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Thesis

EMPLOYEES ENGAGEMENT

The Case: BAHA MAR & BANYAN TREE

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INTRODUCTION

The main purpose of this thesis is to examine and highlight the importance of the employees in a service-oriented business.

In the first part, the focus is on the importance of the concept of “Employee Engagement”, which has the capacity to significantly enhance the value of a “Brand”.

Theories will be applied to an actual case study of two hotels: the “Banyan Tree Chain” and the “Baha Mar-Hyatt of Nassau, The Bahamas”. This choice was made in order to exemplify the differences between two providers that offer similar services but with very different approaches when employees are involved. Banyan Tree represents the benchmark of a flawless service. The Baha Mar, on the other hand, is the typical example of a very new hotel which needs to address numerous issues in order to achieve the brand positioning it hopes to attain.

After experiencing a long stay at the Baha Mar, I had the opportunity to see through my own eyes the importance of a good management team; and thus, how a poor management of employees can negatively affect the final outcome of a luxury hotel.

In particular, my data are based on personal experience, research and surveys among guests and employees of the Baha Mar in order to find out many of the issues they have to face and what they would like to change.

Based on the data I have collected, I will run a comparison of the two hotels and I will ultimately explain why the Baha Mar can and cannot follow the Banyan Tree’s strategy.

CHAPTER 1: EMPLOYEE ENGAGEMENT

Employee loyalty begins with employer loyalty. Your employees should know that if they do the job they were hired to do with a reasonable amount of competence and efficiency, you will support them (Harvey Mackay, 1994, Sharkprof)

- DEFINITION OF EMPLOYEE ENGAGEMENT

Employee Engagement is the qualitative and quantitative property of the relationship between the organization and its employees. An “engaged employee” is someone who feels dedicated and enthusiastic toward his job. Not only is he emotionally committed to the company, but also he takes positive actions to expand its reputation. He cares about his work and about the performance of the company at the same time. He wants to feel that his efforts could make the difference. It’s far more than a pay-check; it is generally seen as an internal state of mind that is physically, mentally and emotionally condensed all together into the work-effort, commitment and satisfaction in that employee.

Kevin Kruse summed up the definition by saying: “Employee Engagement is the emotional commitment the employee has to the organization and its goal.” (*Forbes 2005*)

For a very long time, this phenomenon was largely ignored. In the last century, the **employee administration has finally spread among management practice**. In the most successful organizations, it is well delineated and established in the management of human resources and internal communications. Management needs to remember that engaged employees lead to productivity and create a higher level

of customer satisfaction. As a consequence, there would definitely be an increase in sales and profits. Why? Because a committed employee would go “the extra mile” without being asked to do so nor wanting credit for it. They are fulfilling the role they took on. Once an employee commits, the management engages with him and both can excel. The company must keep them involved, make them feel appreciated and reward them.

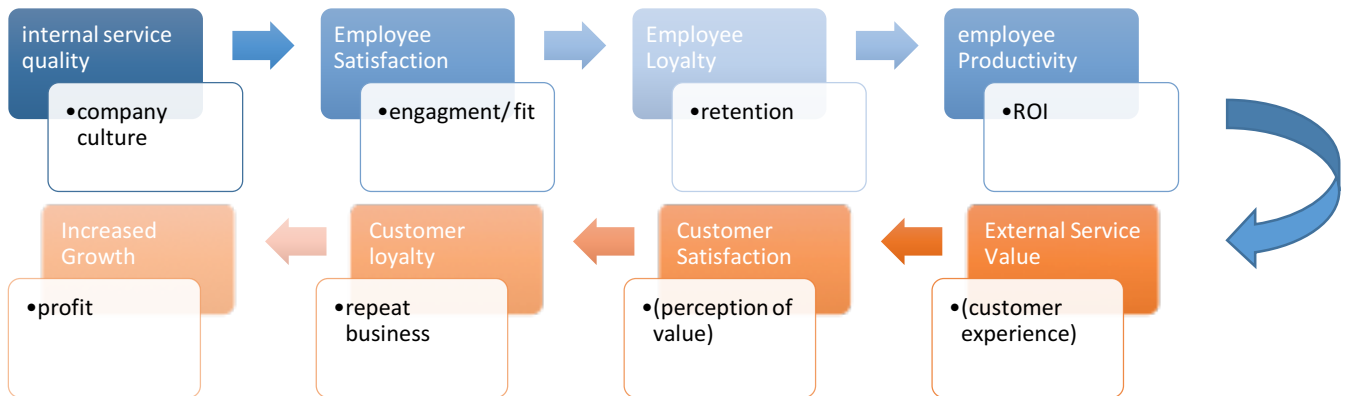
- *IMPORTANCE OF PEOPLE*

A Brand’s success and financial performance is intrinsically determined by the service employees. “People”, one of the elements of the “7 P’s”, are very important to deliver quality and the firm’s position. Among the variety of roles in any business, the customer-service positions have a central role. On the one hand, they expand the boundary between inside and outside the service and on the other hand, they deliver the service excellence.

