

**On one internet search engine alone, we found more than 5 million pages using the key word "Culture." How does your company's culture affect your performance, job opportunities, and the industry as a whole? Who dictates your company's culture?**



### Is Culture Important?

Recently, two major hospitality companies in the same city were hiring for a new position. The job descriptions were relatively the same. The companies were "two of the top 5 luxury companies in their brand" - both learned of the availability of a candidate whose background was from what both considered the top luxury brand.

Both companies interviewed this person, checked his references, and were satisfied that he was qualified and of the right caliber to join them. Prior to the offer being given to this person, the candidate was asked by both companies to take a company culture test (different companies have different names for this test.)

On the first test, the candidate did very well. On the second, he failed. Why and how is this possible? The job description was the same, and the candidate had been previously successful in the same position in the No. 1 company of this luxury brand. Why did he fail the culture test of one company and pass it with the other? Were these companies so diametrically different? Were their Mission Statements so different? That is what we will discuss in this article.

### Definition of Culture

Culture is learned; it is not genetic, just as your desire for coffee and cereal in the

morning is not genetic, but a learned cultural response to morning hunger.

Culture consists of "explicit" and "implicit" patterns of behavior acquired, created and transmitted. The essential core of culture consists of traditional ideas, especially their attached values. Culture may be considered a product of action or a conditioning element for further action.

Culture also means the created design for managing a company. This entails the rational, irrational or non-rational rules or agendas, which exist in any given time as potential guides for individual or company behavior.

Our word "culture" derives from the Latin verb *colere*, which means "to cultivate," and draws some of its meaning from this association from the act of tilling soil for harvesting a rich produce.

In earlier times, culture had a more specific meaning, as it indicated a process of progressive refinement and breeding of a particular crop. Thus, we speak of the "culture of the vine" or of a bacterial culture - just as we speak of the refinement of a company.

### Changes in thinking since the '70s

The notion of culture in the hospitality industry has recently undergone some of the most radical rethinking since the early 1970s.

For example: One of the core dimensions of the concept of culture has been the notion that it should be shared by all members of a company, leading to a company culture.

Clearly, if we speak of company culture as shared, we must then ask who dictates it, in what ways, and under what conditions.

If the process of learning and evolving is an essential characteristic of culture, then teaching it is also a crucial characteristic. The way culture is taught is an important component of how companies are managed.

The challenge of identifying and analyzing company culture lies in its invisibility.

Unlike a corporation's objectives, or its employees' goals, culture is difficult to see or touch. This means that senior executives may be neglecting crucial operational duties that could spell the difference between success and failure in today's constantly changing market place in the interest of following "The corporate directives," i.e., cultural protocol.

Like a fish, culture originates at the top. The Chief Executive Officer, as the fish's head, mirrors company culture in his management style, or lack thereof. In cases where there is a weak CEO, there is also an absence of a strong organizational structure, or no company culture at all.

## Cultures Found in Normal Companies

(Any similarities to any current CEO or existing hotel company is totally coincidental, and is not the opinion of Renard International. It is solely a result of a lengthy study into similar actions and reactions of different companies in all facets of world industries.)

**CORPORATE CULTURE IS DRIVEN BY THE CEO. THESE ARE THE MOST COMMON TRAITS FOUND IN SOME CEOS STUDIED.**

### Type A

**Staunch Nit Picker** – This CEO rises to the top through diligent thoroughness and attention to detail, which results in micromanagement and total centralization. These CEOs

tend not to be risk takers and are not innovative. The company usually does ok, but is not “the leading edge” and generally gets left behind in new concepts. They order new computers after they have been in use for a year or so by the competitors.

### Type B

**Super Star Hero!** – A CEO who is highly energetic, outgoing, enthusiastic, and very positive. He may cover up his insecurity, and he/she may not tolerate excellence in others. These CEOs tend to surround themselves with mediocre executives, and this generally results in faulty thinking, as many are afraid to confront the CEO with any controversy or disagree with any of his decisions. The company eventually fails.

### Type C

**The Blame Game** – When revenue is down, food costs up and occupancy is dropping for no reason, who is to blame? The Vice President of the company who is managing by phone and e-mail, the General Manager or the department heads who are allowing this to happen. Maybe it's the President's fault for cutting sales and marketing staff. Somebody has to take the blame! But who?

