
Chapter 12

Managing customer-contact employees

Chapter Objectives

After working through this chapter, you should be able to:

- Understand the importance of customer-contact employees in creating the customer experience
- Identify the sources of conflict for hospitality customer-contact employees
- Evaluate service-orientated culture in hospitality companies
- Understand the concept of internal marketing and empowerment in a hospitality context.

Introduction

A defining characteristic of service industries is the crucial role played by employees during the service encounter with customers. It is the behavior of customer-contact employees that creates impressions of high service quality. Furthermore, they are the personification of the brand – a key role in the competitive markets of the hospitality industry. Although recruiting, training and rewarding employees is a human resource management function, marketers need to understand employment strategies to ensure that the brand values and standards are delivered. At the same time, the human resource managers have increasingly adopted marketing strategies in their approach to the labor market. This type of human resource management strategy is called internal marketing.

In this chapter we will discuss the links between the physical environment, the service process and employees in delivering service quality during the hospitality encounter. We will then examine service encounters, the service culture and internal marketing in hospitality organizations.

The importance of customer-contact employees

In Chapters 10 and 11 we repeatedly referred to the key role of employees in delivering service quality. Considerable research has been undertaken in this area, which demonstrates the influence of employees on service quality and customer satisfaction. At the simplest level, W. J. Marriott (Snr)'s famous quotation accurately summarizes the importance of employees – 'it takes happy employees to make happy customers and this results in a good bottom line' (Lashley, 2001). At a more complex level, it is the customer-contact employees who deliver on most aspects of the five dimensions of service quality: reliability, empathy, tangibles (partly), responsiveness and assurance.

The service profit chain (Heskett *et al.*, 1994) is a model that demonstrates the link between employee satisfaction, service quality, customer satisfaction and business performance. When employees are satisfied with their work environment, they are more likely to work productively for the company. These employees know the company's service quality standards, and should therefore be capable of meeting the quality standards that the company and customer expect. Customer satisfaction leads to repeat and recommended sales. The customers like to see familiar faces when they return; and when the same employees greet regular customers by name this helps in the development of loyalty. Loyal customers are more profitable, so the business can increase sales and profits.

If employees are not satisfied in their work environment, the business can suffer from a cycle of poor employee retention, staff shortages, and employees with limited company experience and product/service knowledge who deliver service quality below the customers' expectations. Customers are less likely to return, and if they do return they are unlikely to be recognized. With fluctuating service standards and little continuity of customer-contact employees, the opportunity to develop closer customer relationships is lost, the business does not generate sufficient repeat and recommended sales, and profits can decline.

employees rises as the level of contact between customers and employees increases. During each and every contact between customers and employees, the customer's perception of service quality is challenged or reinforced. There is an apt expression, popularized by Jan Carlzon, which describes customer/employee contacts as 'moments of truth'. Even in a small independent catering operation, there are hundreds of moments of truth. These moments of truth may last for only a few seconds. Some hospitality experiences, such as staying in a holiday hotel for two weeks, can contain thousands of these moments of truth. The vast majority of service encounters between customers and employees can be described as routinized and, providing service standards conform to customer expectations, customers should be satisfied. However, in all hospitality operations there will inevitably be occasions when customers experience disappointing service encounters. Many are minor disappointments that do not adversely impact on customer satisfaction, but major disappointments can become critical incidents for hospitality organizations. How effectively the customer-contact employees respond to critical incidents will influence the customer's intention to repurchase.

Critical incidents

When a critical incident occurs, the response and actions of customer-contact employees can either save the situation or turn the incident into a significant source of customer dissatisfaction (Bitner *et al.*, 1990). Research suggests that there are three broad categories of critical incidents in service contexts:

- 1 The employees' responsiveness to service delivery system failures
- 2 The employees' responses to customer needs and requests
- 3 Unprompted and unsolicited employee actions.

Table 12.1 summarizes employees' responses to customer issues, which can result in either customer satisfaction or dissatisfaction.

