

# CENTURY PARK SHERATON SINGAPORE

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Chua Soon Lye, Personnel Director at Singapore's Century Park Sheraton, had played a central role in the hotel's program to build greater employee commitment. Though Mr. Chua was pleased with the smooth implementation of the work excellence committees in the hotel, he wondered if the base of employee involvement was firm enough to move to even greater employee responsibility in decision making in the future. Over drinks in the hotel's lounge, Mr. Chua elaborated upon his concerns.

The work excellence committee was formed within this organization to achieve the goals of increased organizational effectiveness and improved employee welfare through a process of union-management joint consultation on work-related issues. While we have made significant progress in reaching our goals through improved labour-management relations, we have yet to reach our final objective of an equal sharing of the responsibility in decision making in all aspects of the hotel's operations. Could these aspirations be too demanding of our people? Had the pace of our program for employee participation been too rapid?

On the other hand, I believe that the success of activities like work excellence committees is built

upon a momentum. Thus, I feel the need to press forward to the next level. This "dilemma" is a happy one in fact, because it arose as a consequence of our success.

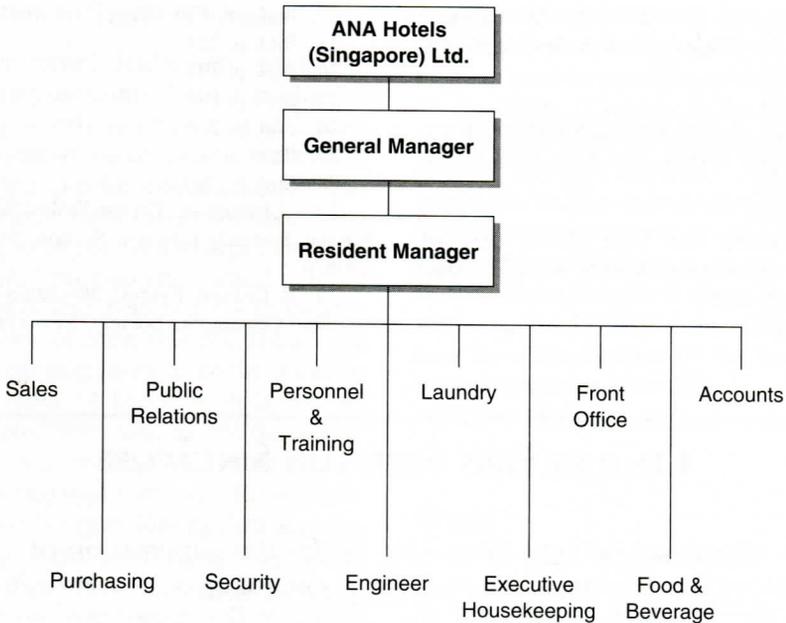
## THE HOTEL

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Century Park Sheraton Singapore (CPSS), a 464-room, luxury hotel, decorated in classical English 19th century style, was officially opened in January 1979. It is a 14-storey hotel situated on Nassim Hill, off Tanglin Road, on one end of the Orchard Road tourist belt. It was the first ANA-managed hotel<sup>1</sup> in Singapore.

The hotel, situated on 11,500 square metres, offers the following facilities: Hubertus Grill, a western-style grill room; Unkai, a Japanese restaurant; a 250-seat coffee house and café terrace; a cocktail lounge; discotheque; a 180-seat function room; and a swimming pool.

Under the general manager and the resident manager are the departments of sales, purchasing, front office, accounts, food and beverage, personnel, engineering, housekeeping and security. (See Exhibit 1.) The maximum number of



**Exhibit 1** Simplified Organization Chart Showing Reporting Relationships

employees had been around 640, but by August 1985 the level had dropped to 504.

The Chinese constituted the majority in the hotel's workforce; Indians, Malays, and Eurasians made up the balance. A small number of expatriate personnel were also employed for their expertise. The General Manager and some chefs were German, while the Resident Manager, the Director of Food and Beverage, and the Executive Chef were Swiss.

