industry they will spend moreof their quality improvement time on people. 2Objective            The specific service aspects of the hotel intangibilityand perishability of the product, variability of delivery, simultaneousproduction and consumption of the service, and the changing needs andexpectations of customers made it nearly impossible to apply qualityimprovement principles from other industries.

Until October 14, 1992, whenthe Ritz-Carlton Hotel Company was named a winner of MalcolmBaldrige National Quality Award, as the first hotel company to win this ultimateprize. 1            Congresscreated the award in 1987 to recognize quality achievements of U. S companiesand promote quality awareness.

As a recognition of the late Secretary ofCommerce Malcolm Baldrige efforts in promoting Total Quality Management (TQM). 2            Inthis case study, I will discuss: How Ritz-Carlton successfully implementedTQM on the Hotel Industry? While winning the award is nice, the processis the thing–ShakespeareThe Contemporary Ritz-Carlton and Issues            In1898, the dream of Cesar Ritz the founder of The Ritz-Carlton Hotel came trueby opening the grand hotel that carries his name. Today, The Ritz-Carlton HotelCompany is a management company that develops and operates luxury hotels acrossthe globe. The company operates 91 hotels and resorts worldwide in 30 countrieswith 40, 000 employees under the leadership of Herve Humler (President Χef Operations Officer) and Bob Kharazmi (Global Officer, WorldwideOperations) wondering, how we provide memorableexperience for 100 percent of our customers? How The Ritz-Carlton Hotel implemented TQM? A number offundamental but complex principles and several key quality initiatives, many ofthem descend from traditional TQM method, pave the way for The Ritz-Carlton Hotel to achieve its quality goals. Startat the Top            Qualitymanagement start with president and chief operations officer and the othersenior executives who must commit to quality and make quality number-onepriority. The senior executives meet weekly as senior management quality teamto review quality standards and performance, customer satisfaction and otherorganizational indicators. They spend nearly one-fourth of their time talkingto as many employees and guests as possible to improve products and on qualityissues.

Also, work at the hotel, teaching, coaching and testing the newemployees on The Ritz-Carlton “ Gold Standards”, especially during the sevendays countdown prior to any new hotel opening.          Screening and SelectionThe hotel industry average turnover rate is 100%, comparedwith The Ritz-Carlton’s annual rate is only 20%. Ritz-Carlton completely integrate humanresources and operations. The humaninvestment on TheRitz-Carlton starts from screening and selectionprocess to ensure successful fit between the potential employee and job/organizationusing Talent Plus tool (www. talentplus. com).

The General Manager of the hotelinterview every candidate personally before the final decision to hire to senda message to the candidate that management cares and would listen to allemployees.  We are Ladies and Gentlemen serving Ladies andGentlemen.–The Ritz-Carlton MottoRitz-Carlton Gold Standards After the selection, newemployees are veteran on the corporate culture through a two-day orientation, followed by extensive on-the-job training, then the job certification. At The Ritz-Carlton Leadership Center Seniorleadership teaches the orientation classes, which sends a influential messageto employees. At the start of orientation classes, senior leaders thank theemployees for choosing to work at Ritz-Carlton. The company pays attention todetails, such as learning trainees’ preferred snack on the first day and havingthose snacks offered the next day. They cultivate on them Ritz-Carlton Gold Standards, which include a credo, motto, three steps of service, and 20 “ Ritz-Carlton Basics”, which translatethe key product and service requirement of the travel consumer. After 21 days when employees return for their third day oforientation, they are asked about their experience with their learning coach.

Employees help to fine-tune processes by providing feedback on theirenculturation into the company. Also after 1 year from the hire, they comeagain to hear an update on the company, receive their 1-year anniversary pinand reenergize the Ritz-Carlton culture and philosophy, so they are” psychologically rehired”. The daily line-up call is attended by top leadershipwhere Wow stories are shared to motivate staff; aspects of culture, mission andcredo are reviewed regularly, not just when something goes wrong. Training            All Ritz-Carltonemployees receive at least 126 hours of training on quality topics to be” quality engineers” who can spot defects, correct them immediately, report themto management and prevent them in the future. Any employee who receive acustomer complaint owns the compliant. When the guest asks for direction, theemployee, whether it’s the CEO or a staff member, escorts the guest to thedestination rather than pointing out directions to another area of the hotel.

Appraisal and Promotion            The Ritz-Carltonannual performance-appraisal and promotion systems in all levels is based onthe things that employees learned during their orientation and qualitytrainings. Meaning, their annual raises are linked to evaluations of the employees’quality of performance and contribution to continuous improvement, so theperformance appraisals became a recertification of quality. Companywide, 25% ofThe Ritz-Carlton managerial staff began their careers as hourly employees, suchas dishwasher, housekeeper and restaurant server. Teamwork               The Ritz-Carlton used screening and predictive methods to make surethe hired personal is suited to teamwork.

Employees meet as teams to spot problempatterns, prioritize problems, and develop measures to prevent theirrecurrence. The hotel is also focusing on building the relationship among theteams to achieve better results. To recognize and rewards teamwork, the companyallocated bonus pools to be shared with members of work teams when solutionsthey recommended to quality-related problems are successfully implemented. Empower               The Ritz-Carlton empowers its employees by giving them theresponsibility for satisfy guests’ needs. If a service problem arises or if acustomer has a complaint need or, employees must stop what they are doing anddo whatever it takes to provide immediate positive action rather than havingthe director of marketing fix it later, each individual employee can spend$2, 000 to satisfy a guest. The Ritz-Carlton believe in the 1-10-100 rule: Whatcost you $1 to fix today will cost $10 to fix tomorrow and $100 to fixdownstream. Suppliers            The Ritz-Carlton only want to deal with suppliersthat are capable of continuous improvement.

The company developed suppliercertification program, through which they ask potential suppliers to conductself-assessments of their quality efforts, to see which vendors are best ableto meet their quality needs and can be a fully integrated partner. They choosesuppliers based on their quality standards not just on their price tag.  QualityData            The Ritz-Carlton precisely analyses the daily quality reports onevery aspect of the guest’s stay to determine if the hotels are meeting customers’expectations. Among the data gathers ranges from percentage of check-ins withno queuing to time to service an occupied guest room.

The reports work as keyperformance indicators (KPI) for detecting problems that can hinder progresstoward meeting quality and customer-satisfaction goals. The hotel depends ontechnology to keep comprehensive guest history profiles on the likes anddislikes gathered by the employees to personalize the service during their nextvisits. Also, its researchers survey more than 25, 000 guests each year to findways to improve delivery of its service. Recommendationsand Conclusion               Despiteof the specificservice specification of hotel industry which made it nearly impossible toapply quality improvement principles from other industries. The Ritz-CarltonHotel achieved its quality goals using a number of fundamental but complexprinciples and several key quality initiatives, many of them descend fromtraditional TQM method. While, others concentrate theirquality improvement efforts on materials and machines, The Ritz-Carlton spentmore of their quality improvement time on people to provide memorableexperience for 100 percent of their customers.   The education establishment needs to recognize that qualityis a whole new branch of knowledge, and it has to be taught to the students asan entirely separate concept –PatrickMene The Ritz-Carlton Director of Quality