How does Fairmont Le Montreux Palace retain Its Generation Y employees?

Charoenchai Agmapisarn*

Abstract

Growing up with the IT innovations of the economic boom era, Generation Y employees, born between 1980 and 1997, are now increasingly entrants into the hospitality workforce, particularly the hotel business. Because of its highly global and competitive environment, many hotel employees, particularly the younger generation, are required to deliver a high level of customer satisfaction through the standardized services of hotel operations, often resulting in a high turnover rate. Thus retaining young employees, which is Generation Y, is one of the challenging tasks for hotel managers.

This case study is based primarily on themes gained during a personal interview with Mr. Michael Smithuis, general manager of Fairmont Le Montreux Palace-a luxury five star hotel in Montreux, Switzerland. He explained his approach to the management and retention of his young ‘Generation Y’ employees despite the problems of burn-out and the low challenge of hotel jobs.

The findings suggest that “listening” and “respect” are the two significant concepts central to Mr. Smithuis’ management of his hotel’s Generation Y employees.

Keywords: Generation Y, Listening, Respect, Hotel, Employee Retention

* Lecturer at The Graduate School of Tourism Management (GSTM), National Institute of Development Administration (NIDA),
118 Serithai Road, Klongchan, Bangkapi, Bangkok, 10240, THAILAND.
E-mail: roenbkk@gmail.com
How does Fairmont Le Montreux Palace retain its Generation Y employees?

How does Fairmont Le Montreux Palace retain its Generation Y employees?

บริษัทหลักการ

กลุ่มคนทำงานที่ได้บันทึกเวลา.tex หน่วยงานใหญ่และศูนย์บริการรูปเรื่อง หรือ
เรียกกว่า เจนเนรัชช์ Y คือ กลุ่มคนที่เกิดระหว่างปี 1980 และปี 1997 โดยปัจจุบันเป็นกลุ่ม
แรงงานผู้เข้าใหม่ในระบบตลาดแรงงานของสหพันธ์ยูนิวผู้ที่เคยทำงานที่
ยุติการที่พิเศษมากขึ้น โดยเฉพาะอย่างยิ่งบริการโรงแรม ในสภาพแวดล้อมที่โลก ที่มีการแข่งขันกันสูง
ที่ผ่านเนทส์จำเป็นมากโดยเฉพาะอย่างยิ่งบริการพักผ่อนรูปใหม่ จะต้องให้บริการอยู่ต่ำ
โดยให้ได้รับระดับความพึงพอใจที่สูง และให้ได้มากกว่าตามอัตราการข้อก
ในตลาดแรงบัลลังการค่อนข้างสูง ดังนั้น การรักษาพักผ่อนรูปใหม่ หรือเรียกว่า เจนเนรัชช์ Y
เลือกเป็นเทรนด์ที่สำคัญอย่างหนึ่งของผู้จัดการทั่วไปของโรงแรม

กรณีศึกษา ที่ 1 ใหญ่จากกลุ่มผู้คนโดยได้รับความคิดเห็นส่วนตัวจาก
นายโยเซฟ สมิทวิช ผู้จัดการทั่วไปของโรงแรม Fairmont
Le Montreux Palace โดยสำรวจระดับที่ต่ำว่า ในประเทศสวิตเซอร์แลนด์
เขาเปรียบเทียบวิธีการบริการงานจัดการพักผ่อนของเขานักท่องเที่ยวของโรงแรม
ที่ผ่านเนทส์จะมีข้อข้อย่างกว่างานที่เหนื่อยและมีความถี่มากกว่าค่อนข้างน้อย

พบว่า “การรับฟัง” และ “การให้ความเคารพ” ได้อย่างแพร่หลายที่สำคัญ ในการบริการ
งานนี้นายโยเซฟ สมิทวิช ใช้ในการบริการพักผ่อนรูปใหม่ในโรงแรมของเขา

คำสำคัญ: คุณรูปใหม่ เจน Y (Generation Y) การรับฟัง การให้ความเคารพ โรงแรม
การบริการพักผ่อน

