

# Case study:the portman hotel

Business



From the description of the case study, it seems that the reason lead the Portion Hotel to this terrible situation was that their HRS policies were inconsistent with its strategies. The Portion Hotel's philosophy is that if they want their customers treated better, they must treat each other better. They also think the Portion Hotel is a place where they can make their employees feel satisfied with their Jobs.

Their Jobs will be fun and they will fulfill their expectations. The employees will have the best work experiences.

Besides, the Portion Hotel expects to be the best employer In San Francisco. They are willing to show their trust and pride In their employees. That's why the hotel considered their " associates" of the highest potential, and, thus, they could retrain associates rather than reprimand them.

In addition, they wanted to help employees gain growth In both associates' personalities and their professionally. Although the Portion Hotel has unique philosophy, its strategies do not coordinate with it.

Here are some strategies that I think have some faults in the hotel after I read this case. Recruiting There are several faults in how the Portion Hotel recruited their P. S. (personal lets).

First, they thought the most important measure of P. S.' personality is " friendliness". Men, vice president and managing director of the Portion Hotel, thought " if you want friendly employees, you have to hire friendly people- training and motivation won't achieve those standards for you. " In my opinion, experience and skill may be more important than friendliness.

If an organization hires experienced or skilled employees, it can save a lot of training costs. If the Portion Hotel images itself to be the best luxury hotel in San Francisco, it must require high laity P. S.. SIR, a recruitment and development consulting firm, also emphasized “ life theme” or the “ consistent recurring pattern of thought, feeling and behavior” They focused on some unseen qualities such as assertiveness, pride, responsibility, and gestalt, but not professional skills or experience.

Second, the majority of P. S. saw the Job as a way to support their true Interests In life, which Included becoming painters, writers, entrepreneurs, among other professions. If P. S. take their Job as a place where they Just want to make money Instead of really eyeing Interested In this Industry, this situation Is a little dangerous to the Portion Hotel, because P.

S. will easily feel badly or uncomfortable If they do not get what they expect. Their moods also Influence their behaviors. Exult 3 shows clearly that the number of P. S.

who resigned is almost double the number of those who were terminated.

We can easily understand this attrition by looking at the expectancy theory: people do particular behavior is because he expects particular rewards. Nil a ten Portion Hotel uses an Inclement moment to recruit P. S. I nee Interviewed ore than 9, 000 applicants for their original 350 positions, and each applicant had an hour-long interview. Men wanted the most talented people he could find, and he wanted the P.

S. to know that they had been part of an extremely selective process. The Portion Hotel spent too much money and time choosing personalities which were not suitable for the Ass' tasks in the hotel.

The Portion Hotel were willing spending both time and money to find excellent Pa's, but their recruiting strategies could not consistent with it. Content of Job The Portion Hotel aimed to " overwhelm guests by the professional, cheerful and immediate response to every request" No other American hotel had anything similar to the P.

S. system. Men wants P. S. to be the key competitive difference for The Portion Hotel; therefore, the tasks of P.

S. are much different from employees in other hotels. They were like butlers: they were expected to provide comprehensive personal services for the guests.

They need to do everything in their power to fulfill requests as long as these are moral and legal, and the P. S.

also need to clean the rooms, stock the bar, vacuum and dust the hallways, and put shampoo in the bathrooms. They have to be able to clean toilets and still serve royalty. " However, the operations of first month at the Portion Hotel was as not as managers and P. S. expected.

All P. S. expected they could offer guests what the guests wanted, but most of the P. S. are doing cleaning which is not what they want to do before they decided to work here.

Those who saw this position as a ground-floor entry Job into an exciting new concept in the hotel business were disillusioned with the hotel's strategy.

The content of Pa's' Job were sustainable competitive advantages to other hotels at iris; however, it became one thing that P. S. most complained.

Organization The Portion Hotel sought to maximize service while minimizing management overhead; therefore, they cut some middle management, such as the manager of food and beverages.

Because of this strategy, some top level managers had many more employees reporting to them directly. For example, Spencer Scott, the director of room services, had over 60 personal valets reporting to him directly when the hotel first opened. Exhibit 2 in the case study shows that the position of the executive assistant manager was vacant. Some P. S. and their supervisor blamed Scott for lack of supervision because they thought he was too busy to know answer for every little question.

Teamwork seemed to have a low accomplish.

There were too many titles and groups sun as iv, Tolerate, entry court attendant, doorman, loony porter, reception, room service, restaurant, and concierge. Some tasks were not clear enough. For example, both the receptionist and the Power responsible for escorting the guest to the room. It is easy to have disputes when no one escorts the guest on time. Another robber in teamwork was that the 5-star plan gave P.

S. a guaranteed number of hours of work per week depending upon P. S.' seniority. Of course, P. S.

loved this strategy, but it also made the hotel's operation inflexible.

Their shifts' schedules were inflexible as well. Both hours and schedules were all set, but they did not adjust to the occupancy of the hotel. The Portion Hotel also did not have a perfect organization communication system, and this resulted in several problems. First, the information provided depended on assumption.

P. S. thought that managers did not discipline them because the hotel feared that the P. S. would have unions.

In fact, the hotel did not discipline just because they considered their P. S. to be of the highest potential.

They wanted to retrain P. S. rather than reprimand them.

Second, due to the lack of communication between departments, the P. S. felt that they were not important to the hotel's organization. Each department complained to each other, and P. S. thought that they were treated badly by other departments.

This situation also reduced teamwork. Last, P. S. did not trust floaters because P. S. thought that the floaters would eliminate the Pa's' tips.

