

Toward Business Improvement through Employee-Customer Engagement in the Hotel Industry: Human-Sigma Approach

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Abstract

This study aims to measure the employee and the customer engagement using the Human Sigma approach as an attempt toward hotel business performance improvement. This is a comparative study conducted between two hotel settings, namely chain hotels and independent hotels in Egypt. Two different structured surveys were used to collect data. A random sample of 272 employees and 177 customers was chosen for investigation from 17 hotels (six independent hotels and eleven chain hotels). The findings revealed that the independent hotels reported low levels of both employee engagement and customer engagement than those of the chain hotels. Moreover, all of the chain hotels fall in a relatively high human sigma band (HS3) than those of independent hotels (HS2). These results provide hotel business an opportunity to work toward increasing engagement levels of both employees and customers. It also presents empirical evidence on applying the human sigma approach in the hotel industry.

Keywords: Employee Engagement, Customer Engagement, Human Sigma, Hotel Industry.

Introduction

Quality improvement methodologies, such as Six Sigma have been successful in manufacture contexts rather than service ones (Wessel and Burcher, 2004), and as a response to the lack of utilization and effectiveness of Six Sigma in service organizations, a new approach has emerged which is called Human Sigma (HS). It was developed to manage and measure human systems in the service sector. HS purports to be a critical avenue for business performance improvement (Fleming *et al.*, 2005), and offers a holistic approach to managing and measuring the quality of the employee-customer encounter. More specifically, it has been established that many businesses utilize satisfaction metrics to measure employee and customer service quality to improve business performance (Sutton, 2014).

It is suggested that managing and measuring through satisfaction, described as meeting customer expectations, is not enough to drive performance improvement and service excellence (Torres and Kline, 2006; Fleming and Asplund, 2007). Consequently, there has been a shift away from satisfaction and proposing a concept that extends well beyond the traditional considerations of employee and customer satisfaction that is engagement (Fleming and Asplund, 2007). In addition, the service encounter is increasingly being viewed as a highly complex and multidimensional process of interaction between customers and the service providers (Laing and McKee, 2001). Attention needs to be paid, within the hospitality industry, to the interactions with customers or to the employee-customer encounter (Fleming and Asplund, 2007).

Since hospitality organizations often manage and measure their employee and customer engagement as separate entities that may obstructs their ability to use these information they collect effectively (Lovelock and Wirtz, 2011). This research considers HS as a new approach to manage and measure the employee-customer encounter holistically.

HS is an emerging topic among many academics and practitioners. At present, limited studies have been reported about the successful applications of HS in different enterprises (Sutton, 2015). For today's businesses, both employee and customer engagement are essential, and managers must strive to optimize both. Building on this foundation, the research question was: How far the hotel is from HS optimization? So, the study aims to assess the employee and customer engagement level, then each hotel HS score/ band is to be, after that a comparative analysis will be conducted between two hotel categories, namely chain and independent hotels.

Literature

Consumers respect organizations that strive to be 'human' and, therefore, exceed inherent customer expectations (Zeithaml *et al.*, 1990). Moreover, hospitality organizations have increasingly come to recognize the growing importance of service quality (Ford *et al.*, 2012). That is, growing competition and increasingly demanding customers, as well as recessionary and globalization pressures, have emphasized the need for tourism and hospitality businesses to focus on improving service quality in order to achieve competitive advantage (Boon-itt and Rompho, 2012; Ramanathan and Ramanathan, 2011). Earlier, Lev (2001) suggested that the organization's human systems should be thought of as one of its main competitive advantages.

The concepts of engagement have been explored in the organizational behaviour literature as 'task behaviours that promote connections to work and to others', which are expressed physically, cognitively, and emotionally and which stimulate personal development and increase employee motivation (Saks, 2006).

Engagement is defined by Fleming and Asplund (2007) as an emotional construct, and therefore the measurement and management of the employee-customer encounter must acknowledge and incorporate the critical emotional infrastructure of human behavior. Also, engagement can be described in term of a work-related mind that reflects people's passion and commitment to their life. Normally, an engaged employee works proactively and is more willing to seek for new skills and tackles new challenges. Engagement is a more strategic way of looking at customer and stakeholder relationships. It refers to the creation of a deeper, more meaningful connection between the organization and the customer (Fleming and Asplund, 2007), and one that endures over time (Kumar *et al.*, 2010) that is seen as a way to create customer interaction and participation.

