

# Applying Kaizen Theory in Front Office Process Development

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Abstract

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Report/thesis title Applying Kaizen Theory in Front C		Number of pages and appendix pages 72+ 7
This thesis is an action research the office. Kaizen is Japanese for content es with small changes and without modern Lean Theories and althout ods can be applied to the service a	tinuous improvement and it focu t the need for large capital invest gh it originates from the manufa and hospitality industry as well.	ses on improving process- tments. It is the base of the cturing industry, the meth-
The aim is to improve the effective Radisson Blu Royal which is the co- project leader. The thesis follows t tions, which are the desired state of using the techniques and strategie create the new standard processe	ommissioning hotel in Helsinki a he Six Step Kaizen Event guide of the processes in the future an as of Kaizen. The changes are m	Ind the researcher acts as line to create target condi- d implements the changes nade by the staff and they
Action research allows for the use in this Kaizen event are interviews introduced together with the theory cussed with the steps of the Kaize	, observation and workshops. The observation and workshops. The observation research but the results of action research but the results of a structure of the observation and the observat	he research methods are
The timeline for this project was si was extended to 8 weeks to adapt the preparations at the hotel, inter- tion of the project.	to the working schedule of the	employees. This included
To measure the benefits gained froused by asking the same question showed that employee satisfaction project but the results are inconclu- very stressful and difficult summer the project itself showed moderate unsuccessful. This was due to the dedicate for the project.	is in the beginning and in the end and the effectiveness of operat usive because the staff members season. The feedback that was success, but the implementation	d of the project. The results tions decreased during the s were also affected by a s given by the staff about on of new methods was
The recommendations given to the sources and sharing of responsibil changes as there was no clear div	lity that prevent the staff from im	
<b>Keywords</b> Kaizen, Front Office Operations, L	ean Theory, Process Developm.	ent. Improvement Theory

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### 1 Introduction

The hotel industry of today is stretched thin in the changing economic situation and the competition increases together with the customer expectations. The Kaizen theory presented in this thesis creates tools for the hotel front office to adapt to the changing environment by benefiting from their existing employee resources and developing effective processes. This will provide the hotel better use of time, possible savings in personnel costs and improved customer service to keep their competitive edge.

The environment we are working in, inside and outside of the company, is constantly changing and the change can happen so slowly and subtly over time that the problems it causes are not noticed until it is too late. If the company reacts too late, fixing the problems and changing the way they operate can require more effort and resources than the company is prepared for. To avoid this, the company should adapt the idea of continuous change and improvement instead of holding on to the predetermined goal and their set ways. The company needs to have the capability to evolve over time to keep their competitive advantage and to ensure company survival. (Rother 2010, 9-10.)

The objective and aim of this thesis is to analyse the current operations in the commissioning Radisson Blu Royal Hotel and to improve the operations by using the tools of Kaizen Theory of Continuous Improvement. The hotel is located in the city centre and it has 262 rooms and conference facilities for 300 persons. The size of the hotel was one of the reasons for approaching them with the project, since there are naturally more employees working in the front office than in smaller hotels and the work environment is also more demanding. The results are measured by the achieved efficiency of front office operations and the resulting change in employee satisfaction.

This thesis is conducted as a project that follows the Six Steps of a Kaizen Event and it is limited to the front office operations only instead of making larger changes on a company level. This is to create a more controllable project where cause and effect can be studied in relation to a specific department. After the first project is tested and completed successfully, it can be implemented in other departments as well or repeated within the front office with new goals.

This thesis project will give the tools to investigate the current status of operations, analyse waste, which can be unnecessary tasks or delays in the process, and to find ways of planning and implementing solutions. The Kaizen theory has been closely linked to employee satisfaction in this project and it plays an important role in gaining the benefits for the commissioning hotel. Implementing Kaizen successfully in a professional setting requires involving the whole company on a long-term basis, may require cultural change and it can take years to achieve the full effect. This is very challenging in any company and it is recommended to start with smaller projects to increase interest in the topic and to see what the involvement of the hotel is in practice.

The subject of this project is quite complex since it has not been implemented in hotels in this way and the approach to this thesis was challenging as the topic was chosen before finding a commissioning hotel to complete the project in. This is reflected in the ability of the staff to participate in the project since their priority is their daily work and it was not possible to arrange training days to remove the staff from the front office. The summer was also not the best time for implementing new methods as the high season of summer is very different from the rest of the year and the employees are under a lot of pressure as the employee resources were limited due to vacation times.

Choosing the topic before finding a commissioning hotel also affected the writing process as all the ground work had to be done in advance before presenting the idea to the hotel. This was also important to speed up the project itself and save the hotel resources when the project would be well planned and stay on a set schedule. The theory and tools, as well as their suitability for the topic, were discussed and adjusted throughout the writing process to reflect the results of the project and the issues that need to be solved.

When approaching the hotels with this project, it became clear that several managers were applying something similar to Kaizen Theory in their hotels but they were not using any specific theories, relying more on their own experiences and ideas. There is no reason why it could not be done in this way, but it is difficult to repeat the actions taken and to analyse the results of the project when they have no theoretical base and some aspects may be overlooked if the manager has simply not thought about it. One of the aims of this project is therefore also to create guidelines for other hotels to implement Kaizen in front office processes in addition to making the changes in the commissioning hotel. Based on the information given in this project, the companies can use it as an example on what to take into consideration when implementing a similar project and what challenges they may be facing.

The timeline for completing this project was six weeks, including two weeks of information gathering and planning, two weeks of implementation and two weeks for evaluation. This was extended to eight weeks due to the resource limitations of employees since they were not able to participate as much as planned due to the increased workload of summer season.

This topic is relevant in a variety of industries at the moment since companies are constantly looking for new and improved methods to manage their companies and one option is to cross the industry boundaries to get new ideas. The literature review by Glover, Farris and van Aken (2014, 41) showed that Kaizen is often discussed on a general level but there are also guidelines and examples from practice in specific industries. Kaizen is for example currently implemented in a variety of health care organisations around the world and there is no reason why it could not become a trend in the hospitality industry as well. The Kaizen Institute has created a short introduction to using Kaizen in Hotels but even they point out in the brochure that hotels are not yet aware of the benefits of Kaizen or they are not prepared to implement it (Soneji 2014, 4). There are some individual hotels around the world who have found the benefit of Kaizen but they are still few and far between.

The articles and research papers on the topic show that the value of the "basic" theories has been recognised and companies are adapting Kaizen to new branches outside of manufacturing. One of the key differences to manufacturing is that the hotel industry has direct contact with the end customer and the tasks vary greatly depending on the customer and their needs. This means that most of the literature had to be adapted to fit the hospitality industry as there were no existing methods and guidelines for implementing Kaizen in a hotel specifically. As a result some of the theory is adapted to suit the service industry and some terms from manufacturing have been replaced to fit the hospitality industry. The aim is to transfer and adapt the Kaizen practices to this specific project and as a result this thesis includes some differences to the original Kaizen theory. This is one of the reasons for choosing this topic as the information already exists but it simply has to be adjusted into a new environment. Another important topic is always the satisfaction of employees and Kaizen gives a new approach to this issue as well through front office processes.

The research methodology used to conduct this project is action research which combines action and research. The reason for choosing this research theory as a base for the project is that the Kaizen Theory itself follows a similar structure. Action research as a method is not yet as common as qualitative or quantitative research and there are several points of view on whether it is a main type of research or simply one of the methods within

qualitative research. Using this type of research methodology in a thesis also adds to the complexity and challenge of writing as well as understanding this project because the thesis guidelines are not adjusted to this type of method. The thesis instructions and given examples still focus only on research or product oriented reports instead of a combination of the two.

This thesis report is structured based on the Six Steps of Kaizen Event, which are the focus of this project with the addition to some introductory chapters that explain the concepts and theories. These first chapters cover the research methodology and tools, the concept of improvement theories, theory of front office processes and employee satisfaction and an introduction to the commissioning hotel and its current operations. There is no separate theoretical framework or empirical part chapters as these are included in each Kaizen event step of the project later on in the report.

There are six steps to be completed and the theory, practical implementation and results are discussed in the chapter related to a specific step. This structure was chosen to follow up on the idea of Kaizen Theory and Action research which is making changes and adjusting to each situation one step at a time. The theory and practical implementation cannot be decided in advance but instead it has to be done at the same time as the project moves forward to take into consideration the previous actions and to gain the best possible results for the project and the commissioning hotel.

# 2 Research methodology

The following chapters will present the methods used to gather information for this Kaizen project and the data collection methods are introduced. Action research is the research method used to describe the way this thesis project is conducted and it gives the tools that are used to gather information for the Six Step Kaizen Event. The Six Step Kaizen Event has a very similar structure and methods as action research and therefore these methods are used interchangeably in this project.

The research is conducted during each step of the project and the tools as well as their results are discussed as a part of the Six Step Kaizen Event project plan in chapter 6, which combines the research results with the practical implementation and evaluation of the project. Information is gathered and research is completed throughout the project as needed and practical implementation is completed at the same time instead of discussing it separately.

The methods used to gather information are interviews, observation and workshops. These are all introduced individually in the following chapters that present theoretical background of the methods, how they are used and how they were applied in this project.

### 2.1 Action Research

Action research is designed to involve the researcher as a part of the process of bringing change and it is typically conducted together with or on behalf of an organisation. (Veal 2011, 133). Action research was chosen because it has two main purposes that work best with this thesis project and they are contributing to new practices and contributing to new knowledge and theory (McNiff & Whitehead 2011, 55).

Another reason for choosing action research is that research is traditionally considered as reporting discoveries objectively, but this project requires the researcher to actively participate in the research and thus the results will be unobjective to a certain point. Action research as a methodology allows the researcher to investigate, evaluate and improve the operations actively (McNiff & Whitehead 2011, 7). This type of research is usually conducted by the professionals of the company themselves instead of an outside researcher but it can also be done by an outsider who gets involved with the operations and works as an insider (McNiff & Whitehead 2011, 8). Action research can sometimes be classified as a subtype of qualitative research which can cause some confusion because it is discussed here as its own entity and the approach depends on the literature used. For the purposes of this thesis and according to the literature used, it is classified as a type of research on the same level as quantitative or qualitative research instead of a data gathering method.

Action research is meant for evaluating learning or the need for change in the workplace and some of the key questions are how and why (McNiff & Whitehead 2011, 15). This is one of the reasons that this type of research method was chosen since it allows us to question and evaluate each individual change we make during the project instead of focusing on one final product. It also allows for a wider use of different data gathering methods and techniques which is necessary in the project (Veal 2011, 133). Some of the descriptive characteristics for action research are that it is a collaborative democratic partnership and a sequence of events and an approach to problem solving. (Coghlan & Brannick 2014, 6.)

Each step in this thesis project requires different methods for enabling change and it can include anything from observation and interviews to workshops. This project will also need constant analysis and evaluation before moving on and the next step will be planned based on the changes made previously. In its simplest form, action research consists of the pre-step which is naming the objective and three core activities which are planning, action and fact finding (Coghlan & Brannick 2014, 6). These steps will not be discussed in relation to action research itself but instead as a part of the Kaizen Theory. Due to the similarities between Action Research and Implementing Kaizen events, it could be even considered that Kaizen itself is a guideline and theory of Action Research.

To get the most out of this type of research, it will be necessary to view both the action and research parts as equally important and valuable for the end result. The action part is about improving the practice and operations while the research part offers descriptions and explanations for the actions. When action research is completed successfully, the researcher is able to provide new knowledge, describe what has been improved and give reasoning for the need of improvements. (McNiff & Whitehead 2011, 10-11, 14.) In addition to finding solutions to practical issues, action research is an opportunity for intentional and unintentional learning throughout the research process. (Coghlan & Brannick 2014, 6.)

The topic and goal of this action research is to improve front office operations or processes by using the Kaizen theory of continuous, small changes that are completed with improvement projects. Over the course of this project we will find the best methods of using the theory in this environment and evaluate the effectiveness of the changes based on employee satisfaction. The research methods used in this project are interviews, observation, practical implementation and testing, workshops and literature review which are discussed in the following chapters.

#### 2.2 Interviews

The first research tool used to gather information from the employees were the interviews conducted individually in the beginning of the project before any changes were made. The interviews were used to gather information on the current situation and to create metrics to be used to evaluate the change in the perceived effectiveness of operations and employee satisfaction. The choice of conducting in depth interviews instead of distributing questionnaires to be filled out was because they are more likely to evolve into discussions and it is easier to ask the interviewee to expand on their answers and get more detailed information (Ahonen & Lohtaja-Ahonen 2011, 145). It also ensures that the sample is large enough to get valid results as questionnaires given to be filled out are easily left unanswered.

The in-Depth interviews are usually guided by a checklist of topics instead of a formal questionnaire and they are often tape recorded in addition to taking notes (Veal 2011, 239). In this project the decision was made to use a questionnaire to have a more detailed structure and to make it possible for staff members to answer the same questions independently if they are not available for interviews. The data gathering methods used for the interviews were both quantitative and qualitative, which means that both open-ended questions and close-ended questions were used to gain the best results. The close-ended questions were answered on a Likert Scale, which is a technique where the interview subjects are asked to indicate their agreement or disagreement with the given statement by choosing from a set of answers (Veal 2011, 298). These two types of questions were analysed separately; the qualitative, open-ended answers were collected as key words and the quantitative, numerical answers were used to calculate numerical means and averages. These numerical averages were used to evaluate the change in employee satisfaction and the perceived effectiveness of operations between the beginning and the end of the Kaizen Event project.

The qualitative questions focus on the words rather than the numerical answers and collect more detailed information with fewer questions than a solely quantitative questionnaire. The questions allow the subject to word their answer as they like with out any options to choose from. One of the key benefits of qualitative data gathering is that the interviewees are able to explain their feelings, experiences and opinions in more detail than on a numbered scale. It also prevents the researcher from relaying only on pre-determined answer options and increases the reliability of the answers without interference from the researcher. (Veal 2011, 231-232.) The limitation of quantitative research is the amount of research subjects to be involved because the collection of information and analysis of the answers requires more detail and time. (Veal 2011, 35.)

The quantitative part of the questionnaires involves numerical and statistical data. The questions are close-ended where the subject has to make a choice from set number of options. The data is usually gathered from a larger group of subjects than qualitative data and computers are used to analyse the results. (Veal 2011, 34.) In these interviews this two data gathering methods were combined with more emphasis on the qualitative aspects.

A total of three Interviews were conducted during the project and they are referred to as Interview A, B and C. Interview A was used to gather information for the development and improvement items as well as the metrics that can be used to compare the change in results between the beginning and the end of the project. Interview B gathered only the answers needed for the final metrics and to verify the results, the Interview C was conducted again with the same questions as Interview B. These results are discussed in detail in chapter 6 and the following chapter will introduce the samples and methods used. The questionnaires used for the interviews were originally written in English but they were then translated to Finnish for the interviews as it is the official language at the hotel. This also made sure that the staff understood the questions correctly and their answers were valid.

To ensure the validity of the answers, the first interviews with open discussion were recorded in addition to making notes and after the questionnaires were completed and analysed, the results were discussed with the staff members. The information collected with the questionnaires was confidential and the results were not shared as they were, but instead summarized and collected to present the necessary information for the project.

### 2.2.1 Interview A, Interview B and Interview C

The interviews completed in this project were Interview A, which was completed in the beginning of the project and Interviews B and C, which were completed at the end of the project. The first interview was recorded in addition to making notes and it included both open-ended, qualitative questions and close-ended, quantitative questions. Interview B and C included only close-ended questions and they were completed more as question-naires than an interviews. The close-ended questions were the same in all interviews to give quantitative data to analyse the change in the answers between the beginning and the end of the project.