Employees themselves could be considered an asset of the firm because they are a core part of the service product. Investing in them has an economical payoff. Motivated and empathetic people are the key for success. The top management should know this and behave as a role model for a culture of service-leadership. The Human Resources management (HR) should have the goal to create a brand culture which leads to an expansion and enhances of the brand-equity.

The feedback received from a customer about the interaction with a service-employee is an important benefit for the firm. It shows the level of service quality and the differentiation from its competitors.

James Heskett formulized the so called “Service/Profit Chain” which demonstrates the correlation between Employee Engagement and Customer Satisfaction.



At the Service/Profit Chain base lies the *Satisfaction of the Employees*, which is the key point to achieve a high quality of service. The employees’ efforts are a strong driver for the customer satisfaction, which is the essential element to achieve a high level of customer loyalty. Highly motivated people are willing and able to deliver service excellence and are also highly productive at the same time.

The HR management follows four steps to gain the “perfect” employee:

- Hire the right people
- Enable people
- Motivate and energize people
- Have a leadership team that fosters a climate for exceptional service

- *EMPLOYEE ENGAGEMENT AND EMPLOYEE SATISFACTION*

The definition of “*Engagement*” among employees has led to confusion about the true meaning of what it really is. Sometimes it is wrongly considered as merely “*Satisfaction*”. These two terms may sound sort of like the same thing but actually

there is a difference in these two concepts. *Satisfaction* is a state of mental pleasure. Employees could appear to be happy at work but this does not necessarily mean that they are engaged in the true sense. This appearance of happiness could convince the company that this is everything they need. Instead, those employees are not committed to helping the firm to achieve all its goals. Engaged workers are eager to show up at work every day and are not on the lookout for the next job. Engaged employees also do everything within their power to help their companies succeed.

The key differentiation between Engaged Employees and Satisfied Employees is that the former tend to go above and beyond their own tasks while the latter limit themselves to just perform their job responsibilities at a satisfactory level.

- *COMPONENTS AND ELEMENTS OF EMPLOYEE ENGAGEMENT*

Two things are important when dealing with Engagement. These factors or components are based on statistical analysis and widely supported by corporate research.

- 1. Engagement with the organisation** is a measure of how engaged an employee is with the whole company. This includes trust, fairness, values and respect.
- 2. Engagement with the manager** is a narrower measure of how employees feel about their supervisors. In the big picture, it's about a strong relationship between the employee and the manager that is based on mutual respect, receiving helpful feedback and direction along with being treated fairly.

The quality of the management can be measured based on the levels of four key performance indicators: *Commitment, Loyalty, Motivation and Trust*

- Commitment:** Is the degree to which individuals identify with their work and their duties. They are highly productive and accountable for what they do. They are committed to their job and go the extra step to achieve their goal without being asked.
- Loyalty:** Is the element that reduces the monitoring costs for the managers. They will need to commit less time and attention to the employees' performance because the employees are actively engaged and feel responsible for their actions. A bad reward system can easily disengage them. Recognition for a job well-done is a basic human necessity.
- Motivation:** Proper rewards and recognition can further motivate employees more than anything. This is the burning fuel for the success of any organization.
- Trust:** Engagement is supported only by a mutual trust. The organisation needs to give employees their trust to help them perform their tasks in the way of the company by showing confidence in their abilities, motivating them to experiment and not be restricted. On the flip side, the employees need to share an emotional bond and commitment with the company.



All the above factors play a vital role for the success of any organization. They are characterized by the two-way communication to discuss challenges, potential

consequences, vision and values. In fact, any organization can't survive for long without communication. Another essential component is the reward system. Benefits, bonuses, stock options and recognition are important elements to improve the Employee Engagement.

- *STEPS TO IMPROVE EMPLOYEE ENGAGEMENT*

According to Forbes, only 15% of employees are engaged, loyal and committed to their jobs. Then there are 67% who are happy and satisfied but they are not interested in the company's mission, vision and values. Employee Disengagement, just in the United States, costs up to \$500 billion per year in lost productivity. The 18% who are actively disengaged are negative, toxic and dominate a manager's time. Managers need to master the Art of Engagement in order to handle the work environment, excel in managing themselves plus their teams and ultimately meeting the organization's goals.

The steps to follow to improve this process are:

- Put each person in the role which suits them best
- Give them thorough training
- Assign meaningful work
- Check in often with the employee
- Frequently discuss engagement

These principles are not complex but must be prioritized and implemented. Companies which achieve them will have greater financial returns, productivity and surpass their competitors.

