CHAPTER 7

Serving with a Smile: Motivating Exceptional Service

HOSPITALITY PRINCIPLE: MOTIVATE AND EMPOWER YOUR EMPLOYEES

Profit is the applause you get for taking care of your customers and creating a motivating environment for your people.

—Ken Blanchard, in *Leading at a Higher Level*

People often say that motivation doesn't last. Well, neither does bathing—that's why we recommend it daily.

—Zig Ziglar, author, salesperson, and motivational speaker

LEARNING OBJECTIVES

After reading this chapter, you should understand:

- How hospitality organizations motivate their employees to provide outstanding guest service.
- How organizations reinforce and reward guest-centered employees.
- How outstanding hospitality organizations fulfill employee needs.
- How playing roles can improve guest service.
- How modern hospitality organizations enhance guest service by empowering employees.
- How leadership and authority work in organizations and why employees accept authority.

KEY TERMS AND CONCEPTS

motivation
formal group
informal group
recognition program
empowerment
positive reinforcement
expectancy theory
self-efficacy
role theory
emotional labor
goal setting
SMART criteria
Management by Objectives (MBO)
authority-acceptance theory
equity theory
behavioral integrity

The service setting is superb, the best employees have been hired and trained, and all the mechanical and back-of-the-house aspects of the delivery system are flawless—so far, so good. Now it's up to that frontline employee you've worked so hard to hire and train to deliver. In almost all guest experiences, the guest-contact employee can make the difference between a satisfied guest and a dissatisfied guest. This employee is also the one who can turn a satisfied guest into a wowed guest. In the manufacturing sector, the tire or automobile on the assembly line doesn't really care about the scowl on the employee's face, the sarcastic comments, or the bad attitude. But people who seek guest experiences are very aware of how employees treat them. If the hotel gift-shop clerk makes a comment that offends a guest, the guest will obviously be angry at the employee. Yet, in all likelihood, the guest will also be angry at the hotel that hired and trained the employee. Because the guest service employee is so important in the guest's determination of value and quality, hospitality organizations that strive for *positively outrageous service*[1] take great care, as we have seen in previous chapters, in the hiring, training, and development of their employees. But this is not enough to ensure exceptional service.

This chapter focuses on motivating and empowering the hospitality employee to provide a high-quality guest experience. Since quality and value are defined by the guest, the employee who provides the guest experience must be not only well trained, but highly motivated to meet the guest's quality and value expectations and do so consistently. If the role of the hospitality service provider is this important to the organization, the role of the hospitality manager—whose leadership and managerial skills are the most important influence on employee work attitudes and job behaviors—is vital.

MOTIVATING EMPLOYEES

A family was checking in at the Hyatt Grand Cypress on a busy night. The hotel was full, the family's reservation had not been properly handled, and the husband, wife, and three tired children were upset. The front desk employee assessed the situation and acted promptly. She took some quarters out of the petty cash drawer and gave them to the kids to go and play the video games and gave the parents vouchers for free drinks in the lobby bar while she went to find a manager to straighten out the problem. The parents were happy, the kids were happy, and the front desk person had defused a tense situation.

In contrast, consider the experiences of Tom Farmer and Shane Atchison. They had a confirmed reservation at a hotel, which was held for late arrival with a major credit card. Yet, when they arrived at 2 a.m., they were refused rooms. Tom and Shane publicized their service experience with an open complaint to the hotel called "Yours is a Very Bad Hotel" that became an Internet sensation.[2] They reported that "Mike the Night Clerk" was "deeply unapologetic," "had done nothing about finding [them] accommodation elsewhere," and when they suggested that he should have lined up other rooms in advance, Mike the Night Clerk "bristled!" Maintaining that the customers were wrong to be upset that their "guaranteed" room was not saved for them, Mike told them, "I have nothing to apologize to you for." After the Internet posting, representatives of the hotel did apologize and reportedly improved their training and overbooking policies, but the damage was done: A Google search in 2010 of "Yours is a Very Bad Hotel" yielded thousands of results! This bad hotel story is only one of many. Customers and even employees have set up thousands of protest sites to complain about how companies have treated them. These days, through the power of the Internet, one unhappy guest or employee can create a public relations disaster for a company.

Both of the above cases began in a similar way: A reservation was not properly handled. But because of the employees' actions, the results were markedly different. The Hyatt employee took a creative path to solving a guest problem, not because she had to, but because she wanted to. Something or someone motivated this employee to act to satisfy a customer despite a problem that was not of her making. On the other hand, Mike the Night Clerk could not have cared less. The challenge for hospitality managers is to discover what makes employees do not only what is in their job descriptions efficiently and competently but also the extra things that can make the difference for guests and organizations.

The best hospitality organizations have learned the importance of using their employees from the neck up as well as from the neck down. Every guest experience is unique, and any manager who believes it is possible to predefine policies and procedures for handling any and all guest experiences is mistaken. Employees should know that they are encouraged, empowered, and trusted to handle all of the many and varied situations that come up in the guest service areas for which they are responsible. Even if employees were properly selected and trained, management must continue to encourage them do their jobs with responsibility, skill, enthusiasm, and fun. But how?

What Motivates People?

Motivation is a simple idea that is difficult to put into practice. To motivate means to instill a desire within a person that encourages the person to act. In the organizational setting, motivation rests on the idea that people are driven to achieve their own ends and satisfy their own needs. They will give up some control over their own behavior to organizations they join because they believe they will have greater opportunities to achieve their goals and meet their needs by joining an organization than by not joining.

Organizations of all kinds offer us inducements to join them and incentives and rewards to stay with them. In return, they expect us to make organizational contributions as the price of membership. For example, we may join a social group, either on or off the job, to satisfy our needs for friendship and belonging. We may join hotels, restaurants, and cruise line organizations to satisfy our social needs (a great group to work with), achievement needs (a job that lets me show my talents), recognition needs (management appreciates my skills here), and, perhaps most important to most members of business organizations, economic needs (I need the money to pay my bills, feed my family, and survive). In other words, people join hospitality organizations seeking a wide variety of incentives and rewards, for which they will, in return, contribute their knowledge, skills, abilities, loyalty, and effort. The challenge for the hospitality manager is to discover what incentives and rewards each employee requires as reasons to give up at least some personal control to the organization and exert effort on its behalf. Finding the right combination of incentives and rewards is the hard part of motivation, as employees—like guests—are highly individual persons with their own sets of needs, wants, expectations, capabilities, and behaviors. Managers of hospitality employees need to use the same guestology principles with their internal guests—employees—that they use with their external guest-customers.

In motivating employees, the role of the manager is critical. Managers must (1) understand what employees need and want so that rewards can be aligned with these interests, (2) know what tools are at their disposal to help motivate employees, (3) understand how employees react to both financial and nonfinancial rewards and how these rewards motivate employees to perform, and (4) understand how their roles as managers and leaders are critical for doing all this effectively and in a way that is seen as fair and trustworthy. This is no easy task, as employees' needs and environmental conditions are always changing. Precisely because of these difficulties, though, a manager's effectiveness as a leader can be judged in large part by how well that person performs in each of these four roles.

THE NEEDS PEOPLE HAVE

Before managers can know how to create systems to motivate and reward employees, they need to figure out what their employees need and want. Theories that try to explain people's needs are numerous.[3] In general, they suggest that people seek to fulfill four levels of needs when joining organizations. The four needs are survival needs, social needs, recognition needs, and achievement needs. Of course, the degree to which these needs drive behavior will differ from person to person, for any given person at different times, and from organization to organization. The task of hospitality managers is to identify which needs are driving the behavior of their employees and then to offer them the combination of incentives and rewards that will satisfy or help satisfy those needs. Offering the most effective combination best motivates employees to exert effort.

Survival Needs

In general, the most basic employee need is survival. To meet employee survival needs, the most obvious inducement is money provided though a paycheck. While people join organizations for a wide variety of reasons, most people who seek to work for a business do so in large part because they need to earn a living. For many people across the world, the primary need satisfied by employment is earning enough to pay rent, buy food, and acquire the other basics of living. People do not worry much about their social, recognition, or achievement needs if they are concerned about how they are going to get their next meal, feed their family, find a safe place to stay, or buy warm clothes in the winter. Before offering employees incentives or rewards that can help satisfy their other needs, managers must ensure that their employees are paid enough to meet their survival needs.

This issue is especially important for most entry-level employees, who are at the bottom of the pay scale. If they are to be the first—and sometimes the only—point of contact with the company's guests, they must not be worried that they may be unable to meet their basic needs. To help them do so means offering incentives like scheduling enough hours, working around child or elder care responsibilities, and helping them find affordable health care for their families. If Fred Yang is the first person the guest sees when entering your hotel, restaurant, or casino, a first impression of a worried Fred, as he thinks about how long it will be until he has to start his second job or where he is going to sleep tonight, may not be the positive encounter that the organization wants the guest to have.

Social Needs

Most people enjoy being a part of a group or team. This sense of belonging can be helpful in managing employee direction and behavior in the workplace. Indeed, as studies at the Hawthorne Plant of the Western Electric Company showed many years ago, whether employees feel that they do or don't belong greatly influences what they will or won't do in the workplace. Although the main purpose of a work group, obviously, is to work, the group often fulfills the need of members to *belong*.

When employees join any organization, they join a **formal group**. This includes the company as a whole, but may also be the team they join, or the shift they work. In addition, employees may belong to an **informal group** at the workplace. An informal group refers to a social group that forms without guidance from the organization. The managerial focus here, therefore, should be to establish an environment wherein employees can work in harmony with informal and formal work groups to support each employee's effort to achieve group goals, which will—directly or indirectly—help achieve the organizational goal.

The first managerial challenge in meeting employee belonging needs, then, is to identify those informal groups, in addition to the work groups, to which employees belong. This is not always obvious or easy to do. The second challenge is to discover those informal groups' goals. The last is to develop a path to fit the informal groups' goals and the organizations' work group goals together to ensure the satisfaction of both groups' goals, and, ultimately, the satisfaction of the employees in their informal groups and in their organizational groups.