* อาจารย์ประจำ คณะการจัดการการท่องเที่ยว สถาบันบัณฑิตพัฒนาทรัพยากรศาสตร์
118 ถนนแกลลิเลโอ แขวงคลองจั่น เขตบางกอกน้อย กรุงเทพมหานคร 10240
E-mail: roenbkk@gmail.com
Introduction

“Le luxe dans l’ombre de la splendeur” is French for “Luxury in the shadow of splendor”. This phrase is used to describe the Fairmont Le Montreux Palace, an elegant Belle Époque style hotel with 236 rooms, located between the north shores of Lake Geneva and the Swiss Alps in Montreux, Switzerland. With his long hotel experience and managerial vision, Mr. Michael Smithuis, a general manager veteran, wittily explains how his hotel not only remains one of the top hospitality workplaces for younger employees, especially those of Generation Y - born between 1979 and 1997, but it is also able to retain this group in its workforce.

The key word behind Mr. Smithuis’ explanation for this characteristic is “respect”. He repeats this word often during an interview in his office, and he uses it to guide his management of the Generation Y employees. Amongst all employees working in Fairmont Le Montreux Palace, 26% are Generation Y, who are mostly working in the front office division and the food and beverage department, especially in the bar and restaurant.

Many studies (Carlson, 2009; Meister & Wilyerd, 2010; O’Neill, 2010; Schawbel, 2013) argue that Generation Y will cover over half of the workplace by 2020 and the number of Baby Boomers that were born between 1946 and 1964 will gradually decrease to 23% of the workforce. Furthermore, Generation Y is gradually becoming a larger demographic group compared with the Baby Boomers (see Table 1) because they are the offspring of the prior generation. They are also more likely to be close to their parents and families, to seek personal connections with others, particularly their peers, to value group work and learning, and to desire new experiences. Interestingly, the older Generation Y is more associated with pragmatic, civic-minded consensus-building than protesting. Stein (2013) also added that although each country’s Generation Ys are different, they are globally more similar to one another than to older generations within their countries due to globalization, social media, the exporting of Western culture, and the speed of change.
How does Fairmont Le Montreux Palace retain its Generation Y employees?

Table 1: General Characteristics of Different Generations

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loyalty, obligation to personal and community needs, sacrifice</td>
<td>Social causes, idealism, distrust of authority, hard work and long hours</td>
<td>Pragmatism, impatience with idealism</td>
<td>Self-reliance, skepticism, work/life balance</td>
<td>Immediacy, confidence, tolerance, social connection</td>
</tr>
<tr>
<td>Experienced traditional nuclear family as children</td>
<td>Highly independent of their family as kids, “helicopter parents” as adults</td>
<td>“Sandwich generation;” taking care of kids and aging parents</td>
<td>“Latchkey kids” witnessed mass layoffs and divorce of parents</td>
<td>Very close to parents, “boomerang” back to parents house if needed</td>
</tr>
<tr>
<td>Fax machine</td>
<td>Personal computer</td>
<td>Laptop computer</td>
<td>Mobile phone</td>
<td>Google and Facebook</td>
</tr>
<tr>
<td>Save for things and pay in cash</td>
<td>First to embrace the concept of buying on credit</td>
<td>Fearless borrowers, McMansion buyers, power shopping</td>
<td>Cautious, conservative, savers</td>
<td>Financially dependent on parents longer than any other generation</td>
</tr>
<tr>
<td>No complaining, group approach, get the job done</td>
<td>Formal meetings, team work, dedication to employer</td>
<td>Show me the money</td>
<td>Seamless blend of work and personal life, job should contribute to greater good</td>
<td></td>
</tr>
</tbody>
</table>
Generation Y

Generation Y, also called the Millennial, Netter, Nexter, and Generation Nexter (Robbins & Judge, 2013), who grew up with IT inventions during a booming economic time, are mostly new entrants to the workforce. They have high expectations and seek meaning in their work. They essentially regard their jobs as a means to building a career resume and lack a long-term attachment or commitment to their organization; however, they are flexible, fun and team oriented (Choi, Kwon, & Kim, 2011).