CHAPTER 2. HOTELS OVERVIEW

- *BANYAN TREE*



BANYAN TREE

Banyan Tree Hotels and Resorts is a leading player in the luxury resort market. It's a developer of niche hotel chains that are composed of premium resorts, hotels and spas in the Asia-Pacific area. The success of the brand is shown in its global exposure along with its high levels of global name-recognition thus allowing the expansion of this Asian hospitality brand into various market segments while preserving its distinctive identity. Many competitors have started to penetrate the market because they were lured by the success of Banyan Tree.



History

Over thirty years ago Ho Kwon Ping, a former journalist, and his wife Claire Chiang, a lawyer of corporate social responsibility, founded the "BTHR", Banyan Tree Hotel and Resort. It all began with only one resort in Phuket, which was situated on a restored mining site whose rehabilitation costs were \$250 million dollars. The first hotel was so successful that didn't take long for the company to build another two resorts, one in Indonesia on Bintin Island and the other one on Vabbinfaru in the Maldives.

Currently, the Holding owns 46 resorts and Hotels, 70 spas, and 79 retail art galleries in 28 countries. It has also garnered up to 1,200 awards such as the “2014 Forbes Travel Guide Award” .

The idea of building a strong brand came from the desire to enter the luxury resorts market. This was to fulfill the gap in the hotel industry, which wasn't able to provide private and intimate accommodations without the flashy features of a chain hotel. The sharp price gap in that market makes clear the potential of offering an innovative niche product that could bridge that gap. The owners' travel experience has been reflected in the belief that a resort should provide more than an accommodation; it should provide a 360-degree experience. Every resort has a locally inspired-architectural design and is positioned as a romantic and intimate escape for guests into the higher end of the luxury market.

- *BRAND: MARKETING, VALUES ITS EMPLOYEES*

Banyan Tree is positioned as a “sanctuary of senses” by focusing on the sense of the locale to enhance the culture and heritage of the destination. Product and services are fully oriented to the customer experience. While every resort has its own identity, they all share common features.

The resorts were promoted as romantic and intimate to create an unforgettable moment rather than just a luxurious accommodation. At first, the company's marketing communication used an extensive amount of advertising in a short period of time. Later the advertising became focused on high-end travel magazines in key markets. They always kept the marketing department centralized in order to maintain consistency while building the brand. The brand-awareness was made through public relations and global marketing programs.

The company has always embraced values that customers and employees could identify with and support. Actively caring for the natural and human environment while sustaining the local communities gained the respect and satisfaction from the staff.

Every resort from the beginning was focused on this issue with both a wide view and a local perspective to preserve, promote and protect these environments.

As much as possible, resorts were built using local materials while minimalizing the impact on the environment. Even the development of the merchandise has used eco-friendly and recycled materials.

To create a greater environmental awareness, the company's corporate social responsibility division designed initiatives that involved interested customers in causes such as in preservation works and ecological restoration. Guests' feedback on those topics has been extremely positive since they seem gratified that their patronage contributed to important causes.

All Banyan Tree employees were trained in the basic standards of a five-star hotels. Although the management is very strict on the rules, employees are empowered to manifest their sensitivity and creativity. Some had the opportunity to "taste" the Banyan Tree Experience during their training. This successful initiative had the purpose to help employees better understand the guests' experience and to enhance their delivery of services. Banyan Tree invested in staff welfare by providing a comfortable work environment and amenities, medical services and childcare facilities.

The generosity of the company paid off because the staff developed an inner sense of ownership of the brand. Though this was not necessarily in a financial way, but rather, through providing hospitality and a sense that the guest is an honored person. The strong employee engagement creates a culture in which everybody is friendly and helpful.

The company believes in engaging the locals to create employment and community development. As a matter of fact, it has provided business opportunities to local farmers and traders by purchasing products directly from them. A Community Relations Department has been set up to reduce the disparity in terms of lifestyle and living standards among the guests and the local community in order to manage community outreach programs.

These factors are the reason for the high level of appreciation among the employees of the Banyan Tree. Additionally, the company is officially ranked as having one of the best hotel work environments and the lowest staff turnover rates.

BAHA MAR

Baha Mar is the largest resort on the island of New Providence in the Bahamas. It officially opened in 2017. The facilities include three hotels (Grand Hyatt, SLS, and the Rosewood which still under construction). This Bahamian luxury resort is considered to be a “destination within a destination”. It is trying to compete with the biggest names in the tropical destination-resort category.