Social groups form alongside or as part of work groups for a variety of reasons. People who work together tend to have things in common: what they do, when they do it, and who they do it with. They not only work together on the job every day but also may associate off the job. They have things in common to talk about, shared experiences, and constant reminders of their common basis for acquaintance, which serve as reasons to continue their on-the-job relationships. Since the best hospitality organizations use careful

Photo courtesy of Marriott International

People who work together often associate off the job. Groups at work can also create social groups outside of the work environment.

hiring criteria, these people tend to share even more commonalities, which bind them as a group. They frequently are young, share similar values and beliefs, and have many personality traits in common. When you take similar people and put them together in a work setting, you have the basis for forming a work group that is also a friendship group.

Another benefit of formal and informal groups in the workplace is that they provide the opportunity to share. Sharing thoughts and ideas about the job has obvious organizational benefits. But being able to share the dreams, ambitions, challenges, joys, and problems of life with someone has great benefits to most people. Groups give the individual a sympathetic ear, reassurance of self-worth, and help and assistance in times of challenges to the individual. The more that group members identify with their group, the more they will look to their groups to affirm their worth, acknowledge their successes, and recognize their achievements. Research shows that the more employees identify with their groups, the more they are willing to engage in helping behaviors, both to coworkers and to the company as a whole.[4] Organizations benefit by finding ways to incorporate informal group goals into the organizational goals.

Recognition Needs

Although the need for recognition is stronger in some people than others, everybody likes to be appreciated. The need for recognition refers to employees' desire for praise and attention from colleagues and superiors.

Recognition needs can be satisfied in a number of ways. Most obviously, a formal recognition program is one way to acknowledge and appreciate stellar performance. But recognition need not always be formalized. It can be conducted on a specified schedule or ad hoc, formal or informal, individual or collective, private or public, and monetary or nonmonetary.[5] Letting employees know they did a good job has a number of advantages. It lets employees know that what they did is indeed desired behavior, and it demonstrates to employees that management is aware of their behaviors and likes what they see. Employee recognition, be it formal or informal, is key to preserving and building the desired organizational culture.

Certainly, the level of employee needs for recognition varies. Some employees desire public recognition, while others are embarrassed by it. Individual recognition may also be more effective in individualistic cultures like the United States and the Netherlands, than in more collectivist cultures like China and Indonesia. Recognition needs also vary by generation, with younger employees desiring more formal and informal recognition than their baby-boomer-generation counterparts.[6] Once again, it is important for a manager to identify the level and form of recognition that different employees want so that this need can be filled appropriately.

Achievement Needs

Employees like to believe that what they do is important and the companies they work for do important things. If employees think that their level of service really makes a difference to their customers, the profession, or the community, they will feel a legitimate sense of importance. They will have pride in the jobs they do and in the company for which they do those jobs. If the employees believe what they are doing is important, they will be highly energized to give incredible effort to make that important task happen. Tales of Disney's early days report employees who worked incredibly long hours with energy and enthusiasm because they were so committed to what the organization was trying to accomplish. Everyone wanted so badly for Walt's wonderland to work that they gave it their all. "I ran my ass off," says one veteran. "I lost fifteen pounds in the first sixty days.

You never walked; you got behind the scenes and ran. There was always a fire to put out. I went fourteen months straight without a day off."[7]

Seeing Disneyland or some other facility open and succeed creates an incredibly good feeling of success and achievement in those who made it happen. Additionally, if the community thinks that the hotel, theme park, or convention center plays a major role in its economic health, all the employees who work there will feel good about their contributions to their community. They will have pride in the job they do and in the organization for which they do that job. Finding ways to show employees that they are contributing to making a real difference in something they feel is important and valued is a key talent of managers in successful hospitality firms. They know how to get the spark of enthusiasm, extra effort, and the strong commitment that a dedicated missionary feels and a clock watcher never does.

Achievement needs can also be fulfilled while satisfying social needs. Since groups offer members the opportunity to achieve something greater by being a part of the group than would have been possible individually, the value of the group becomes greater than merely helping to satisfy social needs. Employment in organizations with strong corporate cultures, whose objectives are respected by the society as a whole, is valuable to both the group and individual. Asking the group to help accomplish the valued, respected organizational purpose becomes a powerful motivational tool for the organization and a potent means for keeping the individual and the group positively involved in the organization's mission. When employees strongly identify with the property and share in the goal of providing exceptional service, they are highly motivated to achieve exemplary customer satisfaction ratings.

THE REWARDS PEOPLE WANT

Once managers know what employees need, they can begin to develop ways to meet those needs. To do so, managers have a variety of financial and nonfinancial tools at their disposal. They include financial rewards like wages, bonuses, and group incentives. The most effective

Although employees work for different reasons, working for money is a primary motivation for seeking employment around the world.

hospitality companies also use nonfinancial rewards, like formal recognition programs, to motivate exceptional performance. The best managers also change jobs for employees to make the work more rewarding, including making the job itself more fun and empowering employees to more effectively use their knowledge and skills to achieve superb performance.

Financial Rewards

Money serves different purposes for different people. Some employees need money mainly for food, shelter, and clothing. Others use money to acquire various luxuries. For all employees, money plays some role in motivating them to perform, but because different people have different needs, desires, and preferences, the best managers realize that money and paychecks are a tricky incentive or reward to manage effectively.

As seen in Figure 7-1, money can be offered as an incentive or a reward for employee performance in a variety of ways, and can be used to satisfy a variety of needs. For example, annual performance bonuses reward individual performance. Group financial incentives reward team success and focus employees on working in a group to achieve common goals. Individual tips can encourage high-quality customer service, while pooled tips can encourage servers to work together. Ownership in the company (through stock) helps employees realize that their own success depends on the company's overall success. Depending on how almost any financial reward is presented, it can help satisfy employees' needs, reinforce what is expected from employees, and encourage certain future behaviors. In these ways, pay methods can be designed to help focus employees on achieving high performance. However, because financial incentives change behaviors, managers need to stay alert to ensure that what they are rewarding is what they want employees to do.

Although most people need a job for the income it provides, money alone can go only so far in helping to create the type of personal and emotional attachment to a company that motivates its employees to provide customers with a wow experience. Many reasons why people behave as they do are unrelated to money (e.g., being with people they like, joining civic and religious organizations, raising children, helping a stranger, volunteering in the community, caring for parents). Smart managers know that in addition to monetary incentives, nonfinancial incentives—like friendship, fun working environment, recognition, praise, personal growth, and achievement—can often produce individual effort that money could never buy.

The point is this: Managers must discover what needs each employee is seeking to fulfill in the employment relationship and then offer different incentives for different employees that make it possible for each to meet those needs. Managers also need to think beyond incentives, on the way jobs are designed and the authority granted to employees, as a means to motivate exceptional performance.

Recognizing a Job Well Done

The purpose of a **recognition program** is to say, publicly and officially, thank you for a job well done. A survey of U.S. firms revealed that nearly 90 percent of companies have recognition programs, and about 70 percent of firms have both formal and informal recognition programs. They recognize not only exceptional performance, but a variety of other accomplishments, like sales performance, innovative suggestions, safety performance, and attendance.[8] The recognition rewards reinforce behaviors that represent the company's cultural values and achievement of the service mission. In the service industry, these awards show employees that their efforts to deliver a wow experience to customers are desired, valued, and appreciated.

FIGURE 7-1 Financial Incentive and Reward Options

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PAY FORM	DEFINITION	HOW PERFORMANCE IS ASSESSED	EXAMPLE
Merit raise	An increase in base pay (i.e., a raise) that is tied to individual performance.	Managers review individual performance.	A manager gives an employee a 4% annual raise to reward exceptional performance on the job.
Annual performance bonus	A one-time lump sum payment made to an employee based on a performance evaluation.	Managers review individual performance.	A manager gives an employee a lump sum bonus of $10,000 that year to reward exceptional service.
Spot bonus	A one-time payment made to an employee who exhibited great performance through some specific act.	Managers observe or customers report a specific incident of exceptional performance.	A manager gives an employee a $100 bonus for handling a difficult guest complaint to the guest's satisfaction.
Individual tips	Voluntary payments given to service providers by customers after providers deliver service.	Customers assess the service received during the service encounter.	A customer gives a server a tip at the end of a meal.
Pooled tips	When all customer tips are put into a common "collection" and are then divided proportionally between the servers on duty.	Customers assess the service received during the service encounter.	At the end of a shift, all servers on duty during the shift divide the total customer tips.
Recognition program	A program designed to provide a reward (financial and/or symbolic) to employees who achieve a notable goal.	Managers assess performance over a period (monthly, annual, etc.) or employees nominate their peers.	The CEO publicly recognizes the rooms agent who takes the most reservations in a year with a ceremony, a plaque, and a check for $5000.
Group incentive plan	A bonus paid to all employees of a group for successfully meeting a specific goal.	Managers assess individual, team, or company-wide performance.	Employees each receive a $100 bonus for each month that customer satisfaction ratings exceed a certain level.
Compensation through ownership	Enabling employees to own a portion of the company, e.g., common stock or stock options.	Because of stock ownership, employee wealth is tied to how well the market values the company.	Company gives employees the option to purchase 500 shares of stock at $20 per share. If the stock price goes above $20, the employees will benefit.

