

Downfall of roaring dragon hotel management essay



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This proposal will give us a clear description for the downfall of Roaring Dragon Hotel after the change in their management to Hotel International which has failed to improve their profits and quality standards of their hotel. Big issue in the organization was the conflicts between management and their employees which need to be solved in order to get better performance and profits. These conflicts occur between management and employees are due to many reasons like cultural conflicts, inadequate training, and lack of understanding and strict management policies. Applying a single management approach across all work settings around the world may not be effective for motivating the workers and may not yield desired productivity (Najera, 2008). In order to overcome these conflicts the company management should develop strong relationship with employees, understand cultural differences, provide adequate training, and improve employee benefits. This will help improve employee performance, employee relationship, increases organization's profits, margin, and revenue and helps in reducing turnover rate.

Introduction:

RDH organization's downfall HistoryThe Roaring Dragon Hotel (RDH) was one of the three star hotels in the south-west China, which is famous state owned enterprise (SOE), has 40 years of history. RDH had a very good reputation but the popularity of the hotel started to fade by changing the management to Hotel International (HI). The Hotel International organization had good reputation and recognized as suitable organization to takeover the management of RDH. Hotel International management took some steps to change the policies of RDH both internally and externally in order to reach

international standards which were failed to improve quality standards and resulted great loss. The root cause for this problem is the organizational conflict between management and employees. The HI management failed to understand the culture and failed to develop employee trust and relationship. According to Drucker et al. (1997) “ the intelligence and spirit of people at all levels of an organization to continually build and share knowledge” should be the first priority to face global competition and to succeed in their domain. This knowledge sharing is lacking from HI management which created lot of new problems to organization.

Background:

From early 1960's Roaring Hotel Dragon had good reputation and went through series of changes for surviving from highly competitive world. Being a SOE with 40 years long history, it was one of the region's best premium guest offices for the government officials. The employees of RDH felt proud working for a SOE organization.

Cultural difference is the the root cause for increased turn over rate and reduced RDH's glory. In 2001, the government decided to hand over the management control of RDH to HI organization for improving the hotel's quality, reputation and brand name. This corporation hired a new manager and replaced the existing manager Mr. Wen to second in command, lost his power and privileges Mr. Wen raised the differences between management and employers. This is one of the root cause for loosing RDH's reputation and its glory. So government decided to end the contract with HI Corporation, taking over the management back by provisional government.

Due to management change and cultural differences between employees and management the hotel's reputation decreased and continued to fail even though the contract was terminated. The problems will be rectified with good planning, trusting, training and motivating employees and taking decision more effectively.

Problem:

HI management failed to build trust and employee relationshipThe Major problem in the RDH organization is caused because of the conflicts and cultural differences between the management and employees. This problem is clearly ignored by the HI management after it takeover RDH. " One source of conflict may arise out of the division between those who give orders and those who receive them: this, we would suggest, is a problem not only between workers and management, but also within management itself" (Stephenson, 1960).

Some of the major problems with HI management are listed below:

The RDH employees did not will to work under HI's management.

Cancellation of their agreements with the Nu Fu travel agency and Loss of critical industry contacts and guanxi connections.

Short term contract, Decreased occupancies and motivation, lay off of young employees, Uncertainty of Job security and Increasing the employee workload without paying their wages

Older employees were uncomfortable working under non-mandarin speaking HI's managers.

Employee dissatisfaction, loss of guanxi contacts, and lack of motivation caused problems to HI management

The first occurred problem for RDH organization is conflict between the KYZ Corporation and the former manager Mr. Wen felt guilty about his privileges when he was a manager were lost and made him second in command.

Chinese people had a strong responsibility and relationship with the people who they trust when compared to western culture. “ Commitment to the supervisor may be particular relevance for understanding the work behavior of Chinese employees (Wang and Kung, 1999)”.

The above reason made Mr. Wen to bring differences in between employees and Hotel international management. Even though Hotel International (HI) management tried to get rid of Mr. Wen, they could not get any support from older employees who were working with the RDH past a long time. HI failed to understand the Chinese culture so they made lot changes to improve the standards to international goals without considering the reactions from its employees.

Opportunities:

The HI management should have focused on history of the RDH and should have respected the Chinese culture. They should have done more research to analyze the root cause made by KYZ Corporation. They had very good opportunity to understand the culture and involve their employees in

decision making process. By respecting their employee's interests and <https://assignbuster.com/downfall-of-roaring-dragon-hotel-management-essay/>

thoughts would have improved HI's performance rather than making the decisions on their own.

Management should analyze the mistakes and develop employee relationship. By disrespecting the elderly employees and losing the guanxi connections they failed to build employee relationship. They could have motivated the employees and developed the ethics in the employees. They failed to utilize the best use of their customer relationship. Hotels should also consider including indirect contributors such as word of mouth communication, customer referrals and endorsements (Noone, B. N., Kimes, S. E., & Renaghan, L. M, 2003).

Recommendations:

Management should understand cultural differences and employee opinions. HI management should try to understand the culture and interests of the employees, consider their personal opinion, build the relationship with the employees, provide adequate training, and often conduct employee feedback. The Chinese Employees who are dedicated to their supervisors with whom they have a very good relationship. Management should resolve conflicts with their business partners and motivate others to work together in the process of developing their motel to keep-up the global competition.

Management should provide training to motivate employees. The employees should try to be aware of the international standards which should be motivated in order to understand their responsibility of their work, which should be achieved effectively by providing a proper training. Management should identify the ways to improve the business like build good relationship with

their customers who can help in increasing publicity. The longer relationship we have with the customers is important for success of any business. Finally the management and employees should put their efforts as a team instead of going in their individual direction.

Their language might be the fundamental barrier between people from many different traditions and cultures of the organization, they should provide translators of different languages in order to maintain the synchronization between employees and management.

The employees should be given training by the management regarding their new policies of the organization. The feedback from their employees should be taken frequently to ensure their employee satisfaction. Employees should be given rewards based on their performance, hard work, experience, and annual basis.

Conclusion:

One of the best example would be Roaring Dragon hotel which had a successful history but then later it had a great downfall, due to which the change of management with lack of communicational skills with its employees. Assigning new management for the hotel caused to the downfall, because of their negligence. The organizational success depends on correcting their mistakes and taking actions towards resolving them. So that we can avoid repeating those mistakes in future. The conflicts between the management and its employees are a well-known issue in any organization and needs to be rectified as soon as possible. Then any organization will be succeeded.