The existence of floaters occurred because there were not enough P. S..

Floaters were assigned by Scott to work floors often covered by other P. S., so these P.

S. assumed they were losing their tips to the floaters. This was an example of poor communication. Although Men hoped that the Portion Hotel's organization structure could bring much profits at first, this structure made the hotel business worse and worse. Area rd Perhaps because the Portion Hotel was so confident with its P. S.

system, they thought P. S. should have impressive tips as a result of the unusual level of service hey provided; therefore P. S. were not given reasonable base pay.

The base pay of the P. S. was \$7. 50 an hour Just the same as a maid's wages in a comparable hotel. As we know in this case, Pa's' tasks were critical and complicated. Although they may have extra revenues if they worked positively with the guests, this does not mean the employer should count these tips into their constant revenues or their wages.

The hotel industry has a busy season and slack season; therefore, tips during these two seasons would have significant differences. The base pay should really represent hat the values of the P. S.' mission.

Besides, if the base pay cannot match the employees' reasonable expenses, they may need to have another Job to cover these expenses. This will affect their working expression.

For example, if a IV needs to have another part time Job at night, when he/she has a full time Job in the day time in the Portion Hotel, he/she might feel tired and it may be hard to concentrate on his/her day Job. Another problem Is tenet Incentive pay. Spencer Scott, ten Loretta AT room service,

led P. S. to expect as much as \$200 a week in tips. In the first month, the average tips were far below expectation.

In order to improve this situation, the Portman Hotel left a letter in each guest's room explaining the role of the P. S. and suggesting an appropriate tip; however, this behavior was soon discontinued because it made some guests feel uncomfortable. Those guests' reactions were easily understood because it seemed that they were forced to give tips to the Pa's. Tips are an extrinsic behavior, and it is hard to predict how much every guest would tip. It is impossible to tell the P.

S. to what extent their services will elicit this extrinsic revenue.

The hotel's poor reduction of tips aggravated the Pa's' dissatisfaction with their job. Salary is the most powerful reward to most employees; however, exaggeration of tips resulted in the Pa's' dissatisfaction of both base pay and incentive pay. Solution suggestions The poor performances of the Portman Hotel is strategies pushed hotel into a "death spiral" 1 . HRS policies were inconsistent with its strategies, the Portman Hotel needs to properly adjust their HRS policies.

They must examine how each strategy is reflected in the policy of the HRS department.

After this examination, the hotel must implement the mandatory strategies.

As I mentioned before, the Portman Hotel put too much emphasis on some unseen qualities instead of professional skills or experiences. Although the qualities they chose were also important to the hotel industry, the hotel



recruiting strategy should focus on relevant skills and experiences. By doing this, the hotel can easily raise their recruitment standard by measuring particular requirements. In addition, the hotel should notice if their employees are really interested in this industry.

If you have employees who are more interested in their business instead of in their salaries, you will have a better quality of employees. This is demonstrated by Maslow's theory where the need for self-actualization is operating higher level than the safety need. If these employees develop serious interests in their jobs, this is self-actualization. This kind of satisfaction will encourage better performance by the employees. The Portman Hotel needs to specify each group's tasks; therefore, each group has to know its own duties. Afterwards, it will be also easy to find out which group should be responsible for certain tasks.

Then there won't be disputes between departments and they have to satisfy customers' complaints. In order to have larger profits, the Portman Hotel cut off middle level managers, but it caused a lot of management problems. In my opinion, they really need to restore these positions; thus, each IV can respond to his/her difficulties and get answers immediately. Besides, middle level managers can easily find out that which IV is really good or not suitable for his/her tasks. The middle managers can make adjustments before problems become serious.

A good communication system in an organization is very important.

With this system, the operation in the organization will be smooth and will result in better outcomes; without it, there will be more misunderstandings

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and mistrust as shown in the Portion Hotel case study. After P. S. share their problems with their own managers, then these middle level managers should have meetings regularly to eliminate obstacles between departments. Making the hotel organization more flexible also needs to be solved immediately.

Two factors that made the hotel inflexible were “ guaranteed hours” and “ shift schedules”. Both of these factors should be implemented differently according to occupancy.

Guaranteed hours should not only depend on the P. S.’ seniority, but they should rely on seniority, performance, and customers’ opinions. If P.

S. can obtain more guaranteed hours by working hard, they will do better on their job. In addition, shift schedules need to adjust to occupancy rate as well. Because the hotel can save a lot of salary cost during the off season, they can hire more P. S.

during busy season instead of using too many floaters. Because the Pa’s’ tasks were so critical and complicated, the Portion Hotel needs to rethink the Pa’s’ base pay which should meet for the market wage demand.

Pa’s’ salaries also need to be adjusted in a timely depending on their preference. If the same base pay exists for differences in work outputs, this results in poor performance. The hotel should not explicit in stating the number of tips for pa’s.

The hybrid expectancy theory analyzes this situation. After P. S. are given an expectation, they find out that they cannot get the tips that they expected

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which are not due to their ability, then they will think that the probability of this expectation is much lower than they were told.

No matter how excellent their qualities are or how important those tips are to them, the P.

S. may not do their best. Besides, the Portion Hotel should have another reward system such as a higher-level position where P. S. can have more power or more responsibilities. If some P.

S. who have more demanding “ Ego needs” satisfied from promotion, they may not be as sensitive about revenue as they once were. Tater given tense suggestions, ten recruitment will Decode more assaulted, ten content of Job will become clearer, the organization will become more flexible, and the reward system will become more attractive and motivate employees.