The CPSS, like the other hotels within the industry, provides on-the-job training in various functions. This was because the Singapore population had little experience in the hotel industry. While it was quite common for management personnel to have university or other professional qualifications, rank-and-file personnel were likely to have some secondary education or hold trade certificates. Because the education system offered instruction in the four official languages of the country, some hotel employees were more literate in Chinese, Malay or Tamil than in English. English, however, is the language used for official communication.

A great number of CPSS's employees subscribe to the Food and Drinks Allied Workers' Union, the union for the hotel industry. This union is affiliated with to the national federation of unions. But the union's role has to be seen in the context of a country which prides itself on favourable labour-management relations and boasts a record of not having had a strike since 1977.

### EARLY EFFORTS

Mr. Chua, who had worked in the personnel function in both the shipbuilding and aircraft servicing industries, had joined the CPSS Hotel in 1979. Over the years, he witnessed the change in labour-management relations. Mr. Chua traced the sequence of events.

We got off to a slow start. Before 1981, the labour-management characteristics in the hotel were more typical of traditional confrontational attitudes between labour and management. This impeded efforts at bringing about change to raise productivity.

We wanted to increase productivity through restructuring jobs. This led to the formation of a nine-person joint union and management committee called the Job Enlargement and Enrichment Committee in May 1982. The original implementation of these changes was to have been around October of that year. Job restructuring, in effect, would mean a recombination of duties, or more shifts, e.g., the pool attendant, groundsman and housemen, originally three jobs, were to become one. Cashiers were expected to manage the till at more than one location in the hotel. Despite reassurances that training would be provided and that there were to be no retrenchments, there was more talk than progress.

I am proud of the fact that we began on the productivity effort through human resources management even before the government launched its productivity movement. This is a nationally promoted effort to increase productivity consciousness in the Singapore workforce. By 1982, we had started both the quality circle and the work excellence programs. But I felt that we were making progress only after the labour contract was negotiated, and new union leaders were elected in that year. In retrospect, 1982 was a turning point.

## THE WORK EXCELLENCE PROGRAM

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The concept underlying the work excellence committee was first introduced to Singapore in 1981. It was believed that improved labour-management cooperation would result from regular consultation on work-related issues by committees comprised of labour and management representatives. This concept was the theme of the May Day seminar organized by the National Trade Union Congress (NTUC). The Shangri-la Hotel, which was the first hotel to embark on this program of labour-management cooperation, was heralded as the model for work excellence committees in the hotel industry. It was also at this seminar that the acronym WE committee (WE standing as much for "us" as for work excellence) was established.

The adoption of WE committees in CPSS took place through a series of steps. Separate meetings at top management, departmental, and

union levels were held through the months of July and August 1982 to discuss the feasibility of WE committees. When union and management met jointly, the meetings were conducted with the aid of an official from the National Productivity Board (NPB).<sup>2</sup> The consultant from NPB emphasized that his role would lessen progressively as improvements in labour-management cooperation were made. It was only after the preliminary groundwork was laid that a joint formal application was extended to the NPB to organize WE committees in the hotel.

An important part of installing WE activities was the training session organized for 27 persons from both union and management over a period of three days. Activities of the program included games in small group sessions to learn different methods of conflict resolution. One session resulted in both management and union recording two unflattering lists outlining their perceptions of each other. Union members perceived the management to be, among other things, sarcastic, high in flattery, autocratic, and making empty promises. On the other hand, management perceived the union leaders to be revengeful, insincere, and giving lip service. The discrepancy between the desired and actual state of affairs was the starting point for future improvements.

Monthly WE meetings were to follow. Minutes for these meetings were recorded. The early meetings were concerned with the setting up of steering WE committees, and the drawing up of a "code of conduct." (See Exhibits 2 and 3.) Training of key personnel was completed by April 1983. Those leading in forming sectional WE committees were the security, accounting, housekeeping and laundry departments. Other departments seemed to Mr. Chua to be dragging their feet.