History

It was July 2015 when the Baha Mar, the country’s largest ongoing construction project, went bankrupt. A few days before, on June 29, 2015, the project’s developer filed for bankruptcy in the United States — without notifying the Bahamian Prime Minister beforehand. The very next day, on June 30, the company filed a separate claim in English High Court seeking “financial remedies” from the general contractor and the construction manager, China State Construction Engineering Corporation (CSCEC), and its subsidiary China Construction America (CCA) related to construction delays.

Valued at \$3.5 billion, the project was the most ambitious mega-resort ever undertaken in the Caribbean island country. It was to include four luxury hotels with 2,323 rooms, the largest casino in the Caribbean, a premier Jack Nicklaus Signature 18-hole golf course, a 30,000 square foot spa and a 200,000 square foot convention centre. Since its inception, Baha Mar has been touted as “the largest single-phase resort development in the western hemisphere” and an economic engine for the Bahamas with projections that it could increase the country’s gross domestic product by 12.8%. However, after missing multiple grand opening deadlines since 2014, the Baha Mar found itself in serious trouble. By the time of the bankruptcy filing, the resort complex was 97% complete and yet still not ready to open.

Brand

Baha Mar is different from the Banyan Tree because it cannot identify itself with solid, strong, core values due to its chaotic history and that it is composed of three different hotels in the resort. They all share the same marketing strategy to amplify the brand awareness in order to build brand equity. To gain notoriety, strong advertising strategies and global marketing programs have been implemented mainly through electronic channels.

The employees’ management is affected by different issues which will be discussed in the next section as the core part of this thesis.

POSITIONING MAP



This is the positioning map of the most known chain-brand hotels from mid-level to luxury. Every brand has been considered as a Luxury/Upscale resort. For Banyan Tree, the “Banyan Tree Pucket” Resort was used and for the Hyatt, the “Grand Hyatt Baha Mar” was used.

Expensive/Less Expensive is referred to the average price of a room during the month of September. The prices have been compared on booking.com and directly on their web pages. Moderate/High Service is related to guests’ services and on-site facilities. The classification is based upon the quality of facilities and amenities offered by the hotel.

Banyan Tree and the Baha Mar are located on the same price level. But as it will be seen, they diverge on the quality of the service.

CHAPTER 4: BAHAMAR VS BANYAN TREE

- *SIZE DIFFERENCE AND NUMBER OF EMPLOYEES*

The Banyan Tree Corporation, which began in 1994 in Singapore, currently employs over 15,000 people world-wide in its 46 resorts and 70 spas. However, the Baha Mar Resort consists of only 3 resorts (on the same property) yet it employs approximately 4500-5000 people. The Baha Mar had a massive number of people to train, not just in the basics of their jobs, but it also has a major management challenge when it comes to engaging the staff in such a way that they truly *care* and *want* to excel at their jobs.

This begs the question: considering all the problems and bankruptcy that plagued the Baha Mar during the construction, why would the owners attempt to open 3 major facilities almost simultaneously? If each were opened 12-18 months apart, that would most definitely have given time for the first hotel to “settle in” before the second and then third hotels were opened.

- *INTERFERENCE FROM THE BAHAMIAN GOVERNMENT*

The Bahamian government did not allow more than a “handful” of Hyatt employees from the United States to come to Nassau to facilitate proper training of the local hires. Regarding their immigration policy, the Bahamas’ government is basically Nationalistic. Their rule is that “no foreign immigrant may be offered a job that a skilled Bahamian is ‘qualified’ to perform.” However, “qualified” is a very ambiguous term. It basically means that any jobs that do not require any education are off limits

to foreigners. The Bahamas welcomes numerous international investors each year but it is more difficult to hire foreign employees for your company. This has resulted in severe issues for the management of the Baha Mar. That became, more or less, a case of “the blind leading the blind”. When someone who has nominal experience working for a very large resort is asked to train people who have almost *zero* experience, the result is exactly what one would expect: Disappointing at best and disastrous at worst.

- *DIFFERENCES IN THE LEVEL/QUALITY OF EMPLOYEE TRAINING*

The former head of the Baha Mar-funded Leadership Development Institute (LDI) Jeffrey Lloyd speculated that the new owners of the resort would not share the same "vision or level of commitment" in terms of the resort's training module as did the former developer, Sarkis Izmirlian, and former Baha Mar President, Tom Dunlap. He said that many **former** Baha Mar employees underwent a four-month, holistic training initiative under the Leadership Development Institute (LDI) and became graduates of the program to cultivate a culture of leadership and personal development as well as the technical skills.

Robert Sands, the Baha Mar's senior vice president of administration and external affairs confirmed that the Baha Mar staff training **was not going to be in the form of the holistic leadership development training received by the first wave of Baha Mar recruits**. He said that the training will be different "this time around" and would consist of on-property training that would be focused on the operations of the casino hotel, the convention center and the golf course. The intention would be to reintroduce the on-property training of approximately 3 months for the refreshment and upgrading of skills for individuals who will be hired to work within the **casino**.

