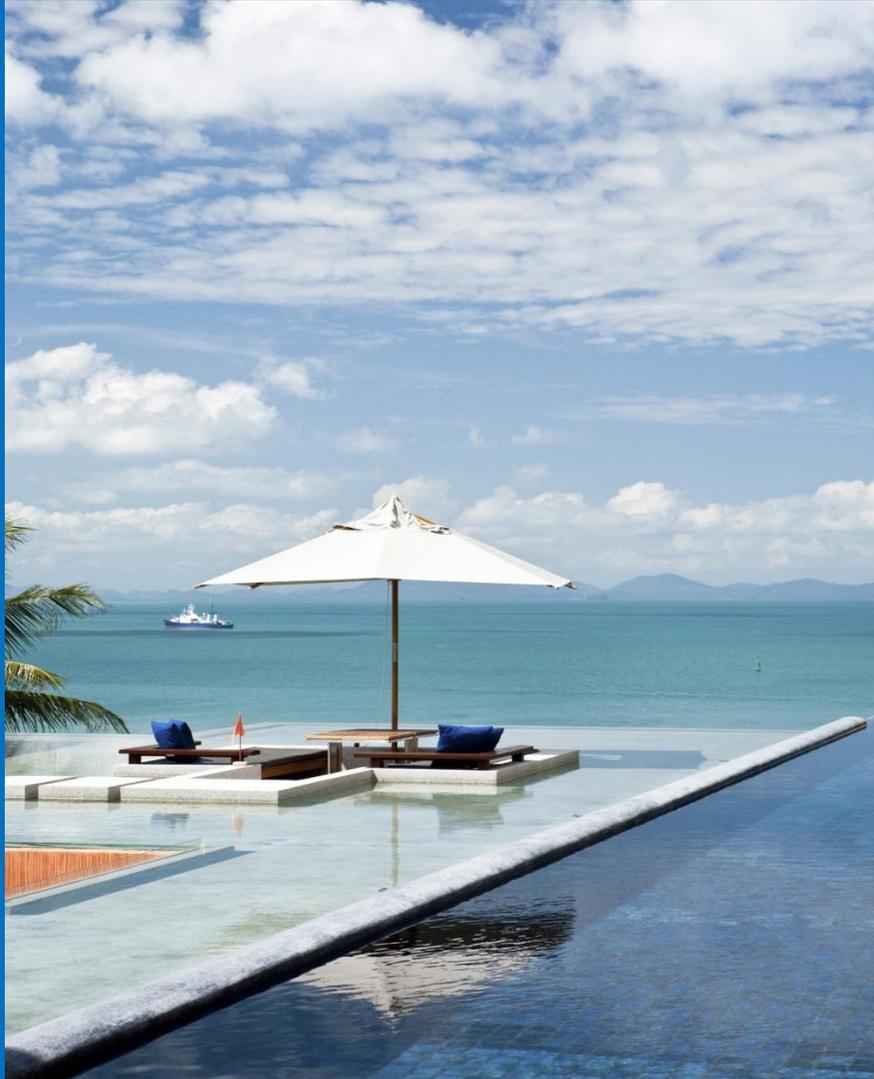


Stress and the Hotel Spa Manager: Outsourced vs Hotel-managed Spas



(c) fotolia.com

**Veronica Waldthausen,
Demian Hodari
&
Michael C. Sturman**

The following article is based on a recent publication entitled “Outsourcing and Role Stress: An empirical study of hotel spa managers” which appeared in the February 2015 issue of the *International Journal of Hospitality Management*.

Different Roles for Different Spas

Luxury and upscale hotel spas rarely provide hotel owners with the same level of financial returns that they receive from other hotel departments. As a result, hotel companies often outsource the management of their spas to specialized spa companies who, through their unique knowledge and experience, can often operate spas more efficiently and effectively. Such outsourcing can range from full outsourcing to management contracts to management assistance contracts, depending on the amount of decision-making granted to the spa company.

While companies across industries often outsource their non-core services in order to reduce their costs and/or improve their products and services, outsourcing can have a negative impact on a company's management personnel. Studies in other industries have, for example, found that outsourcing can often result in higher turnover, lower productivity and poor morale.

Researchers suspect that one reason outsourcing may lead to such challenges is that the managers who run outsourced departments must coordinate the relationship between the two organizations: the client (the outsourcer) and the contracted company (the service provider). This is a particularly difficult task for managers since organizations often have very distinct values, processes and objectives. Managers who must bridge the gap between the two organizations may thus receive contradictory or unclear orders about what they must prioritize and coordinate. This can result in "role ambiguity" and

"role conflict" which are two common causes of work-related stress.