Customers want service failure problems solved quickly and politely. If the customer-contact employees apologize and provide a satisfactory solution to the problem at the time of the incident, then customers are more likely to forgive the company. If the customer-contact employee fails to apologize or is unable (or even unwilling) to help, then the incident can become a source of a serious complaint.

Inevitably, some customers will have special needs and make special requests that are out of the ordinary sphere of the hospitality unit's operational norms. Customers who have special dietary requirements or who want to arrange a special event will ask for help and advice. By definition these requests are unusual; indeed, they may even be contrary to the company's Standard Operating Procedures. How customer-contact employees respond to these situations sends signals to customers. If employees can be flexible and have the confidence to adapt the service to the needs of the customer, then customers are likely to be highly satisfied. If, however, employees appear inflexible and are unhelpful, this can be a source of customer dissatisfaction.

Customer-contact employees can sometimes give customers delightful surprises by their unexpected behavior, which exceeds customers' expectations. These unprompted and unsolicited employee actions are major sources of customer satisfaction. However, employees who demonstrate a lack of courtesy or use bad language in front of customers can be responsible for major customer dissatisfaction.

Table 12.1 Positive and Negative Responses to Critical Incidents (Source: Lashley, 2000)

<i>Critical incident</i>	<i>Customer satisfaction</i>	<i>Customer dissatisfaction</i>
Employee response to service delivery failure	Could be turned into incidents that employees use to advantage and generate customer satisfaction: an employee reacts quickly to service failure by responding sensitively to customers – by compensating the customer or upgrading the customer to a higher status service	More frequently, however, staff responses are likely to be a source of dissatisfaction – where an employee fails to provide an apology or an explanation, or argues with the customer
Employee response to customer needs and requests	Employee responsiveness, flexibility, and confidence that he or she can match whatever is required by the customer are important sources of positive customer responses	Employee intransigence, inflexibility and perceived incompetence are all likely sources of customer dissatisfaction
Unprompted and unsolicited employee action	This might involve employee behaviors that made the customer feel special, or where an act of unexpected generosity takes the customer by surprise	Customer dissatisfaction could be the result of a failure to give the level of attention expected or inadequate information, or might involve inappropriate behavior, such as the use of bad language

Of course, unreasonable customers, who can be aggressive, insulting and even threatening, sometimes confront customer-contact employees, especially when customers are inebriated. Good employers do not tolerate bad customer behavior, and airlines like British Airways have a 'zero tolerance policy' to protect cabin crew from abusive customers.

Sources of conflict

Customer-contact employees are confronted by both interpersonal and interorganizational conflicts whilst working for hospitality organizations (Lashley, 2000). Conflict at work can be a source and a symptom of employee dissatisfaction. Continuous excessive conflict creates powerful emotional responses, including unacceptable levels of stress for employees. Understanding the sources of conflict can help managers to reduce stress in the work environment.

Personal/role conflict

Employees have to perform roles at work that may sometimes conflict with their own values and belief systems. Young people may resent a strict dress and grooming code; vegetarians might have an ethical issue preparing meat dishes; people with a strong religious faith may have moral issues with the service and consumption of alcohol; and the behavior of customers (for example, female near-nudity at resort hotels in some Muslim countries) can be offensive to social conventions. In these situations, the employee's values are challenged by the workplace. This is a personal conflict that individual employees need to resolve, or they may have to choose to leave the company.

Organizational/customer conflict

Organizations have policies, processes and procedures that regulate the boundaries of employee conduct. Many of these rules are designed to deliver the brand promise and to help customer-contact employees. Occasionally customers will make what appears to be a reasonable request of customer-contact employees, but which unfortunately breaks the house rules. For example, mid-market hotels with food and beverage facilities normally have opening and closing hours for their restaurant and bar; when customers want to eat or drink and the facilities are closed, customer-contact employees face a dilemma. Do they maintain the house rules and not serve the customer, which results in customer dissatisfaction, or do they break the house rules, serve the customer, and deliver customer satisfaction? This type of organizational conflict with customers puts the customer-contact employee in a difficult situation. However, if a customer makes an unreasonable request, for example asking the customer-contact employee to help in an illegal activity, then the employee should maintain the company's regulations and not help the customer.

