

# Hotel Internal Branding: A case of Tempus Hotel Taichung

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## Introduction

It is widely accepted that the business success of a hotel firm relies on its strong brand (O'Neill & Mattila, 2010). To establish strong brands, hotel firms need effective internal and external branding initiatives (Davies & Chun, 2002). From within, employees are vital assets in establishing and maintaining favorable brand image and corporate reputation (Gofton, 2000). It is recognized that hotel employees' internalization of and identification with the hotel's brand norms and values can reflect significantly on their services to external customers (Dutton, Dukerich, & Harquail, 1994; Gotsi & Wilson, 2001), which is particularly obvious for front-line team members. Therefore, the concern of well-trained hotel employees who are able to "live the brand" (Gotsi & Wilson, 2001) seems to be growing, yet few hospitality cases and studies demonstrate the processes of hotel internal branding in a comprehensive manner.

Successful hotel internal branding is based on the cooperation of employees to align their service behaviors with the brand value (Balmer & Greyser, 2006). That is, internal branding is a key process of encouraging and motivating hotel employees' brand-supporting behaviors and beliefs. Various elements, such as employees' appearance and service behaviors, can be perceived and interpreted by customers as a hotel's brand meaning; therefore, service encounters can be branded as strong drivers for experiencing brand core value, enhancing affective brand linkage, and shaping customer-based brand equity (Sirianni et al., 2013). Based on the service-profit chain (SPC) proposed by Heskett, W. Earl Sasser, and Schlesinger (1997), satisfied employees can deliver high service quality to customers which further contribute to customer satisfaction and profitability. Several previous studies have proved SPC by examining the effect of employee satisfaction on profitability (Grandey, Goldberg, & Pugh, 2011; Larivière, 2008; Subramony & Holtom, 2012). Under an internal branding project, hotel managers can achieve their project goals through selecting suitable employees, training employees with the expected behaviors and attitudes, providing supports to employees, empowering employees to practice project-related works, and setting objective performance evaluation methods and reward systems (de Chernatony, Drury, & Se-

gal-Horn, 2003; King & Grace, 2008; Punjaisri & Wilson, 2007). By doing so, hotel firms can enhance employees' brand commitment and retain talents who fit their brand and can perform the brand through works (Burmamann & Zeplin, 2005).

To promote a brand internally, the human resource (HR) department of a hotel is placed at the strategic center, and serves as the leader for creating cross-departmental synergy. The significance and necessity of the HR department in assisting core business policies have been the main concern in the industry and the academic community (Aurand, Gorchels, & Bishop, 2005; Becker, Huselid, Pickus, & Spratt, 1997; Ulrich, 1998). The HR department does not independently develop an internal branding project and relevant training materials; instead, it cooperates with all other departments for a hotel's business and strategic initiatives, and produces desired employee behaviors through such cooperation (Arthur, 1994; Huselid, 1995).

King and Grace (2008) conducted qualitative interviews with employees to understand how employees acquire their organization's brand promise. Results of this study revealed that employees gain consistent information of firm brand promise through training. Some employees recognize their brand promise by observing their customers and market information, such as customer feedback and firm activities. Besides, employees also gain knowledge of their firm's brand promise by interacting with coworkers in work environments. Such findings support the effectiveness to establish branding through internal brand projects. Leaders in a hotel should motivate employees to internalize and perform brand promises (Vallaster & de Chernatony, 2006). Moreover, based on cultural and regional differences, both monetary and nonmonetary incentives can be applied into internal branding projects to motivate employees' willingness to conduct expected behaviors and attitudes (Latham, 1985; Morrell, 2011). Taken together, hotel HR departments should incorporate internal branding projects into HR functions to achieve successful internal branding.

