

**Let It Be or Let It Be Better:
Employment Empowerment Effects on Hotel Guests Satisfaction**

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Abstract

A couple traveled with two young children to Malaysia for a family vacation. The front desk agent voluntarily upgrades the family from a standard room to a family suite. The customer-orientated training of the front desk demonstrated by the employee's consideration impressed the family. Since the upgrade does not require the family to pay more, the front desk employee's action is an indication of effective training and empowerment to satisfy guests. Of course, room upgrades are not the only ways to impress guests. What other options can hotel employees offer?

*Brands and names are disguised to protect individuals and corporate brands.

Key words: employee empowerment; services management; guest satisfaction; revenue management; perishability

The Story

Two years ago, my husband and I planned a family vacation for the Chinese Spring Holiday during the Chinese Lunar New Year. When the day arrived, my husband and I, along with our two-year-old daughter and nine-year-old nephew could not wait to start our South Asian trip to Sabah, Malaysia. As this was our first trip to Malaysia, we relied heavily on the advice of our travel agent who recommended the Pacific Holiday Hotel* in Sabah.

As with most young families, cost was a key consideration, and every opportunity to economize was considered and affected our planning. Sleeping arrangements were one such opportunity. Since my daughter was still a baby in my eyes (less than two years old), and my nephew was only nine, we booked a hotel

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room with a king-sized bed thinking that would be big enough for the four of us to squeeze into. If the hotel rules did not allow this, or if the first night did not provide the rest we needed, we felt we could always request an extra fold-out bed for my nephew.

We arrived at the hotel very late (close to midnight). After our long flight from China, we were all exhausted – and it probably showed.

As the hotel front desk receptionist checked my reservation, he asked, "Ma'am, is the boy with you?" "Yes," I said. "As well as my two-year-old daughter. Is the bed big enough for the four of us? Or, will I have to add an extra bed?" The receptionist smiled and said, "Just a moment. I'll check."

After a short wait, the front desk agent was checking on the system and said "Ma'am, since you are a family of four, the king bed in your room might be a bit crowded. How about a free upgrade to a family suite?"

I could not believe my ears, and instinctively asked "Do you mean I do not have to pay for the upgrade? It won't cost extra?"

He smiled as he said "Yes. A free upgrade. The suite is larger, and there is a fold-out bed in the living room area that will probably be more comfortable. After a brief pause, the receptionist added "The only thing I need to let you know is the family suite is not reserved at the moment. However, if that changes tomorrow, we will let you know and give you other options."

I immediately agreed by saying "That's really nice of you. Thank you so much!" After settling in, we fell asleep within minutes and, as it turned out, we were able to stay in the family suite the second night as well.

Our vacation was great all the way through to the end, but the remarkably good start right from the outset made a great impact on our little family. Our holiday started out on a good note, from the minute we walked into the hotel. The front desk agent gave us a sense of being a valued "guest", as opposed to just another visitor. He made us feel that he cared and it made all the difference in the world. In fact, the thing we remember and share the most with our friends and family is the hotel upgrade. The unexpected treatment made us feel very lucky and was the cornerstone of a great vacation in Sabah!

Role Play

Roles:

- Hotel guest: me
- Hotel guest alter ego: My inner voice expressing my true feelings
- The hotel front desk receptionist: Interacts with the hotel guest
- Front desk agent alter ego: Talks to himself about what he is feeling and thinking

Script:

At the hotel front desk, the receptionist checks the guest's reservation.

The Receptionist: *Welcome! How may I help you?*

Hotel Guest (me): *We would like to check in.*

Guest Alter Ego: *We are so tired. I hope this check-in is quick.*

Receptionist: *Absolutely! May I have the name on the reservation, please?*

Receptionist checks the reservation.