Role ambiguity occurs when individuals do not know what is expected from them and is caused by a lack of communication, not having the proper tools or information to perform the job adequately, an absence of clear policies and nonexistent behavioral requirements.

Role conflict arises when the individual is faced with incompatible job commands from different stakeholders and is therefore unable to satisfy every role partner.

Previous research in other industries has found that such ambiguity and conflict often also decreases job satisfaction, increases turnover, and reduces service quality and managerial performance. Thus, while outsourcing can at first seem like a wise strategic move, the benefits may be outweighed by the human resource consequences and costs.

This is especially important to understand within the spa industry since that which might reduce the spa manager's job satisfaction can cause them to leave their companies and/or the spa industry. Higher turnover and lower job satisfaction may be especially prevalent in hotel spas, and especially those that are outsourced, due to their particularly challenging work environments. For example, as opposed to day spas, hotel spas require that managers function within the hotel's corporate environment and follow its standard operating procedures. In addition, such spa managers must work together with the hotel's top managers who are rarely knowledgeable about spa operations and often fail to recognize the importance of

spas and their personnel. Furthermore, hotel spa managers face conflicting messages in terms of what is expected of them. For example, hotel general managers generally prioritize the hotel's operating performance, marketing departments focus on using the spa to generate occupancy rather than profit, and revenue managers use spas to help boost hotel room rates. The situation may be even more complex in outsourced spas as managers must also focus on selling the spa company's branded products which may not necessarily benefit the hotel. Despite the importance of spas to the luxury hotel industry, and the large number of outsourced spas, we found no research which has studied the human resource implications of outsourcing hotel spas. We identified a practical need for such research since the difficulty in attracting and retaining qualified spa managers is one of the spa industry's most pressing concerns¹. We thus set out to investigate whether hotel spa managers who work for a third-party management company experience different (i.e., greater) levels of stress (through role conflict and role ambiguity) than do managers of hotel-operated spas.

Our survey and sample

We created a questionnaire (which we later analyzed using established statistical techniques²) based on well-established measures of role ambiguity, role conflict and job satisfaction. With the help of spa professionals we tailored these to the spa

¹ SRI International, 2012

² For more information about these techniques, please see the academic version of this study cited at the end of this article.

industry. We distributed our questionnaire by email to 933 spa managers, from whom we received 166 usable responses. This 17% response rate compares very favorably with previous studies using this approach. Of the respondents, 71% were female, which is reflective of the demographics of the spa industry³. Responses were collected from 45 different countries with most coming from the United States and China, which again mirrors the industry situation given that these two countries have the most hotel and resort spas globally⁴. Seventy percent of the spa managers worked in hotel- managed spas, whereas 30% worked in some type of outsourced hotel spa.

Our Results

We compared our results about spa managers' levels of role ambiguity and role conflict with that of other industries and found that they were highly similar in most cases. This confirms suspicions that the hospitality industry, and in particular the spa sector, can be a stressful one for employees. Our results specifically confirm that the amounts of role ambiguity and role conflict are significantly different between hotel-managed spas and outsourced hotel spas. We controlled for job satisfaction and found that when we compared two spa managers who enjoy their jobs to a similar degree, *those in charge of an outsourced hotel spa experience significantly more role ambiguity and role conflict than do the managers of hotel-operated spas*. We explain and discuss this key finding below with regard to both role conflict and role ambiguity.

³ SRI International

⁴ Euromonitor International, 2012

Discussion

Role Conflict

In hotel-operated spas there is only the one internal management team with whom the manager must work. There thus results relatively low levels of role conflict since the manager receives less contradictory orders. The manager in the outsourced spa, however, must interact not only with executives from the spa company, but also with management personnel from the hotel property and/or hotel management company. Because hotel general managers are said to rarely understand the complexity of managing the spa department, yet are ultimately responsible for its success, they are likely to involve themselves in important spa-related decisions even if this spa is outsourced. This then places the spa manager in the difficult situation of following the instructions, objectives and/or demands of superiors from two different firms, each of which likely has its own distinct priorities.

For example, unlike the hotel GM who is primarily interested in growing profits, the spa manager and the spa management company also emphasize the importance of learning and growth, leadership development and employee satisfaction⁵, which is often of secondary importance to hotel GMs, especially when the spa staff are the responsibility of an external organization. The specialist spa company, meanwhile, is more prone to consider the long-term satisfaction and development of its staff as paramount to its success. The manager, therefore, is conflicted about objectives and thus experiences more of the role conflict which induces stress.