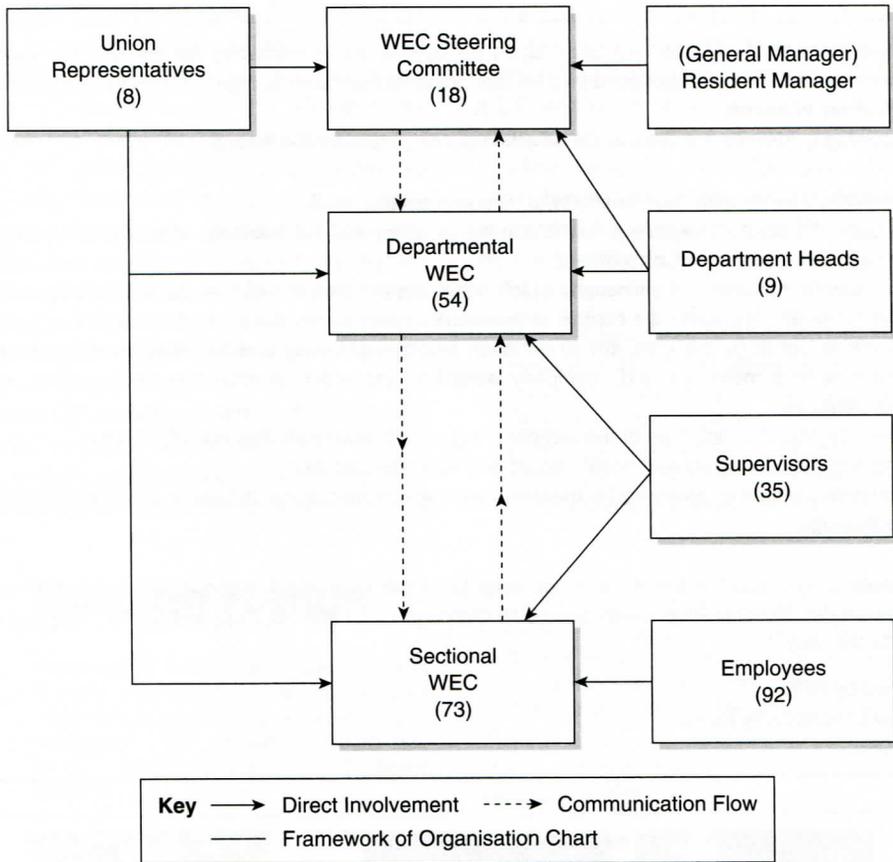
## SOME RESULTS

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By July 1983, the stalemated job enlargement exercise was brought under the umbrella of the WE program. Revised job descriptions, made

## J. CONSTITUTION FOR WORK EXCELLENCE COMMITTEES

1. Work Excellence Committee
  - 1.1 It is a committee within an organisation, made up of management and employee representatives for joint consultation. Joint consultation, in its simplest form, is an arrangement to enable management and employee representatives to come together to discuss work-related issues to improve the overall effectiveness of the organisation as well as the well-being of the workforce at the enterprise level.
2. Purpose of the Work Excellence Committee
  - 2.1 The primary purpose of WE Committee is to build a harmonious labour-management climate within an organisation to achieve the organisational goals.
3. Objectives of the Work Excellence Committee
  - 3.1 To create a congenial climate throughout the hotel.
  - 3.2 To encourage labour and management to discuss and co-operate on work-related issues.
  - 3.3 To foster trust among all employees.
  - 3.4 To instill a sense of pride, dedication and commitment to work.
  - 3.5 To promote mutual respect, understanding and team spirit.
  - 3.6 To involve employees in planning, problem solving and information sharing.
  - 3.7 To promote teamwork and advise on small group activities, e.g., QC Circles in the hotel.
  - 3.8 To provide employees with social, cultural and recreational programs.
4. Functions of Steering Committee
  - 4.1 To advise other WE Committees and sub-committees.
  - 4.2 To give guidelines and direction for other WE Committees to operate and function.
  - 4.3 To have consultation between management and union employee representatives at the highest level.
  - 4.4 To initiate the setting up of WE Committees in the whole organisation and co-ordinate their activities.
  - 4.5 To monitor the progress of WE Committees and sub-committees.
  - 4.6 To deal with whatever problems that may arise affecting the whole organisation.
  - 4.7 To initiate programmes that affect the whole organisation.
  - 4.8 To monitor the industrial relations climate in the whole organisation.
  - 4.9 To explain to employees the rationale of policies and activities to the companies.
5. Composition of WE Steering Committee
  - 5.1 The committee is comprised of representatives from the management and labour, preferably with equal number from each side.
  - 5.2 The management representatives are appointed by the General Manager while the Union representatives are appointed by the Union.
  - 5.3 The Chairman shall be selected by the WEC. The Chairman will appoint a designate who will chair in his absence.
  - 5.4 The term of office of the Committee members shall be three full years.
6. Secretariat
7. Meetings
8. Duties and Responsibilities
9. Attendance by other persons
10. Code of Behaviour
11. Publicity
12. Amendments to Constitution