The Interview A was conducted individually with each staff member that was available and the same questions from the questionnaire were presented to everyone. The interviews were conducted during working hours when the staff member to be interviewed was able to take a break from working. A schedule was set up in advance for the dates and approximate times when the interviews were to be conducted, but they were adjusted according to the workload of staff and their own scheduling requests.

The questions were divided into three parts which covered background information, employee satisfaction and current operations. The first part was used to gather information on industry experience, position in the company and previous knowledge of improvement theories. The second part focused on the work environment, which included the set-up of the front office, equipment available for staff, cleanliness and job satisfaction. The third part in turn focused on the operations with topics such as the divisions of tasks, how responsibility is shared and if the operations are up to date. The goal of conducting the interviews was to get an overview of the current effectiveness of operations and level employee satisfaction.

The time allocated for Interview A was three days and each interview took on average of 15 minutes. These interviews were completed by 10 employees out of 14 and additionally two employees filled out the questionnaire on their own due to scheduling problems. The answers from the front office manager were compared to the answers given by staff members, but they were not included in the quantitative and qualitative analysis to prevent distortion in the results caused by the difference in holding a managerial position.

Interview B was completed at the end of the project and it consisted only of the closeended questions and it was filled by the staff members independently but with the presence of the researcher. This enabled some discussion regarding the answers but since there were no open-ended questions, the discussion was minimal and it was not necessary to record them. Interview B was completed by 7 employees out of 14 as several employees were on vacation during these interviews. The interview B was completed in two days with no preliminary arrangements, since the time required to answer the questions was on average 5 minutes and it was completed during the working hours.

The Interview C was conducted to check the validity of Interview B and the questionnaire was sent out to the employees by email to be filled out. The time given to fill out the answers was one week. The questionnaire was to be filled out by all employees, including those who had already completed Interview B and those who had been on vacation and had not yet given any answers. The Interview C was completed only by 4 employees out of 14 who had all been on vacation previously. No repeat answers were received to check the validity of Interview B.

The answer rate for Interview A was 86%, Interview B had 50% answer rate and Interview C 29%. These results reflect the importance of choosing the correct interview method and how personal, scheduled interviews receive more answers than questionnaires send out to be completed independently.

#### 2.2.2 Interview Data Analysis

The open-ended, qualitative interview questions and the close-ended, quantitative questions were analysed separately and the results were presented in the workshops that followed the interview and observation phases. The results of the interview are discussed in detail in chapter 6.2.

The analysis of qualitative information from the interviews in this project was completed manually by making transcripts of the taped recordings of the interviews and from the notes written down. The answers for each question were written down as they were told by the interviewees in an Excel Workbook and then similar answers were grouped together. These answers were then removed from the specific questions and collected together under the headline of Improvement Items. This was an important phase because due to the open-ended nature of the questions, the answers were usually valid for more than one question and often represented a general opinion of the processes as a whole.

This method of analysis is a typical approach to qualitative data, where recurring themes are searched for and the researcher evaluates the importance of them to the interviewee. (Veal 2011, 396-397). The answers in the interviews of this project were not ranked by importance at this stage as the amount of data was manageable and could be presented as it was. All of the opinions and perceptions were taken into consideration in the next phases of the project when the staff prioritized the topics to be improved which minimized the effect of the researcher's personal opinions or views on the topics.

The quantitative data was gathered from the numerical answers that were written down by the researcher where the staff members had answered the interview statements on a scale from 1- Strongly disagree to 5- Strongly Agree. The grades were collected in an Excel Workbook and an average grade for each answer was calculated with the automatic functions of Excel. In addition the average years worked in the hotel and the industry experience averages were calculated with the same average grade formula. In the quantitative analysis there were also calculations for the percentage of interviews completed out of all possible staff members.

### 2.3 Observation

In addition to the interviews, the operations at the front office were observed to gather information on the processes and their current state. Observation is an unobtrusive method and in some cases the employees are not even aware that they are being observed (Veal 2011, 207) but this was not possible due to the structure of the front office where it was necessary to be close to the staff members to be able to observe what tasks they were completing at the moment. The type of observation used as a method was unstructured and naturalistic, as there were no specific rules for observing and the information gathering was informal (Veal 2011, 208). The information was gathered by making notes of the operations and they were discussed later on with the Front Office Manager to compare the observations to the existing guidelines.

Observation at the front office was completed during morning, evening and night shifts on different weekdays to get an overall picture how the hotel operates. This was necessary for the validity of observations as there is a lot of variation in the amount of guests as well as the tasks to be completed depending on the weekday and the time of the day. The state of current operations was analysed by comparing the observed operations to the existing standards in addition to the employee interview results.

This method was used throughout the project, first to find out what the standard operation procedure was and later to see if the implemented changes were making a difference and if the new procedures were used by the staff members. The time used for observation was approximately 10 hours over the course of the project and in addition unofficial observation was conducted while interviewing staff members and during times that practical changes were made at the hotel front office area for the project.

### 2.4 Workshops

The third action research tool used to gather information after interviews and observation were workshops, which are one of the tools to implement Kaizen in the hotel on a practical level. The workshops bring together a group of people to work together and their length can vary from one day to five days when using the Kaizen theory. Setting up a workshop is relatively easy as it fits in with all types of managerial approaches without changing the existing customs. One of the challenges of workshops to be taken into consideration is that after it has been completed, the team members disband and the lack of order can diminish the information that was gained. (Rother 2010, 25-26.)

The Kaizen workshops can be divided into three phases which are preparation, the workshop itself and finally sustaining the results. Before the workshop it is necessary to set objectives, define the scope of the workshop, analyse the current state, collecting relevant documents and introduce the current state to employees. (Liker 2004, 278.)

In Kaizen there is usually only one workshop and it is divided into 5 steps. The first one is to identify processes that add value to customers and to find out who the customers are, because they can be guests or even staff members in other departments. The second step is to analyse the current state and divide the current tasks and processes into three categories, which are processes that add value, do not add value or do not add value but are required. The third step is to develop a future state vision that usually includes creating work flow, organisation of work centres and using teams among other topics. (Liker 2004, 278-282.) This is also called setting the target condition.

In this thesis project, workshops were a necessity to gather a group of employees together and to discuss the steps to be taken to achieve the improvement goals as a group since there are usually only two to three staff members working at the same time. There were two separate workshops; the first one was for introducing the Kaizen theory and coming up with the target conditions and the second workshop was for planning the implementation for reaching the target conditions.

Each workshop was completed on two separate days and for deciding the target conditions there were four workshops and for the implementation there were three workshops. The workshops were arranged based on work shifts to enable most of the staff members to participate and they were completed in the morning from 6.45 to 7.30 and in the afternoon from 14.45 to 15.30 during the shift change. This required the staff to either come to work early or to stay a while longer to make sure there was always one person working the front desk without participating in the workshop. The limited employee resources prevented the employees from being removed from their tasks for a longer time as the high season of summer required their presence in the front office and therefore the workshops were completed during shift changes with small groups.

The 45 minute timeslot for the workshops was decided based on the amount of time the employees could spend away from the front desk and what was the minimum amount of time required to discuss the topics including time for free discussion. This amount of time proved to be sufficient and in some cases the workshops were completed in less time.

Each workshop had two to four participants and the researcher and after the first workshop there was always present one staff member who had participated in a previous workshop as well. This ensured that information transfer was not solely on the responsibility of the researcher and there was a second person helping out with their own examples and knowledge of the topic. In total 7 workshops were conducted over four days within a two week period.

The main objective for the workshops in this project was to find the processes that need to be developed to create flow in the operations and to satisfy the employees, but they also had their own specific objectives which were setting target conditions in the first workshop and planning and implementing the solutions in the second workshop.

### 2.4.1 Workshop No: 1

The Kaizen Six Step Event began with defining the current situation and deciding on the target conditions, which are the key to improving and developing processes and this was the focus of the first workshop. Prior to the first workshop, the employees were sent a power point presentation to explain the basic principles of Kaizen and how it is used in practice. The presentation also listed all the improvement suggestions that were a result of the Interview A and instructions on how to turn them into target conditions. This made it possible for the employees to get familiar with the topic and prepare suggestions in advance to make sure that the time used in the workshop is spent on the most important topics.

The first workshop was divided into three sections which were introduction, presenting the improvement ideas and finally defining of target conditions. To define the target conditions, the Five Why questions were used in the first workshop to form the target conditions and to make sure that all necessary information is taken into account. The Five Why Questions can be used either before or after the target condition has been established (Rother 2010, 155) and in this project the results were used to set the target conditions as well as to generate the possible solutions later on in the project.

The Five Why Questions used in Kaizen are (Rother 2010, 247):

- What is the actual condition now
- What is the target condition
- What obstacles are now preventing you from reaching the target condition
- What is the next step
- When can we go and see what we have learned from taking that step

Out of the 14 staff members, two were on a vacation during the workshop and were not able to participate in it. In addition two staff members were given the choice to participate in their preferred workshop or take part by email as they were not scheduled to work during any of the workshops. In Total 11 staff members out of 14 participated in the first set of workshops. The results of the first workshop are discussed in the first step of the Kaizen Event which is Define Problems in chapter 6.2.

Each workshop had different information available since the first group started without any examples or definitions but the final group had the suggestions for target conditions from all previous groups available. To balance the workload of groups, the last workshop made the decision on which target conditions were chosen, what is their deadline and how are they defined. This information was then sent to all staff members for approval before moving on to the next set of workshops.

### 2.4.2 Workshop No: 2

The second workshop was conducted within one week from the first one to keep the project moving and the topic was presenting the target conditions decided in the previous workshop, coming up for solutions for improvement and planning their implementation. The focus was on the first target condition and the following ones were to be discussed only if there is time left over. The employees received once again a short Power Point presentation about the target conditions as well as information on some of the Kaizen tools that will be used in the implementation. As a result of good preparation for the workshop, all target conditions were discussed at once and there was no need for additional workshops besides those planned in advance.

The workshops were arranged in the same manner as the first one with 2 to 4 staff members participating at a time. Each group presented their ideas for solutions and suggested additional tools for implementation, which were presented to the next group. The following groups worked with the information from previous groups and added their own opinions. In the last group, all tools and solutions were compiled to be presented to the other employees. In the second workshop 10 out of 14 staff members were able to participate. The results of the second workshops were sent to all employees by email for final approval.

### 3 Front office processes in hotels

The front office processes and operations are the focus of this project and the basic concepts and tasks are explained in the following chapter. The importance of the work environment and employee job satisfaction are also discussed as they play an important role as a measurement for the results in the success of this development project. These topics are also discussed related to the commissioning hotel in chapter 4.

The front office operations can include a variety of functions depending on the size of the hotel and the division of tasks in the organisation, such as reservations, registration and recording guest data, room and rate assignment, guest status, settlement of guest accounts as well as providing guest services such as wake-up calls, transportation, delivery service and so forth. In larger hotels there may be specific responsibilities for each staff member in addition to their common tasks to improve the control of the operations. (Kasavana & Brooks 2009, 77, 244.) Large hotels also have a variety of departments that co-operate with the front office such as reservations, human resources, revenue management and marketing as well as the departments within the hotel which include maintenance and housekeeping.

International hotel chains have often guidelines which include specific tasks for each staff member where one person focuses on cashiering, registering guests, concierge services or works as a telephone operator. (Kasavana & Brooks 2009, 77.) In Finland these tasks are all completed by each staff member and there is no clear division of tasks. Each front office clerk takes care of the customers through all stages of their stay and they are trained for each task.

The front office is the heart of the hotel and coordinates the guest service operations with other departments. They will also receive the feedback and they are crucial to guest satisfaction and this is the reason that the front office operations should be as efficient as possible and the staff has to be motivated to provide quality service. In addition to their interpersonal skills, the staff will also need the tools and resources to create solutions to problems and to guarantee a quality experience for the guest.

### 3.1 The guest cycle and front office functions

The front office functions and processes are based on the needs of the guests before, during and after their stay at the hotel. The flow of the business in a hotel can be seen through the guest cycle which is divided into four stages; pre-arrival, arrival, occupancy and departure which all have their own functions that the front desk staff has to perform. (Kasavana & Brooks 2009, 103-105). This cycle is completed in every hotel, including Radisson Blu Royal, but the division of tasks are adjusted to the hotels specific needs and operations.

The pre-arrival stage begins even before a reservation has been made and the guest is only searching for accommodation options. The availability of information and the service received when making inquiries are some of the key factors that affect a guests choice of hotel and this is influenced by everyone from marketing and web designers to the front office staff. At this stage the reservations department has quite a lot of responsibility in affecting the guest's decision, but the front office staff have to assume the same role when inquiries and reservations are made directly at the hotel. (Kasavana & Brooks 2009, 105.) When the reservation has been made to the system, the front office staff will continue the pre-arrival preparations by looking up the guest's history at the hotel, taking into account their preferences and loyalty status and contact the guest in case there are special requests or anything else to clarify with the guest.

On arrival the focus is on registration and rooming functions. The front desk clerk will collect all necessary information from the guest by requesting them to fill up a registration card, confirms the reservation details and charges possible deposits or prepayments and finally allocates the reserved room to the guest. At this point the clerk should also introduce the facilities available at the hotel and assist the guests with any questions they may have. (Kasavana & Brooks 2009, 105-107.) The arrival is an important experience for the guest as they are able to get the first impression on how the services and hotel work in practice. Smooth and efficient check-in creates an impression that lasts and gives a good start for the guests stay, but unfortunately this is easily affected by the lack of staff resources and rush hours for arriving guests that result in long queuing times. In the occupancy stage one of the important tasks is to represent the hotel and ensure guest satisfaction. During their stay the guests will be assisted by providing information, arranging activities as well as providing supplies and it is necessary to complete these tasks on time and accurately. This is especially vital with guest complaints that must be communicated to the related departments and resolved in a way that satisfies the guest and encourages repeat visits in the future. Other functions during the guest stay are ensuring the security of the guests and their property and auditing all transactions on the guest account. (Kasavana & Brooks 2009, 108-109.)

The last stage of the guest cycle is the departure where the guest accounting and services are completed. The front desk clerk will settle the guest account, make sure that the guest was satisfied with their stay and take action if there were complaints or any form of feedback, also positive. Lastly a guest history is created for future visits, usually automatically by the property management system. (Kasavana & Brooks 2009, 109-110.) With the guest history available, it is important to note if there any complaints or problems the guest has had so they can be taken into account during their next stay.

These four stages of the guest cycle are completed in each shift, which are usually divided into day shift, evening shift and night shift (Kasavana & Brooks 2009, 78) but there are often additional middle shifts at rush hours and to make the transitions between shifts easier. The check-in time in most hotels is after noon and therefore the arrivals are mainly the task for those who work during the afternoon and evening whereas departures are usually before noon and thus handled by the morning shift. The key to a successful guest cycle is planning, organising, and co-ordinating, staffing, controlling and evaluating to make sure there are enough resources available and they are used in the best possible way to provide quality service (Kasavana & Brooks 2009, 421-424).