Fairmont Hotels & Resorts launched a recognition program designed to reinforce the company's service culture. The program featured different award levels, such as Memory Maker for outstanding demonstrations of thoughtfulness and creativity, and Star of the Month for employees nominated by their peers for consistently demonstrating superior performance.[9] The awards helped support the organizational culture of appreciation and recognition for everyone, from housekeepers to senior management, and for all Fairmont employees around the world. Winners received gift certificates in small denominations (typically $10–50 in value) that could be redeemed with thousands of merchants around the world. Surveys of Fairmont's employees after the program was implemented revealed that employees felt more recognition for a job well done, felt that the best performers were more likely to receive recognition, and felt that they were being recognized in a way that was personally meaningful. Surveys also showed that employee levels of engagement increased significantly following the program's inception.[10]

While many programs offer cash awards alone, many others offer symbolic, non-cash rewards, or gifts, like plaques or certificates, merchandise with the company logo, gift certificates, jewelry, office accessories, household items, recreational items, and electronic goods.[11] A key advantage of these non-cash awards is that they often create a lasting memory of the experience for the employee, which proves more effective in achieving employee satisfaction than cash awards. While cash is usually spent immediately on things that people may or may not remember, non-cash rewards tend to serve as long-lasting reminders of company appreciation. Moreover, the cost of non-cash awards, from the plaque on the wall to the trophy on the desk to photos from the special vacation, is often insignificant when compared to the high level of recognition. For example, a special pin that announces an employee's outstanding service may cost only $20, but its emotional impact on the employee, wearing it for all to see and perhaps keeping it for a lifetime, is far greater than the impact of simply receiving a twenty-dollar bill. The way the reward is presented can also be a powerful symbol. Having the CEO of the company personally recognize excellent performance sends a clear signal that indeed stellar performance is valued.

Photo courtesy of Marriott International

Marriott Hotels uses a recognition program, called the Award of Excellence, to recognize its best performing employees. Showing the company's commitment to this award, Bill Marriott (at the far right) participates in the awards ceremony.

Making the Job Fun

Not all rewards for working well have to come in the form of cash, an incentive, a plaque, or a prize item. Sometimes, the work itself can be its own reward. Walt Disney said, "You don't work for a dollar—you work to create and have fun."[12] Chili's Norman Brinker said, "If you have fun at what you do, you'll never work a day in your life. Make work like play—and play like hell."[13]

Some jobs may never be fun, but to whatever extent managers can establish an enjoyable atmosphere, the organization will benefit. Fun is contagious. People having fun at work tend to infect peers as well as guest-customers. Customers of hospitality organizations expect to deal with happy people; they expect to be greeted with a smile. A happy work setting can not only enhance sales but, as research has shown, can improve employee retention, morale, and recruitment.[14] It is simply more enjoyable to go to work in an organization that is fun than in one that is not. Of course, the fun has to help achieve the organization's goals. As one manager stated, "We don't take ourselves seriously, but we take what we do very seriously." You want the job to be fun but not in ways that employees are just playing around and ignoring their job duties and customer service responsibilities.

Minimizing the Negatives

Another way to make a job enjoyable is to eliminate or minimize the things that make it uninteresting or unpleasant. In all jobs, there exist some parts that are never fun or interesting or challenging, but they must be done. Managers can motivate employees by providing fun ways to minimize these less attractive aspects. Good managers add fun elements to jobs to break the monotony, boredom, or annoyances. Anyone operating the It's a Small World attraction at the Magic Kingdom must receive some relief from the constant repetition of the attraction's distinctive theme song. Likewise, anyone walking backward loading a constant stream of guests on Epcot's Spaceship Earth while ensuring that guests are properly seated needs a break from this repetitive task. If employees have jobs like these, managers should consider rotating them to other jobs in other locations from time to time, or find other fun ways to break the routine or escape the monotony.

Motivating employees whose jobs contain monotony and boredom is hard enough. Motivating employees whose jobs have downright unpleasant aspects is even more difficult. Imagine being an airline lost-baggage representative, a customer service representative dealing with passengers of late or cancelled flights, or a front desk agent who has to listen politely while an angry customer lodges a complaint. While jobs requiring extensive physical labor can be fatiguing, jobs like these, requiring polite and reasonable interactions in the face of angry or difficult customers can be equally fatiguing. Although these tasks are emotionally taxing, they must be done by someone.

Managers of the best organizations appreciate the emotional price that these employees pay and seek to minimize or compensate for the negative aspects of all jobs. Some organizations offer stress-reduction programs, such as physical exercise and time off from the stressful aspects of jobs. Others offer counseling. The most common approach is to encourage employees to apply their professional standards (e.g., a nurse dealing with a dying infant), use scripted behaviors (e.g., "Welcome to McDonalds, how may I serve you?"), or use other strategies listed above that allow the employee to cope with the stress-creating situation.

Angry and unhappy guests present a challenge. Managers must find ways to help employees who have to deal with such guests so that they don't lose their ability to do their jobs or angrily retaliate against an angry customer. But, as we shall discuss later in this book, dissatisfied guests are also an opportunity for the company, and the people who interact with these guests must be skilled, emotionally ready to deal with them, and effective at maintaining their professional poise while solving the problems that caused the dissatisfaction.

Empowering the Employee

In addition to motivating employees through incentives, by means of recognition programs, and by making the work environment more enjoyable, organizations can find ways for employees grow and develop while at the same time helping to fulfill the company's mission. One important way is **empowerment**.

What Is Empowerment?

Empowerment[15] is the assignment of decision-making responsibility to an individual. It requires sharing information and organizational knowledge that enable empowered employees to understand and contribute to organizational performance, giving them the authority to make decisions that influence organizational outcomes and rewarding them based on the organization's performance.[16] The concept of empowerment is broader than the traditional concepts of delegation, decentralization, and participatory management. Empowerment can stretch responsibility for decision making beyond a specific decision area within a job to include decision responsibility for the entire job and for knowing how performing on that job fits within the organization's overall purpose and mission. It sends a powerful message to the employee that he or she is trusted. Empowered employees know that their managers trust them to make the right decision at the right time to enable the guest to get the service expected. Since no one can predict everything that can happen when a guest has a moment of truth with an employee, it is impossible to prescribe in advance how to deal with all guest encounters. Empowered employees know what to do, know what their company expects of them, have the ability to do it, and can make the difference between an *ow* situation and a *wow* situation.

One of the most widely known examples of empowerment in hospitality is the approach used by The Ritz-Carlton. Empowerment there extends beyond simply planning how work is done: It is a core component of The Ritz-Carlton culture. Indeed, empowerment is number three in the company's twelve service values: "I am empowered to create unique, memorable, and personal experiences for our guests." If guests are unhappy, The Ritz-Carlton employees have up to $2,000 to make them happy again without approval from upper management.[17] That amount was chosen, says John Timmerman, vice president of quality and program management at The Ritz-Carlton, at a level where "an employee would never second guess themselves."[18] That is, the authorized amount is high enough to cover just about any steps that an employee might need to take to satisfy a customer. As Joseph A. Michelli describes it, "This financial authority is the living embodiment of trust and power conferred to each staff member at The Ritz-Carlton."[19]

Although empowerment may make the job more fun for employees, it presents them with an opportunity for growth and development, which makes the job more interesting. The organization also benefits from employees who are not only well trained but also authorized to use their skills and capabilities to provide an outstanding guest experience. As the legendary restaurateur Norman Brinker said, "You can achieve so much more by empowering people to achieve on their own. Don't be too hands-on."[20] The empowered server can personalize the service experience to meet or exceed each guest's expectations and can take whatever steps are necessary to prevent or recover from service failure.

Some organizations talk the talk of employee empowerment without giving employees any real power or authority to implement decisions. The purpose of employee empowerment is not only to ensure that effective decisions are made by the right employees but also to provide a mechanism by which responsibility for job-related decisions is vested either in individuals or in work teams.[21] Empowerment also means that management is willing to share relevant information about and control over factors related to effective job performance.

Empowerment helps achieve the company's mission. For example, Hyatt felt that it was not doing enough to provide authentic hospitality to its most loyal customers. Hyatt began a program that empowered employees to perform what it called *random acts of generosity*. Member customers in their Gold Passport loyalty program might suddenly find that their bar tab was paid, or they might receive a complimentary massage, or their family's breakfast might be paid for by the hotel—all because an empowered employee saw a way to enhance the guest's hotel stay. The company could have dictated a set of policies that told employees how to surprise and delight guests (such as, if guests do X, then give them Y). Instead, Hyatt trusted employees to see a situation and then decide on how to provide a wow element to a customer's experience.

When successfully implemented, empowerment has several benefits for both employees and managers. It tells employees that the organization trusts them to know what to do, how to do it, and trusts them to do it. Nothing frustrates people more than being hired and trained to do a job, and then having the manager constantly look over their shoulders to be sure they are doing it right. Empowerment treats employees as respected adults. Managerial unwillingness to allow employees to make the decisions they are both capable of making and willing to make can lead to a loss of employee self-respect, a loss of self-confidence that they can do their jobs, and a loss of interest in doing them. Empowerment builds self-respect, self-confidence, and interest.

Empowerment also benefits the hospitality manager. No one can be everywhere all the time. How employees behave when an overly controlling manager is away or unavailable can be a problem. Employees can be either helpless or empowered. Those who cannot make decisions on their own become helpless, and ultimately useless (or worse) when their boss is away, but the empowered do their jobs as their managers hoped they would even without managerial oversight. Another benefit is that organizations simply cannot train people to solve every problem that may occur in their jobs. But if employees know the organization's mission and goals and understand and believe in the organization's culture, they can be empowered to make the right decisions. Former Southwest Airlines CEO Herb Kelleher said, "I can't anticipate all of the situations that will arise at the stations across our system. So what we tell our people is, 'Hey, we can't anticipate all these things; you handle them the best way possible. You make a judgment and use your discretion; we trust you'll do the right thing. If we think you've done something erroneous, we'll let you know—without criticism, without backbiting.'"[22] No one can anticipate, train, and prepare for every possible problem, outcome, or customer request. Empowerment can fill the gaps when the circumstances are new, unique, or unexpected.

