

## case study

### Royal Caribbean Cruise Liners assess the bigger picture

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**Lucy Lofting, HR Director, EMEA, RCCL**

Royal Caribbean Cruise Line is helping to make cruising the European holiday of choice, with innovative ships including everything from FlowRider® wave surfing machines, to climbing walls and ice-skating rinks. The rise in popularity of cruises in Europe has made Royal Caribbean, EMEA the growth engine for the business. In 2004 the US owned company decided to create a European Headquarters to develop local strategy and drive growth.

Lucy Lofting, HR director, EMEA, was brought into the new European headquarters and tasked with helping to meet the business goals by provision of professional human resources for the 350 office staff across Europe.

"There had never been a formal HR function before so there were a number of issues we needed to address, from creating an effective appraisal process to improving benefits to reflect the increased size and turnover of the company," says Lofting.

Instead of just putting standard HR practices into place, Lofting appointed Getfeedback\* to conduct an engagement survey to identify what employees were and weren't happy with. She explains, "It was important to conduct the engagement survey for several reasons. Firstly we wanted employees to feel involved and positive about the changes happening, instead of them feeling new ways of working were being imposed on them. Secondly, we wanted to take a benchmark to measure the effectiveness of later initiatives. Finally we wanted robust data to justify applications made to the US to obtain the budget we needed to improve things like benefits."

Getfeedback produced a survey to achieve this and employees were invited to complete it over just three days. Although most surveys only attract a 60 per cent response rate, an astonishing 85 per cent of Royal Caribbean employees took part, demonstrating very strong commitment and interest in having their views heard in this way.

"The most positive thing to emerge from the survey was the pride our employees had in the product we were selling. Over 92 per cent thought the quality of our ships and our overall cruise experience was the best thing about working for Royal Caribbean. Relationships between employees and managers were also revealed to be very good," says Lofting.

Employees themselves prioritised the order they wanted things flagged up for improvement to be dealt with. In response, Royal Caribbean turned a UK office, overlooking the river, into a stunning common room, with Internet access for people to use during breaks. Additional healthcare benefits have been introduced and annual holiday increased to 25 days. Pay has been linked to performance and employees are now given clear goals linked to business growth. "People have been overwhelmingly delighted with the changes introduced. We haven't given them anything they weren't entitled to from a company of our newly increased size. But by involving them in the process of creating our HR strategy, they are more motivated and engaged than ever before. This is reflected in the business results with European business now growing at 35 per cent a year," explains Lofting.

In addition to using data gained from its workforce to guide its HR strategy, Lofting is also keen to point out the opportunity the process has created for Royal Caribbean to engage with every single member of staff. "Traditionally, research shows busy managers spend most of their time focusing on the very best or the very worst employees, just 10 per cent of the workforce at either end. By working with Getfeedback we have been able to gather robust data on the key drivers for everyone. Acting on this means we can do relatively small things that make the 80 per cent in the middle feel cared about," concludes Lofting.