Somebody must be accountable for the actions and serious wrongdoing, and so non-ethical behavior must be dealt with judiciously and properly.

"Someone to blame" is the common ailment with many organizations. There has to be a scapegoat, someone has caused the problem.

Company cultures that focus on finding someone to blame for any mistake cause dangerous situations to occur and takes a huge toll on productivity and morale.

The fear of blame makes it difficult for the staff to be creative, courageous and sometimes even ethical. Hotel employees who work in this environment spend so much time and energy in protecting themselves, they have no time to be productive.

Blaming someone just for blame's sake is not a wise way to run a business, so why is the blame culture rampant in the hospitality industry? As a fish is lead by its head so a company CEO who promotes a culture of fear and who is afraid of losing his/her position must find someone to blame for their errors.

The corporate culture of spreading only good news or what the boss wants to hear is the company common practice in a "Blame Society" or "shoot the messenger" syndrome. Staff will therefore keep their heads down and there will be no accountability. (Please read the article on hiring incompetent employees.)

Another symptom of the "Blame Game" is "denial" – when there's disparity about what's on the table and what's under the table no one wants to be accountable and then there comes real problems for an organization.



The CEO who only wants to hear about successes and may become distressed when news of problem areas crop up. He therefore has no tolerance for mistakes however minor they are. Those who make them are reprimanded, shamed or terminated and there is no positive feedback for things that do get done.

There are no rewards for those in the organization for taking calculated risks - therefore most employees shy away from challenging high risk issues, minimizing their exposure to fallout and blame.

There becomes a lack of courage in middle management to stand up for decisions, opinions, mistakes or defending staff, as they feel they will be reprimanded as well.

In Japan decisions are made by a board. Therefore any decisions which do not work, responsibility is spread as thin as possible, no one is personally to be blamed. This culture of deniable responsibility results in many committees, excessive bureaucracy, confusing organizational structures and little or no decision making.

In the "Blame Game" everyone is happy to blame someone who cannot jump up



and bite back, or someone who cannot show a proper response as to who was the true culprit.

A full and successful response to systematic problems requires an approach that does not seem to place blame. We all learn from our mistakes and it is important to look for opportunities that arise from analyzing failures as much as successes.

Most managers know that the staff cannot be free to do their best unless they also feel free to take risks and make mistakes.

A manager, to change the culture of blame, must first be aware of it, then learn from it. She/he must acknowledge those who are in high risk projects and praise them for keeping the projects on track.

A competent CEO must never take good work and effort for granted, and must acknowledge and be sincere in their praise. Be realistic with ambitious ventures at the onset and let them know that mistakes could happen. Lead by example, never shirk responsibility nor accountability. Show that you are as well not invincible.

When things go wrong, sit down with all the players and analyze the situation to see how to get projects on track and bind as a team and go forward with a positive attitude.

A compassionate CEO must distinguish between the big issues and the small issues, between mistakes and wrongdoing and act accordingly.

He/she must introduce policies and procedures that reward and encourage staff to continually engage in evaluating company procedures and issues that hinder success and then speak up about them.

Get a box for suggestions, ask staff to offer ideas about how to reward those for their successes and punish those who act in a non-ethical manner.

The "Blame Game" has no winners and the only one left standing is the CEO, but all alone.



### **Type D**

**Mentally Intelligent CEO** – A CEO who has the capability to identify the company's and its work force's strengths and weaknesses, and acknowledge his own errors. This CEO is emotional, intelligent, flexible and functions in a collaborative yet assertive manner. These CEOs and their companies are highly successful in creating an agile, crisp and successful organization.

### **Type E**

**Tap Dancer** – These CEOs are political types, who rise to their position because they watch their back. These people see threats everywhere and senior employees of the company who survive do the same. They memo each other to death to protect themselves against future incriminations. This company is usually in a quagmire of intrigue and mires itself in red tape. It eventually loses money, but the CEO and his/her cronies walk away with a handsome "golden handshake."

### **Type F**

**The Excited, Innovative Entrepreneur** – In this situation, the CEO has purchased the company, but does not have hospitality experience. He/she comes from an environment where decisions are made immediately based on entrepreneurial skills, inherited from years of self-employment, i.e., if the money does not come in – no one eats on Friday. These are visionaries who can, if focused on the task (as many own non-hospitality companies as well) steer the hotel company to a hard core success.