### 3.2 Work environment

The work environment is the physical aspects of a workplace, which in a front office usually consists of the front desks and the back office, but it is also affected by the whole lobby area itself and storages that are used by the staff. The work environment affects the ability of employees to perform their tasks and it is important that everyone has access to the required equipment, forms and supplies while at the same time keeping the front desk presentable and clean (Kasavana & Brooks 2009, 115). A disorganised work environment can cause errors and even injuries in the workplace, but in most cases unnecessary items simply gather up causing delays when trying to locate the necessary items and covers up existing problems. An efficient work environment should be organised and maintained on regular basis to make sure that needed items are easily found and the environment is pleasant for the employees to work in. Unclean and disorganised work environment affects the motivation of employees and creates frustration when time is spent on tasks that do not benefit the guest or the company. (Liker 2004, 150-151). It is important to review and evaluate the front desk on regular basis so that the old supplies and leaflets are removed before adding new ones and to make sure that the most important items are still within reach.

### 3.3 Job Satisfaction

A healthy work environment creates satisfied employees and it is affected by the organisational culture, interpersonal relationships as well as the work content and employee involvement and development. In this project job satisfaction is used only as a measurement of the effectiveness of operations instead of focusing on motivational tools or investigating the more detailed reasons behind job satisfaction.

Some examples of the positive outcomes of a healthy work environment are the increased commitment of employees, increased guest satisfaction and reduced costs for the company from the decrease of staff turnover and health costs (Day & Randell 2014, 12-19) which are in an important role in the Kaizen theory and improvement projects.

Job satisfaction can be described as the extent to which employees like or dislike their job and satisfied employees are content and have a positive attitude towards their work. It is affected by organisational factors such as human resource management, work place benefits, workplace climate, and well-being of employees, interpersonal relations and the nature of supervision. (Uludağ, Khan & Güden 2011, 5.) Job satisfaction is also affected by the motivation of the staff, which means that a staff member is interested in their job and constantly challenged to be attentive, observant and committed. (Kasavana & Brooks 2009, 568.)

Motivational tools include training the staff and clearly defining what is expected of them, how to complete their tasks and what is the organisational culture in place. The staff should also be cross trained to learn job functions outside the one they were hired for to expand their work skills and knowledge and to allow more flexibility in scheduling the work shifts. Cross training allows for professional growth and career advancement for the staff. Other tools include recognition of achievements through feedback or by awarding the employees on regular basis, performance appraisals and incentive programs. Communication is also an important part of keeping the staff motivated and to give them a sense of belonging by keeping them up to date on current events and important information relating to the front office. (Kasavana & Brooks 2009, 568-572.)

Another important motivational tool is employee empowerment which is created by encouraging and allowing staff members to take personal responsibility for improving their own work methods and contributing towards the goals of the company. It can be thought of as the employee's ability to make decisions and use their skills without consulting someone higher up in the hierarchy. Enabling employee empowerment requires the staff to have access to information, resources, support and opportunities to learn and develop. Work empowerment is important in companies that are downsizing their process and decreasing the amount of employees or when the employees are required to have special expertise to work efficiently. (Salanova & Llorens 2014, 118-119; Wilder, Collier & Barnes 2014, 447-450.) In Kaizen Theory, the continuous improvement comes from the daily tasks of employees and theory ability to make autonomous decisions in their everyday work.

The ability to learn new skills and expand their knowledge improves the well-being of employees and providing training and career advancement opportunities makes the employees feel valued by the company. (Day & Randell 2014, 15.) Motivated and engaged employees are an asset to a company since the economic and financial situation requires employees to go the extra mile and there is a pressure for expanding the job descriptions and decreasing the amount of personnel (Salanova & Llorens 2014, 117).

## 4 Radisson Blu Royal Hotel, Helsinki

The following chapter presents the commissioning hotel for this project as well as their current operations to give an overview of the environment where the Six Step Kaizen Event is implemented. The hotel has provided the necessary resources and assistance needed to complete the project as well as access to information related to the operations.

The commissioning hotel for this Kaizen project is Radisson Blu Royal Hotel which is a conference hotel located in Helsinki city centre. The hotel is a part of the International Radisson Blu Hotels and Resorts hotel chain and it is franchised in Finland by Sokotel Oy which is a part of the S-Group, a Finnish network of retail and service companies.

The Radisson Blu Royal Hotel was the first Radisson hotel in Finland and it was built in 1991. It is an upscale hotel with 262 rooms and conference facilities for up to 300 persons and the onsite services include a restaurant, fitness facilities, parking garage as well as a sauna and private rooftop terrace for rent. The meeting facilities were renovated in 2003, the hotel rooms in 2004 and the restaurant in 2007. The hotel was also rebranded from Radisson SAS to Radisson Blu after the SAS airline parted ways with the Rezidor Hotel Group and the name of the hotels was changed. The Radisson Blu Hotels and Resorts is currently owned by Carlson Rezidor Group which is a partnership between Rezidor Hotel Group and Carlson Hotels. (The Rezidor Hotel Group 2013; Radisson Blu 2015.) The presence of S-Group and Carlson Rezidor Group makes it possible for guests to benefit from two different customer loyalty programs which are the S-Card and Club Carlson.

The vision, mission and values of Radisson Blu hotels come from the Carlson Rezidor Group and they are summed up by the "Yes I Can" attitude. This service concept focuses on the quality of customer service, the availability and quality of services and value for money. The employees have their own roles and responsibilities to ensure this statement is put into practice and in turn the company provides and inspiring place to work at. (Radisson Blu 2015.)

### 4.1 Current organisation

The Radisson Blu Royal Hotel, Helsinki is managed by the General Manager and the daily front office operations are the responsibility of the Front Office Manager. In addition there are seven Service Managers who are shift leaders and work together with the front office clerks in each shift. In Finland there is also a regional manager who is responsible for all six Radisson Blu Hotels in Finland and works together with Radisson Blu Hotels and Resorts and Sokotel Oy to oversee standards, changes in the hotel and other correspondence on the regional level.

Having two brands that Radisson Blu Royal is operated under means that there are two extensive organisations making decisions and guidelines and it creates unique challenges for the hotels. It is required to follow the standards of Radisson Blu Hotels and these are usually the visible ones for the customers. The involvement of S-Group is usually not known to the customers and it is not advertised inside hotel itself besides the restaurant, but this information can be found online. The loyalty members are nevertheless able to get discounts on hotel packages and they have some special offers. The main focus on loyal-ty programs is in Club Carlson membership which is free of charge and it can be used internationally to gather points and gain loyalty benefits. The S-Group operates more in the background and is responsible for the administrative tasks of the hotels and daily management.

The front office currently employs 14 staff members on permanent basis but there are also additional employees that work in the reception during high season or during the vacations of permanent staff. There are service managers and clerks working in each shift and they share the tasks completed during the shift. The staff members of Radisson Blu Royal have worked in the same location for several years and the clerks also have the skills to work as service managers when needed. As a result, the distinction between the roles and tasks is not as clear as in some other hotels.

### 4.2 Operations

The operating standards for the hotel come from Radisson Blu Hotels and Resorts and the operating company Sokotel. Some of the standards from Radisson Blu Hotels and Resorts have been adjusted to suit the industry in Finland but most of them are the same in each country and hotel.

The standards of service and operations by Radisson Blu covers a variety of items including the requirements for the facilities and employees, enforcing a non-discriminatory environment, responsibilities of the General Manager and other supervisors and other business and legal requirements. In addition there are separate guidelines for risk management, human resources etc. The hotel is subject to an annual performance review and its results show how well the hotel operates as a whole and within a specific department. If some of the standards cannot be followed due to e.g. local legislation, they can be waived and do not affect the performance scores of the hotel. (Radisson Blu 2014, 8-9, 15.) As the operations are clearly defined and standardised by the parent company, the analysis and development of operations in this project are based on these guidelines and they are evaluated based on how the employees work within these guidelines.

Each individual hotel can make their own decisions on how the shifts are scheduled and how many employees are working at a time as long as certain minimum requirements are met. In Finland the amount of staff working at once is generally lower than in many other countries due to the high labour costs. The front office shifts in Radisson Blu Royal are divided into morning, evening and night shifts which each has their own specific tasks in addition to customer service and check-in and check-out procedures. The tasks are listed on a task card that is separate for each shift and they are marked on the card once completed and these task cards have been made to Radisson Blu Royal specifically. At the moment the task card is only used by the night shift and it is continuously updated whereas the morning shift task card was last updated in 2013 and the evening shift task card was updated in 2009.

The tasks required are nevertheless completed in each shift as the employees have memorised the tasks over the years, but due to the night auditing it is vital to check that everything has been completed in the right order in the night shift and there are also more shift specific tasks than in the day shifts. The tasks of the shifts that are discussed next are based on observation, the existing task sheets and interviews with the staff members.

All shifts have common tasks to be completed, such as checking emails and reading the log of the previous shift, making sure the lobby is presentable, keeping an eye out for the general reservations situation of the hotel and keeping contact and informing other departments as needed. Check-in and Check-out procedures as well as general customer service such as giving tourist information are responsibilities for each shift. In addition the tasks of the morning shift include checking the arriving reservations and possible requests for the day, arranging VIP deliveries to the rooms and checking the departing reservations. The evening shift in turn will check that all departing reservations have been checked out and focus on the arriving guests as well as responding to emails, guest reviews and other tasks. The employees also have their own specific responsibilities such as making arrangements group reservations or answering guest feedback that are completed during the work shifts.

Most of the reporting is taken care of in the night shift and all the necessary reports for the next day are distributed to the departments. The key numbers of the day are recorded The tasks also include for example charging reservations in advance, recording loyalty points, checking guest ledgers, cashiering and balancing the day's accounts and preparing the reception in general to start a new day.

There are also separate back office shifts for the service managers when they work on commissions, schedule work shifts and take care of anything that has not been able to be done during the regular shifts. There are also weekly "Call Shifts" were an employee reviews the upcoming reservations for the week and contact the guest in advance to give them an opportunity to upgrade their reservations or to add services such as breakfast to their reservation. This is in an important role in upselling the products to the customers and speeds up the check-in process. This also allows the guests to think the offers over and they may decide to purchase the additional items when they arrive at the hotel. There are also some tasks that are completed on a specific weekday, such as recording the working hours of the week on Sundays, either by the morning or evening shift.

There are motivational tools in use in the hotel and each staff member is a candidate to be the employee of the season or the employee of the year. There are also other competitions and motivational tools that are used throughout the year.

### 5 **Process Improvement Theories**

Process improvement is the task of identifying and analysing existing processes in a company and evaluating the need for improvement. The need for improvement can stem from existing problems or from the need to improve production times or reduce costs. The process improvement can be completed as a project or as an ongoing practice and it usually follows one of the existing theories or methodologies such as Kaizen or Lean theories (Appian 2015).

The following chapters introduce the theoretical framework used to conduct this project as a Kaizen Event by first giving some general background information on the topic and then discussing the Lean theory and Kaizen in more detail as well as their methods and differences.

The traditional approach to process improvement is to identify the effectiveness of individual processes and adjust them as needed. The goal of improving processes can be increased profits, shorter production times or even higher morale and they are completed as a project. (Liker 2004, 31-33) There are a variety of theories available to improve the processes in a company and some of them can be applied to hotel operations as well even though they have originated in the manufacturing industry. The theory used in this project is Kaizen, which is the basic concept of Lean theories. To fully understand the Kaizen theory and the terminology it is necessary to first discuss the Improvement theories and Lean theory as a concept and then move on to the specifics of Kaizen. Lean theory also tends to be better known as a term and since these two are so close together, some clarification is essential.

In addition to Lean and Kaizen theories, there are a variety of other process improvement theories available to choose from and each has their own approach to solving problems. Some well-known other theories that could have been used for this project are Six Sigma and The Theory of Constraints. Six Sigma is often used in the hospitality Industry and it is used to reduce variation in processes. It focuses on one problem at a time and the implementation is based on measurements and numerical data and therefore also very rigid and structured. To successfully implement these changes, it requires extensive training from everyone participating in the project and as such was not a suitable choice for the goal of this project, since the timeframe is limited and there are no resources for the training to take place.

The Theory of Constraints in turn identifies the weakest link in the process that is preventing the system from working at full capacity and removes these constraints to minimise the time spent on each process. This theory is also more structured and manufacturing oriented and it can require major changes and financial investments to gain the desired results. (Nave 2002, 73-78.) The need for investment and the challenge of transferring this into the service environment made this theory impractical to use for this project.

Lean Theory, which is also called Lean Thinking, Lean Manufacturing or Toyota Production, focuses on removing waste which can be anything that is not needed to complete the process and focuses on the flow of the process instead of individual problems. (Nave 2002, 74-75.) One of the important differences between Lean and other process improvement theories is that Lean has an effect on the whole value stream of the company instead of single processes (Liker 2004, 31), which means that they map out the current and the desired future state of the process groups and then move on to specific processes to improve them with Process Kaizen. (Goetsch & Davis 2014, 373.) Lean theory consists of a variety of approaches which all aim for the same main goal but with small differences on their focuses and methods. The lean method chosen for this project is the Kaizen theory which is actually the basis of all lean methodologies and as such, it is Lean in its simplest from.

Kaizen is a lean theory that can be easily applied without any expert training on the subject and the results are more easily identifiable as the implementation takes advantage of common sense and intuition. Kaizen is also easily applicable to a variety of environments and industries (Rother 2010, 18) and it suits the needs of this project and the environment it is used in. One of the challenges of implementing a theory to improve operations in a company can be that the focus is too much on the tools and the change is superficial. This is where Kaizen makes the difference, as it aims to change the organisational culture where the tools are then implemented and make the changes permanent (Liker 2004, 6) by including the employees in the project.

The challenges of Kaizen can be transferring the Japanese way of managing into foreign companies and the cultural differences in the organisations can prevent using Kaizen in the way it is intended to. (Desta 2011.) The critics of Lean and Kaizen theories also point out that the results are often temporary and according to a survey made in September 2011 by Alixpartners, almost 70% of companies implementing Lean Manufacturing failed to cut costs by 5% which was the minimum to deem the project successful.

Despite these results, over 90% of the research participants considered their projects to be effective. (McCullough 2011.) To avoid losing momentum in the project and making the results last long-term, it is necessary to adjust the theories to the company's specific needs and implement it together with the employees instead of outside experts. (McCullough 2011.)

### 5.1 Lean Theory

The beginning of Lean Theory is in the manufacturing industry and its predecessor was the Toyota Production System (TPS) which was developed to improve factory operations and made public in 1978 by Taichi Ohno. The key finding in TPS was to treat persons differently from the traditional Japanese methods and to allow them to fully utilise their capabilities by participation and improvement of their own in workshops. (Alves, Dinis-Carvalho & Sousa 2012, 222.) In 1985 the TPS was developed into the Kaizen theory which focuses on the continuous improvement part of TPS and then it made its way to the West but it was not fully understood until 1990 when the book "The Machine That Changed the World" by Womack, Jones and Roos was published and the theory was named as Lean Production. The name Lean was based on the concept of TPS for "doing more with less" (Alves & al. 2012, 222; Harmon 2007, 342; Kaizen Institute 2015) and the meaning of Lean can also be explained as "creating more value for customers with fewer resources" (Nissilä & Storbacka 2013, 23).

Lean theory focuses on improving the flow of activities and reducing waste to lower the costs in processes. There is some variety in the definitions for Lean theory and the companies using it tend to follow their own interpretations and rules. It is usually divided to two methodologies, the Flow Kaizen for enterprises, which focuses on the flow of the high-level value stream and Process Kaizen, which focuses on eliminating waste (Harmon 2007, 343).

In this thesis the focus is on Process Kaizen which focuses on an individual department instead of the whole company like Flow Kaizen. This is due to the time and resources limitations of the thesis and it makes it possible test out the suitability of Kaizen in the hotel environment and to empower the employees of the front office. The value stream can be thought of as the big picture we are aiming for by improving individual processes (Liker & Meier 2006, 42) and it should not be completely ignored and therefore this thesis the existing company value stream is used instead of creating a new one.