Empowerment Implementation

Successful implementation of employee empowerment requires companies to take some key steps. Empowerment cannot simply be decreed; it requires an investment in training employees so that they know how to use their new decision-making freedom effectively. Companies must also recognize that empowerment cannot solve all problems, so it should be implemented only where the keys are present.

The five keys to implementing an effective empowerment program are as follows:

1. *Training*. Empowerment requires an investment in employee training. Employees must learn to understand their areas of responsibility thoroughly. Then they must learn how to make sound decisions within their areas.
2. *Willingness*. Empowerment requires employees to not only be ready and able to make decisions about their jobs but also be willing to do so. If the employees are uninterested in the company and its future, empowering them to make decisions will be risky.
3. *Measurement*. Employees must have goals or standards against which the results of their decisions can be measured. Otherwise, they will not know either what they should do or if their decisions were good or bad.
4. *Incentives*. Rewards need to be attached to successful performance. To be most effective, an incentive system rewards employees for making good decisions. Rewards help reinforce the goals of the program and make it clear to employees that using their empowerment appropriately is worthwhile.
5. *Managerial buy-in*. Management must be willing to accept empowered employees, let them make their own decisions, and not interfere. An empowerment program will not work if managers cannot learn to trust the capabilities of empowered employees. If managers who let their people make decisions end up changing, overriding, or otherwise not using these decisions, employees were not really empowered in the first place.

Limitations and Potential of Empowerment

Of course, not all organizations can benefit equally from employee empowerment. Empowerment may be less appropriate if (1) the basic business strategy emphasizes low-cost, high-volume operations, (2) the tie to most customers is short term, (3) technology used is simple and routine, (4) the business environment is highly predictable, and (5) employees have low growth needs, low social needs, and weak interpersonal skills. Alternatively, employee empowerment can be highly successful and rewarding if (1) service is customized or personalized, (2) customer relationships are long term, (3) technology used is complex, (4) the environment is unpredictable, and (5) employees have high growth needs, social needs, and strong interpersonal skills. Under these circumstances, the potential gains from employee empowerment are significant.[23] Although the hospitality industry generally does not use complex technology, nearly every guest-contact situation is customized and unique. If you have chosen the right employees (with respect to point 5), employee empowerment will lead to most guest-contact decisions benefiting the organization.

Degrees of Empowerment

Of course, empowerment is not an absolute; it has degrees. Managers may find that more is not necessarily better. Employees need to be capable of making appropriate decisions. Robert Teerlink, former head of Harley-Davidson, said, "If you empower idiots, you get dumb decisions faster."[23] A manager may choose to provide higher degrees of empowerment for some individuals and teams doing certain tasks than for others. Indeed, even within a given employee's job or a given group's task responsibilities, different decision areas can be empowered to different degrees. A restaurant chain, for example, may empower its restaurant managers with complete authority to resolve customer complaints but may not let the same managers make even minor modifications to the menu.

Since the workforce is so diverse, some employees will be better suited for empowerment than others. Part-time employees or contract (temporary) employees may not be interested enough in the goals of the organization or in a long-term relationship with it to be good candidates for empowerment programs. One art of good management is to determine what degree of empowerment to extend to different employees based on an assessment of the five keys discussed earlier.

Unintended Consequences of Empowerment

Empowerment can lead to problems if empowered employees make decisions that are disadvantageous to other employees or to the organization as a whole. For example, if a desk agent allows guests to check out two hours late, the housekeeping staff may have difficulty in preparing the room for the next guests, especially if another empowered desk agent allows them to check in early. The actions or decisions of an empowered employee must not be allowed to affect other employees negatively in the performance of their jobs as that will in turn affect the organization's ability to deliver a service experience that meets their guests' expectations.

REWARDING EMPLOYEES FOR PERFORMANCE

Once you have hired functionally qualified people, trained them, and have identified their various needs, you have the challenge of keeping them interested in the specifics of their jobs. Knowing what employees need and want is only half the battle; you need to figure out how you are going to connect rewards and behaviors so that, in the process of fulfilling their needs, you elicit from employees the exceptional performance that you desire. You may satisfy these needs through financial incentives, job restructuring, recognition programs, and empowerment. The key issue is to understand how these motivational tools work to produce the desired behaviors.

The Power of Positive Reinforcement

A well-accepted psychological principle is that if you reward desired behaviors and don't reward undesired behaviors, you will get more of the desired behaviors and fewer of the undesired ones. Rewarding desired behaviors is called **positive reinforcement**. While the idea seems simple enough, providing appropriate positive reinforcement is no simple task. Rewarding the wrong behavior can create as many problems as not rewarding the right behavior. Managers need to review their words and actions constantly and carefully to ensure that the behaviors being rewarded are the behaviors that the organization really wanted.

All rewards need to be scrutinized carefully to determine exactly what is being incentivized. GuestFirst Hotels, for example, may tell its employees that they should make every effort to satisfy the guest, but GuestFirst managers actually evaluate and reward only according to whether employees meet the budget numbers. This type of managerial misdirection is called *the folly of rewarding A while hoping for B* and it is folly for any organization whose managers engage in it. Depending on how the reward systems are constructed, individual bonuses may discourage teamwork; a group incentive system may cause employees to provide too many free upgrades; a profit-sharing plan may focus employees on short-term cost-cutting rather than long-term exceptional customer service. Over time, everyone figures out exactly what behaviors are being rewarded. As a result, most employees will focus on management's actions and not their words about the importance of customer service.

At the Buffet

A popular buffet restaurant decided to add a greeter position to welcome guests as they entered the restaurant. Manager Gail Bowman told newly hired Charles Jones explicitly that his primary responsibility was to greet and welcome the guests. However, as time went on, to keep Jones busy when guests were not entering the restaurant, Bowman added responsibilities to the position—such as checking periodically to make sure there were enough trays or that the butter dish was always full. Jones quickly realized that Bowman never complimented him for properly greeting the guests, nor did she ever say anything to him when he missed a guest because he was too busy with his other duties. But if he ever let the buffet line run out of trays or butter, Bowman strongly reprimanded him. By her actions or lack of action, Bowman redefined the job description. She made her real priorities clear (in the mind of Charles Jones, at least), and he adjusted his actions accordingly.

The point is that *what we reward tends to be what gets done*. Managers must remember to reinforce preferred behaviors by providing the right incentives in the right amounts at the right times. If we want our employees to exert appropriate effort, we must be clear and consistent about what we reward.

LINKING PERFORMANCE AND REWARDS

A critical part of the manager's job, in addition to identifying the mix of incentives or rewards that each employee needs, wants, and expects, is to define how each employee can get those rewards. **Expectancy theory** maintains that organizations need to relate rewards directly to performance. If employees believe or expect (1) that they can achieve a certain performance level by putting in a certain level of effort, (2) that achieving this performance level will lead to promised rewards, and (3) if employees value these rewards sufficiently, they will be motivated to put in the effort necessary to get the rewards. While employees must of course have the right abilities and be trained appropriately so that they have the capabilities to perform, offering desired rewards and establishing expectations that effort will lead to receiving those rewards is a critical managerial responsibility.

Based on expectancy theory, managers must take several essential steps in order to motivate employees to perform effectively. First, they must give their employees confidence that their skills, training, and capabilities are adequate for doing what is necessary to receive rewards if they put in the effort. That is, employees must possess sufficient **self-efficacy**. Second, managers must ensure that employees believe that if they exert effort and perform their jobs well, management will deliver the rewards as promised. If employees do not have sufficient trust in management, reward systems will simply not have the desired effect. Third, they must provide the array of rewards that employees believe are important and worthwhile to satisfying their needs. Whether it is the value or recognition that the award provides, employees must want the reward for the system to motivate high performance.

This theory puts a major burden on managers to *manage*. Managers need to ensure that their employees are properly trained; that they have the right people in the right jobs to do the work; that they identify, offer, and then deliver the rewards that have value to their employees; and that they behave fairly toward them. If Mary is told that she will get a trip to Hawaii she has always wanted if she books the big convention she has been working on and she succeeds, then management had better give her the trip to Hawaii. Otherwise, she and everyone she talks to will not be very motivated to give the job much effort in the future as they will not believe that management will deliver on its promises.

A manager who fails to meet an internal customer's expectations will need to find and fix that failure with the same commitment and effort that the manager would use to find and fix a failure in meeting the expectations of an external guest.

CLARIFYING EMPLOYEES' ROLES

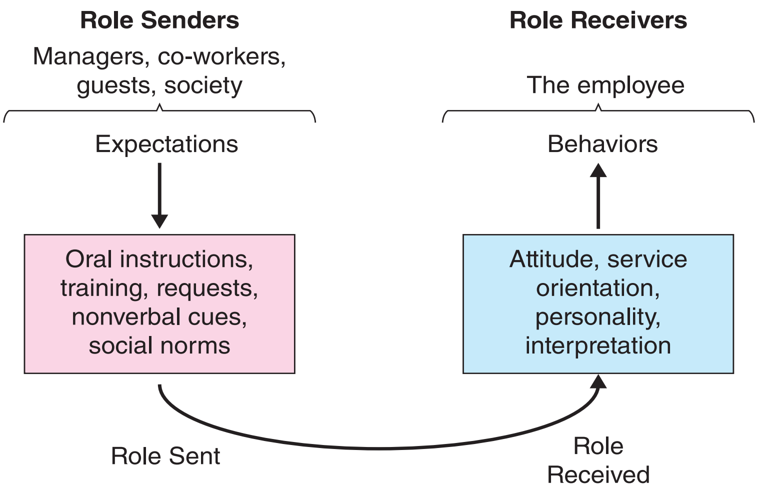
Managers are responsible for clarifying job roles for their employees by explaining how they fit within the overall organizational effort, by providing clear job descriptions, by setting clear and specific goals, by reinforcing cultural norms and values, and by continuously communicating the expected role behaviors of employees in their jobs through everything managers say, do, and write. Employees who know their roles will be better able to focus their efforts on productive activities and avoid wasting energy on unproductive activities.