Only *after* the management agreement has been finalized with the Grand Hyatt, will they *then* start brand-specific training.

Mr. Sands revealed that Chow Tai Fook Enterprises (CTFE), the owners of the property, will initialize its own brand of training. The resort, under CTFE, will also be partnering with the National Training Agency in order to prepare its staff for the soft opening. When you read the Mission Statement of the National Training Agency, you can begin to understand why the Baha Mar tends to receive such negative reviews about the quality of service by its personnel:

One of the roles of the National Training Agency is to assist young Bahamians who didn't complete or perform well in high school. Usually these young people have minimal or no certifications and are unable to secure meaningful employment.

At the National Training Agency, trainees are equipped with skills to acquire entry-level employment. The Agency partners with industry experts and Training Providers who have been approved by NTA and other international institutions, including City & Guilds to provide competency-based Skills Training

As harsh as it sounds, the reality is, that by partnering with the NTA, the owners of the Baha Mar (CTFE) are hiring extremely unskilled workers. It just isn't possible to transform a someone who most likely hasn't held a job in the service/hospitality/resort industry into a top-quality employee in 3 short months.

However, a press release from the Baha Mar on March 13, 2017 (just prior to their soft opening scheduled for one month later) gave a completely different picture of the training that was taking place for the casino staff:

“The most important qualities for our casino dealers are impeccable technical skills and seamless customer service,” said Theodora Cartwright, Shift Manager, Baha Mar Casino. “In addition, possessing strong interpersonal skills and personality will truly set the dealer apart and enhance the gamer’s experience. Our casino dealers will have some of the most memorable interactions with Baha Mar guests, offering them the opportunity to bond directly and leave lasting impressions.”

Based on the Customer Reviews and Surveys included later in this report, it definitely appears that the training goals of the Baha Mar casino were significantly more intense and more thorough than those of the other areas of the Baha Mar. None of the reviewers ever complained about the dealers in the casino. One person complained that the lowest buy-in amount is \$25.00 (however, I found out that at certain times of the day, there are \$15.00 buy-ins). Another person did complain that the cocktail waitresses weren’t as readily available as he would have liked.

- *SURVEYS METHODS*

Obviously, employees have opinions, too. Surveys were given to managers in various divisions in the Baha Mar. The surveys were intended to collect more information from the employees of the company in order to have direct evidence of the hotel’s challenges and what should be changed.

BAHA MAR

Employee (in Management) questions:

The following questions were given to the managers of Valet, Housekeeping, reception plus restaurants divisions.

- Have you worked at other destination before?
- What differences can you see between?
- What do you find extra challenging about working at the Baha Mar?
- If given the liberty, what would you change to make improvements to the Baha Mar?

Long-stay Customer questions:

I was able to contact two people who have both stayed at the Baha Mar for multiple *months*. Each was given the exact same survey. It reveals two people, who have stayed there the same amount of time and in the same style of room, can have very different opinions.

- What are things that you think the Baha Mar does well?
- What are things that you think the Baha Mar fails at doing?
- What do you think needs to be done to improve the areas at which they fail?
- Did you enjoy your time at the Baha Mar?
- Do you feel that you got your “money’s worth” from your visit?
- Would you come again?
- Would you recommend the Baha Mar to friends/family?
- Was there anything that you would label as Exceptional about the Baha Mar?
- Was there anything that you would label as Disappointing about the Baha Mar?
- Would the thing(s) that disappointed you keep you from returning in the future?
- How would you rank the Baha Mar compared to other resorts you’ve visited?

Short-stay customer questions: below is a compilation of excerpts from reviews of the Baha Mar that were either posted online during 2017 or attained from surveys given out on April 2018. Did you enjoy your time at the Baha Mar?

- Do you feel you got “your money’s worth” from your visit?
- Would you come again?
- Would recommend the Baha Mar to friends/family?
- Was there anything that you would label as Exceptional about the Baha Mar?
- Was there anything that you would label as Disappointing about the Baha Mar?
- Would the thing(s) that disappointed you keep you from returning in the future?
- How would you rank the Baha Mar compared to other resorts you’ve visited?

- *SURVEY RESULTS*

Managers from four divisions (Valet, Housekeeping, Reception, Restaurants) were asked four questions about their past and present experiences working in the Destination Resort industry. There was definitely a variety to their answers and yet there were some similar themes that kept arising.

When asked if they had ever worked at a Destination Resort before, all answered YES. The differences were *where*. Three of the four had garnered their career experience in the Bahamas; one of those three had also worked in the United States as an intern. The fourth was transferred to the Bahamas from a Hyatt resort in the U.S.