Intercustomer conflict

Some of the most difficult situations for customer-contact employees arise from disputes between customers. In most hospitality services customers are in contact with each other in a myriad of different ways, which can cause problems at times. Customers park their own cars in hotel and restaurant car parks; queue for service; drink with each other in bars; and dance with each other in nightclubs. Customer contact is normally an essential and positive element in the product concept and atmosphere, but occasionally, especially when customers are waiting for service, there can be conflict. Long queuing times are a major source of customer conflict, but again it is the conduct of the customer-contact employees that can help to resolve the conflict or exacerbate it.

Developing a service-orientated culture

In this discussion, we have already mentioned how a hospitality company's formal Standard Operating Procedures can help or hinder an employee's relationship with customers. *A company's culture has a powerful influence on how employees look after customers.* There is a limit to the management's ability to monitor and control

service encounters; so customer-contact employees have enormous scope to interpret the company's rules. What guides customer-contact employees in choosing their behavior towards a customer is the organization's service culture.

Each hospitality organization has its own culture. In everyday language, culture is what an employee describes when responding to the question: 'what's it like working here?'. Culture, in this context, means the shared core values, beliefs and assumptions that underpin how the organization treats its employees. These cultural components are often deeply rooted in the organization's founding, history and recent development. Entrepreneurs like Bill Marriott, whose strong Mormon faith provided the ethical foundation for treating employees in a positive, caring manner, still influences the Marriott Corporation's approach to human resource management. Companies that have been created through a series of mergers and acquisitions and regard shareholders as the key stakeholders can have a culture that values financial performance above all else. This can be less attractive to employees.

Case study 12.1 provides an illustration of a service culture.

Case study

12.1 Service culture at the Hard Rock Café

Founded in London in 1972 by two American entrepreneurs, the Hard Rock Café (HRC) has developed a loyal customer base throughout the world because of its strong service culture. Although the HRC has been owned by a major corporation (the Rank Group) since 1990, the central theme in the restaurants is fun! The success story is based upon core values of treating every individual with respect, and all stakeholders equally.

There is a 'bill of rights' for guests and employees, which provides a focus for training and inculcates HRC values at the start of an employee's induction. Guests' rights include the right to: 'a unique and pleasant greeting; great food and friendly, attentive service; fair pricing; a spotlessly clean restaurant; and the right to sit at any table they want'. Employees rights include the right to: 'work in a safe, healthy and fun environment; be trained in a consistent and thorough manner; immediate feedback on performance; ask questions and get answers without fear; and have opportunities for personal development'.

The HRC practices the philosophy of empowerment and promote employees from within. Keith Errington, a Regional Manager from Colorado, states that 'employee retention is not an issue at HRC; we know how to treat our employees and they stay'.

(Source: www.hardrock.com, and *Customer Management*, 2000)

Employees learn the organizational culture through the routine behavior and messages sent out by head and regional offices, and through the unit's general manager – who represents and personifies the corporate culture. Employees' shared perceptions of the organizational culture, the visible manifestations of the surface layer of the company, are described as the 'climate' (Schneider and Bowen, 1995). Although the climate and culture in a company is not normally written down for an employee to read, it influences both service culture and how customer-contact employees interact with customers. Sometimes a company's senior management will draft a statement reflecting its vision, mission and values. This can encapsulate the culture of the organization.

In small and medium-sized owner-managed hospitality businesses, the 'family' culture will be more visible to employees (see Case study 12.2).

Case study

12.2 The Blunsdon House Hotel, Swindon, England

Over the past 45 years, the Clifford family has turned a farmhouse bed-and-breakfast business into a major four-star conference and leisure hotel, The Blunsdon House Hotel. Founders Zan and Peter Clifford have always been customer orientated, and their son John continues the tradition, stating: 'we are obsessive in our ambition to provide excellent service'. The founders live on the premises, and still take a passionate interest in customers' welfare – demonstrating their commitment and leading by example. They also recognized the need for developing and looking after their employees as the business grew. Key employees, and members of their families, have worked with the Clifford family for generations. Most heads of department have long service awards, and the general manager was also appointed a director.