The scope, definition and the uses of Lean have evolved over the years and while Lean is originally a theory used in the manufacturing process it can now be divided into Technical Lean Practices and Human Lean Practices. (Hong, Yang & Dobrzykowski 2014, 714.) Other terms used for Human Lean Practices are Lean Thinking and Lean Service which also refer to the use of Lean Theory in the service industry and other operations besides manufacturing (Hadid & Afshin Mansouri 2014, 752). The challenge of applying lean into the service industry is that it is less repetitive than manufacturing processes and the product is not as tangible (Hayes 2010, 388). According to the research of Hong et al. (2014), the Human Lean Practices affect operational and business performance directly through the increase of delegation and knowledge of employees. This can be achieved for example through employee empowerment, training, autonomous teams and continuous improvement programs such as Kaizen. (Hong & al. 2014, 714-715.)

The terminology used when discussing Lean can sometimes be confusing and misleading as it is the base for many other similar theories and sometimes the terms are used interchangeably, such as Just-In-Time, Continuous Improvement, Total Quality Management, World Class Manufacturing or the Theory of Constraints. In addition Lean itself has several subtypes such as Lean Thinking, Lean principles, Lean Thinking Strategies and Leanness. (Stone 2010, 63.) In this thesis we will focus on Kaizen theory which was the founding theory of Lean and uses the basic principles of improvement theories before the aforementioned theories were developed to suit more specific needs and ideologies.

The implementation of Lean theories can sometimes be seen as quite superficial because the company's focus more on the tools such as Just-In-Time instead of the philosophy that has to be applied in the company. Implementing some of the tools and methods of lean and Kaizen theories is useful for the companies and can achieve good results, but to have a truly lean company and to achieve good results it requires commitment to the philosophy on a long-term basis and can take years to achieve. This should not nevertheless discourage anyone for using these theories to some level and they can be an incentive to fully committing to the project in the whole company later on. (Liker 2004, 7,10.)

### 5.2 Kaizen Theory of Continuous Improvement

Kaizen theory was developed in 1985 by Masaaki Imai from the Toyota Production System in Japan and it is a practice for continuous improvement. One of the most important concepts of Kaizen is that big results come from many small changes over time and everyone should be involved in making improvements. Kaizen also emphasizes that good processes bring good results, the importance of seeing the situation and understanding it as well as the value of team work. (Kaizen Institute 2015.)

The term Kaizen is a translation for continuous improvement (Liker & Meier 2006, 8) but it is also used in connection with Toyota Production System and The Toyota Way. There is not a lot of differentiation between the terms and the basic concept is the same in all three. The Toyota Way is the adaptation of TPS by Jeffrey Liker who has authored the books by the same name and Kaizen in turn follows the theory of the original Toyota Production System but focuses on the processes instead of the long term philosophy (Liker 2004, 6). These three theories and their differences are presented in Figure 1.

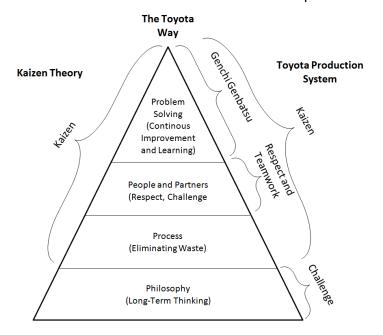


Figure 1. Model of the Toyota theories. (Adapted from Liker 2004, 6)

Kaizen is a mind-set where the current situation is constantly questioned to find ways to improve efficiency and to remove the root cause of a problem so it does not happen again. The key benefits of process kaizen are satisfied staff from having an impact on how things are done, improved commitment from being more involved in the company and being engaged which also increases employee retention, improved team work and problem solving skills and as an end result of all of the above, increased customer satisfaction. (Mind Tools Ltd. 2015; Jayne 2010, 41.)

The definition of Lean and Kaizen according to Masaaki Imai is to employ the minimum resources, which includes employees, materials, machines, space, and time of production and capital, for the maximum output. (Jayne 2010, 40.)

Kaizen is best suited for tasks that benefit from rapid improvement and have clearly defined bottlenecks or delays in the process, areas that have substantial work-in-progress or do not meet quality and performance expectations or the area in question has significant market or financial impact. These can range from anything from administrative processes to production. (United States Environmental Protection Agency 2015.) It is important to also keep in mind that the key to Kaizen is small changes instead of radically changing the operations (Liker 2004, 12).

In Kaizen theory, the employees from different levels of the organisation work together to solve problems or to improve processes focusing on solutions that do not require large capital investments. The team identifies ways to eliminate waste quickly and the improvements, or Kaizen events, are usually implemented within 72 hours from the beginning of the event. (United States Environmental Protection Agency 2015.) The organisations that use Kaizen usually have flatter organisations and less hierarchy to engage all employees in the change. The management should feel comfortable working on the shop floor with the employees and not to have too much distance between them and the employees. (Jayne 2010, 41-42.)

In practice we can think of lean as the general idea of needing improvement and change in the company and Kaizen is the tool used to achieve those goals. The Kaizen activities are referred to as Kaizen events and they turn the lean thinking principles into actions with the use of Kaizen teams. (Stone 2010, 64.) Improvement is not considered as a separate activity that is done in addition to the normal daily management but in Kaizen the normal daily management equals process improvement as they are added together (Rother 2010, 39). When Kaizen is implemented correctly, the end result will include improved productivity, improved quality, better safety, faster delivery, lower costs, greater customer satisfaction and improved employee morale and job satisfaction (van Assen, van den Berg & Pietersma 2009, 215). The reason for choosing Kaizen as the main theory can be found from these benefits as they can be applied directly to the processes of front office operations and fit with the of the project. The key challenges to keep in mind when implementing Kaizen is not to set the scope too wide which means that the improvement item should have clear boundaries and the goal has to be realistic and the results measurable. The theory, its terminology and philosophy has to be explained to everyone who is involved, which should cover all staff members in the department or company depending on the scope of the project. (Kirchner 2013, 74-75.) The results of the Kaizen event are followed up periodically to make sure that the improvements are sustained. Kaizen can also be used as an analytical tool before using other lean methods. (United States Environmental Protection Agency 2015.)

Some challenges of using Kaizen in an organisation are caused by the expectations of quick fixes and immediate cost reductions, even though it requires a long term vision to benefit from individual Kaizen events. If there is no understanding of the concept of Kaizen, it is very difficult to sustain the changes. In some companies the staff is also considered to be just a part of a system to be controlled and punished based on performance. This type of an environment discourages problem solving by the staff as all decisions or made by experts higher up in the hierarchy. To successfully implement Kaizen, it is necessary to have a working environment where the need for motivation and creativity is understood and the management has to understand that lean theories such as Kaizen focuses on bringing problems to the surface, not hiding them. (Liker & Franz 2012, 90).

### 5.2.1 Kaizen tools and techniques

There are a variety of Lean and Kaizen techniques and tools to be used depending on the focus of the improvement project. It is vital to define and identify the problems and bottlenecks first and only then decide the tools within Kaizen that will be used, instead of finding problems that can be solved with the tools decided beforehand. (Jayne 2010, 41.)

The Kaizen Institute has five methodologies that can be used and teach one have their own preferred tools. The Total Flow Management (TFM) is used for streamlining material and information flows and applies the tools of Just-In-Time and Kanban among others. Just-In-Time technique is used to deliver the right items at the right time in the right amounts and Kanban is a pull system where only the amount of products needed is produced. Total Productive Maintenance (TPM) reduces losses in quality, availability and speed by improving asset performance by engaging people in problem solving, equipment planning and daily monitoring of performance. Total Quality Management (TQM) in turn exposes problems, identifies root problems, takes corrective action and implements mistake-proofing (pokayoke) to reduce quality costs and improve customer satisfaction. (Kaizen Institute 2015; Liker 2004, 23; Rother 2010, 97-98.)

The tools used in this method are usually statistical and Six Sigma is used for more complex problems. Lean Office, Lean Finance, Lean Engineering and Lean Administration methodology is called TSM and it is used to implement Kaizen in office and service environments to engage people's creativity. By organizing teams to work on daily and project based Kaizen activities and by creating simple performance management systems, the goal is to improve service, quality and productivity. The last methodology is Lean Innovation, Lean Startup and Lean Product Development (IDM) which improves the results of innovation, start-up, and delivering products on time, flexibility and adaptability to change, quality of new products and services and the cost of launching and delivering a product or service. (Kaizen Institute 2015; Liker 2004, 23; Rother 2010, 97-98.)

There are also other tools not mentioned yet such as Takt Time which is the rate of customer demand for products produced by one process, 1x1 Flow that means that the process moves from one step to the next one without delays or buffers in between, Heijunka for levelling out the workload evenly and 5S for order and cleanliness of the workplace

All of these five methodologies have the same basic concept but they have been simply focused on specific areas of improvement and the tools can applied in many ways. In this thesis project the methodologies that are closest to the goals of the project are TQM and TSM and while neither one will be followed precisely, some of the tools suitable for them will be used to implement change. Total Quality Management provides this project with the metrics used to evaluate change and the organization of teams and using kaizen on daily basis comes from Lean Engineering and Lean Administration.

To successfully improve the processes and operations in a company by using any of these methods, it is necessary to utilize the capabilities of the employees. This is made complicated by the fact that we all react in a different way in different situations and our instincts may not always be rational. To get the most out of the employees it is necessary to eliminate the problem caused by working in a dynamic, complex and nonlinear environment by having systematic procedures and routines to improve and evolve. In Kaizen thinking and behaviour patterns are created, which are also called procedural sequences, instead of relying only on tools or principles. These patterns are called Kata that can be translated in English to a pattern, a way of doing something or a standard form of movement. One of the most important translations though, according to Rother, is that Kata is a way of keeping two things in alignment or synchronization with one another. This means that it is always possible to have a method, Kata, for dealing with the unpredictable changes. (Rother 2010, 14-16.)

Kata can be sometimes viewed as a standardized routine that limits creativity, but the idea of Kata is having a routine that specifies the way we should think and behave in a situation to find the best specific solution. This is because the content of a situation varies and we cannot react the same way each time and hope for the same results. (Rother 2010, 19.)

## 5.2.2 Kaizen culture

Implementing Kaizen in a workplace requires the employees to understand the culture and philosophy behind the theory to fully utilize the tools and techniques. The employees have to contribute to the continuous improvement and improve themselves at the same time with the help of the tools described previously. (Liker 2004, 35-36.)

The principles of Kaizen Culture can be divided into four categories based on The Toyota Way which are (Liker 2004, 37-41):

- Philosophy as the Foundation
- The Right Process Will Produce the Right Results
- Add Value to the Organisation by Developing Your People
- Partners and Continuously Solving Root Problems drives Organisational Learning.

These four categories include a total of 14 detailed principles such making the decision based on a long-term philosophy even at the cost of short-term financial goals, creating flow in the process so that there is no idle time in the process which also brings to surface possible problems, building a culture to stop and fix problems right away, having employees and managers who understand the work and follow the company philosophy and finally, making decisions by taking time to consider all options and then implementing solutions rapidly. (Liker & Meier 2006, 8-14.)

In addition to these principles there are five fundamental elements to the theory which summarize the principles quite well. These are teamwork, personal discipline, improved morale, quality circles and suggestions for improvement and the aim is to remove waste and inefficiency from the processes. The organization where Kaizen is implemented has to be open minded and understand the philosophy behind it, especially if it's used on a larger scale to make changes.

# 6 Six steps of a Kaizen Event

The development project reported in this Thesis is built around the Six Steps of a Kaizen Event which is a process map to guide the researcher and employees through the event. It provides clear instructions and sequences of actions to develop and improve processes and it gives the structure to this report.

The objective in this thesis project is to remove inefficiency, waste, from the front office operations through the use of Kaizen Events which are small projects lasting from one to seven days. The concept of Kaizen is to make continuous improvement with small changes and therefore the project can be repeated several times with new goals and new time-lines. (United States Environmental Protection Agency 2015.)

There are a variety of approaches and guidelines available for implementing a Kaizen event depending on the needs of the company and how familiar with Kaizen they already are. The Six Steps of a Kaizen Event is the basic guideline used by Toyota and it focuses on the skill development of employees (Kato & Smalley 2011, 6). There are also guidelines with anything from 5 to 10 steps but they are all based on the original six steps and simply have different focuses. In this project the original guideline was chosen since Kaizen and its implementation are new for the company as well as the researcher and it covers everything needed to get started without too much unnecessary detail.

The six steps defined by Kaizen to complete improvement projects are (van Assen & al. 2009, 215-216):

- 1. Define the problem and the goal of the event
- 2. Analyze the current methods
- 3. Generate possible solutions
- 4. Plan the solution
- 5. Implement the solution
- 6. Check and secure the solution

These steps required for completing an improvement project as a Kaizen Event coincide also quite well with the definition and requirements given for a project in the Project Management: The Managerial Process book written by Larson and Gray (2011). These requirements for a project are as follows: an established objective, a defined life span with a beginning and end, usually the involvement of several departments and professionals, doing something that has never been done before and having specific time, cost and performance objectives. (Larson & Gray 2011, 5-10.) The Kaizen event can also be divided into smaller, more detailed steps as described in Figure 1. After the Kaizen event has been completed and a new standard is created, the process starts again with a new goal repeating the same steps.

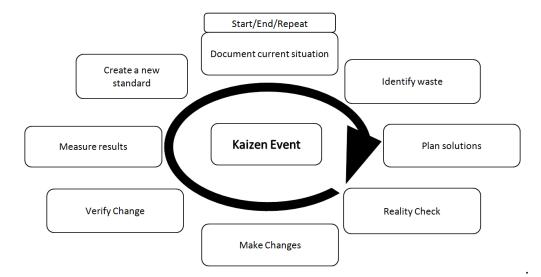


Figure 2. Kaizen Event Cycle (Adapted from Stone 2010, 69)

Kaizen events can be started based on employee feedback or simply from one colleague telling another how to do the task more efficiently. In these cases the events begin with addressing a known problem. There are other starting points for a Kaizen event as well and one of them is called a "waste walk". This is the starting point used in this thesis and it means that a group of employees are going through the processes and looking for waste to be removed. In the manufacturing industry this has often included a literal walk through the factory. (Chaneski 2015, 34.) In this Kaizen Event, the walk is replaced by discussion, interviews and observing the operations in the beginning of the project.

To successfully implement Kaizen it is recommended to step away from a traditional "Action-item List" approach where the employees gather as many improvement points they can, the most important items are voted for and the action items are given to teams with a due date and the manager focuses on who is doing what and by when. This method can easily give the illusion of a lot of motion and improvements even when there is no real progress. Having several action items happening at the same time can also be an indication that the company does not really know what needs improving and it is focusing more on what *can* be improved instead of what is *needed* to improve a process. Quick action solutions for the problems also do not give time for the employees to analyse the cause of the problem to prevent it from repeating itself. (Rother 2010, 29- 32.) One of the main differences between Kaizen improvement and Action-Item-List approach is that in Kaizen only one thing at a time is changed and the results are compared to the expected results. This does not mean that you should not work on several things at the same time, just that you process them one at a time so the employees have time to see and understand the cause and effect. Every time one process is changed, it can have an effect on the other processes surrounding it and they need to be analysed again before taking action on them. This reduces the risk of unnecessary work or improving processes in such way that they do not work in the environment anymore. (Rother 2010, 33-35.)

#### 6.1 Project plan

The first task to be completed before moving on to implementing the Six Steps of a Kaizen event was to create a project plan outlining the steps and what to take into consideration when implementing them. The project plan also clarified the structure of the project and the plan itself can be found as Appendix 1.

