

## **HOTEL SUMMIT, BESENOVA, SLOVAKIA**

### **Human Resource Practices Reaches its Peak**

#### **Introduction**

Hotel Summit is a small three-star hotel in Besenova village which is situated in the Liptov region in northern Slovakia. Well-known thermal pools (in Thermal Park, Besenova) near the hotel represent a popular attraction for wellness tourism and are complemented by ski resources in the surrounding mountains. Summer season guests benefit from water sports, cycling and hiking opportunities in the area. Alongside typical hotel facilities, Hotel Summit also has a small wellness centre and a sports facility with tennis and basketball courts. It is also well equipped for small conferences and meetings.

Hotel Summit opened its doors in May 2002. The owner, a Slovak development company, build the hotel for a Polish customer, but before the hotel construction was completed the Polish customer cancelled the contract. The development company decided to complete the construction and operate the hotel themselves, rather than finding a new owner for the hotel. The hotel has 23 bedrooms including 2 apartments and 3 studios. The average occupancy rate is 52% with July and August proving to be the busiest months followed by the winter season months of January to March.

The hotel has 15 full-time employees, 4 part-time employees and usually hires 2-3 part-time employees for the summer season. It also works in partnership with wellness specialists and event organisers who work for the hotel on a short-term contractual basis, depending on visitor demand. Typically, the hotel masseuse is contracted upon receipt of visitors requests and event organisers are provided by a specialist local firm. The hotel manager prefers to develop local partnerships than to engage the services of an agency.

In 2007, the hotel accommodated 8,900 guests and about a hundred meetings were held in the hotel. The hotel achieved 2nd position in the three-star hotels category in the national "Hotel of the Year" competition, organised by The Slovak Association of Hotels and Restaurants. The success achieved by the hotel has led to the owners deciding to build an extension which will double the accommodation capacity of the hotel. The new extension is scheduled to open in late 2009.

#### **Visions and Goals**

Hotel Summit focuses on family tourism during the winter and summer seasons and on conference tourism during the off-peak seasons. The hotel owners created the hotel's vision in close co-operation with the hotel manager. The overall strategy is to boost hotel capacity, focus on service quality and hotel performance and retain staff within the business. The hotel manager plays an important role in the development of the hotel and the owners place a lot of trust in her recommendations. The hotel manager controls and implements the marketing strategy. She establishes seasonal targets and

offers special deals for repeat business and those visiting in the low season. It is planned to establish a full-time marketing department after the hotel extension is completed in 2009.

### **Hotel Summit HR Strategy**

The HR strategy of Hotel Summit is to support the professional and personal development of every employee and to target high retention of hotel staff. To support overall hotel performance and maintain both high service quality and good financial and marketing performance, the hotel pays above average salaries to hotel employees. This approach has led to high levels of job satisfaction amongst hotel employees.

Hotel staff are recruited through various channels: co-operation with specialised hotel and catering schools; through personal contacts of hotel employees; advertisements in newspapers and magazines and through the use of specialist recruitment agencies. The hotel does not have any preferred specific method of recruiting employees.

A detailed process is envisaged for new employees joining the hotel. Their first work contract is a one year contract with an initial 3 months trial period. The initial trial period includes a period of supervised work by a senior colleague. The length of this supervision period can vary from several days to 2 weeks, depending on the experience and skills of new employees.

Hotel Summit is a small hotel and the management does not use any specific written employee training and development plans for employees. The hotel manager deals with operational issues and identifies opportunities for process improvement. Employee training is planned according to the strategic priorities of improving service quality and hotel performance. The hotel manager is responsible for the planning of this training and also plays an informal role as trainer-coach. Management rely mostly on internal trainers to deliver this training. External consultants are used only when there is a need to adopt new skills or knowledge.

On-the-job training for employees is organised periodically except during the high season. In peak periods, training sessions are organised by hotel management when necessary. Employee training is organised as part of operational management meetings and normally begins with a discussion about service quality improvement and problem solving. Employee training sessions are delivered either through discussions, instructions or simulations in the meeting room or at the workplace. Coaching is the most effective on-the job training method used at Hotel Summit. Coaching sessions are usually delivered by the hotel manager using role-play scenarios. Other forms of coaching include informal discussions with employees on operational issues and setting a good example for other employees.