The service culture in a family business is often highly personalized, and provides guests with a genuinely local hospitality experience.

In larger organizations, employees individually and collectively evaluate the true meaning of the many and varied messages. Nearly all major hospitality organizations claim to be good employers, and suggest 'Our employees are our most important assets'. Employees might not believe these messages when the company's actual human resource practices are poor. Where employees hear company messages that imply a certain kind of behavior but witness contradictory actions and behaviors by management, then the organization suffers from cultural schizophrenia. Like a split personality disorder, such inconsistency undermines the organization's aim to deliver service quality. Clearly, culture and climate reflect the philosophy of the senior management team, which must be consistent with the organization's strategies and behavior. In some organizations the senior management team may have a genuine ambition to provide high quality service, but middle managers, who are responsible for controlling costs, may thwart the company's intentions.

The general manager as a role model

Different units within the same hospitality brand can have different cultures and climates. Whilst the characteristics of a successful hospitality general manager will vary, the personality, behavior and actions of the general manager send powerful signals to the employees, and help to shape the culture and climate of the unit. Employee morale and motivation are a reflection of the general manager; employees respond to the leadership provided – and follow the example and direction set – by the general manager.

Service myths, heroes and villains

Those hospitality companies aspiring to provide excellent service often use examples of extraordinary customer-contact employee actions in their advertising.

By publicizing these events, the company is explicitly informing both customers and employees about the service expectations that the company wishes to provide. Occasionally, because of legal actions or investigative journalism, the media may highlight examples of poor behavior in a hospitality organization. Over time, if repeated, these events can become part of the dominant service culture. In the extraordinary service company, heroes become the personification of what is best about the company. However, some maverick companies employ characters (notably chefs/managers) who become 'villains' through negative publicity, and enjoy their controversial reputation.

Support systems

Customer-contact employees are dependent upon support systems, both human and technological, to help them deliver quality service. In hospitality, there has traditionally been tension and conflict between front-of-house employees and back-of-house employees, especially between the restaurant and kitchen. If the organization wants to foster a service culture throughout the company, then back-of-house employees should think of front-of-house employees as internal customers.

We have already discussed how the company's policies can either nurture or inhibit customer-contact employee's responses to customers. Companies set boundaries for employees in terms of the authority they are allowed when dealing with customers. Some companies restrict the authority of customer-contact employees, who have to follow rules and regulations and report to the more senior managers who take decisions. A different perspective, which we will discuss in more detail later, is the notion of empowerment. Empowerment gives customer-contact employees the responsibility, authority and tools for solving customers' problems. Technological support systems include the computer systems, equipment and infrastructure within a property or across a network. Obviously it is difficult for customer-contact employees to provide quality service if the computer systems are slow and not capable of handling the data inputs efficiently, or if food and beverage equipment does not function properly. No matter how pleasant customer-contact employees are, if the support systems do not work, the organization's claim to have a service orientation will appear inconsistent to the customers and the employees. Finally, in a genuine service culture, all employees – regardless of their role and status – should be customer focused. Indeed, some experts, like Gummesson (2002), contend that all employees in service companies are involved in marketing.

Activity 12.1

If you have worked in a hospitality organization, think about the service culture you observed whilst working.

- Evaluate the culture and climate of the company, the role adopted by the general manager, the service myths and company heroes, and the adequacy of the support systems.
- What do you think the company did well? What could be improved?

Internal marketing

The services marketing triangle (Zeithaml and Bitner, 2003; see Figure 12.3) links pre-encounter marketing (also called external marketing) with internal marketing and marketing during the encounter (also called interactive marketing). The promises made to customers during the pre-encounter marketing strategies have to be delivered during the service encounter. We have already discussed the role of employees, and specifically customer-contact employees, in the service encounter. Increasingly, human resource managers have adopted marketing techniques to recruit, communicate and motivate employees, and this approach is called internal marketing (Varey and Lewis, 2000).