When asked what they felt were the differences in working for other resorts and the Baha Mar, the answers weren’t very surprising. There was a consistent theme that all of the previous resorts that they had worked at were *established* and not experiencing the growing pains that are afflicting the Baha Mar due to working with a largely inexperienced staff. A caveat to that answer was from the manager of one of

the restaurants. He felt that his staff was reasonably well-trained but just needed guidance to bring their service skills “up a notch or two” because the Baha Mar is a higher-end resort than where he managed previously. Another commented that Hyatt resorts in the United States are run much more strictly than in the Bahamas.

When asked what changes they would make in order to improve the Baha Mar (if given the liberty to do so), some of the answers were actually surprising. One manager wished for a different method passing down information/communication to the employees. Another would install more assistant managers who can follow employees more closely to make sure they are doing their jobs correctly. A desire was expressed to get as many employees as possible sent for intensive training in the United States so that they actually experience how Hyatt expects staff to perform. There was a hope for Team Building exercises along with a Reward / Recognition program so that staff feels valued and important.

- One respondent could only compliment the Marketing and Promotion departments, the pools and the restaurants. While the other also complimented the pools and restaurants, she also raved about staffs’ personalities, respectfulness and caring nature. She said that she was always greeted with friendliness and a smile. She also felt that the staff *tried* to accommodate the guests’ needs.
- A major complaint from both long-term guests was the slow speed at which requests were fulfilled and the lack of attention to details. In particular, the lack of attention to details was mostly in reference to the Housekeeping staff. At a glance, their rooms *appeared* to be clean; but upon closer inspection, they found finger prints, dust, dirty corners and supplies that hadn’t been replenished. (It should be noted that both of these long-term guests were in large, apartment-style suites, not the basic rooms.)

- Training, Training, Training!! This is what both respondents said is needed. This, along with more managerial supervision could really improve the overall quality of the work being done.
- The guest who was least-happy did not enjoy her time there partly due to the casino-atmosphere is unavoidable. Meanwhile the other “long-termer” really enjoyed herself, in spite of the “kinks” that still have to be worked out.
- Here again, I found that “Beauty is in the eye of the Beholder”. By that I mean, one of them felt that what was received wasn’t worth the prices that were charged. The other person acknowledged that although the prices were high, she did get her money’s worth during her time at the Baha Mar.
- As you can imagine, the person who said she wouldn’t come back to the Baha Mar would also NOT recommend it to family and friends. The opposite was true for the second person: She loved it, would return and has already recommended it to various people she knows.
- Topping the list of Exceptional aspects of the Baha Mar were the personalities of the staff, the views from the rooms and the Blue Note Jazz Bar got high reviews in every aspect.
- One guest said she definitely WOULD return to the Baha Mar and the other said she would NOT return.
- Both of the answers given included RAVE reviews for the beauty of the property itself and turquoise ocean. One commented that she usually goes to All-Inclusive resorts and the fact that Baha Mar is not All-Inclusive made it seem quite expensive. However, when compared to other high-end resorts that aren’t All-Inclusive, she said that it is comparable to them.

- *BAHA MAR REVIEWS*

When I compared the online reviews from 2017 to the current reviews gathered in 2018, there is a clear improvement in customer satisfaction in many of the categories. This does not mean that there weren't complaints and issues still to be addressed, but rather, that some of the "growing pains" are getting themselves worked out.

Some issues still being brought up, but not limited to, are: prices, not being all-inclusive, and slow service.

Areas that are consistently given high marks are: the pool area, the cleanliness of the grounds, the Facilities (the spa, the fitness center, casino).

As to whether or not the current "issues" would or would not prevent them from returning, the responses were lukewarm: *probably* not.

The surveys given out in 2018 ranked the Baha Mar at second to fourth compared to other resorts that had been visited.

- *BANYAN TREE REVIEWS*

After extensive searching for reviews on the Banyan Tree, there were 99% extremely positive reviews from both customers and employees. Thus there were not unsatisfactory experiences pointed out. The impeccable quality of this company emerges again.

- *EMPLOYEE ENGAGEMENT BANYAN TREE*

- Incentives and recognition.

The Banyan Tree has found that a two-fold approach to Employee Engagement works well with most employees, whether they interact directly with the public or are working behind the scenes. Mr. Cheong says there is a clear difference

between providing *incentives* and *recognition*. “Incentives, for me, are predominantly cash-related, where you get rewarded for what you’re doing, and for doing it right. Recognition is a lot on the heart part,” he says.

