

Portman analysis essay sample

[Psychology](#), [Motivation](#)



Problem Identification

Portman hotel developed and new strategy to cater its customers by giving them a completely new experience which is not provided by any hotel in US at present. But their plans and departments have not been very well aligned with their core values and strategy. SWOT Analysis

PESTEL Analysis

Factors

1. Organizational Structure

There is no definite structure in the company which is leading to friction between the supervisors, PV's and other departments.

2. Due to lack of processes and discipline

The workers at Portman hotel were most of the times unhappy as they have to constantly cover for each other.

3. Less returns to the employees

Since this concept was new in the market so the customers did understand this concept in its right way which led to lower tips for the employees which led to more dissatisfaction among the employees as their pay structures were designed with expectations of very high tips.

4. Motivation and Incentives

Job profile of PV's required a lot of motivation and incentives but the reward system had no scope for performance based incentives. Moreover other departments considered them equivalent to maids

Critical Factors

1. Decentralization

Due to this no-one was clear about their scope of jobs. This type of work culture has been tried for the first time in the industry and there were no experienced employees who can cater to such needs. This is one of the root cause of the problems as most of the friction among the employees has been due to this.

2. Difference between expectations and actual roles and responsibilities The expectations from the PV's have been set very high in the company.

Whereas the real work had a very different expectations required. Citing another example, Floaters were considered as careless and unorganized on the contrary their job required to be flexible and dynamic so that they can cater to all the floors. This led to differences among the employee as more employees have to cover up for each other.

3. Recruitment

Good recruitment was very crucial to the company but as the business grew they were not able to spend the adequate time for exhaustive recruitment process. Also, with employees being dissatisfied with their job profiles, left the job which led to lots of wastage of resources spent in recruiting them.

Constraints

1) Portman Hotel Company tried to infuse Asian hospitality into the American culture. They went for a labour intensive strategy which involved higher costs. Labour costs were three times greater in America than in Asia. 2) They made assumption regarding the level of tips. Instead of \$200 per week, the

average turned out to be \$40. The reason being low occupancy in the early months and also Americans were yet to understand the personal valet system. 3) Due to low occupancy in the hotel, they moved away from using stable teams and instead resorted to “floaters”. This approach backfired and resulted in loss of team loyalty and time.

Framework/ Theoretical Explanation

Fundamental Attributable Error Theory

This is when the behavior of an individual or a group is attributed too much to an internal factor, when in fact; an external factor is at play. It is where the actions of a person or a group are associated with the “kind” of person he or they may be, rather than associating the actions to an outside source.

Justification for applying this theory

1. The Floaters were not trusted by PV's as they were accused of stealing their tips. They were thought to be careless and forgetful. However, in reality they were the scapegoats of the process followed by the organization.

Expectancy Theory

This theory suggests that a person will choose to behave in ways that will allow him to maximize pleasure and minimize pain. A simple mathematical formula is used in calculating the motivational force associated with maximizing pleasure and so forth [$F = V (E \times I)$]. It combines “Valence”, the value a person places on certain outcomes, with “Expectancy”, the measure by which a person believes a task can be completed, and “Instrumentality”, the realization that a person will actually produce a desired outcome.

Justification for applying this theory

1. PV's were expecting to receive a tip of \$200 from customers per week however they ended up getting around \$40 per week only. Thus, the employee motivation was hampered. 2. When PV's were hired they expected that they will spend around 50% of time cleaning and 50% of time would be serving the guests. However they had to do the cleaning job 80% of the time. Since their expectation was not fulfilled their motivation was hampered. 3. PV's felt that they were crucial groups to the business strategy. This was the valence attached to their jobs. However they felt that they were being treated as maids. Again this caused employee motivation to be hampered.

Possible Solutions

1. Better Compensation and incentives

This kind of job profile requires a very high motivation from the side of the organization. At present the incentives is very less against the expectations set for the job profiles. One of the way to cater to decrease the discontent in the employees is to increase the compensation of the PV's and formalize more and more performance based evaluation criteria. By doing so the employees would be more motivated to perform better which would increase the customer satisfaction. It would also help to raise the respect of PV's among other departments of the hotel. 2. New Strategy of limiting the decentralization

Potman came up with this all new concept of PV's or the private butler. But this kind of strategy required a more definitive structure within the hotel. First of all the roles of PV's should be clearly defined and they should be

allocated to the proper supervisor. Also the strategic importance of PV's should be clearly communicated to the other department of the organization. Secondly the Hotel should try to forecast the occupancy in advance so that it can plan its employee strength well in advance. Recruitment is one of the most rigorous processes at Portman and with unstable occupancy the hotel's strategy has taken a hit. But if the demand can be forecasted then the recruitment can be well aligned with the strategy of PV's. Lastly, the difference between the expectations of the job profile and the real job should be reduced. One of the major reason for the dissatisfaction among the employees has been difference between expectations. If all the departments and processes at Portman all well aligned with the Portman's strategy of PV's then the Hotel can use this as an competitive advantage.

3. Remove the concept of PV and get a new service strategy The management at Portman tried to replicate Asian strategy at US but they did analyzed its impact and the concerns associated with this. Asia is a labor intensive country whereas in US the cost of labor is very high. A strategy in which every employee is catered by a person individually can work well in Asia but in US it would raise the costs substantially. A possible solution to scrap off the whole idea of PV's and have definitive departments and provide best in class service through the traditional service departments.

Course of Action

The most important factor that needs to be considered is the Organizational structure. The organization currently does not believe in maintaining deep hierarchy. More specifically they do not believe in maintaining middle

management. Their principle was to extend the bottom portion of the organizational triangle, thereby putting more employees in front of the guests rather than in management. However later Scott moved on to add some managers to supervise the duties performed by other employees. Thus there is a need to introduce the middle level managers and supervisors in the organizational chart. 1. Introduce more hierarchies in the organizational chart, thereby creating a space for middle level managers and supervisors. Like Assistant supervisors can be introduced to scrutinize the job of PV's more precisely. 2. The case analysis shows that the employees lack motivation, creating hierarchies will motivate the employees to work harder also to climb up the ladder.

Also the poor performers might find some external motivation (in terms of salaries or position) to improve. The employees should be motivated by introducing more performance based incentives. 3. Roles and responsibilities need to be clearly defined for the positions identified in the organization chart. The jobs of PV's should be more precisely defined. 4. Some resources should be spent on forecasting the occupancy in the hotel which would help in recruitment process. 5. Some Team building exercises should be organized to ease out the friction among the employees. 6. More specific training should be organized to train the employees for specific tasks. Some of the above mentioned strategies/solutions/changes are already being implemented (like Scott has created middle level managers on his own). However these strategies are not in line with the initial organizational concept. These changes need to be incorporated formally in the organizational structure.