This thesis project will provide the framework for using improvement Kaizen in a hotel front office and it will guide the staff through the first improvement projects. During this project a long-term vision will be created for the front office to aim for and start working towards it process by process. After completing this project, it will be possible for the staff to continue independently by implementing new Kaizen Events with other processes. To begin these improvements, it is important not to overwhelm the staff and discourage them from completing such projects in the future. The estimated project time was four weeks and an additional two weeks for the evaluation of results, but it was extended to 8 weeks to give more time for the implementation step. The target condition can be set to any-where between one year and one week from the beginning of the project, but especially when the concept of improvement processes and Kaizen are new, it is better to keep it short for learning purposes and it means that it can be repeated in several short cycles (Rother 2010, 122-123). In this project, the time for having achieved the target conditions was set as four weeks in the future which was then adjusted into six weeks.

## 6.1.1 Step 1: Define the problem

In the first step of the Six Steps of a Kaizen Event, the current state of operations and processes were studied to define the problems and find the changes that were needed to be made for the project. This analysis brought to surface the problems in the current situation that were the focus of the Kaizen event and which the project aims to resolve by the end of the event.

To define the problem and to set target conditions the current operations were evaluated and possible faults were looked for that prevented them from working smoothly by gathering information with the interviews and observation. A target condition is the ideal future state of the process where it works as intended and it answers the questions (Rother 2010, 77-78):

- How should this process operate?
- What is the intended normal pattern?
- What situation do we want to have in place at a specific point in time in the future?
- Where do we want to be next?

The concept of target condition can be unclear in the beginning and it is difficult to understand the difference between a target condition and a target. The key differences between the terms are presented in Table 1, but the most important differentiation is that a target condition is the process that results in an outcome, result or goal which is usually called a target. This is the important differentiation between the terms target and target condition and they should not be confused with each other.

Target Condition vs. Target											
Desired Attributes of a Process		Desired Outcome									
Actionable		Result of Action									
Descriptions		Metrics									

Table 1: Target condition vs. target. (Adapted from Rother 2011, 103)

The problems in the process that are preventing the target condition can be waste such us spending time walking from the front desk to the backroom to retrieve print outs and retrieving other items. (Liker 2004, 27-29.) This takes time away from the customer service and does not add value to the service experience. To define the target condition together with the staff, the first step was to establish what the goal to be reached is at a specific time, which was completed by describing the desired condition without focusing on how to get there. The target condition can be a bit vague in the beginning if there is not enough information or ideas, but details can be added as the project moves forward and the possible obstacles are found out. This reduces the risk of making wrong decisions in the beginning based on assumptions instead of facts. (Rother 2010, 116.)

Each target condition was then divided into smaller, specific improvement items which were the changes to be made to reach the target condition. The focus was on what is needed in the front office and how it should operate in an ideal situation at a certain point in the future. To find out how the processes should operate in the hotel and what needed to be improved, the operations were observed and staff members interviewed. The interviews also provided the metrics with the quantitative results needed to evaluate the success of the Kaizen event in the last step.

One of the items that was focused on, was how well the existing guidelines and standards were followed. If the work is not done according to the given standard, the reason for it has to be found and if necessary, change the standard instead of the current process. When the standard is not followed there is clearly need for improvement and the target condition has not yet been reached (Rother 2010, 114-115).

It is also important to remember that there may be a variety of issues to be addressed but a successful project requires boundaries and it is necessary to choose those that can be resolved within the time limit of the project and the available resources. (Coghlan & Brannick 2014, 66.) This of course does not mean that some issues should be ignored but they may just require more individual Kaizen events before they are solved or resources that have to made available before they can be addressed.

Usually in Kaizen improvement projects the target conditions are made first and then the more detailed changes needed are discussed. To simplify the project and to make the concepts easier to understand for the staff members who are not taught Kaizen in depth, the improvement ideas were defined first with the interviews and then they were changed into target conditions. Lastly these items were discussed again in detail as improvement items and modified so they could be used to achieve the target conditions. There was quite a lot of repetition of same topics but they also became more clear and tangible for the employees each time they were brought up again.

#### 6.1.2 Improvement items

The definition of problems and the analysis of current operations began with Interview A and the questionnaire used in the interviews can be found as appendix 2. The questionnaire that was used as the basis for the interviews was divided into three sections that were background information, work environment and front office processes. The two latter sections had both qualitative and quantitative questions that provided the metrics for evaluation and information for the target conditions at the same time.

The background questions were used to get an overview of job satisfaction based on the length of employment in the hotel and the desire to change jobs in the next 6 months. On average the employees have worked in Radisson Blu Royal for 5,7 years and only 2 out of 11 had considered changing workplaces in the next six months. This shows that the employee turnover is very low at the hotel and job satisfaction appears high.

The Likert scale used for the quantitative questions was from 1= strongly disagree to 5=Strongly Agree and the questions were statements to be answered. The average grades which are the median of all given answers from the staff ranged from 3,27 to 4,45 and the average grade for all questions in total was 4,01. These results showed that the staff is quite satisfied at their workplace and as a result the topics to be given special attention to were questions that got an average grade of less than 4,0. All results from Interview A are presented in Table 2.

#### Table 2. Interview A Quantitative Results

Question	1= Strongly Disagree, 5= Strongly agree									on 1= Strongly Disagree, 5= Strongly agree Average Grade Question					Question		Average Grade								
1. You are satisfied with your job	3	4	5	5	5	4	4	5	4	4	5	4,23	9. The work environment in the hotel is very good	4	5	4	5	5	5	5	4	4	5	4	4,45
2. The work environment is clean and well organised	4	5	3	3	3	3	4	4	5	3	3	3,50	11. Responsibility and work tasks are shared fairly between employees	3	3	3	3	4	4	5	5	4	5	2	3,66
3. You are motivated to do your best at work	4	4	4	5	5	4	5	4	4	4	4	4,20	12. Responsibility and work tasks are shared fairly between shifts	5	3	3	4	4	5	5	5	5	5	2	4,18
4. You feel that your work matters	3	4	4	5	4	4	5	4	5	4	4	4,14	13. You follow the guidelines in your daily work	4	5	4	5	4	5	5	4	4	4	4	4,27
5. You feel that your work is appreciated	4	4	5	4	4	4	5	5	4	3	4	4,09	15. Front Office operations do not need change	5	3	3	3	4	5	3	5	4	4	1	3,59
6. You have the opportunity to share your ideas and opinions	5	5	5	4	5	5	4	5	4	2	5	4,41	16. The front office operations work as well and smoothly as possible	5	5	4	5	4	4	4	5	4	4	2	4,14
8. You can affect the decisions concerning the front office	3	2	3	3	2	5	5	4	4	2	4	3,27	Average Grade of All Questions												4,01

The interview results from the front office manager were not included in these grades and they are not discussed in detail due to the confidentially of the answers and because the specific grades are connected to one specific person. The grades given by the FOM however reflected quite well the grades given by the staff members and there were only minor differences. This is a good indication that the front office manager is aware of the current situation of the front office and the satisfaction of the employees as well as the items that should be improved.

The topics that received a grade lower than 4.0 were the cleanliness and organization of the work environment (3,5), the ability to affect decisions in the front office (3,27) and the way tasks and responsibilities are shared between staff members (3,66). In addition the need for change in the front office in general received an average grade of 3,59 which means that most staff members agree that the front office does not need immediate change even though there is room for improvement. The highest average grade of 4,5 was given to the work environment and based on the qualitative results, it is mainly due to the good team and colleagues working at the front office.

During the observation and interview phases it became clear that the standardized customer service situations are working well and efficiently already and the problems were more related to back-office tasks and indirect customer service such as processing feedback.

The qualitative results are based on the open ended questions and discussion with the staff members in the interview. All qualitative results were compiled to an excel sheet and similar or same answers were grouped together. The answers are presented as improvement items in Table 3. All improvement ideas were kept as a part of the analysis and nothing was removed by the researcher or ranked as more important than others. The improvement suggestions are not connected to a specific question in the analysis as the same topics were mentioned at different stages of the interview due to its unstructured nature. Some of the items were also discussed as a part of the last question where the staff members were able to bring up any ideas or suggestions that had not been covered by the set questions.

### Table 3: Improvement Items

	Improven	nent items	
Outdated/ broken tools and equipment	More communication between FOM and SM	More responsibility	Higher expectations for some
Lack of storage	Equal communication	Change needed in responsibility areas/ tasks	Payment for upselling
Delay in supply orders	Info does not reach everyone	Organisation of tasks	Storages too far
Lack of organisation in back office	Clear info	Clear and fair division of tasks	Stressful work
Not enough storage space	Lack of feedback, good and bad	Favourism	Change is not implemented
Technical problems	Better communication between departments	Lack of responsibilities	Lack of ergonomy
Unsafe feeling on weekend evenings	Not always working at full capacity	Back office untidy, cleaning not shared	Guidelines not in use
More knowledge of the operations of other departments	More competitive salary	Not enough working hours	Busy and fast paced

The average grades form the quantitative questions and the improvement items based on the qualitative questions provided an overview of the current problems and operations and they were used as the base for the first workshop to create target conditions.

## 6.1.3 Creating Target Conditions

The next step in defining the target conditions and operations that need to be improved was to hold the first workshops to discuss the topic and introduce the plan for the project to the employees. The target condition workshop was completed after the interview and observation results had been analysed and the data was presented to the staff members to create target conditions. The outline for the first workshop can be found as appendix 3.

The staff members were instructed to come up with 1 to 4 target conditions based on the questions discussed in the interviews. The Five Why Questions were used to define the target conditions and to find out the reasons why the target conditions do not exist yet. They were used for each target condition individually to guide the thinking process and the questions can be found as appendix 4. In Kaizen the target conditions can be worked towards to either simultaneously or consecutively and in this Kaizen Event the target conditions were decided at the same time but the implementation and schedule was decided later in the second workshop.

The measurable outcomes for the target conditions will be the change in the effectiveness of front office operations and the changes in the employee satisfaction, especially in the cleanliness and organization of the work environment, ability to affect the decisions in the front office and the way tasks are divided between employees. These topics are all related to back-office functions instead of direct customer contact as this is the area that needs the most developing according to the interview results.

The instruction for the staff was to come up with description of a perfect situation or condition that they want to have in effect in two weeks' time and it could be a little bit over the top and it is not necessarily possible to reach within the timeframe but all changes that are done in the following weeks should get the processes closer to it.

The first workshop that was held with the first set of employees came up with three target conditions that each are affected either by the management, the front desk staff or both. The first target condition suggestion was to reach a stress free work environment in the front office and to quote the three musketeers, one for all and all for one which refers to working together and everyone sharing the responsibility. The second one was for a respectful and appreciated work environment, focusing on the actions by management and the last suggestion for a target condition was a communicative and co-operative hotel where all departments work together. This was presented and explained by the staff by the saying "A chain is only as strong as its weakest link".

The second workshop meeting presented one target condition that covered all the topics discussed by the first workshop and the target condition to aim for would be a Harmonic and Balanced Front Office that can be used as a role model. This one target condition covered very well the desired condition of the front office but change is easier to achieve when it is divided into smaller, more detailed target conditions. If the employees start working toward only broadly defined one target condition, there is a risk of losing sight of all the items that need to be taken into consideration and it will make it more difficult to implement and plan for in practice.

The third workshop meeting suggested three target conditions that were predicting and forecasting the workload in advance, shared responsibility for tasks and having work flow to reduce stress. The final workshop discussed all previous suggestions and formed them into final three target conditions that are presented in Table 5. These were the final target conditions that the staff started to work towards to in the next steps of the Kaizen Event.

### Table 4. Target Conditions

Target Conditions for Radisson Blu Royal												
Clear roles and division of responsibilities to pace the work flow	-	Grade 5 for sharing responsibilities fairly between employees										
Smooth work flow with required equipment and supplies		Grade 5 for cleanliness and organisation of the work environment										
Continuous communication between departments, staff and supervisors		Grade 5 for communication at the workplace										

In the target condition workshops the company vision was also discussed, which is 100% Guest satisfaction. It was possible to use this existing vision as the long term goal for implementing Kaizen instead of deciding a new one, since it reflects the goals of the front office and the staff members. Each target condition to be reached will be getting the hotel closer to their vision.

## Step 2: Analysing the current methods

Before the target conditions can be worked towards to, it is necessary to know what is the current state of the operations and why haven't the target conditions been reached yet. The current state has to be measurable and you should not rely on reports to tell the truth of the situation, but instead observe and investigate it yourself. (Rother 2010, 247.)

The summary of current condition should include and describe the current behaviour of managers and leaders and how process improvement is currently handled in the company. The ability to analyse and move on from the current condition towards the target condition depends also on the level of training the staff members have received in the topic.

The three levels of training are (Rother 2010, 255):

- Level A: Introductory training course where staff is aware of Improvement Kata
- Level I: Ability to practice Improvement Kata
- Level C: Ability to coach and practice Improvement Kata

In this Kaizen Event the staff are learning improvement Kata and completing their first practical implementations without any of the staff having reached the final skill level of coaching. This means that the analysis will not be as in-depth as it could be and the project as a whole is kept simple.

The interview questions and the observation of operations were used to understand and describe the current situation of front office operations. In addition the Five Why Questions that were used to define target conditions, they also gave information of the reasons why they have not been achieved yet and this information was used to find the ways of planning and implementing the solutions. The current situation is also described in the qualitative answers of the interviews and in the Table 3 in chapter 6.2.1.

In the first workshop for setting target conditions, the obstacles preventing them from being reality at the moment were discussed. Some of the interpersonal obstacles according to the staff were that everyone is looking out for themselves instead of the group and work toward their personal gains, which applies primarily to the supervisory level. This is the impression that the employees have based on their own experience. Technical obstacles preventing target conditions include the recent changes in the systems that the hotel was not prepared for well enough and the difference between the amount of work needed to be done and the amount of workforce made available. This refers to the lack of resources in the front office for both staff and equipment. There is also not enough time to be dedicated for implementing change.

One of the management problems is also disorganization which causes projects to fall apart or prevent them from even starting. One of the examples are the results of an annual employee satisfaction survey that results in improvement ideas to be implemented, but they are not completed and the staff is not even aware what was agreed on. After the current situation was described and the target conditions set, the gap between the two needed to be closed. It was important not to make any decisions on behalf of the staff members who are implementing the change because the employee involvement and their responsibility in the implementation is the key to the success of Kaizen. It also distinguishes it from the traditional fashion of telling people what to do even if the involvement of the Front Office Manager is required to allocate resources and time as well as to approach any obstacles on managerial level. (Rother 2010, 245,254).

### 6.2 Step 3: Generating possible solutions

The second workshop was used to come up with the tools, solutions and implementation methods to achieve the three target conditions that were set previously. The staff discussed in separate workshops the possible solutions to create change in the front office and each employee was given a task to complete on their own. After the solutions were decided, the staff members started to plan their implementation and the tools to be used to achieve the target condition. The outline for the second workshop can be found as appendix 5.

The improvement ideas, which are the solutions to change the current situation, to be implemented were decided based on the information from the staff. The order in which they were implemented was based on the target conditions and their effects on other processes to be improved. The tasks should be beneficial for most if not all staff members, attainable with reasonable time and resources, motivational for the staff and fitting for the company. The front office manager decided how much resources could be dedicated to each task and which are acceptable by company standards. It was also important to review the benefits of these goals to the wellbeing of staff, the efficiency of the front office and the effect it will have on the level of customer service.