Since employees are human, customer relationships therefore become increasingly important (Case and Carranza, 1994). Finding ways to increase the engagement rates of employees and customers has a great payoff, increased retention, increased productivity, increased customer loyalty, and increased profit are all reasons to explore engagement (Coffman and Michelman, 2004; Rath, 2004).

Customer Engagement

There are differing and conflicting opinions regarding its conceptualization. For example, Schneider and Bowen (1999) argued for a more sophisticated view of the customer experience beyond mere conformance to functional requirements and an estimate of overall satisfaction. They analyzed hundreds of customer comments and classified those comments into groups with similar themes. Based

on their analysis, extreme expressions of customer delight and outrage can be characterized by whether companies meet or fail to meet a set of emotional requirements.

Customer engagement is the first key principal surrounding the HS concept. Bowden (2009) seek to redirect satisfaction research toward an approach that encompasses an understanding of the role of commitment, involvement, and trust in the creation of engaged and loyal customers. This can be evidenced through the continued reliance of organizations on satisfaction metrics to assess customer feedback/responses to their products and services in the belief that high levels of satisfaction may lead to increased customer loyalty, intention to purchase, word of mouth, profit and market share (Heskett *et al.*, 1994).

Customer engagement is a measure of the extent to which customers are committed to a company, organization, a brand, and/or the employees of that company (Buckingham and Coffman, 1999). Here, a value is created when an employee meets and interacts with a customer (Ford *et al.*, 2012), where satisfied and loyal customers are also equally important for an organization. Thus, the better employee service behaviour, the better the service quality perceived by customers in hotels.

Furthermore, Kumar *et al.* (2010) argued that customers can generate a value to the organization through more ways than only their purchase behaviours. This value can be provided through (a) own transactions, (b) behaviour of referring prospects, (c) encouragement other customers and individuals to make/or not make initial or additional purchases, and (d) feedback to the firm on ideas for innovation/improvement, that all reflect more comprehensive assessment.

According to Verhoef *et al.* (2010) customer engagement is considered a behavioral manifestation toward the brand or firm that goes beyond transactions. Therefore, there is a need for the development of measurement tools that more effectively account for the depth of customers emotional responses to consumption situations. Thus, Bowden (2009) proposed a framework for the process of customer engagement which, like HS, incorporates the notion of mere satisfaction into a much richer process model of loyalty. Bowden suggested that merely delighting a customer on his/her first visit or even subsequent visit may not be enough to generate long-term affective commitment and loyalty. That is, the loyalty of repeat purchase customers is more effectively maintained through relationship management approaches such as personalized service experiences, rapport with service staff, and recognition.

Employee Engagement

Harter *et al.* (2002) defined employee engagement as the employee's involvement and satisfaction with enthusiasm for work. Perrin (2003) defined employee engagement as employees' willingness and ability to help their company succeed, largely by providing discretionary effort on a sustainable basis. In other words, employee engagement is a positive attitude held by the employee towards the organization and its value (Robinson *et al.*, 2004). Thus, organizations must work to develop engagement, which requires a two-way relationship between employer and employee pointing out that there are things to be done by both sides. Also, Wellins and Concelman (2004) called employee engagement as the status of illusive force that motivates employees to higher levels of performance. They also refer to it as the feelings/ attitudes that employees show toward their jobs and organizations. DDI

(2005) used employee engagement as the extent to which people value, enjoy and believe in what they do. Finally, Anonymous (2005) reported that employee engagement is a social process by which people become personally implicated in strategy and change in their daily work.

Creating engagement with both employees and customers is a key to open dialogues and work to fix mistakes while making service even better. Many employees are also customers of the organization. Customers will do business with an organization tomorrow only if they trust that organization today; employees will work to earn customer trust only when that employee trusts their employer (Peppers, 2008). And, because customers talk to each other and talk to non-customers, a trusting relationship is a vital sales tool. Customers are in a position to sell the services of an organization or to tell others to stay away from it. It becomes increasingly significant to work towards having more engaged employees and customers.