The main driver of internal marketing is the recognition of the competitive labor market for hospitality employees by companies who compete for the best available talent. Since the success of the hospitality offer is dependent upon the quality of service, which is dependent upon employees, hospitality companies need to attract, train, motivate and retain the most appropriate employees for their product concept. Internal marketing involves marketing the organization to current and prospective employees in much the same way as the organization markets its offer to external customers.

Recruitment

Societal perceptions of working in hospitality vary according to the importance of tourism to an economy. In societies where tourism is a key industry, like the Caribbean, or where tourism is rapidly developing, like in China, careers in hospitality are regarded favorably. Potential employees recognize that hospitality jobs are

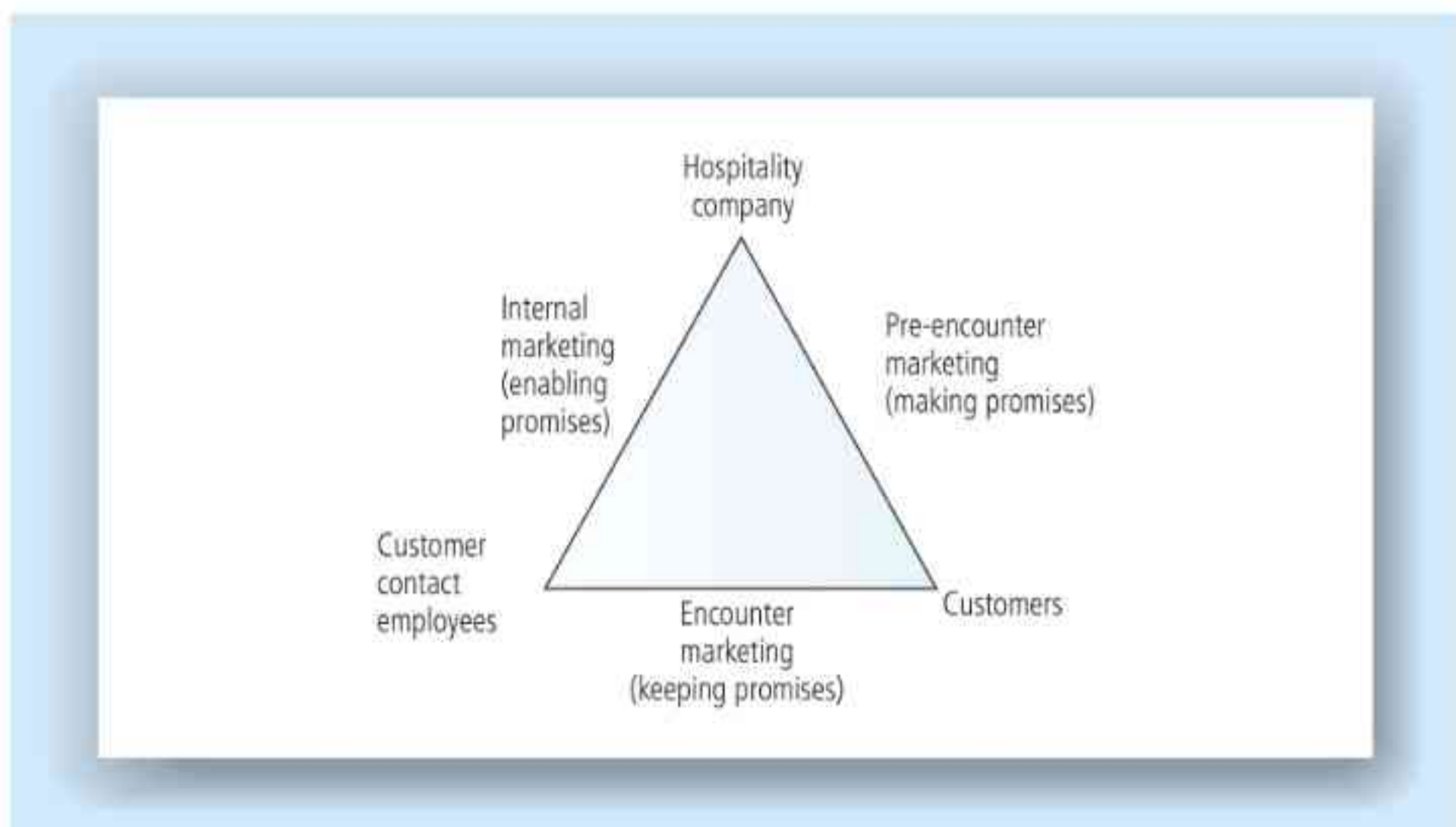


Figure 12.3 The services marketing triangle (adapted from Zeithaml and Bitner, 2003, *Services Marketing*, p. 319, reproduced with permission of The McGraw-Hill Companies)