Role Theory

Role theory is a way to explain how the organization, group, or work team influences the behavior of its members. People behave in their roles in fairly predictable patterns, which are usually influenced by others. A person may be a church member, a student, a parent, a civic-group member as well as an employee. Each role has different expectations of the person and, while playing the role, the person is continuously influenced by others watching the person behave. A student behaves, for the most part, as a student is expected to behave, and a Hard Rock Café employee usually behaves as one would expect from a Hard Rock Café employee. Guests or other employees may give a funny look or make a critical comment to a frowning hotel desk agent or receptionist, because a frown is not part of their expectations for those roles. Anyone observing a mother ignoring her child in danger will scowl or even speak up. People continually tell us by word, facial expression, body language, or deed how they think we should be behaving in a particular situation.

As seen in Figure 7-2, based on classic research in the field,[24] role-playing situations have two major elements: role senders and the role receiver or focal person. Role senders are all those who let us know what role they expect us to play and then try to tell us how to behave in performing the role by sending us verbal and nonverbal cues. The

FIGURE 7-2 The Way Roles Affect Behaviors



instruction and training that the boss sends, the cues that coworkers and guests send, and the social norms that our society sends help define the expectations they all have of us in the guest service role. The role receiver or focal person is the employee. Employees observe and receive all the expectations that people are sending them and interpret this information to form the behaviors they think people want from them. Each employee then decides to comply or not to comply with those expectations and acts or does not act accordingly.

The Cast Member Role

Disney uses the concept of role in a unique way to enhance the nature and performance of the job. By using the term *cast member* for all employees, Disney emphasizes the idea that everyone in the organizational cast is playing a role in a public performance. The terms *on stage* and *off stage* are also used to reinforce this notion in the minds of all employees. The idea that employees comprise a cast putting on a show has many organizational benefits, but perhaps the biggest is to get people to think of their jobs as roles. They understand that what they are asked to do in those roles is part of a performance for their guests or audience. This mind-set gives new and greater importance to every job throughout the organization. Now, instead of thinking "I am merely a street sweeper," which may demean the employee's many years of education and experience, the street-sweeping cast member can look at the task as the playing of a role. In a theatrical production, nothing is demeaning or lowly about playing the role of a street sweeper. After all, you're not really a street sweeper but rather a cast member or actor doing an excellent job of playing a street sweeper. This attitude helps eliminate role conflicts. The distinction between the real you and what you're capable of doing or being in real life on the one hand and your skillful performance of the street sweeper's role on the other is clear.

Role Conflicts

This continual process of playing different roles is full of potential and real conflicts for guest-service employees. A person who is sent different role expectations by different people may feel conflict and confusion. If the guest expects one thing and the company policy requires another, the employee faces the difficult choice of determining which way to go, which role to play. Conflict can also occur when the supervisor sends out conflicting role expectations, when the role expectations conflict with the employee's fundamental values or beliefs, or when the roles themselves come into conflict. If Sally's husband asks her to come home early for the children's birthday party and Sally's boss asks her to work an extra shift tonight, Sally's roles as wife/mother and employee will conflict.

Clarifying the Role

Managers need to spend time and energy in minimizing employee role conflict and maximizing role clarity. People like to know what is expected of them. When the organization and its leadership don't spend the necessary time clarifying employee role expectations, the potential for conflict is great. Effective hospitality training programs clearly define roles for their employees and thereby minimize the conflicts they will have to face. When they have finished training and begin to serve guests, service providers should know their roles thoroughly. For example, when Disney cast members go "on stage" to perform, they know that the priority of the elements in the roles they play is safety, courtesy, show, and efficiency. Safety is never to be compromised. If a cast member has a choice of two actions, one safer and the other showier, the cast member feels no role conflict in taking the safe action.

Emotional Labor and Role Playing

Frontline hospitality employees who interact with guests have to be good at performing what is termed **emotional labor**. These employees not only need the skills, ability, and knowledge to perform the service, which may require some physical labor, but also need whatever it takes to perform the service in a certain way. Hardly anyone naturally smiles all the time, nor can anyone's natural response to a guest's needs always be empathetic. But smiles and sympathy are part of the hospitality employee's job, even when it's hard. It is especially difficult for most people to act positive and empathetic when things go wrong and an angry, upset, or unreasonable guest is yelling at them.

The effort required to deal with guests in these situations is emotional labor. It can be at least as draining on the employee as physical labor. Just as a positive attitude can be contagious, so too can a negative one. How can employees avoid getting caught up in the emotional reactions of guests? One way is by thinking of the job as playing a role in a theatrical performance to decrease the personal wear and tear of this emotional labor. Instead of actually paying the emotional price of getting personally involved in every guest's needs, the employee can display the emotional response that would be required of someone acting as if he or she were personally involved in every guest's needs. The emotional labor expended in genuinely feeling the emotions responding to the many needs and problems of guests could wear anybody out long before a work shift was over. Performing the job as an acting role makes it possible for hospitality employees to perform well without becoming emotionally exhausted.

The research on this topic suggests that role playing is actually better for the employee and the organization than genuine emotional involvement.[25] According to Ashforth and Humphrey, "Given the repetitive and scripted nature of many service roles, one may develop habitual routines for…acting such that emotional labor becomes relatively effortless."[26] Individuals who strongly identify with their organizational roles are apt to feel more authentic when they are conforming to role expectations, even if they are only acting to display rather than actually feeling the emotional involvement required of the role.[27] Further, acting like a certain type of person tends to commit one to becoming that type of person, especially if one volunteers to play the role to a public audience.[28]

SETTING GOALS

Another way managers can clarify their expectations for employees, and at the same time motivate better performance, is by setting goals. Most managers are familiar with the value for the overall organization of **goal setting** for individual employees and units. Research has repeatedly shown that setting specific and challenging (but attainable) goals leads to higher performance levels than expressing vague goals or telling people to "do their best."[29] Goals should satisfy the **SMART criteria**, that is, goals should be Specific, Measureable, Attainable, Result oriented, and Time bound. Specific and measurable goals allow people to know where they are supposed to be heading and what it will look like when they get there.[30] They are a powerful means to achieve attainable, result-oriented, and time-bound outcomes. Goal setting that follows these SMART rules is an excellent motivational tool. They allow people to self-manage since they can show clearly and objectively whether behaviors at work are leading toward or away from the set goals. They provide a means to keep everyone's efforts aligned with the organizational purpose since the goals are directly connected to the organization's mission. Finally, specific and measurable goals are a way to keep people from wasting time doing things that do not need doing. When goal setting is used in conjunction with a clear mission statement, a strong organizational culture, the right incentives, and appropriate training, people will be more productive, more satisfied, and happier.

The goal-setting process has two desirable organizational outcomes. First, it produces a logical and complete plan of how each part of the organization will contribute to the overall success of the hotel, convention bureau, or local attraction. Second, it demonstrates to all members of the organization how what they do adds value to that organization's ability to achieve its mission. Employees perform more effectively when they know how they are contributing to organizational success, and the goal-setting process communicates in specific terms what they need to do in order to make their contribution.

An Example: Management by Objectives

Organizations often make their goal-setting process systematic by incorporating Peter Drucker's **Management by Objectives (MBO)**.[31] MBO is a process of having each employee set specific and measurable goals and then using the achievement of those goals as a key driver for that employee's performance assessment. Its great value to both organization and employee is that it forces specification of job responsibilities in a contract-like written document that allows everyone to know exactly what they are supposed to do and how they will be evaluated on it.

The heart of traditional MBO is the *manager's letter*, written by employees to managers and not vice versa. In the letter, employees express their understanding of their own job objectives and the manager's job objectives, their own goals for the coming period (e.g., the following quarter or year), the obstacles to meeting them, the standards by which they expect to be evaluated, and the specifics of what they plan to do to meet the goals. The employee and manager discuss the letter until they reach an agreement about its contents.

Preparation of the letter involves a rich discussion by employee and supervisor about the employee's goals and job objectives, with a breakdown of job responsibilities into detailed sub-objectives and specific activities. The letter opens up communication between supervisor and employee about how each contributes to the overall organizational mission. Employees should leave the final discussion of a properly done *manager's letter* with a full understanding of what their jobs are for the coming period, how their performance is going to be evaluated, and how their performance fits into the fulfillment of their supervisor's job responsibilities, the supervisor's goals, and the overall organizational mission. The letter represents a formal agreement between employee and supervisor that tells the employee what to do during the forthcoming period and how the supervisor will evaluate the employee at the end of the period.

As a communication tool, the letter is exceptional. As a performance-measurement and employee-direction tool, it is as good as management theory can offer, because the standards against which performance will be measured are mutually determined and clearly understood by managers and employees. Combining the benefits of solid communication about employee expectations with the benefits of specific goal setting makes these letters a powerful device for aligning everyone in the organization with the mission and motivates them to perform.[32] As a means for telling the right people the right things to do, MBO can play a large part in organizational success—placing the right people in the right jobs doing the right things in the right ways with sufficient commitment and effort to get the mission accomplished.

Of course, MBO and goal setting are not perfect and doing them well can be a challenge for the hospitality manager. Managers have to estimate correctly what goals to emphasize, for themselves and their employees, or run the risk of being wrong at the end of the period. Also, if the manager does not know what employees are doing, should be doing, and what they are capable of doing, having a thoughtful discussion about the contents of the manager's letter will be difficult or pointless. Furthermore, because they can be spaced out as far as a year, the periodic nature of performance reviews can lead to inflexibility in responding to rapid changes in the organization's environment.

Setting clear and measurable goals is an important but difficult thing to do. Doing it well takes time and effort, especially for tasks whose performance outcomes are difficult to measure. But the benefits achieved by working with employees to set goals make the effort worthwhile. Even if organizations do not want to use a formal MBO approach, they should have some sort of goal-setting process in place.