Human Sigma

The contribution of HS to business improvement is measured across five new rules in order to bring excellence to the way employees engage and interact with customers. Subsequently, HS allows organizations to assess and improve processes that produce a known and predictable outcome – that is, a highly engaged employee-customer encounter (Fleming *et al.*, 2005). They proposed the five following core principles for measuring and managing interactions between customers and employees:

- You can't measure and manage the employee and customer experiences as separate entities. It's possible to arrive at a single measure of effectiveness for the employee-customer encounter; this measure has a high correlation with financial performance.
- Emotion frames the employee-customer encounter. Emotions inform both sides' judgments and behavior even more powerfully than rationality does.
- You must measure and manage the employee-customer encounter at the local level, because there are enormous variations in quality at the work-group and individual levels.
- Quantify and summarize the effectiveness of the employee-customer encounter through The HS metric – that is related to financial performance.
- Improvement in local HS performance requires deliberate and active intervention through attention to a combination of transactional and transformational intervention activities. To improve the quality of the employee-customer interaction, organizations must conduct both short-term, transactional interventions (such as coaching) and long-term, transformational ones (such as changing the processes for hiring and promotion).

HS assesses human efficiency (Buckingham and Coffman, 1999), both employee and customer engagement levels, these engagement scores are considered to be leading indicators of the business performance improvement (Fleming and Asplund, 2007). They developed a quantitative mechanism to measure employee and customer engagement. Based on scoring sets of specific questions asked to both employees and customers (EE12 and CE11), the HS Metric of an organization is a calculation of relative employee and customer engagement scores. Then, the results can be used to place clients in one of six HS bands, HS1 through HS6. At the higher ends, HS5 and HS6 as shown in Fig. 1, business units within organizations have managed to optimize employee engagement and customer engagement leading to "more effective results that are about 3.5 times as good as HS1 and HS2 unit's results."

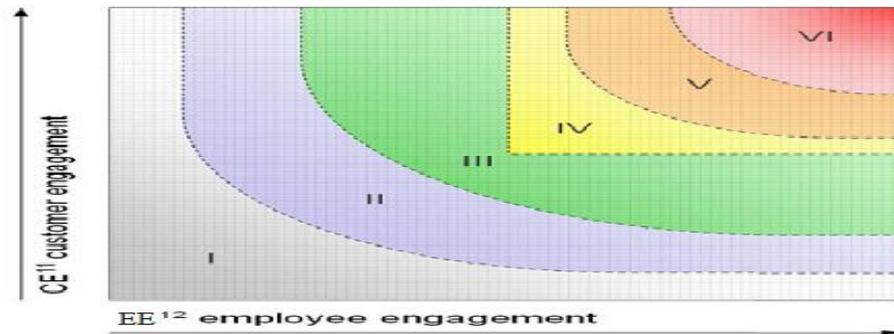


Fig. 1: Human Sigma Bands
Source: Fleming and Asplund (2007)

With Human Sigma, more light was shed on the critical links between employee and customer engagement. Managing and measuring the employee-customer encounter interdependently has a greater impact, demonstrating that organizations which only drive high employee engagement can fail to engage customers. On the other hand, organizations that focus only on their customers may succeed temporarily, but the results cannot be sustainable unless employees are also engaged.

Within the service industries, hospitality industry in particular, attention needs to be paid to the employee-customer encounter, because value is created when an employee meets and interacts with a customer (Fleming and Asplund, 2007; Ford *et al.*, 2012).

Methodology

A random sample of (350) employees and (250) customers was chosen for the investigation. Data were collected from five star hotels located in Egypt (Sharm El-Sheikh and Hurghada), within Nov. and Dec. 2016. A total of (272) employees and (177) customers completed the questionnaire represented a response rate of 78% and 70%, respectively.

HS scale proposed by Fleming and Asplund (2007) was used to measure the engagement levels of both employees and customers. They identified twelve key questions to serve as an indicator of an organization's degree of employee engagement (EE12) and eleven key questions to serve as an indicator of an organization's degree of customer engagement (CE11). HS assesses human efficiency by quantifying the engagement of both employees and customers.

First, for the EE12, this questionnaire asks employees to determine whether employees fall into the engaged, non-engaged or actively disengaged categories. Engaged employees are loyal and psychologically committed to the organization. They are more productive and more likely to stay with their company for at least a year. Non-engaged employees may be productive, but they are not psychologically connected to their company. They are more likely to miss workdays and more likely to leave. Actively disengaged employees are physically present but psychologically absent. They are unhappy with their work situation and insist on sharing this unhappiness with their colleagues. The items' order on the EE12 is important and addresses issues that either strengthen or weaken the emotional connection between an employee and employer.