However, even though those two are easy enough to tell apart on the surface, the challenges that come with providing both incentives and recognition in the hospitality industries are more complex. Cheong admits it is easier to recognize staff working at the ground level of the resorts and hotels because “front end staff get immediate feedback and their work is more identifiable”.

Recognition of an employee’s good work doesn’t have to be planned; it can and should be spontaneous. This comes easier for the managers who are working with the staff who interact directly with the guests, but it’s not always so easy for those who are in the corporate part of the company. Cheong feels that a manager should learn to give recognition any time that someone has earned it, even if it’s just a simple lunch or a pat on the back.

Employee bonuses are often rolled out at the end of the fiscal year in March and the amount fluctuates because it is linked directly to overall performance of the full group of companies.

Banyan Tree also has a mid-year performance review at which time they might re-tweak some of the goals that were initially set because possibly some things have changed. A second result of this is that sometimes it’s a reality-check for some employees because they realize that this just isn’t the place for them and thus, they need to leave.

The corporate office also has a program called **Associate Recognition Events**, or ARE, which is usually carried out during Chinese New Year. These events consist of more than just giving out long service awards – they also recognize people who are at other Banyan Tree properties, like those in Bintan, who get to come to Singapore, this gives them a sense of belonging. The ARE is also carried out at the hotels and resorts where the company recognizes long-service staff, along with awards like Best Chef and Best Bellboy.

They are most certainly given a cash reward, but there's a sense of pride and satisfaction when an employee is standing on stage with the chief executive or executive chairman and personally receives his/her award. **Regardless of whether the employee is working in the hotel or in the corporate office, it's very important that staff feel recognized.** Recognition efforts like the ARE complements monetary incentives.

- *SERVICE CHARGES (TIPS)*

From a hospitality side of the business, many of that staff are not highly paid, so they do appreciate the monetary rewards. Additionally, in the Asian culture, giving employees public “face time” is extremely important, which is where the ARE comes in. Monetary rewards might soon be forgotten but things that touch the heart will always be remembered. When discussing employee engagement, that's the best way to engage staff. Mr. Cheong says that staff shouldn't be underpaid but pay doesn't have to be top-end. He adds it is also important such recognition efforts are genuinely from the heart.

Banyan Tree may have also found the balance between providing both monetary incentives and recognition for the front-end staff, in the form of

making sure all service charge goes back to the workers. That is one thing that the Banyan Tree is very proud of: Making sure that the service charge always goes to the staff and that the company takes none of it.

- *EMPLOYEE ENGAGEMENT BAHAMAR*

This approach is different from how the Baha Mar handles service charges. The automatically added-on 15% gratuity does not go directly to the service providers. They are pooled together and distributed amongst the staff that is working at that time, whether or not each person worked the same amount. The only way a staff member gets any extra money is if it is given directly to them by guest. This approach has pros and cons to it. Possibly it might motivate the employee to give exceptional service in order to get that extra tip; or, it might discourage them from putting in the extra effort because they see it as pointless expenditure of effort.

If the Baha Mar really wants to succeed as a first-class resort, it must institute some sort of program that truly engages and motivates their staff. With the large number of personnel that they have (who are all almost all local Bahamians), it will require a lot of creativity and effort.

- *REWARD AND RECOGNITION*

Due to the newness of the Baha Mar, they should probably (immediately) start with something as simple as:

- Employee of the Week (it probably needs to be weekly so that as many employees as possible are recognized in order to boost morale).

- This would need to be in every department so that each person feels there is an actual chance to win.
- The reward could be something as simple as a special parking place for “Employee of the Week” or a cash bonus or a gift certificate to one of the hotel restaurants.
- Customer Comment Surveys
 - Leave survey cards in the rooms. Rewards are based on the rating that the guest gives the staff. This would require for example, in the Housekeeping division, the same maids clean the same rooms each day. That’s the only way to track the actual performance of an individual.

The nature of many services requires people to work in teams, often across functions, in order to offer seamless customer service. Considering the huge area Baha Mar, this is the perfect case. Teams, training and empowerment fit perfectly together because this facilitate communication and sharing of knowledge and alignment.

Once a firm has hired the right people their performances highly depend on motivation and energizing. Service staffs need to get the message that providing quality is the key for them to be rewarded.

A higher salary is not a motivating factor. Because paying more has only a short-term motivating effects and wears odd quickly. Instead bonuses contingent on performance have to be earned every time and they tend to be more lasting in their effectiveness.

Other rewards are: the job-content, recognition, feedback and goal accomplished.

It takes a stronger training platform to make significant changes in the service. The service leaders use multiple tools to build their service culture, ranging from internal marketing and training, to core principles, and company events and celebrations.