The solutions that were discussed are presented in the following chapters separately in relation to each target condition.

### 6.2.1 Solutions for Target Condition 1: Clear Roles and Responsibilities

One of the first items for this target condition was to find out all the responsibilities and tasks that exist in the front office as well as the responsibilities and tasks of all employees. If necessary, the tasks would be divided again to different staff members and everyone would have a second in command that is able to share the workload on daily basis or during absences. To benefit the most from the skills and personalities of the employees, these will be taken into account when assigning tasks.

After the tasks are assigned, it will be necessary to allocate time for them to be completed. The employees will need to divide the tasks to different weekdays and evaluate the need for back office shifts where they can focus on only working with their assigned additional tasks. The employees will also need to be informed of their rights and responsibilities that come with the assigned tasks, meaning that they have to know which decisions can be made independently and when a superior must be consulted.

One of the solutions was also to remove outdated information and make sure that information is available to all staff members equally. The biggest challenge to be resolved based on the interview and workshop results will be to reduce stress and the rush to get everything done during the shift, which could be solved with additional staff as well as the new division of tasks.

### 6.2.2 Solutions for Target Condition 2: Smooth Work Flow

The main solutions to improve the work flow through supplies and equipment was to assign a person to supervise the storage and supply needs, clean up and reorganise the back office and to make sure that everyone shares the responsibility of keeping the front and back offices clean and organised. These solutions were the result of the second set of workshops where employees discussed the best approaches to achieving the target conditions.

The supply ordering will be given as a responsibility to a staff member at the same time as the other responsibility areas are discussed and divided to the staff. Previously the front office manager has been the only person making the orders and the missing supplies are usually verbally requested by staff. To make sure that the ordering process works and the supplies are ordered in time, there should be a list where the missing items can be listed and noted when the order has been made.

To reorganise and clean the back office, it will be necessary to go through all the folders and papers stored there and remove all unnecessary items to see what the current storage needs are and what furniture could be added or removed. The goal is to get more moving room to the very narrow back office and to create a more comfortable setting for working.

Another problem to be solved is a very common one in all workplaces, which is that cleaning and organisation is not done by all staff members. The suggested solutions for this item were very difficult to come by since this is a personality trait and difficult to change in a person. One solution to be tested would be to list all cleaning tasks to be done during the shift as a reminder and simply communicating this problem to everyone.

### 6.2.3 Solutions for Target Condition 3: Continuous Communication

The solutions for increasing communication include communication itself as well as the appreciation of the employees. The most important tool for communication in the front office are regular staff meetings, which are not held often enough at the moment and there are not enough opportunities to discuss concerns or ideas with the whole staff. The meetings should be held on monthly basis in the future and feedback should be discussed more often as well.

Especially the lack of feedback and appreciation from the managers is affecting the morale of the staff as the employees do not feel that their hard work is valued. Reception staff should also be participating in regular department meetings and the communication between the departments should be made clearer. This information came into light very clearly in the results of Interview A and the qualitative answers received from the employees. These suggestions for improving communication were discussed in more detail in the second set of workshops and the solutions presented in this chapter were the result.

One solution would also be a way to ensure that information has been received in other departments, such as VIP orders from the front office to the Kitchen. There is also an existing problem of giving feedback as some are afraid to critique their colleagues and some are not able to receive constructive criticism according to the employees. This could be solved by a way of giving anonymous feedback, both negative and positive.

### 6.3 Step 4: Plan for the solution

The third step in the Kaizen event is to plan how the solutions can be implemented and set timelines for the changes to be completed. To achieve the target conditions, there has to be a plan to put the solutions into action and make sure that the staff attitudes support the changes. To plan the solutions there are three main factors to be taken into account. These are the way we want people to act, how we teach them to act that way and priority for acting that way. (Rother 2010, 239-241.)

In this project the priority for specific solutions were discussed with the staff to make sure that the change that will be made satisfies the staff and motivates them to work towards the set target conditions. The staff will also make the plans on how to implement the solutions themselves and learn the new methods at the same time. They will also be able to adjust them as needed to fit in the existing working environment and tasks. The timeline to complete the implementation is planned to be two weeks and during this time all three target conditions are worked on simultaneously as they are closely linked together.

The techniques or strategies of Kaizen that are used in implementing the solutions will be Heijunka, 5S and PDCA. Heijunka and 5S are used in both the planning and implementation stage and PDCA is used throughout the project repeatedly. These were chosen because they can be easily transferred into the service industry and they are the most suitable choices for the improvement ideas that the staff came up with. These tools are techniques are discussed in the following chapters in relation to each target condition they are used in.

## 6.3.1 Plan for Target Condition 1: Clear Roles and Responsibilities

The first target condition to be worked on was the clear roles and responsibilities of staff to improve the work flow as it was the most likely target condition to affect the other operations as well. The technique used to assist in turning the solution ideas to tangible plans was Heijunka as it covers the unevenness of workload, overburdening people and unused resources that have prevented the front office from achieving this target condition previously. Heijunka consists of three parts which are Muda, Muri and Mura and they are also called the three M's. Muda is waste that does not add value such as defective products, waiting or unused employee creativity. (Liker 2004, 114; Harmon 2007, 345.) Muri is overburdening people or equipment where a person or machine is pushed over its limits causing safety and quality problems as well as breakdowns and defects. Mura in turn is the unevenness of the workload that is usually caused by irregular production schedule or fluctuation in the production volumes caused by internal problems. (Liker 2004, 10,114.)

They are used to even out the production so that employees work at an even pace without certain tasks piling up and causing delays or causing the employees to have unproductive working time if there are not enough tasks to be completed. In the service industry this is more challenging than in manufacturing because the time spent on a customer varies as well as the amount of customers to be served. (Liker 2004, 114,123.)

Heijunka cannot be applied directly into customer service situations because the front office works 24 hours a day and customers need to get service when they want, but the idea can be applied to it. It is possible to have Heijunka in all the support processes such as back office work and other tasks that are not depended on interaction with a customer.

In practice Muda, Muri and Mura can be thought of as giving too many tasks and responsibilities to one person and not taking advantage of their specific skills. To solve these problems and to divide the amount of work evenly among all employees the current responsibility areas and tasks as well as the names of the persons who are responsible for them currently are listed to evaluate the current situation. Each staff member will then write down a short manual on what the task includes and how much time is required on weekly basis to take care of the specific responsibility area.

If there are tasks that are not anyone's responsibility or if it is deemed necessary to change the responsibility areas to other employees, it is done based on the results of a SWOT analysis. This was a suggestion made by one of the employees and the idea is that all staff members will write down the strengths, weaknesses, opportunities and threats of their colleagues' personalities and work skills and everyone will evaluate themselves as well.

The time needed to complete tasks and responsibilities is based on the experience of the staff and a review of the task itself. The tasks will also be listed into task sheets that includes everything that has to be done in a specific shift and recurring tasks assigned for a certain weekday. To simplify the reporting of upsells and other daily data it was agreed to bring back into use an old excel sheet that combines all the necessary reporting instead of separate files.

#### 6.3.2 Plan for Target Condition 2: Smooth Work Flow

The second plan was made to implement the solutions for smooth work flow with the required equipment and supplies. The tool that will be used to implement the plan is the 5 S which is distinguishes between what is needed and has to be kept and what is unnecessary and to be thrown away. (Warwood & Knowles 2004, 347.) This applies to supplies, equipment and the whole organisation of the front office to make sure there are no delays in the daily tasks.

The 5-S method is named after the Japanese terms for tidiness, orderliness, cleanliness, standardised clean-up and discipline which are Seiri, Seiton, Seiso, Seiketsu and Shitsuke respectively but the 5S' are also translated as Sort, Straighten, Shine, Standardise and Sustain in English. The idea is to maintain standards and discipline in the work environment simply by upholding and showing respect for the workplace, which is referred to as Gemba. (Kaizen Institute 2015.)

To follow the steps of 5-S, the back-office will need to be cleaned up and all unnecessary items have to be discarded to make room for those that are needed. When all the items have their own set places and there are procedures to keep up the organisation, the work flow will improve due to the reduced amount of time spent on looking for supplies and working with broken equipment. The most important solutions to be implemented are giving responsibility of supplies and equipment to specific staff members. This will be completed as a part of the new division of responsibilities as was discussed in the previous chapter. The persons who are responsible for the equipment, TV's and internet will need to acquire the needed information and instructions from service and equipment providers to solve problems and to have contact information for when it is needed. The goal is to prevent problems and solve them as quickly as possible to make sure the work flow is not affected.

The cleaning up of the back office will be divided between staff members and they will go through the material to evaluate its importance and discarding everything that is not used anymore. The storages will be cleaned up and labelled by the night shift and they will also list the location of items. After the back office is cleaned up, the available furniture also in the storages is looked over and a new layout is planned.

## 6.3.3 Plan for Target Condition 3: Continuous Communication

The amount of staff meetings is the responsibility of the Front Office Manager who will need to set a schedule for the meetings, which would allow the employees to prepare for the next meeting and they would know when the next opportunity to voice their opinions and ideas would be. Of course this can be done on daily basis, but it will be easier to focus on the topic in a meeting and other staff members will be able to participate in the discussion. Ideas and feedback can be given in a feedback box in the reception that will be emptied on weekly or bi-weekly basis. The person responsible for the feedback box could distribute the feedback directly to the person in question or it can be discussed on a general level in the staff meetings.

The task division should be cleared up between departments and there should be a list to follow up which tasks have been given to other departments by reception and if they have been completed. There could be a list in the kitchen where reception marks down their orders and kitchen makes a note that it is under work. Reception could check from the list if there is uncertainty whether it has been completed or not.

To improve the communication between departments, the reception will create an Excel spreadsheet that is available on all computers and writes down the information they want to have form the departments. This would remove the need for constantly printing out new opening times for the restaurant and changing them on notice boards. The up to date information will always be available for the staff and they can access it without checking from the back office notice board

The participation of a staff member in the department meetings was planned before the beginning of this project and it was not discussed further as a target condition task.

## 6.4 Step 5: Implementing the solution

When the improvement project has been launched and the target conditions have been set up, the next step is to implement the plans. The target conditions were implemented simultaneously during a four week period after the second workshop where the solutions were discussed and planned. The timeline for completing the target conditions was originally two weeks but it was extended to four weeks due to the vacations of staff members as well as a major system update at the hotel that prevented the staff from working on the Kaizen Event.

During the implementation stage the PDCA cycle was used continuously to keep track of the current phase of the implementation and the changes it had created. It consists of four stages which are Plan, Do, Check and Adjust (PDCA). There are variations of the cycle and the stages can include also Act or Observe stages and the length of the cycle varies as well. In Kaizen Theory the PDCA cycle is kept very short and it is repeated along the way instead of at the end of the project.

With short cycles of PDCA it is possible to do continuous improvement, problem solving and adaptation more effectively but it also requires that the expected result of each step of the project is defined in advance. The benefit is that abnormalities are recognised early and improvements can be made on the way to the goal of the project. (Goetsch & Davis 2014, 8-9; Rother 2010, 142-144)

The PDCA should be repeated each day of the Kaizen event and the questions can be for example (Reed 2011, 1-2):

- Plan: What will be done today?
- Do: What did we do today?
- Check: What are the results?
- Act: What are we going to do tomorrow?

The PDCA Cycle that was used in this project is presented in Table 1 which also shows the key items of each stage. The PDCA form was located in the back office during the project and it was updated in each stage of the project and the staff members were able to see at which stage the project was at any given time. Each process that was changed during the project had its own PDCA form that was filled out as each stage was completed.

Plan	Do
Define Goals	Implement in a small scale
Plan Implementation	Implement in a controlled environment
Regognise items to change	
Evaluate the effect of change	
Check	Adjust
Check what has changed since the starting point	Standardise new methods if they work better than previous ones
Solve obstacles and problems	If the method does not work, adjust it or return to old methods

Table 5. PDCA Cycle. (Adapted from Rother 2010, p. 142-144)

Normally when Kaizen is implemented, the team members are expected to focus solely on the project and not to work on their normal tasks (United States Environmental Protection Agency 2015). In the hotel industry and in the front office, there are no resources to create a separate project team so the staff will implement the solutions and work on the project while performing their normal duties at the workplace. This limits the time available for the project and extends the length of the Kaizen event. To successfully implement change, it is important that staff members are committed to make the change and it is made easier when the plans are realistic and doable. (Coghlan & Brannick 2014, 82-83)

#### 6.4.1 Implementing Target Condition 1: Clear Roles and Responsibilities

The staff members were given two weeks to write the guidelines for the responsibility areas and to fill in the SWOT analysis and the other two weeks were used to implementing the new solutions in practice. The summer season created its own challenges for the project as the summer vacations of staff and the amount of groups staying at the hotel stretched the resources very thin and the daily work differed greatly from the rest of the year. The ideal situation would nevertheless be that the hotel works as efficiently during the summer as the rest of the year and the importance of task division and routines can be seen in these situation. During the project it became clear, that all the implemented solutions would most likely work without a problem during the rest of the year but there has to be a separate guideline for making it through the summer.

The first step to implementing the first target condition was to list all responsibilities and the persons who have been assigned to it. This task was given to a staff member but it was not possible to complete the list due to the hectic work situation at the hotel and impending vacation. Instead each employee told the researcher their responsibilities and they wrote a short introduction to the topic that others can use as a guideline in the future.

The final list of tasks, descriptions for the new responsibility areas and the division of tasks were completed by the researcher and then approved by the staff. One of the new tasks is the responsibility for supplies and storages, which means that there is one person who checks the need for supplies on weekly basis and delivers the order request to the front office manager and keeps the storages in order. New tasks are also overseeing the feedback and idea box and communication between departments which are discussed in more detail in chapter 6.6.3.

The SWOT analysis was an Excel spreadsheet on the computer that had separate sheets for each employee where everyone was able to add comments for their colleagues anonymously. In addition there was a separate printable sheet that everyone filled out about themselves and returned it to the researcher. The SWOT analysis turned out to be a good opportunity for feedback as well as it turned out that the staff is not comfortable at giving feedback directly to all of their colleagues and they were able to bring out topics that have affected the work environment for some time. Some of the SWOT results gave clear indication about what could be the responsibility area of a specific person, going as far as suggesting a person for the task. Some answers instead brought up the lack of challenge at the workplace for some people and the threat of them leaving for a more interesting position.

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The result of the SWOT analysis as well as the discussions with the staff members resulted in a list of tasks for each staff member with each having at least one main responsibility and being a second in charge in another responsibility area. This division makes the staff more equal since the responsibility is not only given to few specific persons and it also gives everyone more time for completing their tasks when they are not overwhelmed with too much work. The tasks have been divided between the service managers and clerks evenly, as they have the same level of knowledge about the everyday work and they tend to share their tasks in the reception. Some tasks were given to service managers due to their status as they work more hours per week than clerks or they have the training required, such as for making work schedules.

The list of the new responsibility tasks were sent to the staff members and afterwards the practical aspect was discussed with each one involved. This was to make sure that they know what they are required to do and how as well as making sure that it is implemented. A list was also collected for the Font Office Manager about the topics to be discussed and recapped in the next staff meeting, such as procedures for problem situations. The plan for implementing an old form to use for reporting was not feasible, but a staff member created a new form where all the daily data is gathered. At the same time the folders on the computers were cleaned up so information can be found easily and logically.

