

HOTEL IM SACHSENPARK, LEIPZIG, GERMANY

Strategies to motivate staff and maintain a good working climate in delivering high service quality

Introduction

Hotel im Sachsenpark is a medium-sized hotel with 112 bedrooms and four conference rooms. It was built in 1993, and will celebrate its 15th anniversary in 2008. The hotel is situated next to the BMW-Factory, "The Leipzig Trade Fair" and the congress centre of Leipzig and is the partner hotel of the BMW group. The hotel has its own restaurant, Graf Zeppelin, which is mainly used by the guests of the hotel where international and saxonian specialities are served.

Because of its location the hotel generates most of its business volume from guests and attendees of the trade fair and from people attending congresses and seminars (from both the conference rooms of the hotel and from outside the hotel). Another prominent customer group are those on business travel. A small but growing customer group are private guests without a business background.

At the time of the case study in October 2007 the hotel had 24 employees and 4 apprentices. Half of the employees have been working for more than 10 years for the hotel. Room cleaning and commercial cleaning have been outsourced and are provided by external companies. Only two of the hotel employees work part time, an older woman and a woman returning from maternity leave. The age distribution of the employees of the hotel is very balanced. The youngest employees are the apprentices who are about 17 years old. The employees who have been working for the hotel for more than 10 years are from 40 up to over 60 years old.

HR Strategies

Before looking at the strategies of the hotel, it should be noted that the activities of Hotel im Sachsenpark are strongly affected by events, for example, the dates of the Leipzig Trade Fairs. For this reason, in contrast to many other hotels, the hotel has very reliable planning with regard to budgets and workforce.

The HR policies in Hotel im Sachsenpark are not very formalized and rather simple. The policies are designed to create a familial atmosphere in which the performance of each employee is respected and recognised. The managing director does a lot of "managing by walking around" and each day he goes through the hotel and talks to the employees.

Employee participation is very high. Meetings are organised each week with the division managers and once every quarter with all employees. Through these meetings a high degree of transparency is ensured. The division managers know exactly if the hotel is in the red or generating profits. Furthermore, investments are talked through where employee suggestions are considered. The division managers have huge scope for

decision making because the managing director takes the view that it is important that decisions are made efficiently even if there is the danger of mistakes. The division managers are also involved in the preparation of the annual budget.

Regular appraisal interviews are held in order to find out if there are problems or failures which creep in and to identify development potential. The employee has the opportunity to indicate if they feel they need further training, which can then be organised.

In order to obtain skilled employees, who can favourably influence the service quality, the hotel trains its own apprentices. The apprentices take part in a mentoring system where each apprentice is referred to an older mentor.

The director of the hotel attaches importance to a good working climate and wants his employees to work as a team. When the hotel recruits new staff it is not only professional skills that are important; the managing director also looks to see if the applicant fits in with the team. At the beginning new employees get fixed-term contracts of employment with a six month probation period to check whether the employee mixes well with other team members.

The cleaning functions of the hotel have been outsourced. Depending on the occupancy of the hotel three to six external workers are contracted to do the cleaning of the hotel. To facilitate the integration of the external workers into the team the managing director agreed with the outside company that they always send the same workers to the hotel. In the "Hotel im Sachsenpark" high value is placed on the sense of belonging of external workers. If there are events to celebrate the external workers are also invited.

The hotel organises a kick-off event for all the employees at the beginning of the year (in addition to other events throughout the year). At that time occupancy levels are low and the restaurant is closed which enables most employees to attend this event. Those employees who stay in the hotel are also invited to a separate event with the managing director.

Hotel im Sachsenpark offers several incentives to its employees to motivate them and ensure high quality. All employees receive their salary punctually, which is not always the case in the hospitality sector. The employees also get a 13 month salary paid in two-steps. Other incentives include the passing on of purchase savings or the handing out of tickets for cultural events. The division managers also participate in the bonus scheme. If they reach certain performance figures, for example a defined occupancy, they get a bonus.

Shortfalls and Limitations

The fact that the employees of the Hotel im Sachsenpark are a close team has a lot of advantages but sometimes problems arise. The "Hotel im Sachsenpark" has a lot of long term employees with certain privileges. They form a tight-knit team which makes it sometimes difficult to integrate new employees. Furthermore the long-established employees occasionally tend to be a bit professionally blinkered and have sometimes quite fixed working methods.

Actual Impact and Perceived Benefits

There are three main indicators which show that the strategies of the hotel are successful. The first two indicators are measurable. The third indicator is not measurable but it is a perceived benefit.

The first success indicator is extremely low staff turnover. In the first part of the case study it was already mentioned that half of the employees have been working in the hotel for more than 10 years. Staff turnover is considerably below sector average.

The second indicator is a very low absence rate. In the first 9 months of 2007, the majority of all employees had no sick days. Of course the employees in the hotel occasionally become ill but nobody just takes a "sickie". The hotel also proactively looks after the health of its employees and organizes influenza vaccinations.

The third benefit cannot be measured. It is the good cooperative relationship that exists between staff at the hotel. The employees help each other, for example, the sales manager helps out at reception or an employee can bring their child to work and other colleagues will help to look after it. This relationship encourages high employee morale and more flexible working styles.

Action Points for the Future

In the future the bonus scheme shall be formalised for all employees. Consequently, a set of objectives will be agreed in addition to normal appraisal interviews. Employees will be evaluated on the basis of four to five performance measures. A comprehensible list of criteria is currently being prepared to provide clarity to employees in relation to the performance measures.

Insights, Advice and Observations

During the interview Mr Borst stressed two points which are important for high staff motivation and delivering exceptional service quality. The first point is to take the personality and work performance of all employees seriously and show employees how their contribution affects the overall performance of the company. Good performances should be highlighted and the employees should be informed that if they perform well and pay attention to service quality, it is to their benefit and that of the workplace.

The second point is transparency. It is a good idea to keep employees informed and not leave them in the dark about the situation of the company.

Conclusion

This case study examined how staff in the hospitality industry can be motivated and which strategies can help create a positive working climate and ensure high quality service delivery. It reveals that significant benefits can often be also achieved by simple means. A lot of critical factors for success, whose realisation is not cost-intensive, were identified.

One of the crucial factors is appreciation of the performance and quality of work of employees and highlighting the importance of this performance to organisational success. Other factors relevant to success are regular communication with employees and employee participation. In particular it is good advice to design HR functions to be comprehensible and transparent.