A global research-based consultancy specializing in employee and customer management (Gallup) identified four dimensions of the EE; basic needs, individual contribution, belonging, and innovation and growth. Items 1 and 2 represent employees' basic needs. When employees start a new role, their needs are basic. They ask, "What do I get from this role?". In the second stage, encompassing items 3 through 6, employees think about their own individual contributions and consider how others view and value their efforts. Manager support is most important here because managers typically define perceptions of value. Once employees advance through the first two stages of the hierarchy, their perspective begins to widen and they evaluate their connection to the team and the organization. In the third stage, encompassing items 7 through 10, employees ask themselves, "Do I belong?" then, during the fourth and most advanced stage, composed of items 11 and 12, employees want to make improvements, learn, grow, innovate, and apply their new ideas. The four stages help managers evaluate workgroup performance and concentrate their efforts on areas most relevant to where their team is at on the journey to complete engagement.

Second, for the CE11, Gallup also identified 11 key questions that serve as an indicator of organizations degree of customer engagement: a) Three attitudinal loyalty as; Overall how satisfied are you with (name of business), How likely are you to continue to choose?, How likely are you to recommend to a friend? b) Eight emotional attachment as; Is a name I can trust?, Delivers on what they promise, Treats me fairly, If a problem arises I can count on to reach a fair and satisfactory resolution, I feel proud to be a customer, Treats me with respect, Is the perfect company for people like me, I will always remain a loyal customer to. Gallup has identified a customer engagement hierarchy to measure customer engagement and to quantify the strength and nature of a customer's emotional connection to a company. The hierarchy is comprised of four main subjects: confidence (Will the company keep and deliver on its promises?), integrity (Is the customer always treated fairly?), pride (The customer is treated with respect and feels proud to be a customer.), and passion (The customer cannot imagine a world without the business) (Coffman and Michelman, 2004). Fleming and Asplund proposed four levels of customer engagement. The four levels co-inside with the customer engagement items (CE11); fully engaged customers, engaged customers, not engaged customers, actively disengaged customers.

Two different structured surveys were distributed to collect data for final analysis. While one of the surveys was conducted to measure employees' engagement, the other was administered to the hotel guests to measure their engagement. Employees and their customers were asked to fill out the questionnaires, and then their questionnaires have been matched. Both surveys request respondents to answer via a 1-5 Likert scale. Taken together, the EE12 and the CE11 form the basis for Human Sigma. Also, what is unique about HS is the single performance score. The effectiveness of the employee-customer encounter can be quantified by calculating the customer and employee engagement scores into a single performance metric (Human Sigma 1-6). HS score is calculated by converting the mean scores on employee and customer engagement into percentile equivalent and then taking the square root of the product of the two percentile values: If either employee engagement percentile or customer engagement percentile is less than or equal to 50, then: $\text{SQRT} [(EE \text{ percentile} \times CE \text{ percentile})/2]$. Alternatively, If employee engagement percentile and customer engagement percentile are both above 50, then: $\text{SQRT} (EE \text{ percentile} \times CE \text{ percentile}) \times (\text{percentile Max.} / \text{percentile Min.})^{0.125}$.

Results

Respondent Profile

Out of the 449 respondents, 177 (39.42 %) were hotel customers and 272 (60.58 %) were hotel employees. *First*, for hotel Customers, out of the 177 respondents, 73.4% were males and 26.6% were females. Only 7.9% of the respondents were over 50 years old; 16.9% were of 40:49 years old; the majority 41.2% was of 30:49 years old; 31.6 % were of 22: 29 years old and the minority 2.3 % was of 21 or younger years old or younger. The data also indicated that 16.4% of the respondents possess a master/Ph.D. degree, the majority (69.5%) has a bachelor degree, and only 41.1% graduated from high schools. Also, 33.9% were single, 55.5% were married, and 10.2% refused to specify their marital status. 28.8% of respondents were having a monthly income less than \$500, 46.9% having from \$500 to \$1500, 14.7% having from \$1501 to \$3500, 2.8% having more than \$3500, and 6.8% refused to specify. Also, the majority 55.9% were Egyptians, 1.7% were Saudi Arabians, 2.8% were United Arab Emirates citizens, 4.5% were Kuwaitis, 3.4% were Jordanians, 4.5% were Americans, 7.3% were British, 2.3% were Polish, 2.3% were Italian, 1.1% were Iraqi, 2.8% were Ukrainian, and 1.1% were Sudanese. 29.9% of respondents expressed that it was the first time stay in the hotel, 44.1% stayed 2 to 4 times, 16.9% stayed 5 to 8 times, and 9% stayed more than 8 times in the hotel. Regarding the purpose of stay for hotel customers, 59.9% were for rest and relaxation, 4.5% for the purpose of visiting relatives and friends, 9.6% for sports and recreation, 17.5% for business reasons, 0.6% for religious reasons, 1.1% for health reasons, and 6.8% for mixed reasons.