Compared with other generations, they are more flexible regarding new input and possibilities. Their life goals are also more likely to be rich and famous than people of Generation X, but despite this, they see themselves as socially responsible. These distinct characteristics make many employers search for various ways to motivate them. Therefore many young employees, particularly those in the hotel business, have faced more workplace stress and burn-out than before due to ever-growing levels of customer service and expectations. Global competition in the hotel business is also very high, with more demanding customers because of their improved market knowledge, and their limited budgets. To meet a customer’s high expectations of the hotel business, young employees are strictly required to meet a high level of customer satisfaction through the performance of standardized services during hotel operations.

Meanwhile, because the character of hotel jobs is generally routine, which creates little challenge, the result is a high staff turnover (Sun, 2011). Therefore, because of the competitive international hotel market, Mr. Smithuis, has realized that retaining employees is one of his challenges as a manager. This is especially true for employees that belong to Generation Y as they become a more significant percentage of the workforce. Because of this Mr. Smithuis is starting to adapt not only to Generation Ys’ habits but also their increasingly global and sophisticated expectations, as he said “Normally, we arrange a sit-down with our interns who are under 30 years old as Generation Ys to really get to know them. We will ask them the engaging questions on why they chose the education path they did, what they hoped to achieve in their career and most importantly, what they hope to gain from
their experience at the hotel. Whether they are here for a three-month internship or a full-time position, this will help making their experience worth it.”

So he offers his young interns in his hotel a tailor-made programme during their internships. They can choose which department they want to work in in accordance with what they need and their career paths. During their internships, they can begin working as receptionists and then rotate to be house-keepers or waiters, and then end up as the a cook in the kitchen or reservation officers, depending on what they desire if they want to be working in the hotel industry.

Fairmont Le Montreux Palace – A Case Study

Fairmont Le Montreux Palace, a five star luxury hotel, is located in Montreux, a municipality in the district of Riviera-Pays-d’Enhaut in the canton of Vaud in Switzerland. Montreux is located on Lake Geneva and hosts many world famous festivals. One of them is the Montreux Jazz Festival, held annually in July and is the second largest annual jazz festival in the world. Fairmont Le Montreux Palace was opened on March 19, 1906 as Le Montreux Palace by two Swiss nationals, Montruex Alexander Emery and Ami Chessex. Initially, Le Montreux Palace was built by Swiss architect Eugene Jost and then it was combined with the original Hotel du Cygne through the integration of the latter’s Salon de Musique, Grand Hall, and elegantly-decorated ballrooms. During that time, the new Palace was recognized as a modern hotel offering heating, electricity, and private bathrooms with hot and cold running water. In 2007, the hotel was rebranded under the name Fairmont Le Montreux Palace, owned by the Fairmont Hotels & Resorts Group, a Canadian based luxury hotel and resort operator that owns many iconic hotels, such as The Plaza in New York, the Savoy in London and the Peace Hotel in Shanghai. In 2008, the hotel was renovated on a multi-million dollar budget to refurbish the public areas, three conference rooms, the Brasserie, and more than 100 guestrooms and suites. The elegant hotel now consists of 185 guestrooms and 51 suites and is also a member of the Leading Hotels of the World and Suisse Deluxe Hotels.
An Engaging Workplace for Generation Y

Based on a survey by O’Neill (2010) of 15,500 employees in 40 countries regarding the four generations of workers, Generation Y ranks in the highest importance category, highlighting the importance of having an “engaging workplace”, while placing “quality of meeting room” at the lowest level. An “engaging workplace” is defined as how well the work location provides the feeling of belonging, the ability to connect with others, an appropriate image of the organization, and a welcoming environment. Unlike other hotels in Switzerland, Fairmont Le Montreux Palace therefore provides a full-time staff with accommodation and many facilities such as an Internet service.