relatively well paid and enjoy high status. In these societies, employers can select potential employees from a large pool of available talent.

The InterContinental Hotel, Phnom Penh

Marketing insight

Thierry Douin's first appointment as a General Manager was the challenging task of opening a new InterContinental Hotel in Phnom Penh in 1996. Cambodia was just beginning to recover from 30 years of civil war, famine and disease, and employment prospects for local people were poor. The hotel needed to recruit 400 local employees, but over 3800 people applied for the jobs – working in a five-star hotel represented, for many Cambodians, a unique opportunity to earn a good income.

In societies where service companies are generally regarded as lower status employers, with lower pay and prospects, the recruitment challenge is more difficult. The image and reputation of the company as an employer is key to attracting appropriate employees. Indeed, the most attractive recruitment strategy is to aim to be the 'preferred employer in the area'. An advertisement for a conference sales manager at the Radisson Edwardian Heathrow Hotel stated: 'we aspire to be one of the top ten best employers in London'. The copy continued with a discussion of the company's business philosophy, including their commitment to 100 percent customer satisfaction: 'to achieve this we need team members who are 100 percent satisfied'.

Service inclination

An essential quality that employers seek in employees is the 'right service attitude'. Some people seem to have a natural aptitude for service; they spontaneously respond to customers and co-workers, and have a cheerful disposition. These characteristics are linked to an individual's personality, interpersonal communication skills and initiative. As such, attitude cannot really be taught. Unfortunately, one of the problems for hospitality employers in competitive labor markets is the lack of potential employees with the right service attitude. This means that unsuitable employees, who do not have an aptitude for service, are recruited and, these employees can undermine management's attempts to deliver a quality service. Another important element in hospitality employment is teamwork – the ability to fit into a team and play a role. Some people enjoy working in a team, they are good team players and are supportive to those around them; however, other people are awkward in teams and are not good team players, which can be demotivating for co-workers.

Service competencies

Employees need to have skills and knowledge to be able to perform their job effectively. Skills and knowledge in service industries are called service competencies. Historically, most hospitality managers had limited education and learnt service competencies whilst working in the industry. Today there is a well-established system of hospitality and tourism education in many parts of the world. Colleges offer craft training and diplomas, universities offer Bachelors, Masters and PhD programs, and there is a range of study-mode options. The best institutions have very close links to the hospitality industry – for example, in Thailand the Dusit Hotel Chain set up the Dusit Thani College to provide training and higher education for

hotel, kitchen and restaurant, and tourism management students. These educational institutions prepare students for the industry and provide them with core competencies in the field of hospitality study.

Training

Each hospitality company has its own service culture, operating systems and service standards. New customer-contact employees need induction training to become familiar with the product (product knowledge training) and customer care philosophy, and to meet co-employees working in the same team. Induction training in the large organizations is formal and structured, whilst in the smaller hospitality firms it is likely to be less formal. Continuous training and career development is a hallmark of the most successful hospitality companies. Companies with seasonal operations, like Ski Olympic, have particular challenges when inducting their employees (see Case study 12.3).