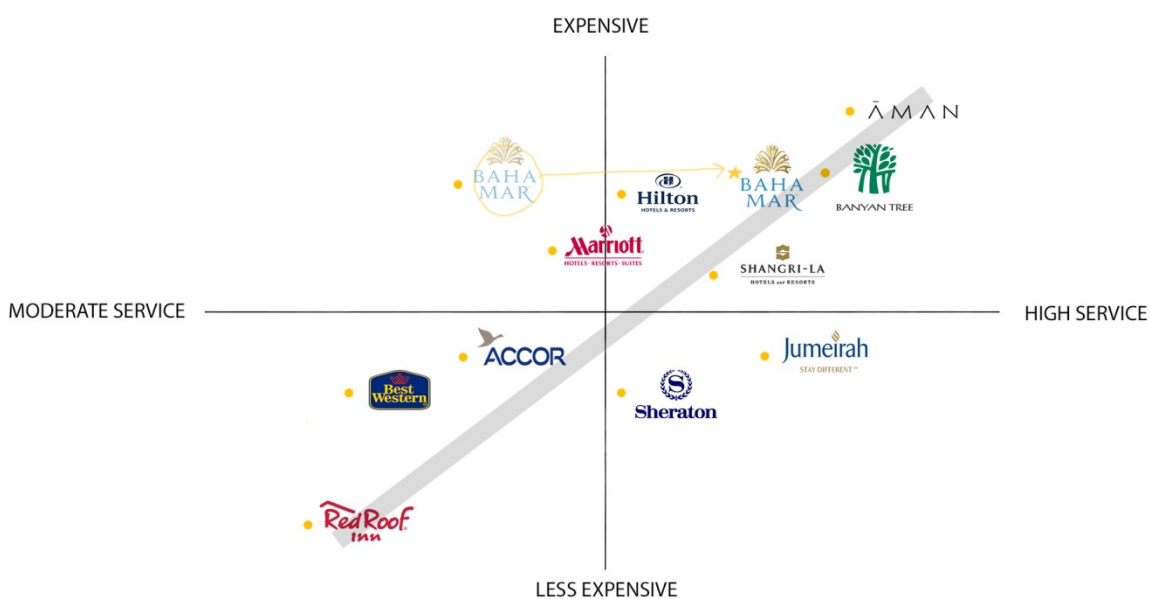
Internal communication is essential to employees in maintaining and nurturing a corporate culture. This is known as internal marketing. Effective internal communications are an excellent complimentary tool to training that can help ensure efficient and satisfactory service delivery, achieve productive and harmonious working relationships, and most of all build employee trust, respect and loyalty.

Over time and once a certain amount of “Operational Fluidity” has been attained, the owners and managers of the Baha Mar *must* implement a much larger Employee Recognition program for all who deserve it. Having employees who are committed to the business is an invaluable asset.

Conclusion

Employees play a crucial role in determining market success and financial performances. They are probably the most high-performing corporate resource. A successful service organization, such as Banyan Tree, recognize the value of investing in HR and understand the difference made by an engaged employee. In the long run it pays off to offer better wages and benefits than paying less to employees who have no loyalty.

Banyan Tree and Baha Mar are positioned on the same price level although their service is different. The different culture and background of the two companies don't allow them to build the same service culture but the latter should follow the Banyan Tree's employee management as a guide line to improve and refine its service. According to the new positioning map, the Baha Mar should gradually shift to a higher service performance to gain a more favorable competitive position and thus better satisfy their customers. It takes time and human leaders at all levels to take a service firm in the right direction.



Banyan Tree has a clear market position and customers seek them out based on their sustained reputation for service excellence and an ability to delight customers. This is what Baha Mar needs to achieve. When comparing the customer reviews from 2017 to 2018, it appears that there has been a small improvement in the performance of the staff at the Baha Mar. However, the question remains: is there *enough* of an improvement to make the Baha Mar truly competitive in the Destination Resort market? Only time will tell if these micro changes are occurring quickly enough to help.

Would the Baha Mar benefit from following the Employee Management/Training/Engagement system of the Banyan Tree chain? Absolutely. But in the real world, is this genuinely possible to accomplish at the Baha Mar with its 4500-5000 employees? Probably not. Employee Engagement is absolutely essential in a service-oriented business. The owners and top-tier management need to realize this and make some strategic decisions quickly if they want long-term success. If the decision was made to start by sending only the managers and assistant managers to other successful Hyatt resorts for intensive training, it would be a major step forward. Then those who have received the training would hopefully return to the Baha Mar in a much more “engaged” mindset and pass their newly-found knowledge onto their subordinates. Implementing Employee Recognition programs (as suggested earlier) is a very simple way to boost pride and confidence in the staff, thus garnering more engagement.

The Baha Mar has the potential for success at its finger tips. It just needs to reach out and grab it!

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