According to Mr. Smithuis, another management principle, “listen to the employee,” is the golden rule for this hotel. Thus, the hotel has an annual one-week feedback period during which staff can voice their opinions, to which the management team listens. This is consistent with the advice of Patrick (2013) that when employers want to make a change, instead of telling their staff what to do, they should start by asking the staff their opinion about the best way to get something done. This can provide many benefits and opportunities if the employees strongly believe that the inquiry from their employers is genuine. A better organization climate is also created when staff of all levels can have open discussions. A good climate fostered by hotel management will not only improve productivity and work performance standards, but will also have a big influence on staff motivation and behavior. For instance, in the hotel operations, customer satisfaction depends considerably on group-based activities and the need for various departments to work closely together. Therefore a better organization climate will encourage better team work, resulting in an increase of productivity and work performance (Mullins, 2001).

Generation Y also rates “security, comfort and casual interaction” as a significant factor after “engaging workplace,” according to O’Neill’s (2010) survey. Mr. Smithuis said that in Fairmont Le Montreux Palace, “open communication”, similar to “listening to employee,” is another golden rule for effective management. Such communication will create team effectiveness when managers encourage their
employees to join the discussion and to elaborate on their views on each topic. These golden rules are part of the main steps in the team-building cycle so that successful team building will provide many benefits to the organization. With successful team building, employees can increase their productivity, become more likely to handle complex operations, respond more quickly to new situations, become more motivated, and make better decisions (Berger & Vanger, 1986).

“Respect” is another principle that Mr. Smithuis emphasized as part of his managerial philosophy in managing his Generation Y employees. At Fairmont Le Montreux Palace everyone, including the top management team, always recognizes and values respect. Lloyd (2004) claims that if a manager believes in the value of people and treats staff fairly and with respect, the element of trust will be established and will grow. An increase of trust between the employer and the employees will have a positive impact on job satisfaction, resulting in higher levels of job motivation and job productivity. On the other hand, a lack of trust is probably one of the biggest time and resource wasters in the workplace (Mullins, 2001).

“We set our clear goals and boundaries. Generation Y needs structure in the workforce. Set goals for them, along with encouraging them to set personal goals within the company.” Mr. Smithus said. This is consistent with “the basis of expectancy theory” whereby people are influenced by the expected results of their actions since the level of performance depends upon the perceived expectations regarding the effort expended and the desired outcome. For example, a young housekeeper aims the higher status and seeks promotion to the head of housekeepers. This desire will bring the housekeeper to a high level of performance only if he or she believes that this opportunity for promotion is still available in the company, so it will create the strong expectation that higher performance will lead to promotion, and that this promotion will result in an increase in status, thus creating more job satisfaction (Mullins, 2001).
Training and Development

Mr. Smithuis also explains how Fairmont Le Montreux Palace is seriously concerned about its employee training program, especially for younger staff members. As part of the Fairmont hotels and resorts group, the hotel involves all new employees in an orientation program named “myfairmont” on the first day of their employment. It consists of an introduction to the hotel history and service culture, the Fairmont Service Promise, and Fairmont’s mission and values. The goal is to empower the employees to deliver the Fairmont Mission in order to meet their customers’ expectations and needs.

Furthermore, Fairmont Le Montreux Palace provides the Fairmont Global Learning Center, an online learning portal, to their employees in order to facilitate learning in highly intensive hotel programs and to access the worldwide resources shared in partnership with The Gallup Organization, Franklin Covey, eCornell, and Development Dimensions International (Career Growth & Development, 2013).

Hotel employees are very important to the hotel organization; however, they are still expensive resources. Employee training not only significantly impacts the success of the hotel business, but also improves the employees’ performance, their level of productivity, as well as their retention. Mullins (2001) suggested that employee training programs will help the organization improve its operational effectiveness as well as its economic and competitive performance, including the ability to handle future challenges. It also increases the level of individual and organizational competence and helps to reconcile the gap between the standard and real levels of job performance in the hotel business. Although the training programs incur a high investment cost for the organization, it is an indispensable factor for increasing competitiveness and delivering hard, bottom-line improvement in profits. Mr Smithuis concurs that investment in employees is essential to employee well-being at Fairmont Le Montreux Palace.