**Exhibit 3** Diagram 1: Century Park Sheraton Singapore Work Excellence Organisational Structure

possible by employees taking on a wider range of job duties, were submitted by departments.

Progress was also seen in the widening range of topics discussed by the WE steering committee. By October 1983, the meeting agenda had moved beyond the problem of setting up WE committees to issues including incentive schemes, operational hours of the café, job training, time cards for middle management, salary adjustments and second-tier wage adjustments (a merit scheme operating in Singapore). Because the NPB consultant felt that the meetings were proceeding well, he no longer attended meetings.

CPSS's early efforts did not go unrecognized—it was one of the six recipients of the first Productivity Award given by NPB. (See Exhibit 4

for criteria.) This recognition was to foreshadow other improvements at the hotel.

Dahak Ibrahim, chairman of the branch union at the hotel, noted at a national work excellence convention in mid-1984:

Improvements in efficiency have not been confined to the hotel operation. Labour-management cooperation has also resulted in improved benefit and welfare schemes. Less time is spent on grievances—we used to have monthly grievance meetings. I have found our colleagues also more open and accepting of changes.

At this same convention, it was reported that there were seven department WE committees,

The National Productivity Council will once again be considering nominations for the National Productivity Awards this year. The Awards, introduced in 1983, are presented annually to organisations in recognition of their good productivity practices.

The following guidelines are used in the selection of companies for the Award:

- A company's training tradition or efforts to train and develop staff.
- The state of labour-management relations in the company and the existence of cooperation mechanisms such as Work Excellence Committees.
- A company's management philosophy which draws out the best in their people and includes respect for individual excellence within the context of teamwork as well as respect for work discipline.
- The efforts put in by the company to enhance employees' loyalty and identification with the company through various measures, e.g., company welfarism, promotion programmes such as 3Ps, in-house newsletters, etc.
- Worker participation activities of the company, e.g., small group activities like QC Circles.
- Good occupational safety and health record and work environment.
- A company's efforts in quality and in mechanisation, automation, computerisation and other improvements in technology.

Organisations interested in the Awards can write to or call Miss Judith Choo of the National Productivity Awards Secretariat, National Productivity Board, 55 Cuppage Road #08-16, Cuppage Centre, Singapore 0922, tel. 7345534 ext. 293.

Published by NPB  
Singapore Productivity News  
June 1985

#### Exhibit 4 National Productivity Awards 1985

21 sectional committees and 197 WE committee members in the Sheraton.

Employee numbers had been decreasing even in years when the occupancy rates were increasing. In August 1985, the staff complement was down to 504 persons. Despite Mr. Chua's attempts to maintain a low profile on CPSS's productivity efforts, there was pressure to share their experiences through talks and conferences. As the word of their successes spread, CPSS also increasingly received visitors anxious to learn about the productivity movement.