PROVIDING THE RIGHT DIRECTION

We have emphasized in this chapter the critical role that managers play in motivating employees. Managers need to know what theories of motivation they can apply to motivate employees, what needs their employees have, and how to offer rewards that meet those needs in order to elicit exceptional performance. Managers also need to have sufficient administrative or transactional skills to take care of the basic job-related requirements of their employees. They must be able to handle the paperwork, administrative procedures, and policies that directly influence each employee's ability to perform the job. A manager who forgets to submit the proper payroll, doesn't get the computer fixed, or schedules too few people to work on a shift creates situations in which the most enthused, energetic employee can't succeed. Good managers are those who thoroughly and competently attend to these basic and routine job requirements of employees.

Managers also have another critical tool to manage their employees. By the nature of their role, managers are given formal authority to help run the company. How they use this authority, and how employees respond to it, is another important mechanism to understand for directing employee behaviors.

Managers and Authority

To many managers, authority is the power to yell at someone because you are the boss. These managers are still comfortable with the outmoded idea that the boss tells subordinates to jump and lets them ask how high on the way up. "I don't have to motivate my people. I tell them what to do, and they do it"—Such managers are less comfortable with the fact that, in the contemporary working environment, they may get little or no cooperation, high turnover, low morale, and a hostile work force. Employees working for these managers are not usually motivated to provide the exceptional service for which hospitality organizations strive.

People generally don't want to work for authoritarian managers. Such managers lower employee morale, increase turnover, and hurt the company culture. And yet, hospitality managers and supervisors need to get people to accept direction and work hard on behalf of the organization. How do they *exercise their authority* without being *authoritarian*?

Authority-Acceptance Theory

While not all managers have the characteristics of great leaders, they all possess the power and responsibility to direct subordinate behaviors because of the very nature of the managerial job. Managers who wish others to work well for them have to understand why people follow (or don't follow) directions and do (or don't do) what managers ask them to do. According to classic management writer Chester Barnard's **authority-acceptance theory**, authority is the quality of a directive that causes someone else to accept the directive and to do as directed.[33] If someone instructs you to bring a keg of beer from the cooler and you do it, that directive has authority for you. If you do not do it, that directive does not have authority for you. So, whether a directive has authority or not is determined by the directive receiver, not the sender or person in authority. The organization gives the manager formal powers; the individual gives the manager authority. In much the same way that value is defined by the guest and rewards defined by the employee, authority has to be accepted by the employee or there is no authority.

The factors influencing the acceptance of managerial authority lie in the nature of the sender and receiver, their relationships to the organization and to each other, and in the nature of the communication itself. The manager must understand and pay attention to these factors that influence employee acceptance of direction. Just as governments must ultimately rely on the consent of the governed, so too must hospitality organizations.

Preconditions for Employee Acceptance of Authority

Four preconditions must be met before an employee will accept managerial authority. However, even if the preconditions are met, the employee may still not accept the directive. But if they are not met, the employee either will not or cannot accept the directive.

1. *The employee must understand the directive*. If the employee does not understand the directive, compliance is impossible. Many employees have listened carefully and then later wondered what the manager was talking about or what the manager wanted done. Many employees have thought they understood a directive and then found that they did not, because the communication was too confusing or too general. For example, Area Regional Supervisor Jones tells Store Manager Smith, "Get rid of the trouble with the refrigerator at the Garden Grill Restaurant." Smith removes the troublesome refrigerator, scraps it, and replaces it with a new one, when Jones really wanted the old one repaired. The two employees had different meanings for "get rid of the trouble." Even though they both "understood" the communication, their understandings were different. A manager who has not checked to see if the communication was understood has not exercised authority. Employees who are supposed to comply with a directive cannot do what they do not understand.
2. *The employee must believe that the directive is consistent with the organization's goals*. An airline flight attendant notices that the exit to a plane has oil on the floor, which might endanger the safety of deplaning passengers. The pilot tells the attendant to allow the passengers off the plane anyway. Because so many training sessions have stressed the primary importance of passenger safety, the attendant may well ignore the pilot and keep the passengers on the plane until the oil is cleaned up. Without a reasonable explanation for departing from safety standards, the attendant would not see the directive as consistent with the organization's goals. All experienced managers know that employees hesitate to follow such directives. If a directive appears to conflict with an organizational goal, accepted policy, tradition, or past practice, the manager must spend the time to explain why this time it is different.

   A special violation of this precondition is the role conflict caused by conflicting directives from two or more managers. Both directives are sent down, but they cannot both support the organization's effort. The employee will either accept one and reject the other or do nothing.

3. *The employee must believe that the directive is consistent with the employee's own goals.* This precondition is related to whatever motivated the employee to affiliate with the organization in the first place. If carrying out the directive will result in the employee having to do something that will make the organization less attractive to the employee, the directive may be disobeyed or (more usually) evaded. Such directives are inconsistent with the employee's personal motives, which are the basis for accepting any directives at all. If the directive is totally inconsistent with goals or principles that are important to the employee, and the directive cannot be ignored or avoided, the employee may resign. Accepting or rejecting managerial or supervisory authority is a result of the employee carefully weighing the balance between the inducements offered and the contributions expected in return. If inducements offered are equal to or more than the contributions expected, directives will be accepted. If required contributions outweigh inducements, directives will not be carried out.
4. *The employee must be physically and mentally able to carry out the directive.* This precondition may seem too obvious to mention. Yet, we are sometimes asked to do the impossible. A woman with a bad back is told to carry heavy cases of liquor. An employee allergic to detergent is told to take a temporary assignment in the hotel laundry. The manager who gives directives without knowing each employee's capabilities soon finds out that if it can't be done, it won't.

Securing Employee Compliance with Directives

Once the preconditions to the acceptance of authority are understood, how do managers actually secure compliance with their directives? When you are a manager, what will you need to do to ensure that your subordinates do what you ask of them? The compliance necessary for a smoothly functioning organization comes about for four reasons.

1. *Effective managers issue directives that comply with the four preconditions*. The effective executive communicates directives that are accepted. Directives that do not comply with the preconditions are not obeyed. Poor managers ignore the preconditions primarily for one reason: They don't know any better. They think their formal organizational positions give them the right to issue commands of all types. Many managers believe they have absolute authority over their subordinates. This belief is confirmed by many organizational experiences in which managers' subordinates do indeed comply with their commands, but it can also lead to those managers having subordinates leave for more fulfilling positions. Effective managers know that "absolute" authority is absolute only as long as the four preconditions are not violated. If managers meet the preconditions, employees allow them to use their authority. Once the manager begins to ignore the preconditions, employees begin to ignore the directives.
2. *Effective managers ensure not just clear communication from the manager to the subordinate, but also from the subordinate to the manager and between subordinates.* Managers may forget that the organizational view and knowledge they have is different from those of their subordinates. It is easy to forget that information you have frequent and easy access to is not available to your employees. Managers who know what their subordinates don't know often forget to share what they know, and the resulting communication gap can lead to employee misunderstandings and failure to do what needs to be done. A manager needs to make sure that all employees have the information they need to do their jobs correctly and that the information can flow freely among the employees who need it to effectively deliver the service product.

Good communication is essential for a good manager. Managers must ensure that they are understood; they must also make sure they understand their subordinates' needs.

Photo courtesy of Marriott International

3. *People joining an organization expect to do job-related tasks*. Another reason for compliance is that people expect to be given directions, instructions, and sometimes commands regarding certain aspects of their behavior in organizations. They obey directives within these "zones of acceptance" without question. Directives fall into one of three classes: clearly acceptable, clearly unacceptable, and questionable.

If Lois Evans tells her assistant, Bill Elliot, to come into her office to install a new spreadsheet program on her computer, the order would fall within Elliot's zone of acceptance. Elliot knew when he took the job that Evans might tell him to do software installations. On the other hand, if Evans asks Elliot to come over to her apartment for drinks and software installation, Elliot would probably refuse. He would not consider such overtime work outside the office to be an acceptable part of the job.

Many directives fall into a third area: the questionable zone. If Evans asks Elliot to make the coffee, or get a birthday card for Mr. Evans, or do some other task that is not part of the job but is not really outrageous, Elliot may be unsure about whether to follow the directive and might have to think about it.

The width of the acceptance zone depends on the extent to which the organization fulfills the member's needs. The fanatical member of a cult might literally be willing to do anything to advance the cult's cause. Most organizational members, however loyal and hard working they may be, are not nearly so fanatical.

4. *Members enforce each other's compliance.* Most members want "their" organization to run smoothly. If it does, they can gain the benefits that they anticipated when they joined. Therefore, group members will bring social pressure to bear on any member unwilling to accept authority. Employees realize that they cannot achieve their own personal goals if the organization fails. An organization cannot succeed if its members will not accept authority and take direction. Therefore, any member who denies a directive or will not cooperate represents a threat to those members who identify with and work toward organizational goals for their own reasons. Accordingly, the group takes an active interest in maintaining every member's compliance with organizational directives.

The informal group plays this important enforcement role in support of the formal organization's authority structure. If the informal group wants a decision implemented, it is usually implemented. If a decision is not agreeable to the informal group, its members can find many effective ways of holding up implementation.

Organizations promote their best and most expert employees, give them titles to remind everyone of their rank, and give them control over information and resources—among which are rewards. The more important the rewards that a manager controls are to an employee, the more able that manager will be to get that employee to accept authority. Determining which resources are important to employees is a key responsibility of managers seeking to retain the enthusiastic commitment of their employees. Managers able to provide these rewards can elicit effort, productivity, enthusiasm, and other contributions that the hospitality organization seeks from employees—all without unduly exercising their authority. The essential point here is that the greater the benefits or inducements (intrinsic or extrinsic) that the organization provides to its members, the more willing they are to accept orders from the organizational leadership. Effective managers find ways to keep the inducements/contributions balance tilted heavily in favor of the employee. They know what inducements are available, try to identify those that are important to the employee, and provide that array of inducements.

