



MILLIONS

MANAGEMENT SOLUTIONS

Budaya Organisasi

Excercise

UAS Genap

2014/2015

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- Bacalah Kasus berikut ini dengan baik, kemudian jawablah seluruh pertanyaan yang terkait dengan kasus tersebut
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The Regency Grand Hotel

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The Regency Grand Hotel is a five star hotel in Bangkok, Thailand. The Hotel was established 15 years ago by a local consortium of investors and has been operated by a Thai general manager throughout this time. The Hotel is one of Bangkok prestigious hotels and its employees enjoyed the prestige associated with the hotel. The hotel provides good welfare benefit, above market rate salary, and job security. In addition, a good year-end bonus amounting to 4 months' salary was rewarded to employees regardless to the hotel overall performance during the year.

Recently, the regency grand hotel was sold to a large American hotel chain that was very keen to expand its operations into Thailand. When the acquisition was announced, the general manager decided to take early retirement when the hotel changed ownership. The American hotel chain kept all of the Regency employees, although a few were transferred to other positions. John Becker, an American with 10 years of management experience with the hotel chain, was appointed as the new General Manager of Regency Palace Hotel. Becker was selected as the new general manager because of his previous success in integrating newly acquired hotels in the United States. In most of the previous acquisitions, Becker took over operation with poor profitability and low morale.

Becker is strong believer of empowerment. He expects employees to go beyond guidelines/standards to consider guest needs on a case to case basis. That is, employees must be guest oriented at all times so as to provide excellent customer service. From his U.S experience, Becker has found that empowerment increases employee motivation, performance and job satisfaction, all of which contribute to the hotel's profitability and customer service ratings. Soon after becoming General Manager in Regency Palace, Becker introduced the practice of empowerment so as to replicate the success he had achieved back home.

The Regency Grand Hotel has been very profitable since it opened 15 years ago. The employees have always worked according to management instructions. Their responsibility was to ensure that the instructions from the managers were carried out diligently and conscientiously. Innovation and creativity were discouraged under the previous management. Indeed, employees

were punished for their mistakes and discouraged from trying out ideas that had not been approved by management. As a result, employees were afraid to be innovative and take risk.

Becker met with Regent's managers and department heads to explain that empowerment would be introduced in the hotel. He told them that employees must be empowered with decision-making authority so that they can use their initiative, creativity, and judgment to satisfy guest needs or handle problems effectively and efficiently. However, he stressed that the more complex issues and decisions were to be referred to supervisors, who coach and assist rather than provide direct orders. Furthermore, Becker stressed that mistakes were allowed, but there was no justification for making the same mistake more than twice. He advised his managers and department heads not to discuss with him minor issues/problems and not to consult minor decisions with him. Nevertheless, he told them that they are to discuss important/major issues and decision with him. He concluded the meeting by asking for feedback. Several managers and department heads told him that they liked the idea and would support it, while others simply nodded their heads. Becker was pleased with the response and was eager to have his plan implemented.

In the past, Regency had emphasized administrative control, resulted in many bureaucratic procedures throughout the organization. For example, the front counter employees need to seek approval from their manager before they could upgrade guests to another category of room. The front counter manager would then have to write and submit a report to the General Manager justifying the upgrade. Soon after his meeting with managers, Becker reduced the number of bureaucratic rules at the regency and allocated more decision making authority to front-line employees. This action upset those who previously had decision-making authority over these issues. As a result, several of these employees left the hotel.

Becker also began spending a large portion of his time observing and interacting with the employees at the front desk, lobby, restaurants, and various departments. This direct interaction with Becker helped many employees to understand what he wanted and expected of them. However, the employees had much difficulty trying to distinguish between a major and minor issue/decision. More often than not, supervisors would reverse employee decision by stating that they were major issues requiring management approval. Employees who display initiative and made good decisions in satisfying the needs of the guest rarely received any positive feedback from their supervisors. Eventually, most of these employees lost confidence in making decision, and reverted to relying on their superiors for decision making.

Not long after the implementation of the practice of empowerment, Becker realized that his subordinates were consulting him more frequently than before. Most of them came to him on minor decisions. He had to spend most of his time attending to his subordinates. Soon, Becker began to feel highly frustrated and exhausted, and very often would tell his secretary that “unless the hotel is on fire, don’t let anyone disturb me.”

Becker thought that the practice of empowerment would benefit the overall performance of the hotel. However, contrary to his expectation, the business and overall performance of the hotel began to deteriorate. There had been an increasing number of guest complaints. In the past, the hotel had minimal guest complaints. Now were turned in a significant number of formal written complaints every month. Many other guests voiced their dissatisfaction verbally to hotel employees. The number of mistakes made by employees had been on the increase. Becker was

very upset when he realized that two of the local newspapers and an overseas newspaper had published negative feedback on the hotel in terms of service standards. He was most distressed when an international travel magazine had voted the hotel as “one of Asia’s nightmare hotels”.

The stress levels of the employees were continuously mounting since the introduction of the practice of empowerment. Absenteeism due to illness was increasing at the alarming rate. In addition, the employee turnover rate had reached an all-time high. The good working relationships that were established under the old management had been severely strained. The employees were no longer united and supportive of each other. They were quick to point fingers or backstab one another when mistakes were made and when problems occurred.

Note: This case based on true events, but the industry and names have been changed

Source : McShane and Von Glinow. (2015). “The regency grand hotel”. *Organizational behavior*. Global Edition. McGraw Hill Education.

Pertanyaan :

1. Deskripsikan budaya dan kinerja The Regency Grand Hotel sebelum proses penjualan kepada “*large American hotel chain*” dilakukan dan bandingkan dengan budaya baru yang ingin dibentuk oleh John Becker.
2. Jelaskan dampak yang terjadi setelah Becker melakukan perubahan dengan mengimplementasikan “*program empowerment*” di Regency Grand Hotel
3. Analisis penyebab timbulnya berbagai permasalahan yang terjadi di Regency Grand Hotel setelah diimplementasikannya program *empowerment* di bawah kepemimpinan Becker

4. Menurut pendapat Anda perlukah perubahan dilakukan? Berikan alasan-alasan Anda untuk mendukung/tidak mendukung dilakukannya perubahan
5. Jika Anda adalah John Becker, langkah apa yang akan Anda ambil untuk mengatasi permasalahan yang telah timbul akibat perubahan yang telah Anda lakukan? Berikan alasan terhadap langkah-langkah yang akan Anda ambil.