#### QUALITY CIRCLE ACTIVITIES

The QC program was started in February 1982, at the suggestion of Mr. Zimmer, then Sheraton's

Resident Manager, upon his return from a seminar on quality circles organized by the Singapore National Employers Federation. Workshops were organized for QC facilitators and leaders. By August, Sheraton's pilot circle, "The Searcher," was in operation in the Laundry department. After two months of activities, it made its first presentation to management as part of the activities for "Productivity Month." After this presentation, enthusiasm was high. Other circles formed were "The Adventurer" in Security, "Homemaker" in Housekeeping and "Improve the QCC" in the kitchen. However, by July 1983, Mr. Chua noted that attendance at QC steering committee meetings was falling off.

By then the WE program was also in operation. CPSS also participated in other activities to support government-promoted programs. Among

them was the "Use Your Hand Exercise" (see Exhibit 5), organized on a fortnightly basis from November 1983. Sheraton also took an active part in the "Courtesy Month," the "Productivity Month," and the "Save Water Campaign."

There were other activities more specific to the hotel—the "Ken Fixit" program (a preventative maintenance program specifically for guest rooms), the Preventative Maintenance Program (with a more general focus on all equipment) and the Training and Rewriting Procedures Program (aimed at simplifying procedures and reducing the volume of paper work).

Interest in QC activities continued to fall. One QC leaders' meeting which was to have been held had to be cancelled due to poor response. The problem of low enthusiasm with QCs was

discussed at WE meetings and the decision to continue activating interest in QCs was adopted. More QC leaders were trained in April 1984, and a QC workshop was organized to keep the QC effort alive.

Meanwhile, Mr. Alex Kuenzli, a Swiss hotelier whose last posting was in Mauritius, had succeeded Mr. Zimmer as the Resident Manager. He commented in hindsight about QC activities.

It would have been better if we had the organization structure first to support small group participation activities like quality circles. We started the QCs first, which was then followed by the work excellence committees. If we had proceeded the other way around, it is likely that we could have sustained interest in QCs longer.

## Helping Hands

Recently, a burst steam pipe in the laundry department created a mini crisis because it started to flood the basement. The situation called for quick, decisive action and flood fighters.

Laundry Manager, Richard Kooi, receiving helping hands and brooms from colleagues when all pulled up sleeves and cuffs to help curb the flood.

The water was bailed out in a little over 30 minutes. □



*Personnel Director Chua Soon Lye; Laundry Manager, Richard Kooi and Front Office Manager, Sam Tay up to their knees in work.*

## COME CONCERNS

**The Changing Hotel Industry**

While the late 1970s and the early 1980s saw an increasing number of tourist arrivals and optimistic predictions which led to the overbuilding of new hotels, the tide was beginning to turn by 1984. A sense that the growth momentum was coming to a halt and that harder times were ahead was already prompting the management at CPSS, more experienced than other newcomers in the industry, to take steps to plan for the change. By mid-1985, their fears were becoming fact. Room occupancy at CPSS fell to an all-time low of 63 percent, a drop from 80 percent in 1984, and 75 percent in 1983, and even poorer occupancy rates were forecast for the industry.

In spite of the current uncertain economic situation and competition (which Mr. Kuenzli described as "like a jellyfish"), he had confidence that CPSS had a better chance than many others of surviving the recession. His hotel had adopted the policy of reducing manpower by attrition and of increasing productivity through the programs managed by Mr. Chua.

The improved labour-management relations had enabled the hotel to function with less staff, but with no apparent drop in performance. Mr. Kuenzli noted with pride that the staff managed the increased occupancy in 1984 well, even though there were 100 fewer people to do more work. Mr. Kuenzli explained:

The WE committees are now part of the solution to the current situation. We are hoping that the improved understanding of the employees achieved through our efforts in the last few years will help us meet the competition in further lowering costs and providing better service.

No, I am not impatient at what appears to be long discussions over issues in these committees. I can sit through them as well as anybody else.

The difference I see between Singapore and German labour-management cooperative efforts is probably one of degree of commitment. Issues discussed here in Singapore tend not to be as petty. And there is just that much more enthusiasm.

We also try to keep employees informed about the hotel's economic performance. This is done through briefing sessions which I personally conduct, and which are specially scheduled for staff of different departments. All hotel employees are invited to attend. Sometimes members of the audience, not so fluent in English, may not exactly follow all I am saying, but they appreciate the trouble I am taking. Afterwards, they may get an explanation from the others about what I have said.