Second, for hotel employees, out of the 272 respondents, 91.2% were males and 8.8% were females. The minority 2.5% of the respondents was over 50 years old, 11.8% belong to the 40:49 years old group, 37.5% belong to the 30:49 years old group, the majority of 44.9 % belong to the 22: 29 years old group and 4.4 % belong to the 21 or younger years old group. The data also indicate that only 4.4% of the respondents possess a master/Ph.D. degree, the majority of 75% have a bachelor degree, and 20.6% graduated from high schools. 33.8% were single, 64% were married, and 2.2% refused to specify their marital status. Also, 21.3% of the respondents were working in the current hotel for a period that below one year, 16.9% between one to three years, 27.9% from four to seven years, and 44.9% were having more than seven years of experience in the current hotel. 21.3% of the respondents were having an experience in the hotel industry for below one year, 30.9% having an experience from one to three years, 19.1% from four to seven years, and 28.7% were having more than seven years of experience in the hotel industry. 29.4% of employees were belongs to front office department, 35.3% belongs to food and beverage department, 9.6% belongs to housekeeping department, 14.7% belongs to marketing and sales department, 1.5% for animation department, 2.9% for accounting department, 1.5% for maintenance department, 1.5% for personal department, and 3.7% for security department.

Descriptive Statistics

Table (1) shows the mean values and percentile values for employee engagement and customer engagement, in addition to the human sigma score that is converted into human sigma band for each of the seventeen hotels included in the study.

For the six independent hotels included in the study (from A to F), the results of *table 1* indicate that the mean values of customer engagement were 4.0636, 3.7909, 3.9015, 3.9818, 3.7455, and 4.0413,

respectively and 3.5119, 3.3287, 3.8681, 3.4107, 3.2222, and 3.7222, respectively for employees engagement.

The total of CE11 responses for all customers was calculated, and then the percentile value of customer engagement was calculated for each hotel separately. The CE percentile values were 42.50, 42.50, 42.00, 42.50, and 46.00, respectively. The total of EE12 responses for all employees was calculated, and then the percentile value of employee engagement was calculated for each hotel separately. The EE percentile values were 43.50, 42.50, 47.00, 42.00, 40.50, and 46.00, respectively.

Table 1: Mean and percentile values of EE, CE and HS score

No.	Hotel	Mean Values		Percentile Values (50%)		Human Sigma Score	Human Sigma Band
		Customer Engagement	Employee Engagement	Customer Engagement	Employee Engagement		
1	A*	4.0636	3.5119	42.50	43.50	30.40	HS3
2	B*	3.7909	3.3287	42.50	42.50	30.05	HS3
3	C*	3.9015	3.8681	45.50	47.00	32.70	HS3
4	D*	3.9818	3.4107	42.00	42.00	29.70	HS2
5	E*	3.7455	3.2222	42.50	40.50	29.34	HS2
6	F*	4.0413	3.7222	46.00	46.00	32.53	HS3
7	G**	4.5909	3.8750	50.50	48.50	34.99	HS3
8	H**	4.4364	4.5774	49.50	55.00	36.90	HS3
9	I**	4.6364	3.9038	51.00	48.50	35.17	HS3
10	J**	4.2818	4.3854	46.50	51.50	34.60	HS3
11	K**	4.3909	4.0536	46.00	50.00	33.91	HS3
12	L**	4.4455	4.7344	50.00	56.00	37.42	HS3
13	M**	4.3727	4.2969	47.50	51.50	34.97	HS3
14	N**	4.2273	4.7708	47.00	57.00	36.60	HS3
15	O**	4.2500	4.3385	46.50	52.00	34.77	HS3
16	P**	4.1818	4.1389	45.00	50.50	33.71	HS3
17	Q**	4.2273	4.1875	46.00	50.00	33.91	HS3

* Independent, ** Chain

Since the two percentiles for each hotel were below 50, the formula $\text{SQRT} [(EE \text{ percentile} \times CE \text{ percentile})/2]$ was used to calculate the human sigma scores which were 30.40, 30.05, 32.70, 29.70, 29.34, and 32.53, respectively. These scores were then used to determine in which human sigma band each hotel falls in. Two hotels namely, D and E fell in HS2 while two hotels namely, C and F fell in HS3, and hotel A and hotel B were very close to falling in HS2, where HS1 = 0 to < 10; HS2 = 10 to < 30; and HS3 = 30 to < 50 (Fleming and Asplund, 2007).