Managing Fairly

Employees want to be treated fairly by their managers and the organization, and successful managers seek ways to ensure that they are. According to **equity theory**, we compare what we get out of an endeavor (the outputs) to what we put into it (our inputs) and draw a conclusion as to the fairness of the ratio of the two. We may have an internal standard of comparison, or we may compare ourselves to other people both inside and outside our organizations. If we think that we are getting a fair deal, we are satisfied. If we think that we are getting less than we deserve, we feel unfairly treated. According to the theory, and common sense, employees who feel fairly treated are more motivated to perform on behalf of their organization than employees who feel unfairly treated.

The difficulties lie in figuring out how or with whom your employees are comparing their inputs and outputs and, if the comparison is external, in trying to understand how employees value the inputs and outputs of both parties. Managers who seek the superior performance that distinguishes excellent organizations from the merely average must be alert to the equity comparisons that their employees make. Employees are, ultimately, volunteers. They can choose to leave their jobs whenever they want to. And nothing undermines voluntary performance faster than a feeling of being treated inequitably. Research shows that employee feelings of inequity lead to lower performance, less positive customer engagement, greater dissatisfaction, and increased turnover.

Justice in the Workplace

In the last few decades, research on equity theory has expanded into consideration of organizational justice to examine how fair and unfair treatment by managers, supervisors, and coworkers affects employee behaviors. Regarding employee reactions to how fairly or justly they are treated, four forms of justice have been examined: distributive justice (i.e., fairness of decision-making outcomes), procedural justice (i.e., fairness of decision-making processes), interpersonal justice (i.e., fairness of treatment), and informational justice (i.e., fairness of communication). A multitude of studies confirm what common sense suggests: When employees feel treated fairly by their organization and other organizational members, they tend to be more committed to their organization, have higher levels of job satisfaction and performance, and engage in more helping behaviors and fewer harmful behaviors.[34] Employees who feel unjustly treated tend to call in sick more often, have poor morale, and may even steal from the company. They also do not sound or act happy with their customers.

At the other extreme, employees who initially feel that they got more than others in similar situations eventually conclude that they deserve what they got. For a short time they may feel guilty that they were overly rewarded and may work harder to justify what they got, especially in the eyes of their fellow workers. For example, an employee who has received an apparently unjustified pay increase may come to work earlier and stay late—but only for a few weeks, if that long.

Whether to keep salary figures private or make them public is an organizational concern. When people do not know what others are getting paid, they tend to assume wider salary disparities than what actually exist. These assumptions can lead to feelings of inequity. Some academics advocate publishing everyone's salary, in the hope that accurate information will reduce feelings of inequity, if in fact salaries are equitable. When everyone's pay is published, no one has to guess what someone else is being paid. And everyone can see what behavior gets the highest rewards. However, since organizations realize that equity is in the eyes of the beholder, many of them are reluctant to publish actual payroll data because of privacy concerns and because they fear raising equity concerns in the minds of employees who might have thought their salaries were fair until they saw the full salary figures. Some organizations publish pay ranges for jobs that all can see, in hopes of demonstrating that the ranges are equitable.

Managers and Leaders

Managers must take care of the administrative duties, but managers can do more than exercise their authority, to direct the way work is done. Managers who are also leaders do other things that transform the organization and the people working in it. Leadership skills include the ability to identify and provide those rewards that the individual employee wants from membership in the organization. Although fear and the threat of punishment may be powerful short-term motivators, it is the ability of the manager to fulfill employee needs that invokes energetic employee commitment to organizational goals in the long run. Employee needs must be identified and satisfied if managers want employees to give their enthusiasm, effort, commitment, and effective job performance.

Leadership has been defined and described in many ways. A description applicable to the hospitality industry is one provided by Kouzes and Posner, who state that "leadership is ultimately about creating a way for people to contribute to making something extraordinary happen."[35] So while a manager may simply tell subordinates what to do, a leader inspires employees not only to complete their job tasks, but to make the extra effort needed to provide exceptional service.

The power of effective leadership is undeniable. Kerry Miller, former Vice President of People Development for Bertucci's Restaurants, explains, "I think that when you get behind a true leader, you're more jazzed up to get into work every day because you know that person is supportive of what you're doing."[36] Effective leadership motivates employees to focus their efforts on achieving the organization's goals. Great leaders *get the job done* because others want to help them achieve the goals and objectives they have mutually set. Great leadership obviously includes short-term achievement, but it also involves employee development and engagement so that employees are motivated and capable of achieving their own long-term goals, as well as helping to achieve organizational goals.[37]

Leading with Integrity

A leader's responsibilities are many: to inspire, challenge, and create a shared purpose among employees; to promote employee engagement, set goals, offer feedback, provide inspiration, and set the example that motivates employees to go the extra mile. But it all begins, says Tony Simons, author of *The Integrity Dividend*, with establishing trust. Simons explains, "Any leader's word is his or her most potent tool, and an effective leader devotes much attention to developing and preserving the power of that word. It is not about being nice. It is not about being ethical. It is about being more effective by developing and preserving your credibility.… Behavioral integrity is not everything it takes to lead, but it is a necessary ingredient of huge consequence and huge challenge."[38]

Behavioral integrity describes the fit between what the leader says and what the leader does.[39] When subordinates trust their leaders, they are more satisfied with their own work, more committed to the company, better performers, and more willing to perform beyond what is required by the job description.[40] If leaders fail to keep their promises, they lose their effectiveness. If promised rewards are not given, employees become skeptical and less likely to engage in behaviors that were supposed to be rewarded. If leaders do not behave with integrity, they are going to create dissatisfaction and turnover.

Motivating employees is a complex balancing act. The best organizations place many tools at the manager's disposal to help encourage employee performance, but if the manager does not lead with integrity, these tools are ineffective.

Leaders and the Changing Environment

As hospitality leaders try to strike the inducements-contributions balance that will motivate employees to perform at their best, they must remain responsive to the ever-changing environment: increased diversity, more work teams, greater global competition, cultural shifts, new technologies—the list goes on. As a result, future leaders will need to be more culturally aware and be able to incorporate multiple perspectives, appreciate cross-cultural and cross-generational differences, understand both individual and team needs, and function effectively in complex environments.[41] All these factors will make determining rewards that fulfill employee needs more difficult.

MOTIVATION, EMPLOYEE SATISFACTION, AND GUEST SATISFACTION

Because people are complex, there is no simple way to motivate everybody. While realizing the critical role of financial rewards in the world of work, managers must also realize that money will not solve all motivational problems. Recognition and feedback can also be motivational, if managers have the leadership and management skills to provide these nonfinancial rewards effectively. The work itself can be highly motivating if designed appropriately. A complicating factor is that jobs cannot be designed only to motivate employees. Job designers must also consider the company's culture, the types of employees selected, the training they receive, and the way the service product is delivered.

Ideally, the manager gets it all right. Employees are offered the incentives that best fit their needs, managers structure jobs to make them motivating, employees understand their roles and how their behaviors can lead to rewards, and managers provide clear leadership, exercise managerial authority effectively and appropriately, and lead with integrity. All parties to the "contract" do their jobs—employer contributions match the incentives that employees seek. The result (ideally) is a satisfied and productive workforce.

Do Satisfied Employees Perform Well?

But is it safe to assume that a satisfied workforce is going to be a productive workforce? Certainly, employee satisfaction leads to several beneficial outcomes, including lower turnover. Some even argue that employee satisfaction is essential if the employee is to be motivated to maintain maximum effort and performance. These satisfied employees will yield satisfied customers, or so the argument goes. Unfortunately, research does not support this idea. Having happy employees does not necessarily mean that you will have either good performers or happy customers.

Research combining the results from more than 300 studies shows that employee job satisfaction explains less than 10 percent of the variance in employee performance.[42] Employees often love their jobs even when they don't do them very well. Conversely, some dissatisfied employees may take enough pride in their work to provide excellent customer service despite their dissatisfaction. Other factors, such as employee ability and role perception, have a much greater impact on performance than does job satisfaction. Similarly, a review of nearly two dozen studies shows that employee satisfaction explains only about 5 percent of the variance in customer satisfaction ratings. Customer satisfaction does not seem to depend on employee satisfaction. Managers need to avoid the trap of concluding that because their employees are happy, they must also be performing well and satisfying customers. Don't think that you can simply look at employee satisfaction as a measure of how well the employee is performing or how well you've done as a manager.

Are High Performers Satisfied?

The relationship between employee performance and employee satisfaction may actually be the other way around: high performance *may lead to* high satisfaction. Here is the reasoning.[43] Good management practices—primarily offering the right inducements to employees and showing employees that the inducements will become rewards if employees exert appropriate effort—motivate employees to put forth that effort. But effort is not

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An employee's happiness does not necessarily mean they will perform better. Often, high performance actually leads to high employee satisfaction. However, increasing satisfaction does improve retention.

enough to achieve the performance that will lead to rewards. Employees must have accurate perceptions of their organizational roles; otherwise they may be putting forth effort in the wrong direction. Employees must also have the traits and abilities that will enable them to achieve desired performance levels. When motivated employees with the right traits and abilities properly understand their organizational roles, high levels of performance result.

Up to this point, we don't know whether employees are satisfied or not! Only after employees receive their rewards (both external and internal) and compare them to the promised, anticipated rewards will they make the equity determination of whether the rewards are fair or not. If fair, they are satisfied; if not fair, they are not satisfied.

Are the Customers of Satisfied High Performers Also Satisfied?

But what about the guests? Are they satisfied? Many companies with satisfied employees have gone bankrupt. The big question is whether employee satisfaction is generally accompanied by guest satisfaction. Fortunately, research suggests that if employees know what to do, feel that the company values and rewards good customer service, and are well-managed, the result will be both high employee satisfaction *and* high guest satisfaction.[44] As we have previously shown, employee satisfaction is not enough in and of itself to motivate or enable employees to give customers a wow experience. But because satisfied employees tend to stay, learn the culture, and be engaged, it is an important piece of the customer service puzzle.