The tasks completed by reception staff were also reviewed to see if there are any tasks that belong to other departments to ease the workload. The only item that was found was related to the Coffee Bar that is located at the front office and is used to sell small items such as soft drinks, coffee and sandwiches. The coffee Bar responsibility is actually shared by three departments which are the front office, kitchen and the restaurant. This had been causing some confusion and after a discussion with all departments the responsibilities for each were clarified. As the nerve centre of the hotel, the front office is responsible for all operations and part of the job description is helping out other departments and cleaning up to keep the hotel presentable if no one else has had the time to do it. In practice, there is nothing that does not belong to the reception but they should not be the primary department for completing all tasks. This division of tasks was discussed with all relevant departments and information of the tasks was shared with everyone in the front office.

Finally the task sheet for morning and evening shift was updated and brought back to use. The goal was to make sure that everything necessary gets done during the shift even if it is busy and also to see if there are tasks that are never completed. This was one of the most challenging changes in the hotel, as the staff has their routines from working in the hotel for several years and they did not see the need for the task sheet. After showing the sheet to several employees, it however turned out that there are several tasks that were not completed even though they are part of the standard operating procedure.

The goal was to complete the tasks sheets for one week in each shift to see if they were beneficial and if there was anything to improve. This however did not happen as during the first week the sheets were only filled out three times out of the possible 14 times they could have been filled out. The comments given during these three times were however beneficial and the sheets were adjusted accordingly. The next week the task sheets were tried again and each staff member was given an explanation for the need of these lists and their importance for their work process was discussed. During these weeks a major contributor for the lack of cooperation was the absence of the front office manager due to his summer vacation and the employees were under more pressure and not as invested in the project's success as before. To compensate for this the researcher was required to supervise and keep up the changes almost on daily basis at the hotel.

### 6.4.2 Implementing Target Condition 2: Smooth Work Flow

The first change implemented to improve the work flow with the help of supplies and equipment was to clean up and reorganise the back office. This was mainly completed by the researcher with the assistance of staff members and material to be discarded was decided by the employees or the front office manager. It was not possible to arrange a clean-up day for the staff where they could focus only on this task and they assisted when they had available time from their reception work. The tasks that were given to staff members, for example looking over folders and organisation of their own drawers, was not completed independently and required once again the intervention of the researcher before the tasks were completed.

After all unnecessary folders and other items were cleared out, shelves and drawers were rearranged and each staff member reserved a storage drawer for their personal work papers and other items. This clean-up resulted in a lot of freed up space and shelving units were removed to give more space to the back office. An additional notice board was added to give room for the new storage lists etc. Some practical changes were made as well, such as moving tourist information material to the front office and organising shelves and cupboards.

The daily clean-up tasks were added to the task sheet to be completed before the end of the shift and some weekdays were given an additional clean-up task to be completed. The topic of cleaning up and keeping up the new organisation will also be discussed in the next staff meeting.

### 6.4.3 Implementing Target Condition 3: Continuous Communication

The communication methods used between the departments are working well enough at the moment by email, meetings and discussion but a new Excel file was made available for everyone where they can add information regarding their department, such as opening times and current campaigns. The file was created by the researcher and the upkeep of the file and informing the department heads was given to one of the employees. This file is to be used on daily basis and the front office can adjust it as needed. The communication between departments has improved already before the implementation of this project as regular meetings were set up where a service manager participates together with the department heads.

The feedback box was created and it is located in the back office. The persons responsible for the upkeep of the box empty it out on regular basis and forward the feedback as they see fit to the person in question. The communication between supervisors and staff in the front office was not addressed during this Kaizen event because the front office manager and the general manger were on vacation at this time. This topic will be discussed in the next staff meeting and new ways of improving communication will be created.

#### 6.5 Step 6: Checking and securing the solution

The changes made during this Kaizen Event have been checked and evaluated throughout the project by using the PDCA cycle and they have been adjusted as needed. This chapter will therefore focus on the project as a whole and discuss the two week period after the implementation step when the changes had been applied and their effect was studied. The solutions will only be secure if the quantitative results show that they have been beneficial and if not, then the processes will be checked and adjusted before securing them or if bigger changes are needed, the Kaizen Event will be launched again from this new starting point.

After the changes were implemented, the aim was to see if the front office operations have achieved the three target conditions that were set in the beginning and how to secure the changes to keep up the new methods. The improvement achieved with the Kaizen Event was evaluated based on the answers of Interview B and Interview C and how they compare to the results of the first Interview A that was conducted before any changes were made. These results will be discussed in detail in the following chapter.

In addition to the interview results, feedback of the project was gathered to see how the specific changes have affected the working environment and whether the solutions should be secure to be used in the future. Securing the solution means that the new methods are added to the guidelines and each staff member is taught to work with the new methods to make sure that the benefits of the Kaizen Event continue after the project is finished. The employees should be motivated to continue improving the processes individually and to constantly look for the best solutions in their daily work.

The motivation of staff to implement and keep up the changes was been very challenging, since they have very strong routines and do not see the need for change in practice, even if they wanted something to change during the first interviews. A lot of the work has been completed by the researcher and the employees have required constant encouraging and supervision to make sure they participate in the project. There has been a clear change in enthusiasm between the planning and implementation stage.

When the new methods were accepted by the staff for the testing phase, the employees had been instructed to start using the new methods to check their viability in practice. After a two week testing phase, the results were to be evaluated and secured. During the testing phase the new methods had not been taken into use at all due to the lack of enthusiasm form the staff caused by the stress and pressure of work. During this time the hotel was lacking staff resources and those involved had not had the time to focus on the project at all.

#### 6.5.1 Results of the Six Step Kaizen Event

The results of the Kaizen event are based on the metrics from quantitative interview questions and they show the effect the project has had on the efficiency of operations and employee job satisfaction. The new solutions cannot be secured if the employees are not satisfied with them.

The Interview B was conducted as a questionnaire at the end of the testing phase of the new methods and the questionnaire used for the interview can be found as appendix 6. The staff members filled in the questionnaire independently with the researcher present to answer possible questions as there were only quantitative questions available

The comparison of results between Interview A, which was conducted in the beginning of the Kaizen Event and Interview B, which was conducted in the end of the event shows a clear decline in all answers. The timing of the questions can also create unreliability as the previous days had been exceptionally difficult in the hotel due to a festival in the city. This does not mean that the project could not have had a negative effect as well but it is contradicted by the verbal feedback that was received during the project.

The differences between the average grades can be seen in table 6 and based on the results the staff members feel that their work is appreciated less than before, the ability to share ideas with supervisors has decreased and they are able to follow the guidelines less than before. In addition to the decrease in satisfaction, the amount of staff members that have thought about changing jobs in the next 6 months increased slightly.

The change in the results between Interview A and Interview B vary from the smallest decrease from 4,14 to 3,91 which was for feeling that their work matters to the largest decrease which is from 4,41 to 3,55 for the question of having the opportunity to share ideas and opinions. Another significant decrease was in feeling appreciated at work which decreased from 4,09 to 3,27. These changes are relatively small and the average grade of all questions has only decreased from 4,01 to 3,53 which is still a very good result for the efficiency of operations in the hotel and the employee satisfaction. The lowest scoring questions have remained the same in both interviews and the best scoring question has remained the same as well, which was the work environment at the workplace, even though there was variation in the other highest scoring questions between the interviews. The only concern is that the results have nevertheless decreased even when the processes were developed but it is not possible to know what the results would be without the Kaizen Event.

Question	Interview A	Interview B	Question	Interview A	Interview B
1. You are satisfied with your job	4,23	3,82	9. The work environment in the hotel is very good	4,45	3,82
2. The work environment is clean and well organised	3,50	3,18	10. Responsibility and work tasks are shared fairly between employees	3,66	3,41
3. You are motivated to do your best at work	4,20	3,64	11. Responsibility and work tasks are shared fairly between shifts	4,18	3,82
4. You feel that your work matters	4,14	3,91	12. You follow the guidelines in your daily work	4,27	3,73
5. You feel that your work is appreciated	4,09	3,27	13. Front Office operations do not need change	3,59	3,18
6. You have the opportunity to share your ideas and opinions	4,41	3,55	14. The front office operations work as well and smoothly as possible	4,14	3,59
8. You can affect the decisions concerning the front office	3,27	3,00	Average Grade of All Questions	4,01	3,53

#### Table 6. Comparison between Interview A and Interview B results

The results of Interview B were to be validated by having all employees fill out the same questionnaire which was renamed as Interview C to see what the effect of the festival weekend and the difficult work shifts had on the results. The questionnaire was sent out to everyone by email to be filled out one week after conducting Interview B. The question-naires were only filled out by four employees and since none of them had been present to answer the previous interview, the answers were simply added to the results of Interview B to increase the sample size. The four additional answers did not change the average grade of Interview B at all. The validity of Interview B results could not be verified as there were no comparative results from those who were requested to answer the questions twice. It was important not to extend the project any more to gain more results to keep up with the schedule and to have clear boundaries to the research.

The changes made during the Kaizen Event have not improved the processes from their previous state but it has not made them anymore inefficient either. Based on these results the new solutions should not be secured but instead a new project should be launched to investigate better options instead of simply returning to the old processes. Another option would be simply to repeat the checking and securing step with the results of this project during low season.

The changes that were made could be successful and beneficial but unfortunately there are no factual results to support this until the staff has the time to use them in practice. This would also require that someone takes the responsibility of moving forward and continuing the improvement of operations.

### 6.5.2 Feedback of the project

At the end of the Kaizen project the employees were requested to fill out a feedback form regarding the project and its success to clarify the positive or negative effects it had on the operations. The feedback questionnaire can be found as appendix 7.

The feedback was evaluated on the same 1 to 5 Likert scale as the interviews, where 1 is Strongly disagree and 5 is Strongly agree. The average grade for all questions was 3,24, with the lowest score being 2,45 for the effect the clear division of roles and responsibilities has reduced stress and improved work flow. The other questions that received a grade lower than 3,0 were all related to the target conditions which show that they were not achieved during the Kaizen Event. The highest grades of 4,36 and 4,0 were given to the ability to participate in the project, the need for improvement and understanding the goal of the project. The full results of the feedback are presented in Table 7.

#### Table 7. Feedback Results

Question		1=	Stro	ngly	Dis	agre	e, 5:	= Str	ong	ly ag	ree	Average Grade	Question		1=	Stro	ngly	Disa	gree	e, 5=	= Str	ongl	y ag	ree	Average Grade
1. The improvement project was necessary	5	4	3	5	3	3	4	4	5	4	4	4,00	11. The clear division of roles and responsibilities has reduced stress and improved work flow	2	2	2	4	3	1	4	4	2	2	1	2,45
<ol> <li>The improvement project made changes for the better in the front office operations</li> </ol>		3	2	4	4	2	4	4	2	4	3	3,18	12. I am aware who is responsible for each and who to turn to for advice on the topic	3	5	2	4	4	3	3	4	5	5	4	3,82
3. The time used for the project was sufficient	5	5	4	3	4	3	3	4	2	4	4	3,73	13. Supply needs are taken better into account than before	3	3	2	3	4	3	3	3	1	3	1	2,64
4. The implementation methods were suitable for the project	4	3	3	4	4	3	3	3	2	3	3	3,18	14. Supplies and items are organised and easy to locate	3	3	1	4	4	3	3	3	2	3	1	2,73
5. You were able to participate to your satisfaction	5	3	4	4	5	5	4	5	4	5	4	4,36	15. Cleanliness and order is kept up better than previously	5	3	2	3	3	1	4	3	4	2	1	2,82
6. You understand the goal of the project	4	1	4	5	4	4	3	5	4	5	5	4,00	16. Information flow between departments has improved	2	2	3	3	3	2	3	4	1	3	2	2,55
7. The improvement project brought on changes that will be taken advantage of in the future	4	3	2	4	4	2	4	4	2	4	3	3,27	17. Division of tasks between departments is more clear than previously	2	2	2	3	4	2	3	4	1	3	2	2,55
8. The new methods are more efficient than the previous ones	3	2	3	4	4	3	3	4	2	4	3	3,14	18. It is now easier to give feedback to colleagues	3	4	3	3	3	4	3	4	2	3	2	3,09
9. New responsibility areas work well in practice	4	3	3	4	3	2	4	4	2	4	3	3,27	Average Grade of All Questions												3,24
10. The written instructions are beneficial for me	5	5	2	4	3	1	3	4	5	2	2	3,27													

The results of the feedback show an average success for the project, but there is a lot of room for improvement. A project of this type was clearly needed but the time for implementation should have been during the low season. Due to the lack of implementation and testing of the new methods and processes there naturally are no clear perceived benefits from them either. There are also tasks that have not yet been needed such as ordering supplies which was an important improvement item in the beginning of the project.

# 7 Discussion

The objective of this thesis was to analyse the current operations in the commissioning Radisson Blu Royal Hotel and to improve the operations by using the tools of Kaizen Theory of Continuous Improvement. The project did provide information to be used in the hospitality industry and it is also a good example on how challenging it can be to create something new. Unfortunately the expected benefit of implementing Kaizen in Radisson Blu Royal was not achieved with the Kaizen Event. The expected results were a clear increase in the interview results between the beginning and the end of the project but this did not occur, even if the project produced otherwise important information for the commissioning hotel.

The results are inconclusive as the effect of the project was very difficult to distinguish from the effect of a difficult and stressful summer season. Nevertheless the results of Interview B show a decrease in employee satisfaction and the effectiveness of front office operations and the feedback result support this statement. The benefits achieved for the commissioning hotel was the information on the current level of operational effectiveness and employee satisfaction, the need for improved communication and feedback as well as the need for more organised and structured work.

The challenges that were faced in this thesis project are familiar in every project that aims to make changes in the organisational culture and in the operations that have been in use for a long time. It is very difficult to get employees motivated and committed to change, especially if they do not see it as necessary. In this Kaizen Event the results of the first interview showed that employees are interested in making improvements, but the results were not critical and would be possible to continue working with the existing methods which makes it very difficult to accept change. The employees have also been working in the same hotel for a very long time and they were very set on their ways, even if the outcome is not as good as it can be.

The Kaizen culture should have been implemented on a deeper level and more time should have been dedicated to discuss the importance of being involved and making a personal effort to accept change. This alone would still not be enough if the management is not involved and motivated as they are the example that the employees follow. The front office manager was very involved in the beginning of the project in the planning and discussion stage, but due to the lack of participation in the workshops and practical implementation of the changes affected the motivation of the employees as well.

Permanent change can only occur in a company if the manager leads by example and makes sure that employees are participating fully as well. One of the reasons for the lack of participation in the implementation phase was the vacation time of the front office manager that was scheduled at the most critical time for the project. This could have been avoided by completing the project in the fall or by scheduling the changes around the vacation times, but this was not possible due to the time restrictions of the thesis and the delays in completing the first steps of the project. The delays were mainly caused by work scheduling that made it challenging to arrange the interviews and workshops in such way that as many employees as possible were able to participate.

The effect of the absence of the front office manager showed how important the commitment to change from managerial level is and how change management has to be taken into account in addition to the tools and techniques of the theories used. The Kaizen culture was discussed shortly but it should have been taken into account more in every step of the way. In addition to the commitment of management, it is important to have organised and clearly communicating supervisors who are able to assist with the implementation and scheduling. In this project the scheduling was done by the researcher and it was only sent to the front office manager for approval which caused the effect of the vacation times to go unnoticed. In the end The absences of the employees due to their vacations did not make as much difference in the implementation as the absence of the Front office manager which showed as lack of direction and support for the employees. The researcher as an outside project consultant does simply not have the same authority and influence as the manager would have had.