⁵ Bjurstam and Cohen, 2008

Role Ambiguity

Our results also supported our hypothesis that managers of outsourced spas would experience higher degrees of role ambiguity than would managers of hotel-operated spas. We found that spa managers who work with a third party were less certain about what was expected of them, and about their goals, objectives, and responsibilities than were managers of hotel-operated spas. This appears to be due to the lack of daily, on-property assistance provided by the spa company and the resulting decreased frequency and quality of communication, supervision and feedback. This is particularly likely since the spa manager is based at the hotel and away from the spa company's headquarters, which are often in different countries, thus increasing the communication challenges for these spa managers. Similarly, it can stem from the fact that these managers often have more than one direct supervisor, which means that they may not receive enough specific guidance or clear instructions. For example, while most spa managers have a technical therapist background, and can receive clear guidance on this aspect of their job from the spa company, such managers often lack sufficient business management skills and training⁶, and must often rely on the hotel's management personnel for such guidance. As the outsourced spa manager works for the external organization, they may not receive as much support as those individuals who manage spas directly for the hotel. As such, their role ambiguity is higher.

⁶ Bjurstam and Cohen, 2008

So What to Do? Suggestions for Spa and Hotel Managers

Our findings suggest that spa companies should pay greater attention to the causes underlying spa managers' role ambiguity and role conflict since these can often increase employee turnover. As this is a particularly important problem for the spa industry, firms that take steps to reduce their managers' role ambiguity and conflict, and thus stress, may have one way to help retain their managers for a longer time. For example, firms could improve role clarity and communication frequency as ways to decrease their managers' role stress and ensuing job dissatisfaction.

Particular attention should be paid to the causes of role ambiguity and conflict in outsourced spas since managers here experience significantly greater levels of related stress. For example, spa executives should ensure that the managers of outsourced spas have one supervisor rather than two as "unity of command" can often reduce role stress by ensuring that responsibilities are fixed and expectations are clear. It also eliminates the difficulty of trying to satisfy multiple

individuals who can often have incompatible expectations and requirements.

Our findings also suggest that potential spa managers would be well-advised to consider the type of organization with which they pursue their career. That is, certain individuals may be more suited for spas that are managed by either the spa company or the hotel depending on whether they believe they have the ability to balance the needs of two organizations. Similarly, firms recruiting spa managers are advised to consider this in their selection process.

These two causes of role stress can be reduced through close supervision and greater participation in those decisions, which affects the individual's job and responsibilities. In outsourced hotel spas, however, the spa company's executives are rarely on site and therefore may be less able to provide this level of supervision and involvement. In addition, one of the most common problems faced by spa managers is their inability to influence the job description and responsibilities. Research in other industries has shown that managers responsible for outsourced functions often do not have the skills or proper training to manage the relationship between the two firms and as a result they experience high levels of work-related stress. Spa and hotel executives are thus encouraged to provide this training to the managers of outsourced spas.

About the Authors:

Veronica Waldthausen is a graduate of the Ecole Hôtelière de Lausanne. The article draws on research she conducted with Professor Hodari as part of her senior honors thesis, which won the school's prestigious prize for outstanding thesis in 2012. After spending two and a half years at HVS in London, she will be joining CBRE Hotels as Senior Associate in 2015.



Demian Hodari is an Assistant Professor of Strategic Management at the Ecole Hôtelière de Lausanne. His research focuses on the evolving roles of managers in independent and chain-managed hospitality companies. He regularly publishes his research in academic journals, contributes practitioner-oriented pieces to hospitality publications, and speaks at industry events. He is a board member of numerous hotel and wellness companies.

Michael C. Sturman (Ph.D., Cornell University) is the Kenneth and Marjorie Blanchard Professor of Human Resources, and the Associate Dean for Faculty Development at Cornell University's School of Hotel Administration. There, he teaches undergraduate, graduate, and executive education courses on human resource management and compensation. He also serves as the Academic Director for the *Center for Hospitality Research*, and is an Associate Editor at the *Journal of Applied Psychology*



References

Bjurstam, A., Cohen, M., 2008. Chapter 21, Spas and the future leadership climate. In Cohen and Bodeker (Eds.). *Understanding the Global Spa Industry: Spa management*. Butterworth Heinemann, Oxford, pp 363-76.

Euromonitor International, 2012. *Health and Wellness Tourism: Market Size*.

Hodari, D., Waldthausen, V. and Sturman, M. 2014. Outsourcing and Role Stress: An empirical study of hotel spa managers. *International Journal of Hospitality Management*. pp. 190-199

SRI International., 2012. *Spa Management Workforce and Education: Addressing Market Gaps*. Global Spa Summit, Arlington, VA.