Case study

12.3 The training challenge for Ski Olympic

Ski Olympic recruits over 150 employees each year to work in its Alpine chalets and chalet hotels for a five-month season. Approximately one-third of last year's employees return for the new season. Other employees are mostly recruited by 'word-of-mouth' from the friends of recent employees and the families of customers. The challenge each year is to train up to 100 new employees how to deliver the Ski Olympic experience, in less than two weeks. The training is conducted at the Ski Olympic chalet-hotel Les Avals. As soon as the employees arrive they are greeted and treated like guests, following exactly the same schedule with breakfast, afternoon tea and dinner. The new employees adopt different roles, taking it in turns to be customers and then employees, and teams of chefs prepare the same meals that customers will eat on their holidays (the real challenge is cooking at Alpine heights – it takes much longer to boil an egg!). Each employee learns his or her role during this intensive period, and departments have written job lists to help ensure that Ski Olympic's operating standards, even in an informal, fun environment, are maintained. Gary Yates, an Area Manager, explained that treating the employees as customers was the most effective way to show them the customer experience. The success of Ski Olympic is built upon customer satisfaction – 72 percent of sales are repeat business.

(Source: Gary Yates, Ski Olympic)

Empowerment

Customer-contact employees work within the boundaries of authority given to them by their companies. We have discussed how some hospitality companies set limits to what customer-contact employees can do in responding to customer requests. An alternative approach is to empower employees to take responsibility for ensuring customers are satisfied with the service encounter. This responsibility needs to be matched with delegated authority and supported by appropriate resources such as technology, training and budgets. It is claimed that this approach, championed in hospitality by Marriott and their luxury brand Ritz Carlton, is more

Table 12.2 Forms of Empowerment in Hospitality (source: Lashley, 2001, p. 6)

<i>Form of empowerment</i>	<i>Organization</i>
Quality circles	Accor Group
Suggestion schemes	McDonald's Restaurants
'Whatever it takes' training	Marriott Hotels
Autonomous work groups	Harvester Restaurants
De-layering the organization	Bass Taverns

customer focused and motivates employees, involving them, to a greater or lesser extent, in self-management in the workplace.

Table 12.2 illustrates various forms of empowerment in hospitality.

The concept that any customer-contact employee will take ownership if the customer has a problem, and actually responds to customers' need and wants, is attractive. Customers want speedy solutions, especially when complaining, and resent having to repeat their complaint to several different employees. However, customer-contact employees do not necessarily want to take the responsibility for customer satisfaction because:

- Employees may not be given genuine authority by the company to solve the problem
- Hospitality companies are traditionally bureaucratic and hierarchical organizations, where the middle managers may resent customer-contact employees assuming their authority
- Employees may not receive the appropriate training and resources to make correct decisions
- Employees may feel that they are not paid enough to take this responsibility
- Some employees may not like the idea of taking responsibility at all, and prefer to follow the orders of managers.

Though many companies talk about empowering employees, few have genuinely developed the organizational strategies and culture to support empowered employees. However, Marriott's training is recognized as a leader in the hotel industry. Its 'Whatever it takes' program has customer service as the core theme, with empowerment as the strategy to encourage employees to be empathetic towards customers needs and wants (Lashley, 2001). The training involves 40–60 hours, and looks at the guest experience by encouraging employees to act out role-plays. Employees learn that guests need to be acknowledged whilst waiting; want to be treated as individuals; want to see employees who they know and who like their job; and, most importantly, do not want 'hassle' when they are staying in a hotel or dining in a restaurant. Marriott continues to search for new ways to deliver the basic brand values through their associates (all Marriott employees are called associates).

Reward systems

Reward systems for employees include tangible and intangible benefits. Tangible benefits are pay, bonuses, tips, meals provided free of charge, and discounted accommodation for live-in employees. The perceived 'fairness' of the distribution of

the tips in hospitality businesses can be a controversial topic. Many of the intangible benefits of working in hospitality environment compensate for the antisocial hours and lower pay. Intangible benefits can include the excitement, fun and teamwork that many hospitality employees enjoy. There can be a sense of pride when customers make favorable comments about the hospitality service, and when family and friends respect the company where employees work.

Communication

One important lesson that human resource management has learnt from marketing is the value of regularly informing employees about the company's current situation and future plans. As well as formal communications about company policy, most hospitality company employee magazines include career development opportunities; articles about social activities, fun events, competitions and long service awards; and interesting anecdotes about individual employees. Important achievements are highlighted, and employees are meant to feel more involved with the company. From a marketing perspective, it is essential for customer-contact employees to be aware of new openings, new-product development and new marketing programs, so they can inform customers during service encounters.