For the eleven chain hotels included in the study (from G to Q), the results tabulated in the table illustrate that the mean values of customer engagement were 4.5909, 4.4364, 4.6364, 4.2818, 4.3909, 4.4455, 4.3727, 4.2273, 4.2500, 4.1818, and 4.2273 respectively. The mean values for employee engagement were 3.8750, 4.5774, 3.9038, 4.3854, 4.0536, 4.7344, 4.2969, 4.7708, 4.3385, 4.1389 and 4.1875, respectively.

The same procedure was used in case of CE11. The CE percentile values were 50.50, 49.50, 51.00, 46.50, 46.00, 50.00, 47.50, 47.00, 46.50, 45.00 and 46.00, respectively. The total of EE12 responses for all employees was calculated, and then the percentile value of employee engagement was

calculated for each hotel separately. The EE percentile values were 48.50, 55.00, 48.50, 51.50, 50.00, 56.00, 51.50, 57.00, 52.00, 50.50 and 50.00, respectively.

Since one of the percentiles was below 50, the formula $SQRT [(EE \text{ percentile} \times CE \text{ percentile})/2]$ was used to calculate the human sigma score which were 34.99, 36.90, 35.17, 34.60, 33.91, 37.42, 34.97, 36.60, 34.77, 33.71 and 33.91, respectively. Based on these scores, all the eleven chain hotels fall in the HS3 band.

Inclusively, the results of independent hotel reported low levels of both employee and customer engagement than those of chain hotels which reported high mean values, as shown in Fig. 2. Moreover, the following interactive graph Fig. 3 showed that all of the chain hotels fall in higher HS band than the independent hotels.

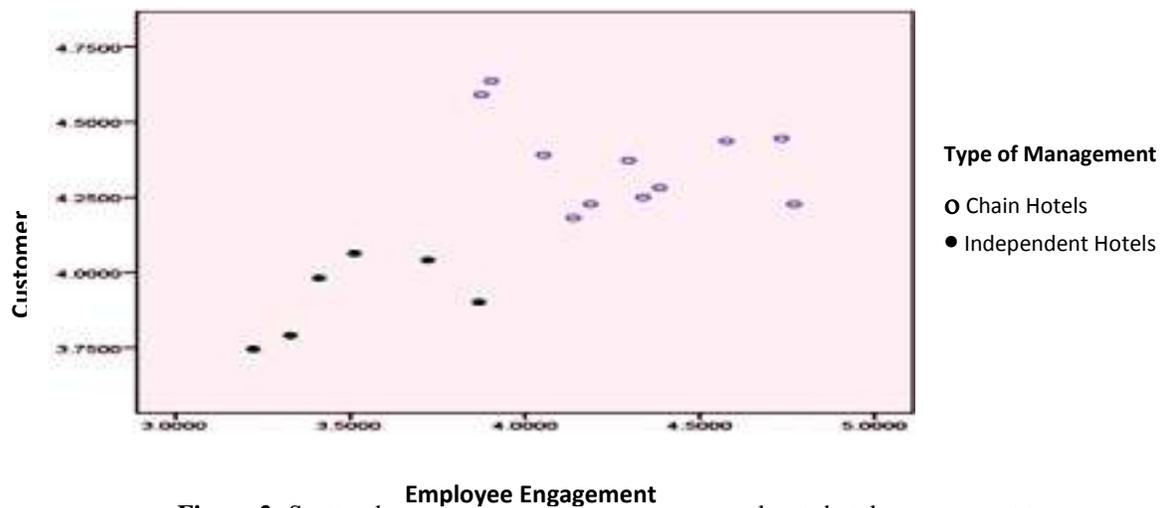


Figure 2: Scatter diagram of EE and CE mean scores due to hotel management type



Figure 3: Interactive graph of HS bands among studied hotels due to hotel management type

Independent Samples T-test

Table (2) shows the results of the independent samples T-test for employee and customer engagement in the chain and independent hotels.