Generation Y Retention

When Mr. Smithuis was asked how he retained the Generation Y employees in his hotel, he replied that “listening” is the magic word. Listening is a process that
combines physical, emotional, and intellectual input in a search for meaning and understanding – qualities which are vital within an organization to achieve Total Quality Management (TQM) (Mullins, 2001). The organization which reaches this level will meet or exceed customer expectations (Hellriegel, Slocum, Jr, & Woodman, 1983). Listening is also the key to improving employee retention because it creates an environment where the employee feels valued; as well, managers are provided with insights into ways for continuous improvement in the workplace.

The Power of “Listening” and “Respect”

Peters and Waterman (quoted in Mullins, 2001) said the following:

“Treat people as adults. Treat them as partners; treat them with dignity; treat them with respect. Treat them - not capital spending and automation - as the primary source of productivity gains”.

Therefore, when the employee feels respected, there will be a response to this trust, which will result in more effort surrounding his or her productivity and the organization will be better served. In short, the fundamental managerial philosophies guiding successful hotel general managers of Generation Y employees are first to develop a definite sense of the “employee perception” regarding their workplace, as well as providing clear and empathetic understanding of the feelings, needs, and expectations of their employee.

Conclusion

The people of Generation Y, born between 1980 and 1997, are now increasingly becoming the larger part of the workforce in the hospitality industry. Growing up during a prosperous era characterized by innovative technology, mass marketing practices, political change, and pop-culture, they are born feeling confident and self-reliant, but are team-oriented with a priority for being part of an “engaging workplace”. Because of this, successful employers, particularly in the hotel industry, need to utilize strategic tools to attract and retain these Generation Y employees. Fairmont Le Montreux Palace, one of the five-star hotel chains in Switzerland, has successfully implemented a managerial hospitality philosophy
to provide its Generation Y employees with ongoing training, a healthy working environment, and empowerment. This will definitely increase the level of productivity in the organization resulting in better job performance which meets customers’ high expectations of what is claimed to be a “Luxury in the shadow of Splendor” hotel.

References


x||S|e|20494330260&gclid=CL2T94299LYCFCr3godOA4A2g


Fact Sheet

Fairmont Le Montreux Palace

“Pearl of the Riviera”, Montreux-Vevey enjoys a particularly mild and pleasant climate thanks to its privileged location on the shores of Lake Geneva and at the foot of the Alps.

Address

Grand-Rue 100,
CH-1820 Montreux,
Switzerland
Tel.: +41 21 962 1212
Fax.: +41 21 962 1717
E-mail: montreux@fairmont.com

Room Amenities

Built in 1906, this jewel of the Belle Epoque architecture offers 236 elegantly appointed and luxuriously furnished rooms with a stunning view over the lake and the Alps.
185 Guestrooms 51 Suites

Common Amenities

- Air-conditioning
- Accessible wardrobes
- Bathrobes and slippers
- Deluxe Toiletries
- Hair dryer
- Mini-bar
- Modem ISDN Point connection
- In-room Safe
- Shaving/Make-up mirror
- Smoke Alarms
- Sound-proofed windows and doors
• Telephone -- Digital telephone with voice mail system
• Telephone in bathroom
• Television: Colour cable TV with infrared Internet access, offering 58 national and international channels and pay videos
• Working Desk

Amenities on Request

The following amenities may be available in selected guest rooms. Please indicate the request in your on-line reservation, or ask one of our reservation agents.

• Balcony
• Bed board
• Cribs (no charge)
• Rollaway (See Quick Room Chart)
• Connecting Rooms
• Internet data port
• Jacuzzi
• Sofa beds - available in some Junior Suites
• Lake View
• Windows open
• Restaurants & Lounges

LA TERRASSE DU PETIT PALAIS

A haven of peace with its unbelievable view over the lake and the Alps. Open for lunch and dinner in summer. Discover the salads from our own bio garden, grilled fish and succulent meat dishes. Ice-cream and refreshments are served during the afternoon.

