

# QUINTESSENZ-HOTELS, DRESDEN, GERMANY

## Quality Management Initiatives

### Introduction

In Dresden there are two Quintessenz-Hotels. One is situated in the north of Dresden near the "Silicon Saxony" area where a lot of national and international high-tech companies are based. This hotel was established in 1996. Then in 2003 a second hotel was opened in the city of Dresden. Both hotels have their own restaurants which are geared to the customers of the hotels.

The hotel in the north of Dresden generates about 75 percent of its business volume from business travel and about 25 percent from private customers on leisure breaks. In the city hotel about 70 percent of business volume is generated from recreational customers with the remaining 30 percent comprising of business travellers.

In December 2007 the hotels had 35 permanent employees of which approximately 80 percent were women and 20 percent men. The youngest employees are the apprentices who start when they are about 15/16 years old; the oldest employees are in their mid-forties. The employees are predominantly employed full-time. There are only a few flat-rate employees engaged for hotel cleaning and service in the restaurant. Among the employees there are 8 apprentices.

The Quintessenz-Hotels have a low staff turnover; a lot of the employees having worked for the hotels since their beginning 11 years ago. Due to their constant use throughout the whole year, the hotels do not have staff turnover during low seasons.

### HR Strategies

Quintessenz means concentration on the essentials. When the hotel was founded the owners Frank A. Pfau and Oliver Bugglé wanted to concentrate on service. There should not be golden water taps but instead the real welfare of the customers is taken into consideration. This vision also influences the HR strategies of the Quintessenz-Hotels.

### General HR Strategies

The Quintessenz-Hotels are not large establishments, therefore the Human resource function happens at a personal level. During the selection of new employees most attention is paid to the personality of employees and if they fit into the team. Technical skills are considered secondary because the manager believes that small gaps in knowledge can be closed by training whereas changing the personality of a person is more difficult. Job applicants at Quintessenz-Hotels normally attend a job interview and the most suitable candidates work one day on probation. During the application phase, potential employees are examined to see if they convey a warm friendly outlook and an ability to make the guests feel comfortable. After the selection phase the new employee

gets a contact person in their department who helps them adjust to the new job and the hotel systems. The apprentices take part in a mentoring system.

Depending on the rank of employees there may be one to two appraisal interviews within a year. During these interviews the employees can express their views regarding further education or training they would like to attend. The continuing professional development of employees can take place internally or externally.

Quintessenz-Hotels emphasise the importance of good performance. To this end, they have introduced a bonus system. Depending on the achievement of target objectives like budget allowances, employees get a bonus. These target objectives can be fixed for one department and if they are achieved, the whole department gets the bonus. Alternatively, the target objectives may be fixed only for a single person.

### **Quality Management**

Three years ago Quintessenz-Hotels implemented a quality management process which is accredited according to DIN EN ISO 9001-2000 and which sustains incremental improvements every year. This quality management approach is an all-encompassing system aimed at increasing quality across all hotel functions. By defining generally accepted standards, service quality and communications across the hotels can be improved.

Due to this quality management system the HR processes of the hotel are highly formalised. For each process there are forms which have to be filled in, e.g. there is a form for the job interviews, a form for appraisal interviews and discussions about the budget and there is also a form for new employees, which defines the documents that are needed before the starting date.

There is one quality manager working about three full working days per month on the maintenance of the quality management of both hotels. This employee normally works at the reception of the hotel and works in addition to that on quality management matters. The quality manager ensures that all quality management regulations are observed and includes the inputs of the employees in the forms. The quality management is only successful if all employees participate in it. Therefore all employees were involved when the quality management system was set up and they are constantly urged to comment on the system and help the quality manager to update and improve all specified standards and forms.

The hotel also takes part in the "ServiceQualität Sachsen" initiative. This is a training and certification initiative with the Tourism Association of Saxony as the responsible body and with the support of the State Ministry of Economic Affairs and Employment. The aim of this initiative is to raise the quality awareness in the tourism sector. The initiative wants to provide the participating companies with instruments to evaluate their service regarding for example, friendliness, resourcefulness and professionalism of the staff. The initiative offers seminars to which the hospitality organisations can send their employees to qualify them as a quality coach. The "ServiceQualität Sachsen" also certifies companies and awards a hallmark of quality. The Quintessenz-Hotels have three employees which were successfully trained as quality coaches and they have also the hallmark of quality awarded by the initiative.

### **Shortfalls and Limitations**

A quality management process which is accredited demands strictly defined guidelines which have to be followed. At the beginning of the quality management process it was difficult for the employees to comply with the strict guidelines and regularly fill in all the necessary forms. Furthermore the quality management process needs some implementation time until the process is efficient. In the first round of the quality management certification process, the labour input was immense. For this reason, a lot of reassurance had to be provided to employees.

To overcome these initial problems the hotels involve all employees in the development of the quality management process. Additionally, it is important to communicate at the beginning the advantages of the quality management system to the employees. When the quality management system is sophisticated the employees also experience the advantages of a quality management system on their own.

### **Actual Impact and Perceived Benefits**

The benefits of the strategies are very difficult to measure but there was a noticeable improvement in the communication amongst all employees. This enhancement of quality in the communication process helps to reduce service failures. Things which were agreed only orally before are now written down and fixed. All workflows are pinpointed and therefore easier to control and to monitor. This makes all processes in the hotels, not only HR processes, more efficient and comparable. That is the reason why after the initial development time, more time is saved due to the quality management, than is invested in the maintenance of the quality management system.

Another advantage of the defined processes in a quality management system is the facilitation of the integration of new employees. The description of all workflows is archived in a folder which the new employees can access to glean information about all hotel processes.

### **Action Points for the Future**

Quality management is a process based upon ongoing incremental adjustments. For the future there are no big changes planned but every certification and associated suggestions for improvement will help to advance the quality management process.

In 2007 the Quintessenz hotels had outsourced some of their cleaning functions. The outsourcing went very well, but after a thorough analysis it turned out that outsourcing was more expensive than using their own workforce. For this reason the hotels no longer outsource this function. Furthermore the accounting function will be done by hotel staff in the future.

### **Insights, Advice and Observations**

During the case study some useful advice and insights were conveyed which will be summarized in this section.

Pfau, Managing Director and co-owner of the hotels, believes that employees should not be considered as necessarily lazy because it is only possible to be successful with them. Therefore time which is invested in the employees is not wasted time. Things which employees receive from the organisation in return include: a fair and accurately timed remuneration, equitable and friendly treatment; and honest communication. It is

often easier for smaller companies to take care of their employees and they should maximise this benefit because employees who feel comfortable are satisfied employees.

### **Conclusion**

This case study examined the effects of a certified quality management system on the HR functions and all other business processes. It revealed that a sophisticated quality management system can make all processes more efficient and save both time and money. Furthermore key performance standards are defined by the quality management process. These standards build the framework for all employee tasks and facilitate the work of everybody which helps to raise employee satisfaction and commitment.