Table 2: Type of Management (T-test) for employee and customer engagement

Variables	Type of Management	N	Mean	Std. Deviation	T	df	Sig.
Employee Engagement	Chain	11	4.297	.3054	5.404	15	.000
	Independent	6	3.511	.2445			
Customer Engagement	Chain	11	4.368	.1512	6.071	15	.000
	Independent	6	3.921	.1316			

The results in *table 2* indicated a significant difference in the mean scores between the employee engagement and customer engagement (P value <0.05) for each of chain and independent hotels. The mean values also indicate that the level of customer engagement and employees engagement of the chain hotels are higher than those of the independent ones.

Correlation and Regression Analysis

Pearson Correlation coefficient was calculated for customer engagement and employee engagement. The results indicated that the significance value was .006; this means that there is a statistically significant correlation between customer engagement and employee engagement. The results also indicated a positive moderate correlation between the two variables, where R was 0.635.

A simple regression was conducted to investigate the effect of employee engagement on customer engagement. The predicted variable was the employees' engagement whereas the criterion variable was the customer engagement. The results indicated that 40.3% of the variance in customer engagement can be influenced by employees' engagement ($R^2=.403$). The ANOVA result indicated that it was a good regression model ($p=.006$). Based on the coefficient results, the employees' engagement was a good predictor to predict the customer engagement ($p=.006$). The regression model is: [Customer engagement = $2.811 + (.348 \times \text{employees' engagement})$].

Discussion

Creating value in hotels is the interaction between employees and customers, and so hotel businesses must view both sides of the employee-customer encounter as interrelated rather than separate entities. Developing positive significant relationships between the employee and the hotel, the customer and the hotel, and the customer and the employee themselves increase that intended engagement. Both customers and employees are looking for a hotel that cares about them and listen to them in order to ensure future success (both the customer and the hotel). This study has supported the importance of Human Sigma in the hotel industry.

The results of this study suggest that the using employee or customer engagement alone to improve the performance of hotels is not effective, but may applying the HS approach by measuring the employee and customer engagement together will give results that help managers develop their hotels. In

particular, our research indicates that hotel chains may be higher in HS scores than independent hotels. This conclusion is consistent with previous research assuring the power of hotel brands (Damonte *et al.*, 1997; O'Neill and Carlbäck, 2011).

Employee engagement is closely linked with organizational performance improvement (i.e. Baumruk, 2006; Fleming and Asplund, 2007; Markos and Sridevi, 2010). Companies with engaged employees have higher employee retention, i.e. reduced turnover and higher productivity, and profitability. The growth rate of high-engagement companies as reported by Fleming and Asplund (2007) was 2.6 times the growth rate of the low-engagement companies. This difference represents a tangible example of how engaged employees build intangible assets, especially, in the hotel industry as its main core is the service. The greatest long term benefits accrue from the intangible assets created by engaged employees who are given the trust and independence required to produce innovative approaches and strategies. These results show conclusively that engaged employees drive the most successfully firms and those productive business units within those firms to succeed.

Studies have shown a positive relationship between employee engagement and organizational performance outcomes: employee retention, productivity, profitability, customer loyalty and safety. Studies also indicated that engagement is positively related to customer satisfaction (Perrin, 2003; Hewitt, 2004; Heintzman and Marson, 2005; Ellis and Sorensen, 2007; Markos and Sridevi, 2010), that were consistent with our findings which indicated a positive correlation between employees' engagement and customers' engagement (where $R = .635$) and 40.3% of the variance in customer engagement can be influenced by employees' engagement (where $R^2 = .403$).

Hewitt (2004) employee engagement explained 39% of the variance in total shareholder return. They also found that organizations with higher levels of employee engagement enjoy higher levels of sales growth compared to their peers. Also, Perrin's (2007) study focused on the long-term sustainable impact of employee engagement on key increases in operating income, the study found that companies with low levels of employee engagement experienced a 32% decrease in operating income. Engaged employees have a better understanding of the long and short term goals of the employee-customer encounter and how their roles help achieve them (Fleming and Asplund, 2007).