Hours of Operation:

Open between noon and 11 p.m.

Hot dishes served from noon until 2 p.m. and 7 p.m. until 10 p.m.
LA PALMERAIE

La Palmeraie invites you to enjoy your breakfast in a luminous atmosphere by the palm trees with a stunning panoramic view on the lake and the Alps. Enjoy your breakfast with our continental buffet. Savour our large selection of tea and coffee or fresh fruit juice.

Hours of Operation:
Restaurant open daily from 6:30 a.m. to 10:30 a.m.

LA BRASSERIE DU PALACE

Our gourmet brasserie offers international dishes and a selection of delicious Swiss specialties all day long.

Hours of Operation:
Daily from 8:30 a.m. to midnight
Hot dishes served between 11:30 a.m. to 10:30 p.m.

LOBBY LOUNGE BAR

The Lobby Lounge Bar is the ideal place to have a late Continental breakfast from 10:30 am. From 11.00 am the bar proposes a variety of apéritifs and at 2.30 pm a home-made dessert buffet is available for your delight with Afternoon tea.

Hours of Operation:
Open every day from 8 a.m until midnight

HARRY’S NEW YORK BAR

This sophisticated cocktail bar is the meeting point for international and local. A vast choice of cocktails are served. The à la carte menu features cuisine from around the world, including Nachos with guacamole and Cheddar cheese, a variety of burgers, T-bone steak and Caesar salad. Enjoy live music in an unforgettable environment, every evening except on Sunday.
Harry’s New York Bar is also a partner of the Montreux Jazz Festival where its members can enjoy jam sessions until the early hours of the morning during the festival.

Hours of Operation:

Sundays to Thursdays: 5 p.m. - 2 a.m.
Fridays & Saturdays: 5 p.m. - 3 a.m.

Health Club

- 2 pools
- an indoor pool (8m x 20m, 28 °C) and an
- outdoor swimming pool (15m X 7.5m), surrounded by a garden with a view on the lake.
- 2 separated steam zones for men and women with sauna, steam bath, cold pool, jacuzzi and a luxurious changing room
- A spacious relaxation room
- A 300 sqm fitness room
- 10 treatment rooms
- Spa Café with a terrace overlooking the outdoor pool

Hours of Operation:

Daily from 6:30 a.m. to 10 p.m.

Business Services

Onsite Business Center

High Speed Internet Access

Guests of Fairmont Hotels & Resorts will enjoy High Speed Internet connectivity in all guest rooms as well as Ethernet network connected in meeting rooms and wireless Internet access in public areas such as lobbies and lounges.

Cost: from CHF 5.- for 30 minutes
Meeting rooms

Feature natural daylight, air conditioning, windows that can be opened for fresh air, high ceilings, suspension points, easy access, ISDN facilities, wireless LAN connection and the latest technical equipment

- Léman A & B (900 persons)
- Léman C (250 persons)
- Salle des Congres (350 persons)
- Salle des Fêtes (280 persons)
- Salon Rotary (80 persons)
- Salon de Bridge (120 persons)
- Salon Club (70 persons)
- Salon Vert (18 persons)
- Salon Grammont (120 persons)

Guest Services

- Babysitting
- Currency Exchange/Bank Machine
- Express Check-Out
- Laundry Services
- Safety Deposit Boxes
- Shops & Services in Hotel
- Storage - Luggage

Transportation

Fairmont Le Montreux Palace is located in the heart of Montreux, on the lakeside, between Lake Geneva and the Alps. Boat Cruises embarkation is only 5 minute walk from the hotel.

It is one hour by car or train from Geneva Cointrin International Airport and two hours from Zurich Kloten International.

Parking

Valet Parking Overnight
Rate: 40 CHF per day
Parking is located indoors