## Background

Tempus Hotel Taichung opened in 1997 in Taichung city, Taiwan with 300 employees and \$5 million in assets. This hotel was initially franchised under The Landis Group, a well-known hotel management company in Taiwan. The company's name changed from Landis Hotel Taichung following a contract termination with The Landis Group in 2008. To establish a new identity, its executive team created the

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new brand, Tempus Hotel Taichung, in 2009. Rebranding the hotel motivated its HR department to seek core brand value, cultivate new organizational culture, and infuse the new value and culture into daily operations. As a result, its HR manager designed an internal branding project. The core brand values of Tempus Hotel Taichung build on its own name: (1) T: teamwork with enthusiasm; (2) E: exceeding customers' expectations; (3) M: memorable experience; (4) P: professional service; (5) U: unique facilities; and, (6) S: striving to the top. Since February 2010, this project set up awards every two to three months for employees embracing the six brand values. The following introduces the internal branding project by the four phases: (1) planning: creating the internal branding project; (2) organizing: developing brand values into operations; (3) leading: managing from the top to the front-line; and, (4) controlling: assessing the project performance.

### ***Planning: Creating the Internal Branding Project***

The HR's main goal in the planning stage is to secure support from the general manager (GM). Charee, HR manager, prepared a detailed proposal to GM Newman on the significance of internal branding, feasible programs in the industry, awards, and project assessment mechanisms. The proposal was well received by Newman who continued his commitment to the project. In his words to all employees,

"The internal branding project in Tempus Hotel Taichung should be held continuously. Awarding expected brand behavior is not enough—we should keep emphasize and practice it. We should maintain excellent practice and follow role models, then strengthening the good parts in our works. Our employees should think actively and more deeply about how to create memorable experiences for our customers (it is one of the core brand values of Tempus hotel). Training can only enhance skills and knowledge. The key to create memorable experience is attitude. The shaping of attitude is based on organizational culture created from the brand. Only by internal branding can our employees continuously and naturally deliver memorable experiences to customers."

Charee followed up the proposal with department managers. Collectively, they identified ways for every position to practice the core brand values, collected feedback from stakeholders, and assessed the means and needs to offer brand trainings at both corporate level and department unit level. The proposal was then communicated to all team members in the Hotel. Consequently, eleven awards were planned to recognize the star brand performers and units (seen in Table 1). The frequency to host awarding ceremony is based on number of awarded cases. Normally it is held once per two to three months. This project was started at Tempus Hotel in 2010. In 2010, four awarding ceremonies were hosted with 18 awarded employees and 2 awarded teams; in 2011, five awarding ceremonies were hosted with 22 awarded employees and 5 awarded teams; and, in 2012, six awarding ceremonies were hosted with 44 awarded employees and 9 awarded teams. Charee insisted a flexible timeframe for the ceremony. As long as five awarded employ-

ees or teams were recommended, the HR department can host the ceremony in their honor. Besides, Charee also publicly announced that this project welcomes repeated awardees as long as they can contribute advanced performances which fit award qualifications.

In this project, the incentives for each award varied case by case. For "distinguished team", the incentive is an amount of coupon which can be used at restaurants at Tempus Hotel. During the dining experience, the awarded team can celebrate their excellent works together and enhance their cohesion. For "Tempus Role Model", this award is presented with cash reward and one night stay at other five-star hotels and designed to provide the role model a chance to refresh while absorb learnable experiences from other outstanding hotels. Charee argued that each incentive shall be tailored to awardees in both monetary and nonmonetary forms (Latham, 1985; Morrell, 2011).

Key points for the HR department in the Planning Phase:

- Seek strong endorsement from the Top.
- Plan awards for all possible positions and units.
- Prepare learning materials and equal opportunities throughout
- Communicate with external (customers and investors) and internal stakeholders (department managers, supervisors, and employees)
- Establish the awareness of the project within the Hotel.
- Cooperate with each department manager to define expected brand behaviors
- Analyze the need for department-specific brand trainings
- Update customers' feedback on the project

### ***Organizing: Developing Brand Values into Operations***

The HR's main goal in the organizing stage is to facilitate the project implementation. The HR department sent out copies of core brand values to employees and all understood what T, E, M, P, U, and S represents. The core brand values and stories of awarded employees were widely visible in employee fitting rooms, employee restaurants, and internal public spaces. Each department manager encouraged their employees to compete for awards. The HR department monitored department performance and provided constructive improvement suggestions. This project was also introduced at new employee orientations. Increasingly, the award ceremonies have become more attractive with different themes and full attendance by managers at all levels.