To deliver great customer service, you need to have the right culture, hire the right people, and motivate them to perform. But even all of this may not be sufficient to ensure exceptional service experiences. An additional managerial challenge is to make sure the customers do their part in coproducing the service experience, know the roles they are supposed to play, and have the capabilities to perform them successfully. And that is the subject of the next chapter.

LESSONS LEARNED

1. Set clear, measurable standards that define expectations for job performance. Constantly reinforce these standards by setting examples; let employees know that the standards are important; reward employees when they meet these standards.
2. Walk the talk; set the example. Employees respond more to what you do than to what you say.
3. Make all tasks and goals measurable; people like to know how well they're doing.
4. Pay attention to communication; people can't do what they don't know about or don't understand.
5. Be fair, ethical, and equitable. People need to feel they are being treated equitably. If you don't show people why reward differentials are made between employees, they will assume the worst.
6. Reward behaviors you want, and don't reward behaviors you don't want.
7. Praise, praise, praise. Look for reasons to reinforce people doing the right things. Privately re-educate and coach those doing the wrong things.
8. Show employees the relationships between their personal goals, group goals, and organizational goals. Find win-win-wins.
9. People give you the right to direct them. Know how to earn that right.
10. Don't just support your frontline employees; trust them as well.
11. Give people a chance to grow and get better, and then reward them for it.
12. Your frontline employees are heroes; make their jobs fair, fun, interesting, and important.

REVIEW QUESTIONS

1. If you have ever been employed, what if anything did you want from your job other than a paycheck?
   A. If you are employed now, have your job expectations changed from those of the past?
   B. What are your job expectations from the position you hope to hold in ten years?
2. If you have been employed, can you recall times when you were upset due to the boss ignoring your good work because the boss was giving complete attention to another employee who was complaining or doing a bad job? If so, what managerial lesson did this teach you? How would you use that lesson to determine or change your own managerial style?
3. What does it mean to be empowered? Give some situations in which you were empowered.
   A. How did you handle empowerment? How did you feel?
   B. Compare those situations to a few in which you were not empowered. How did you handle the latter, and how did you feel?

   C. If you were a hotel or restaurant manager, can you think of some job functions that you would hesitate to empower your employees to perform? Why?
   D. Why is it particularly important to empower the frontline people who interact with hospitality guests? Or is it?

4. Consider a restaurant meal in which much of the service is provided one on one, server to guest. How important is teamwork to the success of this guest experience?

5. The authority-acceptance theory suggests that people must accept authority or it does not really exist. Do you agree or disagree?
   A. Give examples of situations you have been in where people did not follow direct orders. Did they refuse because the conditions for authority acceptance detailed in the chapter were not met, or for other reasons?
   B. What do managers need to know to ensure that their authority is accepted?
   C. How does all that relate to managing the guest experience in hospitality organizations?
   D. Does authority-acceptance theory seem to you to have more or less relevance to the hospitality industry as compared to most industries?

ACTIVITIES

1. Find a hospitality organization that seems to have succeeded in motivating its frontline employees to give outstanding service. How do they do it? If you work for an organization that does not sufficiently motivate you, what is the organization doing or not doing that causes you to be unmotivated?
2. Find an organization that seems to try to make its hospitality jobs fun and interesting. What do they do, and how well does it work? If you or your friends have jobs that do not provide fun and are not interesting, why is that so? Does the organization seem to care whether you are interested and having fun? Why or why not?
3. Interview three line employees from two hospitality organizations and find out what motivates them to perform well.

ETHICS IN BUSINESS

Rewards can change behavior, but you need to design your pay system carefully to be sure you want the behaviors your pay plan is actually encouraging. Below is a list of pay plans and their desired goals. What might be the unintended consequences of each system? How might each form of pay inadvertently motivate employees to behave inappropriately?

GOAL	PAY SYSTEM
To encourage teamwork among servers	Change from individual tips to pooled tips
To encourage front desk agents to "up-sell" customers to more expensive rooms	Provide a bonus for each luxury suite sold
To achieve higher customer satisfaction	Provide bonuses if customer satisfaction ratings average above 4 on a 5-point feedback card given to all guests
To improve the hotel's financial performance	Give company stock to all employees
To encourage employees to get higher performance evaluations	Provide merit raises and bonuses for higher evaluations
To encourage employee retention	Implement a recognition program to reward employees on their five-, ten-, fifteen-, and twenty-year anniversaries

CASE STUDIES

Hartsell Hotels

While he was still in college, Bill Hartsell decided that he wanted to own hotels. When he graduated, he borrowed some money, bought a bankrupt property, and created the first Hartsell Hotel. The hotel presented constant problems, but Bill was highly motivated and worked twelve to sixteen hours a day, six or seven days a week. He did as much of the work as he could himself, from making beds to preparing light meals in the hotel coffee shop.

The hard work paid off. Bill succeeded with his original hotel, bought two more, and increased his staff accordingly. He made a determined effort to hire young people, old people, women, minorities, and the handicapped, and he paid them as well as he could. Bill felt a genuine sense of responsibility to his employees and to the community. After five years, Bill had 300 employees.

Bill hired three recent hospitality graduates, intending to move them into responsible management positions after a training period. At his first meeting with them, Bill made his position plain: "No one at Hartsell Hotels works harder than I do. I'm the first to arrive and the last to leave. I work most weekends. I'm paying you well. I'm offering you a chance for rapid advancement. But don't think in terms of a 40-hour work week. I want you to work as hard as I do and act as if this business were your own. Is that clear?" In unison the three responded, "Yes, sir, Mr. Hartsell."

Three months later, they had all left to take jobs with Marriott, Hilton, and Sheraton.

* * *

1. What, if anything, was wrong with Mr. Hartsell's approach? Why did the new employees leave, and what might have motivated them to stay?
2. Were Mr. Hartsell's expectations for his new employees unrealistic? If so, why?
3. What inconsistencies, if any, do you see between the goals of the three new employees and Mr. Hartsell's goals?
4. Could those inconsistencies have been resolved? How?

Farney Spa and Fish Camp

Farney Spa and Fish Camp has found its niche; it caters to women who want to combine the facilities of a luxury spa with fishing opportunities. Sally Blade, supervisor in charge of fishing guides at Farney Spa and Fish Camp, has a problem with one of the fishing guides. All guides are supposed to be at work by 5:30 a.m. They must have their skiffs ready for operation by 6:30 a.m. But Mary Lou Day is almost always late for work. She arrives any time between 5:40 and 6:15 a.m. Once she gets to work, she is excellent. She is easily the best guide in the camp and always gets her boat prepared early, even after arriving late. She is qualified for a promotion except that she has not been in her present position long enough. She understands and accepts that situation, but she hopes to move up into management some day.

Day's frequent tardiness is causing problems. Other guides, without Day's willingness or ability, are using Day's lateness to justify their own. Sally Blade feels that she cannot crack down on the other guides without cracking down on Day as well. Sally has had several talks with Mary Lou. She always promises to do better, but she never does. Sally has even suggested a different reporting and leaving time for Mary Lou, to accommodate fishing parties that don't like to head out onto the lake so early, but Mary Lou does not like the idea of being treated differently. "After all," she says, "I always get my skiff ready on time, my guests like the service I provide, and I always get my boat back and cleaned up by quitting time, don't I?" Mary Lou has even suggested that she may quit if the organization cannot be "flexible enough to let one good employee be a few minutes late every so often, without bugging me about it. There are other fish camps on this lake, you know."

* * *

1. Mary Lou Day is Sally Blade's best fishing guide. Is Mary Lou justified in asking that Sally "cut her some slack"? Should Sally comply?
2. If you think Mary Lou should meet the same work requirements that are imposed on the other guides, how would you motivate her to do so?

Jubilee Hotels Corp.

Jubilee Hotels Corp. was having problems with negative worker attitudes and low productivity at its Hartwell, Alabama, hotel. To turn things around, JHC decided in 2007 to change the operation of the Hartwell hotel completely. The hotel would be run with a minimum of supervision. The employees themselves would take over such traditional management prerogatives as making job assignments, scheduling coffee breaks, interviewing prospective employees, and even deciding on pay raises.

The new system eliminated several layers of management and supervisory personnel and assigned three primary areas of responsibility—front desk, housekeeping, and office duties—to self-managing teams of seven to fourteen workers per shift. The former middle managers, divided among the primary areas, retained some supervisory authority but had not nearly as much as before. The workers rotated between the dull and the interesting jobs. The teams made all necessary management decisions.

For several years, the new system was a success in many ways. Unit costs decreased by 10 percent compared to costs under the old system, translating into a savings of $2 million per year. Turnover dropped to only 5 percent. Quality of work life and economic results were good.

Notwithstanding the plan's success, in 2010 the hotel began the transition back to a traditional organizational and management system, as an accompaniment to a major expansion. JHC introduced more specialized job classifications and more supervisors, and they reduced opportunities for employee participation. The company added seven management positions to the hotel, including controller, engineering manager, and services manager. Management took back the right to make decisions about pay raises.

Professor Andrew Stubbs analyzed what had happened at Hartwell for his hospitality class: "The basic problem was that in this functional organization, many managers became nervous about what functions they could perform after the hotel workers themselves were given so many responsibilities. In addition, they resented being left out of things; upper-level management's enthusiasm for enriching the jobs of the workers didn't take into account the feelings of the middle managers. Where was their enrichment?"

* * *

1. Do you agree with the professor's assessment of what went wrong?
2. What does the Jubilee Hotels experience tell you about applying work team, enrichment, and incentives principles in real life?
3. What do you think will happen to the hotel once it fully returns to a "traditional" management system?

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