At the session for the general administrative staff held on July 18, 1985, Kuenzli started off the meeting by expressing his confidence that the CPSS would continue to succeed despite heavy competition (which he admitted was reaching a stage where even he was beginning to be somewhat apprehensive). He informed members present about a 14 to 15 percent drop in occupancy rates for gazetted hotels,<sup>3</sup> due to the decline in tourist arrivals.

Charts of the hotel's economic performance were presented, as were figures of the planned versus actual gross operating profits. Mr. Kuenzli emphasized that despite the cost savings of S\$800,000<sup>4</sup> as a result of declining staff strength, there was a shortfall from loss in the budgeted gross operating profit. He also mentioned the loss leaders in the hotel. Members at the meeting were briefed on the hotel's latest efforts at boosting sales, and given an update on the opening of the new Sheraton Towers and its possible impact on the Century Park Sheraton. Though Sheraton Towers was positioned at the top end of the exclusive range in hotels, its room rates quoted during the opening period were competitive with Century Park Sheraton's rates.

**Demands on Middle Management**

Mr. Chua, an unassuming man with an infectious enthusiasm, described the pressures on the management of the hotel in the implementation of a participative philosophy.

We try to manage by example. It means that we are tough on keeping manpower costs down within our own departments. For example, the personnel

department runs on a staff of three, including myself. We encourage our managers to pitch in whenever necessary. Mr. Moser, our Food and Beverage manager, will help to clear tables; Mr. Kuenzli set an example by even washing toilets—we have that on video! I am glad to see our management staff pitching in spontaneously.

Ironically, an indirect measure of our success is perhaps reflected in the fact that it is becoming increasingly difficult to recruit management people from outside this hotel who can meet the demands of the job. People from within the ranks of this hotel seem better suited for management positions. We have tried quite recently to employ a few management personnel from other hotels, but found that these newcomers experienced some difficulties in adjusting to our organization. Our high expectations of management personnel make even our own employees feel somewhat apprehensive about accepting management positions within the hotel.

Mr. Kuenzli echoed this view:

I do not mind admitting that I am rather demanding of my managers, more so than of the rank-and-file. I expect each manager to work at labour-management cooperative efforts even if he meets with little enthusiasm from his department and feels discouraged about his attempts.

## FUTURE DIRECTIONS FOR LABOUR-MANAGEMENT RELATIONS

Reflecting on the past few years, Mr. Chua wondered what steps he could take to ensure the continuing success of the programs and to move to a new level of commitment and involvement.

There are increasing challenges ahead. I am a little apprehensive that some among us feel that we have “arrived” at labour-management efforts for the

hotel. Winning the productivity award and having many people interested in studying our success may have lulled us into thinking that all is well. We have to push forward in order not to fall behind. Besides, we must plan now to be ahead of the competition in labour-management cooperation, which means that we should be pressing towards getting our employees involved in making decisions in the hotel. Are we ready for this next challenge?

I also think our promotion of the WE committees detracted from the quality circle movement, when actually these activities should be complementary. Ideas for improvements can be generated by these circles, and then channelled through the WE committees. I would like to see a revival of interest in quality circles.

While I appreciate the top management's acknowledgements of my efforts, I think it is not quite right that I should be needed to keep enthusiasm high for the program. I noticed upon my return after having been away for a few weeks last year that there was a slight falling off of activities in my absence. This should not be so. A truly successful program should be independent of particular individuals . . . and that should also be part of our next objectives.

## NOTES

1. This is a chain of hotels owned or managed by All Nippon Airways.
2. The National Productivity Board (NPB) is a statutory body charged with the responsibility of the implementation of productivity efforts. Among its activities were the conducting of extensive training courses for management and supervisors. It also promotes specific productivity programs like Quality Control Circles and joint labour-management consultation schemes like the work excellence committees.
3. Hotels which met the evaluation scheme for luxury.
4. Cdn\$480,000.