

People and quality: the case of Delta Hotels

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Abstract

Analyses the concept of quality in the hotel industry. Emphasises that quality has to be a part of the culture of an organisation. Presents Delta Hotels in Canada as an exemplary case study in relation to people and quality initiatives. Delta has, over the years, built a good reputation and currently ranks as the best hotel company to work for in Canada. Presents the company's vision, mission and philosophies for people and quality. Lists nine key quality principles and four people resource systems and outcomes. Concludes by making ten recommendations to hotel companies considering implementing effective people and quality concepts.

Quality in hotels

The word quality has been a sexy-sounding buzzword in hotels for a long time. However, not many hotel corporations seem to have a clear vision or a strategic approach to ensure quality in a sustainable fashion. Unlike the manufacturing sector, the service sector, notably the hotel industry has yet to embrace internationally-accepted quality systems. Only two hotel companies have won national quality awards in the Americas since the early 1990s. The Ritz Carlton won the Malcolm Baldrige Award (USA) and Delta Hotels won the National Quality Institute's (NQI's) "Canada Awards for Excellence" in 2000. Quality is never an accident, and it has to be visioned, initiated, planned, delivered, monitored and sustained. A successful quality assurance system must achieve the goals of boosting employee morale, maximising guest satisfaction and optimising long-term profitability (Jayawardena and Campbell, 2002). Quality problems and key staff issues in hotels often can be solved with a common "People and Quality" strategy. While hoteliers do recognise staff retention as a major challenge, a pragmatic approach may be needed to put staff motivation into practice. Communication to all levels of staff is vitally important when launching any motivational programme (Cooper, 2001). It is essential to its success to get "everybody on board" to ensure the success of a quality assurance programme.

Deery and Jago (2001) carried out a study on hotel management styles. They noted that while there is an increased desire from staff, for hotel managers to provide decisive management, staff also wanted to have access to the decision-making process through some level of empowerment. Saxena (2001) states that quality hotel management is not a

commodity that is easily available in the marketplace for a price, nor is it a skill that can be acquired from reading a set of guidelines. Quality has to be a part of the culture of an organisation. The business culture, the people culture and the quality culture all have to be interrelated, co-ordinated and well balanced to ensure optimal results.

Delta Hotels

With 38 hotels, 11,300 rooms and over 7,000 employees, Delta is one of the largest hotel companies in Canada. Founded in British Columbia 40 years ago, Delta is now represented in every major Canadian city. Since 1998, Delta is a wholly-owned subsidiary of Fairmont Hotels and Resorts Inc. (FHR Inc.), previously known as Canadian Pacific Hotels Limited. Essentially, there are now only two brands offered by FHR Inc. – the Delta Hotels brand, in the first-class sector and the Fairmont Hotels and Resorts brand, in the luxury sector. Delta Hotels manages and franchises a portfolio of urban, airport and resort properties in the first-class segment of the hotel market and competes with Sheraton, Westin, Hilton, Marriott, Radisson and major independent hotels. The average Delta property has 340 rooms and 15,700 square feet of meeting space (Delta Hotels, 2003). Recognised for its innovative products and services, Delta is the only hotel company in Canada to offer a guaranteed one-minute check-in to members of its frequent guest recognition programme – Delta Privilege (Delta Hotels, 2003). Delta has been recognised by industry associations and community groups for its approaches to business excellence and has won numerous awards including the NQI's "Canada Awards for Excellence" in 2000. Delta is also only one of two hotel companies among the "50 Best



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Companies to Work for in Canada” (ranked by Hewitt). Delta has enjoyed a slot at number 12 (ahead of Starwood Hotels and Resorts at number 15) for three consecutive years validating that good people practices are a part of its culture. The vision statement of the company is: “Delta Hotels will be the first-class hotel company of choice in Canada”. The mission statement is: “to be the full-service, Canadian, hotel management company of choice with the dominant first class brand”. Delta has a simple structure and headed by a relatively small top leadership team. Two senior vice-presidents and two vice-presidents support the president in the corporate office in Toronto.

People and quality strategies at Delta

Human resources or, as Delta Hotels says in a more simple and effective manner, “people” are the custodians of the Delta culture. Delta employees are treated as important business partners and the organisation is operated on several quality principles. Delta uses a creative process and aims to see things laterally from the customer’s perspective. While the vision and mission are aligned to the core values of the company, at Delta quality is treated as a journey.

Over the years, Delta has been successful in the cost-effective implementation of customer-oriented quality policy through a commendable level of commitment to people development. The quality statement sums this up as: “Quality at Delta is the right people using the right process to deliver the right product at the right price”. Often in introducing new quality management systems such as ISO 9002 or ISO 14000, various other hotels in different parts of the world seem to start a totally new process. This approach results in wasting funds and time. At Delta, introducing quality management systems in 1996 was handled differently. A formal approach was adopted for the Delta quality journey using the NQI’s Canada Framework for Business Excellence guidelines and implementing a regular assessment process while ensuring that the

past quality practices continued and improved. After a formal quality business assessment (QBA) is completed at each hotel, local management is required to develop a quality improvement plan (QIP).

Quality principles of Delta

Nine key quality principles form the core criteria of Delta quality/business assessment tool and award process. These, in a nutshell, can be listed as:

- 1 Primary focus on customers.
- 2 Respect for the individuals and encouragement to develop their full potential.
- 3 Contribution of each and every individual.
- 4 Obligation to stakeholders including society.
- 5 Leadership through involvement and by example.
- 6 Cooperation, teamwork and partnering (internal and external).
- 7 Continuous improvement of methods and outcomes.
- 8 Factual approach to decision making.
- 9 Process-oriented and prevention based strategy (eliminating the root causes of errors and waste).

These principles are fundamental to any successful business organisation and are similar to those used by the NQI’s Canada Awards for Excellence.

Delta’s people resource system has four core periodical activities which result in four outcome plans as shown in Table I.

Conclusions

Delta’s success in the areas of people and quality could be attributed to many effective facets of the in-built process and reviewing systems. The corporate policy, unit level plans, clear benchmarking system have all contributed to a pleasant “win-win” situation. Training of internal assessors and occasional assessment by external assessors to ensure the validity of the quality audit process has proved to be useful in measuring

Table I
Delta people resources system

System	Frequency	Outcome
Quality business assessment (QBA)	Once in 24 months	Quality improvement plan (QIP)
Employee opinion survey (EOS)	Once in 12 months	People action plan (PAP)
Minimum standard checklist	Once in 24 months	People resources plan
Benefits/pension/compensation reports	Once a month at each hotel and corporate office	Security/wellness plan

guest satisfaction. Learning from Delta's case study, the following recommendations are made to hotel companies considering implementing similar people and quality concepts:

- 1 Place customer needs in the heart of the whole process.
- 2 Seek suggestions from the staff while treating them as key business partners.
- 3 Develop a corporate quality and people philosophy, concept and key principles.
- 4 In the above context, allow unit-based flexibility in creating practical plans.
- 5 Ensure systems are in place to collect data needed to measure guest satisfaction.
- 6 Train and empower staff to carry out internal quality audits.
- 7 Enter into partnerships with suppliers to enhance the quality of products.
- 8 Incorporate motivational strategies and incentives for achievements in quality.
- 9 Develop benchmarks matching international and/or national award criteria.

- 10 Ensure periodical review systems to improve and sustain quality activities.

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