Receptionist's alter ego: *They booked a regular guest room. The king bed is going to be too crowded with a baby and a young boy. Let me verify that the four of them are really together.*

Receptionist asks: *Madam, is the boy with you?*

Guest: *Yes. As well as my two-year-old daughter. Is the bed big enough for the four of us? Or, will I have to add an extra bed?*

Receptionist smiles and says: *Just a moment. I'll check.*

Receptionist's Alter Ego: *The regular guest room may be too crowded for all of you together. Let me double check to see if I can upgrade you to our family suite, to make you all more comfortable.*

Receptionist checks the bookings and finds an open family suite.

Receptionist: *Madam, since you are a family of four, the king bed in your room might be a bit crowded. How about a free upgrade to a family suite?*

Hotel Guest's Alter Ego: *I think he just offered a free upgrade. Or maybe I'm tired, and he's trying to play me for a fool and will upgrade for an extra charge. Let me ask point-blank what he's offering.*

Hotel Guest: *Do you mean I do not have to pay for the upgrade? It won't cost extra?*

Receptionist's Alter Ego: *I like helping others...and it makes me smile when they don't believe they are getting an upgrade.*

Receptionist: *Yes. A free upgrade. The suite is larger, and there is a fold-out bed in the living room area that will probably be more comfortable. It is really quite good.*

Receptionist's Alter Ego: *Better let them know that the family suite could be booked tomorrow, and they might be asked to leave. Don't want them to settle in without knowing other guests might have booked the room.*

Receptionist: *The only thing I need to let you know is the family suite is not reserved at the moment. However, if that changes tomorrow, we will let you know and give you other options.*

Hotel Guest: *That's really nice of you. Thank you so much!*

Hotel Guest Alter Ego: *Wow! We're so lucky! I'm so glad we took the travel agent's advice and booked our stay at this hotel.*

Possible Solution Options

- A. Explore availability for the two nights and upgrade the guest room to a family suite for free.
- B. Let the family of four crowd into the room they booked and do nothing.

- C. Offer an extra bed for an additional fee.
- D. Recommend an upgrade to a family suite for an additional fee.
- E. Give the guests a free upgrade for the first night, but let them know they will be charged for the second night if they choose to stay in the larger suite.

Assessments

Surface Assessment

Options A and E seem to be the best choices. However, upgrading rooms for free can surprise customers and can translate into long-term loyalty (i.e., the long-term benefit outweighs short term satisfaction). As the number of hotels keeps growing, the difference between accommodations and service becomes less pronounced. Furthermore, online travel agencies provide more choices for travelers. Hotels who focus on customer experience may ultimately develop customer loyalty, resulting in long-term returns on both parties' investment. From the point of view of the hotel, option E is better from a revenue perspective. Not only would the unused room cultivate customer satisfaction, but it may have provided an additional night of revenue.

Deep Assessment

In this particular case, there are two overall foci:

1. **Empowerment:** Defining front-line employee empowerment (i.e., specifying boundaries and levels of authority).
2. **Clarifying the understanding and implementation of empowerment:** Training employees to understand how to evaluate and react to many factors, such as the hotel's corporate culture, cultivating customer loyalty, and recognizing opportunities to leverage unused assets.

Rafiq and Ahmed (1998) identified a framework for empowerment in service. Based on their model, five star or full-service hotels place significant importance on employee empowerment strategies to meet guests' needs in a timely manner. This employee acted to the full extent of their authority and responsibility, consistent with the view that in services, the degree and type of interaction between customer and contact employees could have a major impact on the degree of complexity of the task that a contact employee has to perform in order to satisfy customer needs. (Rafiq and Ahmed, 1998). That is, in this case, the Pacific Hotel front desk employees given the empowerment of "free room upgrades" are the key to customer satisfaction.

However, from an employee perspective, it can be complicated as to accurately determine customer needs, and decide under what circumstances to use their authority. In this case, the hotel receptionist probably drew upon experience and recognized the likelihood of booking an unused family suite was low given the late-night hours and could be more beneficial when offered as a free upgrade. Arguably, both scholars and senior hotel managers are very familiar with revenue management

theory and techniques and recognize that losses associated with unused rooms can be offset, to an extent, through long-term customer loyalty incentives. In order to realize these offsets, employees must be trained to exercise empowerment opportunities to achieve longer term objectives, rather than short-term revenue gains.