Chartered Institute of Personnel and Development (CIPD) (2006) on the basis of a survey of 2000 employees from across Great Britain indicates that communication is the top priority to lead employees to engagement. Vance (2006) explains the fact that employee engagement is inextricably linked with employer practices. Again, employees who have close friendships at work are more engaged workers (Clifton, 2008).

Conclusion and Recommendations

In Hotel industry, it is becoming increasingly difficult to establish a competitive advantage of the services offered. Rather, it is the 'contact' employees who represent the source of differentiation that may create a competitive advantage. Therefore, managing the employee-customer encounter becomes an essential factor when managing service quality.

So, the study has focused on an aspect of the service experience that emerges as a key driver of the overall service perceptions (the employee-customer encounter). While, identifying the importance of

this encounter, it is important how this encounter can be measured and managed. Hence, the overall aim of this study was to critically appraise the Human Sigma approach in a single service context, Egyptian hotel industry. This study has provided a valid and reliable instrument that takes into account the ongoing social nature of the service encounter. Creating value in hotels is the interaction between employees and customers, so hotel businesses must view both sides of the employee-customer encounter as interrelated rather than separate entities. The study also gives a strong support to the importance of Human Sigma. Developing positive significant relationships between the employee and the hotel, the customer and the hotel, and the customer and the employee themselves increase intended engagement. Both customers and employees are looking for a hotel that cares about them and listen to them in order to ensure future success (both the customer and the hotel).

Hotel management should formulate their own strategies to push their HS band to HS4 and forward where HS is emerging and super optimized performer. In addition, hotel manager's goal should be to work with the human nature, rather than against it, as much as possible. People either employees or customers have shared basic needs, instincts, and desires, those are thing that define them an individuals. Their needs are not likely to change much once they mature. Do not try to change the things that are difficult or even impossible to change; instead, use each person's unique talents to maximum effect. Allowing people to find their own best way to an outcome may feel messy, but it's the path to maximum performance.

Finally, a future research is proposed to concern different hotel categories and to compare results of different locations. Also, it is recommended to research into employee and customer engagement in order to better understand and capture their contribution/relation to other managerial dependent variables.

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نحو تحسين العمل من خلال ارتباط العملاء والموظفين في صناعة الفنادق: منظور السيجما البشرية

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أصبح من الصعب على نحو متزايد تحقيق الميزة التنافسية للخدمات المقدمة في صناعة الفنادق، ولذلك فإن الاتصال والارتباط بالموظفين والعملاء والذين يمثلون مصدر التمايز الحقيقي أصبح عاملاً أساسياً عند إدارة جودة الخدمة. وقد ركزت الدراسة على جانب من جوانب عملية الخدمة التي تظهر كمحرك رئيسي لتصورات العمليات الفندقية وهو (ارتباط الموظف والعميل)، فمن المهم أن نحدد كيف يمكن إدارة وقياس هذا الارتباط في سياق خدمة واحدة (منهج السيجما للبشرية) بالتطبيق على صناعة الفنادق المصرية. أجريت هذه الدراسة على سلاسل الفنادق والفنادق المستقلة في مصر، وقد تم اختيار عينة عشوائية من 272 موظف و 177 عملاء للتحقيق (سنة فنادق مستقلة وأحد عشر سلسلة فندقية). وكشفت النتائج أن الفنادق المستقلة حققت مستويات منخفضة من كل من ارتباط الموظفين والعملاء من تلك التي حققتها السلاسل الفندقية. علاوة على ذلك، تقع السلاسل الفندقية ضمن نطاق عالي نسبياً من مستوى تطبيق مفهوم الهيومان سيجما (HS3) من تلك التي من الفنادق المستقلة (HS2). وقد وفرت هذه الدراسة أداة صالحة وموثوق بها بأن تأخذ بعين الاعتبار الطبيعة الاجتماعية المطلوبة لتقديم الخدمة. مما ساعد في خلق قيمة مضافة في الفنادق وهي الارتباط والتفاعل بين الموظفين والعملاء، ولذا يجب على الشركات الفندقية قياس جانبي ارتباط وتفاعل الموظفين مع العملاء بشكل مترابط وليس كجوانب منفصلة. أيضاً وجد الباحثان دعماً قوياً لأهمية الهيومان سيجما من تطوير علاقات هامة إيجابية بين الموظف والفندق، والعملاء والفندق، والموظف والعملاء أنفسهم من أجل ضمان النجاح في المستقبل (كل من العملاء والفندق).