In addition to having the support of the front office manager and having involved employees, the top management has to back up the project as well. The best results can be achieved when the need for change is shared by everyone involved in the operations and all levels. It appeared that the required culture of change and improvement was already in place in the hotel even though this was not true and as a result the change management and creating a Kaizen culture was not given enough value. This was an oversight by the researcher, because the Interview results gave an indication of having the correct culture in place but it should have been analysed in more detail to find the existing flaws. These flaws were the lack of commitment, organisation skills and communication skills. My recommendation to future Kaizen Events in Radisson Blu Royal or other hotels is to focus on change management and creating the right culture from the scratch before any processes or operations are even discussed. The hospitality industry will continue to create challenges in implementing Kaizen tools and techniques because of the seasonality of the work, shift working and conflicts between standards and best practices.

The results of this project were discussed with the front office manager and improvement suggestions were presented that involved some hotel specific suggestions as well as general ideas that can be used in other hotels as well. The front office manager responded very well to the results of the project and the feedback of operations from the researcher and they will be taken into consideration in the future. The new responsibility areas will be put into use for a testing phase to see if they can truly improve the efficiency of operations and employee satisfaction, but these results will be seen at the earliest at the end of the year.

The project results were also presented in a staff meeting and the project itself was discussed. The change in the results remained inconclusive as the employees were not able to evaluate the effect of outside factors on the success or lack of success of the project. The employees did nevertheless see their reluctance to implement change because of their old habits and it was clear that they need to be required by management to make changes instead of volunteering to improve their work methods.

The topics covered in the project should continue to be a focus in the hotel and they need be developed further by the hotel employees to get the full benefit. To continue improving and developing operations in Radisson Blu Royal, the front office manager will need to dedicate time to make changes and to study the current operations as well as increase the communication with the employees. The operations should be more structured and organised and information has to be made available for everyone equally.

### 7.1 Evaluation of the Kaizen Event

The tools and techniques used in this project were reliable and suitable for the project but they were not able to overcome the problems caused by the lack of commitment from the employees and management. The lack of understanding of Kaizen and its goals also affected the perceived importance of this project. Kaizen theory does discuss the importance of the organizational culture but how important it truly is became clear only after the lack of participation in implementing change showed and it was too late to go back and change the culture.

It became clear that a project like this cannot be completed without more time from the staff that is dedicated only for the project as it appeared to increase the stress of the already busy staff members. The concept of Kaizen remained unclear for most of the staff and this again would have required longer workshops and meetings to train them and go through the important principles of Kaizen. This could also have made them more invested in the project itself. Even though Kaizen is advertised as being suitable more a variety of environments and easily adaptable, there are still some requirements to be met. The management could have been involved more in the process and employees should be available to participate in workshops that take at least one or two days to be able to give them enough information and to make them focus only on the project. This will only be possible if the need for change comes from managerial level instead of an outsider who wants to implement a project in their environment.

The timing of the project was unsuccessful as well but it would have been difficult to predict how bad the timing was in advance. This summer was exceptional for the staff and there were signs of exhausting and overworking already in the beginning of the summer which worsened towards the end of the project in August. The project did not remain as unobjective as it should have due to the fact that the researcher had to actively participate in the planning and implementation phase to move the project forward.

The interview, observation and workshop results were valid and the data was useful for the project. The inconclusiveness of the success of the projects nevertheless is affected by the results of Interview B as the staff members informed directly that their answers may be affected by the events of the past days at the hotel. This is always a risk in these kinds of interviews since the answers are based on opinions and they are easily affected by outside influences. In these cases the responsibility is with the subject to stay objective when answering the questions but it is very difficult to achieve. The metrics used to evaluate change should have been decided in such way that only the effect of the project could have been seen and this is something to focus on when conducting the next Kaizen event

To gain better results for the project, the interviews should always have been conducted as interviews instead of using them as questionnaires as well, especially with Interview C. The small sample size made the results invalid and the previous results could not be confirmed which would have been very important to evaluate the success of the project. The way the questions were formed and the chosen questions themselves did not rule out the effect of outside factors and in the next Kaizen Event the results need to be evaluated with more project focused questions or even through a completely different method.

The project of creating a Kaizen Event in a front office was a very good learning opportunity and in a different situation it could be very beneficial for the hotel. The structure of the Kaizen event worked very well and the methods used were suitable for the environment. The importance of commitment and leading by example became very clear as well as the need to analyse information instead of making assumptions, no matter how selfevident it may seem. These types of projects have to be scheduled better as well to make sure it does not intervene with the regular operations too much and the other way around. This would also have been solved if the need for the project would have come from inside the hotel instead of an outsider with a set schedule. Now it was also not possible to extend the project to the fall where the results could have been achieved.

The most important changes to make before repeating this Kaizen Event is to start the change from managerial level, reserve more time for managing change and finally creating the Kaizen culture before starting on the six steps. The Six Steps of a Kaizen Event themselves can be repeated as they are, with the exception of the method for gathering data to analyse the results.

### 7.2 Development suggestions for the hospitality industry

The benefits of Kaizen to hotels are removing inefficiency from the operations to decrease the waiting times that affect the guest satisfaction and to create more uniformed service. The service and procedures should be repeated in the same way each time to make sure that each guest receives the same level of quality service. These are items that Radisson Blu Royal Hotel has to continue working towards to with the example of this Kaizen Event and as a result become an example to the other hotels.

The Kaizen institute has presented some of the opportunities that applying Kaizen in hotels can bring, which are for example improving the speed and efficiency of check-in, ensuring quality, reducing maintenance costs, reducing inventories and engaging the entire workforce. (Sonaji 2014, 3). These are goals that every hotel most likely wants to achieve and they do have the methods available as long as the management commits to improving operations and implementing change. There are no clear flaws in implementing Kaizen and it does appear to be a very good option for making a practical change. It just has to be remembered that Kaizen aims for long term change and results, rather than immediate increases in profit for the company which usually cannot be sustained.

One example from the few hotels that are already using Kaizen is the reduction of 28 % in costs, especially in the costs from working overtime since the employees use their time more efficiently now. The hotels have also standardised the work processes and cross trained everyone so they are able to work in any department if required. This has enabled the employees to help each other out at peak times by levelling the workload and dividing tasks equally. Some of the hotels are also rewarding their employees for coming up with effective ideas. (Kawashima 2012.)

It is recommended for the managers to participate in official training for Kaizen to make sure to avoid the problems and pitfalls that were seen in this project and to have all the necessary information. This is a theory and a philosophy for leading a company that has to be made well known and presented to the management of hotels to begin the change for the better. The transfer of knowledge has to come first and Kaizen should be introduced to companies through lectures and presentations as well as some of the examples that have been completed. The topic of implementing Kaizen Events in the hospitality environment is very relevant and should be studied more. There are a variety of tools and methods within Kaizen that can be adapted in to this industry and finding the suitable method of implementing Kaizen in hotels requires many trial projects as well. Kaizen is an excellent option since it is low cost and creates employee satisfaction as well, but it has to be adapted on corporate level and it has to be completed as an intensive training opportunity. It requires several kaizen events to learn the needed skills and to be able to coach others and this is something that hotels should focus on to get a competitive advantage.

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# Appendices

# Appendix 1:Project Plan

# Task 1. Defining the problem and goal

1. Questionnaire for employees or meeting with open discussion

What should be improved Are processes and manuals up to date New ideas Customer feedback Is working environment efficient and comfortable Corporate needs for change

2. What are the goals to be achieved and the timeframe

# Task 2. Analyze the facts

1. What is feasible

Which ideas are ready for implementing and can be done
What needs more work and details
Who is available to take project responsibility
How much time can be allocated for the projects
What is the budget for change
Are the ideas suitable for the company
Are the development issues general or person specific
What are the restrictions of the project and can it be done by employees

# Task 3. Generate possible solutions

What are the key problems and the solutions List 3 options to choose from Best solution chosen in a meeting

#### Task 4. Plan the solution

# 1. Participants in the project

Who takes the lead

How many persons are required for the project

Is managerial involvement needed

# 2. Timeframe

When will the solution be finalized

When are meetings held

How much work time is allocated for the project

# 3. Contacts

Who needs to be consulted

What changes are allowed

Who decides on the financial requirements

### 4. Report

What is the problem and the solution

How it will be implemented

What is the timeframe for implementation

# Task 5. Implement the solution

In what order are tasks completed PDCA cycle and reviews of progress Testing out the implemented changes Adjusting changes as needed

# Task 6. Check and secure the solution

Review period What is better/ worse than before

Are there benefits from changes

Are changes kept, adjusted or returned to previous methods

# **Appendix 2: Interview A Questions**

# **Background Information:**

Are you a supervisor or front office clerk? How long have you worked in this hotel? \_\_\_\_\_ What about in other hotels? \_\_\_\_\_ Do you have plans to change jobs in the next 6 months? Yes / No

Scale is 1= completely disagree to 5= completely agree

#### Work Environment:

- 1. You are satisfied with your job. On a scale from 1 to 5
- 2. The work environment is clean and well organized. On a scale from 1 to 5
- 3. You are motivated to do your best at work. On a scale from 1 to 5
- 4. You feel that your work matters. On a scale from 1 to 5
- 5. You feel that your work is appreciated. On a scale from 1 to 5
- 6. You have to opportunity to share your ideas and opinions. On a scale from 1 to 5
- 7. Your supervisor request for your ideas and opinions. On a scale from 1 to 5
- 8. You can affect the decisions concerning the front office. On a scale from 1 to 5
- 9. The work environment in the hotel is very good. On a scale from 1 to 5

#### Front Office Operations:

- 10. Have any improvement projects been implemented in the front office?
- 11. Responsibility and work tasks are shared fairly between employees. On a scale from 1 to 5
- 12. Responsibility and work tasks are shared fairly between employees. On a scale from 1 to 5
- 13. Do you have the task cards, guidelines and standard available for use and are they up to date? You follow the guidelines in your daily work. On a scale from 1 to 5
- 14. Do employees work at full capacity and are problems solved with permanent solutions?
- 15. There is no need for change in the front office. On a scale from 1 to 5
- 16. Front office operations work as well and smoothly as possible. On a scale from 1 to 5
- 17. Do you have any problems or concerns regarding operations that you would like to address?

# Appendix 3: Workshop 1

Workshop No. 1: Defining Target Conditions Duration: 45min

- 1. Introduction to Kaizen and Workshop (5min)
  - a. What is Kaizen
  - b. What are the objectives and schedule of the workshop
- 2. Presenting the improvement ideas (5min)
  - a. What are the current ideas
  - b. Is there anything to add or change
  - c. Is any clarification needed for improvement ideas
- 3. Deciding the target conditions (35min)
  - a. What are the 3 target conditions to aim for, what are the patterns and way operating to be achieved
  - b. When the target conditions should be achieved
  - c. Define a long-term vision for the front office
  - d. 5 Questions to find target conditions

Each group decides their target conditions and they are presented to the next group to be discussed and defined in more detail. The last group will have the most available information and they will make the final decision on which target conditions are presented and how they are defined.

# **Appendix 4: The Five Questions**

1. What is the actual condition now

2. What is the target condition

3. What obstacles are now preventing you from reaching the target condition

4. What is the next step

5. When can we go and see what we have learned from taking that step

# Appendix 5: Workshop 2

Workshop 2: Solutions, Implementation, teams and tools Duration: 45min

- 4. Introduction to target conditions (5min)
  - a. Order of implementation
  - b. Timeline

# 5. First target condition (40min)

- a. Tools
- b. Solutions
- c. Implementation
- d. Team and responsibilities
- 6. Second and Third target condition
  - a. Tools
  - b. Solutions
  - c. Implementation
  - d. Team and responsibilities

The workshop will focus on finding solutions and planning the implementation of the first target condition. Other target conditions are discussed if there is enough time or if solutions for them come up. The next target conditions will be reviewed after the first one has been completed.

#### **Current Obstacles:**

Unfair treatment of employees Something is always left unfinished Not enough time Back office shifts have to work the front desk Not enough employees for the workload Responsibility areas take time from regular work No awareness of all tasks to be taken care of Missing guidelines and manuals Supervisor has to carry responsibility Front desk takes care of other departments tasks Responsibilities not up to date or listed

# **Appendix 6: Interview B Questions**

#### **Background Information:**

Are you a supervisor or front office clerk? Do you have plans to change jobs in the next 6 months? Yes / No Scale is 1= completely disagree to 5= completely agree

### Work Environment:

- 1. You are satisfied with your job. On a scale from 1 to 5
- 2. The work environment is clean and well organized. On a scale from 1 to 5
- 3. You are motivated to do your best at work. On a scale from 1 to 5
- 4. You feel that your work matters. On a scale from 1 to 5
- 5. You feel that your work is appreciated. On a scale from 1 to 5
- 6. You have to opportunity to share your ideas and opinions. On a scale from 1 to 5
- 7. Your supervisor request for your ideas and opinions. On a scale from 1 to 5
- 8. You can affect the decisions concerning the front office. On a scale from 1 to 5
- 9. The work environment in the hotel is very good. On a scale from 1 to 5

# **Front Office Operations:**

- 10. Responsibility and work tasks are shared fairly between employees. On a scale from 1 to 5
- 11. Responsibility and work tasks are shared fairly between employees. On a scale from 1 to 5
- 12. Do you have the task cards, guidelines and standard available for use and are they up to date? You follow the guidelines in your daily work. On a scale from 1 to 5
- 13. There is no need for change in the front office. On a scale from 1 to 5
- 14. Front office operations work as well and smoothly as possible. On a scale from 1 to 5

# Appendix 7: Feedback

Scale is 5= completely agree to 1= completely disagree

#### **Project implementation:**

- The improvement project was necessary
   On a scale from 1 to 5 \_\_\_\_\_
- The improvement project made changes for the better in the front office operations
   On a scale from 1 to 5 \_\_\_\_\_
- The time used for the project was sufficient
  On a scale from 1 to 5 \_\_\_\_\_
- 4. The implementation methods were suitable for the project
  On a scale from 1 to 5 \_\_\_\_\_
- 5. You were able to participate to your satisfaction
  On a scale from 1 to 5 \_\_\_\_\_
- 6. You understand the goal of the project
  On a scale from 1 to 5 \_\_\_\_\_
- The improvement project brought on changes that will be taken advantage of in the future
   On a scale from 1 to 5 \_\_\_\_\_
- 8. The new methods are more efficient than the previous ones
   On a scale from 1 to 5 \_\_\_\_\_

#### 1. Target condition: Clearly defined roles and responsibilities to pace the work flow

- 9. New responsibility areas work well in practice
  On a scale from 1 to 5 \_\_\_\_\_
- 10. The written instructions are beneficial for meOn a scale from 1 to 5 \_\_\_\_\_
- 11. The clear division of roles and responsibilities has reduced stress and improved work flow
   On a scale from 1 to 5 \_\_\_\_\_
- 12. I am aware who is responsible for each and who to turn to for advice on the topic
  On a scale from 1 to 5 \_\_\_\_\_

#### 2. Target condition: Smooth work flow with required equipment and supplies

- 13. Supply needs are taken better into account than before
  On a scale from 1 to 5 \_\_\_\_\_
- 14. Supplies and items are organised and easy to locate
  On a scale from 1 to 5 \_\_\_\_\_
- 15. Cleanliness and order is kept up better than previously
  On a scale from 1 to 5 \_\_\_\_\_
- 3. Target Condition: Continuous communication between departments, staff and supervisors
- 16. Information flow between departments has improved
  On a scale from 1 to 5 \_\_\_\_\_
- 17. Division of tasks between departments is more clear than previously
  On a scale from 1 to 5 \_\_\_\_\_
- 18. It is now easier to give feedback to colleagues
  On a scale from 1 to 5 \_\_\_\_\_
- 19. Open feedback