A cursory review of Chinese and western scholarly publications, along with personal experiences, indicates there may be cultural and generational divides which should be further examined in order to normalize emerging global tourism expectations. Perhaps my next trip will test a western response to a late-night arrival – and provide a follow-up article comparing/contrasting my experience.

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Appendix: Solution Points for Multiple Choice Selections

- A. Explore availability for the two nights and upgrade the guest room to a family suite for free. 4 points: Provide the guest with a memorable accommodation experience which could result in favorable reviews and word of mouth advertising.
- B. Let the family of four crowd into the room they booked and do nothing. 0 points: This option neither generates additional hotel revenue nor increases late night guest satisfaction.
- C. Offer an extra bed for an additional fee. 1 point: Generates a slight revenue increase and provides the guest with an opportunity for improved comfort for a fee.
- D. Recommend an upgrade to a family suite for an additional fee. 2 points: This option may increase hotel revenue, but since the guest has a limited budget, the guest may feel the hotel is trying to exploit the situation.
- E. Give guests a free upgrade for the first night, but let them know they will be charged for the second night if they choose to stay in the suite. 3 points: As stated previously, some guests may decide to incur the additional cost, while others may choose to move to minimize costs. The result will likely be

resentment resulting in an overall "so-so" satisfaction rating (i.e., the initial goodwill resulting from the free upgrade may be lost.

The points that you received for the answer you circled: _____.

Editorial Commentary

The Pacific Holiday Hotel front desk agent took a proactive stance by observing, analyzing, and proposing a customer oriented solution for the Chinese couple with two young children. The employee exercised empowerment by making a guest room upgrade decision which resulted in guest satisfaction and improved customer relations. The employee's actions reflect intelligent resource management and guest relations.

For Option A, the hotel receptionist provided a room to the customer that would have likely been empty for the night, and perhaps the next as well. The result was customer satisfaction that cost nothing and likely resulted in positive word of mouth advertising. By understanding the nature of perishability, the employee translated an unused resource (the family suite) into increased customer loyalty and positive word of mouth advertising. Had the employee not acted in this manner, the guests would have had to endure discomfort, which very likely would have diminished their overall experience and possibly even resulted in negative reviews for the hotel.

On the contrary, Option B would simply fulfill the room reservation and allow the family of four to experience cramming into the king-sized bed. This decision could have been the result of the employee not being comfortable with decision making (i.e., un-empowered), or this could reflect an autocratic leadership style which does not allow employees to make decisions without management permission. Exercising option B does not create an additional hotel revenue nor does it enhance guest satisfaction.

Option C, as well as Option D, are ways to enhance revenue by upselling accommodations (i.e., larger rooms or family suites) or by charging an additional fee for a rollaway bed. Although these two options meet the objective of revenue maximization, care must be taken not to offend the guest. Proper execution relies on effective training to ensure guests do not feel they are simply sources of revenue.

Option E is riskier because guests may react differently to this approach. Some guests may accept the first free night and opt to pay for the second night rather than incur the inconvenience of moving. Others may not be willing to pay for the second night and may choose to move back to the previously reserved room – while also feeling a bit of resentment. This resentment could result in an overall satisfaction rating of "mediocre" (i.e., the customer relations advantage gained by the free first night may be lost). Here again, if properly trained, the front desk agent can offer this option in such a way as to leave the guest with a sense of having experienced an unexpected bargain. In addition to customer satisfaction, this option also results in increased hotel revenue.

Discussion questions intended to enhance understanding:

- As the guest with a two-night reservation, would you rather pay for the second-night upgrade, or return to the original booking if the hotel booked the suite the next day?
- What are the barriers to employee empowerment?
- Why should front desk agents periodically check room inventory/reservation status?
- How does perishability affect hotel revenue management?
- How does room availability in the lodging industry compare to available seats in the airline industry?