Criticisms of internal marketing

Critics of internal marketing challenge the theory and practice on a number of grounds (Mudie, 2000). For example, it is claimed that the champions of internal marketing (and in particular empowerment) have relied on rhetoric to promote an idealized workplace. The reality is that many hospitality premises are unpleasant, or even hostile, places of work. There are often staff shortages, which increase the workload for the remaining employees and create stress. Unfortunately, hospitality employees can suffer from sexual abuse and violence from customers and co-workers. Because managers are primarily interested in cost efficiency and profits, they can be accused of poor communication with employees and of not genuinely caring for them. Indeed many employees feel cynical about management and are suspicious of internal marketing innovations, such as de-layering, which appear to be more a cost-cutting exercise than genuine empowerment. [Whilst there are poor employers in the hospitality industry, internal marketing theory incorporates the best practice and demonstrates the advantages of adopting a positive approach to managing employees.](#)

Emotional labor

Customer-contact employees work long hours, at all times of the day and night, dealing constantly with customers. Working with people can be emotionally tiring, especially if there are staff shortages or if customers complain. Whilst working in hospitality can be great fun, it can also be very stressful. However, companies expect customer-contact employees to suppress their own feelings and their own identity to ensure that customers are satisfied. Some hospitality organizations even provide cues and scripts to help customer-contact employees say the right words to customers. In particular, empowerment means that customer-contact employees are expected to take on more responsibility, which can lead to more stress. The term *emotional labor* has been used to describe these emotional characteristics of work in service industries. Both hospitality managers and customer-contact employees can

suffer from the long-term effects of emotional labor, resulting in minor illness, anxiety, depression and fatigue, which can lead to alcoholism, nicotine dependence, eating disorders and, ultimately, cancer, heart disease and nervous breakdowns.

Activity 12.2

If you have worked in a hospitality organization, think about the service culture you learnt whilst working.

- Evaluate the company's recruitment and training policies, the service inclination and competencies of the other employees. Did the company 'empower' employees?
- How valid are the criticisms of internal marketing in a hospitality company compared to your own experience?

Conclusion

Hospitality companies must develop effective employee communications strategies to succeed in managing customer-contact employees and delivering customer satisfaction. This process is called internal marketing. Hospitality companies claim to be good employers. However, the industry does suffer from high employee turnover rates, and examples of poor treatment of employees are publicized in the media and spread by negative word-of-mouth.

In this chapter we have explained:

- The link between employee satisfaction, service quality, customer satisfaction and business performance (the service-profit chain)
- That during the hospitality encounter, moments of truth reinforce the customer's perception of service quality
- That when there is a critical service incident, such as service failure or unusual customer requests, the responses and unprompted actions of customer-contact employees influence customer satisfaction/dissatisfaction
- That customer-contact employees who experience role conflict, organizational/customer conflict and intercustomer conflict can suffer from work-related stress
- How each hospitality company has its own culture and climate, which guides customer-contact employees in choosing their behavior towards customers
- The three components of the services marketing triangle, which are pre-encounter marketing, marketing during the encounter, and internal marketing
- How human resource departments that use marketing techniques to communicate with employees are adopting an internal marketing strategy
- That empowerment gives customer-contact employees the responsibility for solving customer problems
- That critics of human resource management in service industries, and especially of empowerment, suggest that empathetic employees can suffer from emotional labor, resulting in stress and illness.

Review questions

Now check your understanding of this chapter by answering the following questions:

- 1 Discuss the role of customer-contact employees in delivering the brand offer
- 2 Discuss the sources of conflict for customer-contact employees whilst working in hospitality organizations. Provide examples to illustrate your answer
- 3 Evaluate the role of culture and climate in hospitality companies
- 4 Analyze the theory and practice of internal marketing in the hospitality industry
- 5 What are the advantages of using 'empowerment' as a human resource strategy in a hospitality business, from each of the following perspectives:
 - the customer
 - the employee
 - the business.

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Part D

Post-encounter marketing