For the purpose of employee development, employees are organised into three groups: (i) senior team, (ii) core team and (iii) non-core team of the hotel.

The senior team consists of experienced employees who have been working in the hotel for more than one year. These employees are mainly assisted by coaching with less emphasis on external training. The core team consists of employees who are necessary for hotel operation including chefs, waiters and receptionists. This group undertakes training provided by external training organisations. The most frequent themes of external training include communication with customers and sommelier/wine training.

The non-core team includes auxiliary personnel working in positions such as auxiliaries in the kitchen, chambermaids and maintenance staff. The non-core team is mostly trained by the core team members and the hotel manager.

Those who attend an external training course are expected to train other colleagues upon their return to the workplace. This allows management to maximise the effectiveness of external training. The hotel does not have a specific budget for training, but allocates resources as necessary, prioritising internal training. In the view of the hotel manager, a lot of external courses cover theoretical concepts with the link to practice missing. Consequently, the hotel is very careful in selecting suitable external training courses.

### **Employee Retention**

Employee retention is built upon an individual approach to employees; a focus on personal and professional development of employees and payment of above standard salaries. High performance is a core condition for employee retention. Most of the staff has both core and complementary responsibilities. The senior front-of-house manager deputises for the hotel manager when the hotel manager is out of duty. Receptionists clean the wellness and massage room during the evening hours when there is no chambermaid on duty. The chef and waiting staff help the technician to arrange conference rooms if necessary.

The calculation of employee salaries is three-fold: (i) basic fixed salary, (ii) percentage of the hotel's turnover, and (iii) personal performance. The calculation of an employee's personal performance is largely based on the views of the hotel manager. The salary portion dependent upon hotel turnover comprises 20-50 % of the overall salary of an employee depending on the employee's position and hotel turnover.

In order to retain qualified employees, the hotel invests in employees' personal and career development. The hotel supports the further training of employees by means of a financial contribution of up to 60 per cent of the cost of a course. The employer is also willing to adapt working hours for particular employees when it is necessary for his or her private life. Hotel employees and their families are allowed to use the wellness centre services free of charge when they are not being used by hotel guests (tennis courts, sauna).

The hotel management maintains good relationships with their former employees. Some former employees have part-time contracts with the hotel or engage in temporary work with the hotel in cases of unexpected staff shortage. Some employees remain with the hotel for a period of 4-5 years, while others stay for shorter periods because of their desire to move to another workplace or job. Hotel Summit employee retention rates are high and the management has not experienced any significant problems with recruitment and retention.

### **Action Points For The Future**

Hotel Summit is a small new hotel in a rural area. Attracting conference business is consequently more difficult than for hotels located in urban locations. When the hotel engages staff from outside the local area, accommodation is provided for staff when on duty. As the number of hotels and restaurants in Besenova and the surrounding area is

increasing, this creates pressure on the hotel to remain an attractive employer. The hotel does not have formal and written procedures due to its small size.

The planned extension of the hotel will create a need to employ new staff, generate greater levels of staff training, and may lead to changes in the hotel management structure. It is likely that core employees will become heads of department once the new extension to the hotel is opened. Training for these new heads of department will take place during the planned 3 months closure of the hotel, while construction takes place. It is expected that the number of employees will almost double after the new construction is finished.

The hotel management, together with hotel staff, have already created written procedures for hotel departments and it is expected that written procedures will be developed for more processes in the hotel. This will create a quality management base for the hotel even though the management does not have any specific plans for establishing a formal quality management system.

### **Conclusion**

This case study reviews the successful case of a small hotel development with limited resources in a countryside location. Most of the processes in the hotel have, to date, been managed intuitively, but plans are afoot to introduce formalized guidelines. The salary calculation scheme used in this case study complements other HR activities and contributes to improvement of hotel performance. It also performs an important role in employee motivation.

The attitude and personality of the hotel manager; a friendly working environment and the positive attitude of the hotel owners have been important factors in the successful development of the hotel. The hotel manager completed a university degree in hospitality management through a distance university programme in 2008. This has probably contributed to the success of the hotel and has improved her training and coaching skills. The higher qualifications of the hotel manager have also helped to better identify opportunities for process improvement in the hotel.