In this phase, departmental characteristics can be fully utilized. Each department live the brand values in their own capacities. For example, after two chefs of Tempus Hotel Taichung attended workshops and international competitions, they shared learned skills to the kitchen staff so more qualified cooks can promote the unique dining experiences to customers. The engineering department worked actively on building renovations to reduce water and electricity costs. Employees in that department joined internal task forces weekly to

improve work skills. Through the project, engineers were transformed from passive fire fighters to critical activators.

Key points for the HR department in the Organizing Phase:

- Monitor and guide all departments in the internal branding project
- Different capacities by departments should be considered
- Orient new employees on the brand values and the project
- Be creative in marketing the internal branding project internally

**Leading: Managing from the Top to the Front-line**

To keep the project alive, the HR department established an open communication channel with employees of all levels. Charee scheduled regular meetings with department representatives and managers, awarded employees, and whoever willing to share feedback. Department managers were invited to host award ceremonies and perform for employees. Winning examples of awarded employees and units were immediately made public after ceremonies in vivid photos. In the meanwhile, Charee relied on the GM to encourage

few managers reluctant to embrace the project. The HR department also interviewed the awarded employees, and compiled their stories into annual books of training materials. These stories are the best handbooks for newly hires and give a great sense of pride to awarded employees. Two weeks prior to an award ceremony, one wining intern confided in HR staff how appreciative she was to her hospitality professor. The young intern was brought to her tears on stage receiving the award when her professor made a surprise visit at the ceremony. The story went viral at her school and created a strong interest among students for Tempus Hotel Taichung. Upon the completion of such ceremonies, the HR department followed up with each department to delegate the supervisory tasks to awarded employees so that those positive examples can pass on.

Key points for the HR department in the Leading Phase:

- Rely on the higher level management to increase involvement of all concerned.
- Promote and apply the wining examples of awarded employees.
- Facilitate and guide department units in their training programs.

**Table 1**

**Awards Proposed in the Internal Branding Project of Tempus Hotel Taichung**

Award Title	Qualifications	Fit with Tempus
<b>Distinguished Team</b>	1. Teams with seamless cooperation and high performance aligned with hotel goals. 2. Teams in exceptional support roles aligned with hotel goals.	T: teamwork with enthusiasm
<b>Genuine Team player</b>	1. Employees with remarkable attitudes towards internal/external customers. 2. Employees proactive in identifying and correcting deficiency in service. 3. Employees or teams receiving best customer feedback during the past six months.	E: exceeding customer expectations
<b>Dream maker</b>	Employees practicing innovative and personalized services to enhance customer surprise and delight.	M: memorable experience
<b>Best Housekeeper</b>	Housekeepers excelling in maintaining cleanliness and appearances of guest rooms and public facilities	U: unique facilities
<b>Achiever</b>	Employees continuing reinventing themselves. *Focus departments: F & B, Front Office, &Housekeeping	P: professional presentation
<b>Penny Saver</b>	1. Employees or teams significantly controlling and reducing operational costs 2. Employees or teams actively providing cost-saving plans	P: professional presentation
<b>Tempus Role Model</b>	1. Employees constantly emulated and admired by co-workers 2. Employees making positive choices for others. 3. Employees embodying Tempus culture.	P: professional presentation
<b>Shining Star</b>	Employees with uplifting and cheerful work view. *Focus departments: F & B, Front Office, Housekeeping, & Safety	P: professional presentation
<b>Effective entrepreneur</b>	Employees willing to challenge status quo in a constructive way.	S: striving to the top
<b>Top Contributor</b>	For employees or teams driving the highest standards and results for the betterment of the Hotel.	S: striving to the top
<b>Outstanding Mentor</b>	1. HR personnel leading the internal branding project. 2. Department personnel coordinating the internal branding project. *Focus: HR, and internal trainers within each department	S: striving to the top

**Table 2****Critical Problems in Four Phases of Hotel Internal Branding**

<b>Phase 1. Planning: Creating the internal branding project</b>	
General manager	How can I assist the HR department to win support of all department managers?
HR manager	How should I cooperate with other department managers in drafting job descriptions and performance analyses to reflect brand values at all positions?
F & B manager	Based on different characteristics of full-time, part-time, and intern employees at F & B, what are some effective ways to understand their interpretations of brand values and how to provide them with tailored trainings accordingly?
Marketing manager	What programs and activities can I engage to clearly identify customers' preferences? How can I become an active part of the project?
<b>Phase 2. Organizing: developing brand values into operations</b>	
General manager	How can I monitor the branded services by my employees?
HR manager	What are internal activities that I can promote to enhance employees' awareness of and familiarity with our core brand values?
F & B manager	How can I effectively train new part-time servers to internalize the core brand values?
Marketing manager	What are effective ways to enhance the perception of the project importance and relate the project with brand positioning in the market?
<b>Phase 3. Leading: From the top to the front-line</b>	
General manager	How and what can I communicate with managers who are less enthusiastic about the project?
HR manager	Awarded employees in the internal branding project are role models in our organization. How can I perpetuate their examples and stories?
F & B manager	There are employees in my department that recently received awards from the project. How can I create opportunities to share their success and motivate others?
Marketing manager	How can I utilize our resources to promote the project internally?
<b>Phase 4. Controlling: Assessing the project performance</b>	
General manager	How can I engage newly hired department managers in the project?
HR manager	How do I assess the fairness and accuracy to which award candidates were exposed?
F & B manager	I have employees with an array of duties and responsibilities. How do I fairly evaluate individual performance in the project?
Marketing manager	What short-term and long-term impact will be achieved by the project internally and externally? How can my department report and communicate the changes to the HR manager and GM?

- Empower awarded employees to become role models.

**Controlling: Assessing the Project Performance**

After the first three stages of planning, organizing, and leading, comparing the newly branded services against expectations is the key to ensure project quality. Charee carefully monitored the progress of each department and assisted setting goals for improvement based on proposed budgets and expected outcomes. Weekly and monthly departmental incomes were used to allocate award incentives and plan for ceremonies, and any variances between proposed budgets and actual expenses were examined. In addition, new department managers recruited from other hotels received direct coaching from the GM and Charee on the project. Department managers and employees kept continual conversation with Charee for a fair list of nominees. Feedback from all units was quickly reported to Charee and timely adjustments

were made as the project evolved from top-down to bottom-up.

In Tempus Hotel Taichung, positive trends emerged since the internal branding project started. First of all, cross department cooperation was recognized in the third year of the project. In some categories, awards were given to an entire department. One example would be a local festival that Tempus Hotel Taichung participated in for the first time. It turned out that there were not enough employees in the booth to serve an unexpected larger crowd. Other employees, while touring the event as visitors, volunteered to take orders and prepare food. Second, employee turnover and retention has greatly improved. More intern employees applied for full-time positions because they believed "the hotel gave them a sense of home." One intern even recruited her friend to work for Tempus Hotel Taichung. Third, several departments reported increased cost saving. Engineering department focused on facilities

management. For example, they changed the elevator system in Building A and saved 4,000 USD in electricity. They also designed a system to recycle heat and saved additional 5,000 USD in gas. Besides, they started to document occupation rate, number of customers and outdoor temperature, and then adjusted the settings of air-conditioning on a daily basis. By doing so, they saved more than 13,000 USD of gas cost. Fourth, Tempus Hotel Taichung was rated by the Taiwan Tourism Bureau in the second year of the internal branding project. The evaluation was based on services quality and facility maintenance. Based on what was established through internal branding, Tempus Hotel Taichung obtained the highest score in service. The outstanding service score crowned the Hotel a five-star designation.

Key points for the HR department in the Controlling Phase:

- Cooperate with GM to coach new department managers
- Consult with department managers on award nominees
- Establish a formal selection mechanism and check fairness, validity and reliability of the nomination process
- Invest in and budget for various phases of the internal branding project
- Compare results with pre-determined goals within each unit
- Coordinate with the accounting and marketing departments to qualify and quantify project impact

### ***What Would You Do? Time to Think Like a Manager***

During the internal branding project, managers in Tempus Hotel Taichung faced critical problems in all four phases of planning, organizing, leading, and controlling. Table 2 lists these problems from the perspectives of general manager, the HR manager, the F & B manager, and the marketing manager. Based on what you have learned in this course, think like a manager and propose what you would do in their shoes.

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