Their expectations as entrepreneurs defy traditional company culture. Many of the company employees used to working for a big organization were waiting for their 25-year gold watch; retirement is an inherent culture.

These entrepreneurs have grown up in real estate or other businesses and pass on this culture of, "it's my company and we must make profit." Improving the share prices of the company is paramount!

This hospitality company usually converts to a culture of the entrepreneur's previous successes. In this environment, there is no concern for the individual, as the company can be sold or bought the next day like any commodity, if the right offer comes along. This CEO promotes a feeling of "you are a number and are likely to be dismissed, if the stock price goes down 10 cents." They do provide new, creative ideas within the organization and have a real concern for the bottom line. They move very quickly with their decisions but staff still feel insecure. There is a good chance the company will change, but be around for a long time and make money.

### **Type G**

**The Fear Culture** – At an international resort recently, there was a major theft of company property and, partially due to the surveillance cameras, the police caught the culprits.

The stigma and the pressure of the local police investigation totally undermined the employee's morale and the culture of the company went from happy to be there, to a fear of management. The investigation caused many of the staff to be very upset and think that management didn't trust them as well. All the employees felt they were under suspicion and the consequences were not only a depletion of financial capital but also a serious toll on human resources. The investigation sapped the morale of the employees and eroded employee trust of management.

It is a proven fact that there is a direct correlation between employee satisfaction and loyalty. Most thefts are carried out by dissatisfied and disgruntled employees who feel underappreciated.

There is an unwritten contract between an employer and an employee, where there is an expectation from the employer as to what he requires from an employee and vice versa. When that contract is violated, the employee feels released from his/her obligations and theft ensues.

That's not to say that all theft occurs for this reason. Some thefts are a result of financial need, greed or personal problems such as gambling, drugs, etc.

Statistics show 1 out of 5 employees steal something from their employer, whether it be a small item like a pencil or something larger. Theft does not always mean taking an object from the employer, it could also mean taking electronic information, client contacts or changing financial records to show a greater hotel profit and so, a bigger bonus potential for the fraudulent employees.

When these fraudulent issues come to light, company productivity drops and a dysfunctional group is created.

**In the "Blame Game" everyone is happy to blame someone who cannot jump up and bite back, or someone who cannot show a proper response as to who was the true culprit.**

More often than not, these types of crimes within a company are caused by desperately unhappy people who are voicing their displeasure by their unlawful actions as children sometimes do to get attention from their parents.

The tolerance for corporate crime originates from the top. The corporate culture from the executive level down should be that theft of any type will not be tolerated and employees caught taking any company property will be terminated immediately. If not, "as a bad apple can destroy the entire barrel", even a small theft can pollute the environment and allow thefts to escalate if zero tolerance is not upheld.

Zero tolerance may also help improve employee loyalty and positive feelings about their workplaces to improve.

A contributor to theft is dissatisfied employees and the one way to alleviate bad feelings and dissatisfied employees, is to allow these employees to talk freely about issues which are bothering them to representatives of management without any worry or risk of repercussions.

Employees must recognize the importance of management's attempt to stop unlawful conduct. Surveillance controls must be in place to stop theft or make it very difficult. Video cameras, credit card entry, double signatures on cheques, audit of cheques, purchases and inventory, background checks on new employees are all also very important to prevent company crimes.

Remember even mistakes, intentionally or unintentionally, such as on resumes are a misrepresentation and in some cases, as mentioned in a previous Renard Report, candidates have been jailed for resume fraud. A question for any reference check is, "Is this person honest?" In a previous Renard Report we humorously joked on what an applicant says and what they really mean. Some companies use integrity and behavioral testing on all new prospective executives. These tests highlight tendencies to disrespect the employer through theft.

Employees should not be so intensely watched so they feel as if they are already guilty. Some would therefore say, "OK, since you think I am guilty I might as well take something to prove you right!" Too much monitoring has negative results, too little has even more negative repercussions. Theft should be treated with zero tolerance and employees should be made aware that surveillance is there for their own benefit.

Employees should also be made to realize that when someone steals anything even as small as a pencil or as valuable as client business lists, they should also feel personally

violated as they and their families are being harmed by these employees. Employees should take it upon themselves to ensure that they do not condone or allow fellow employees to steal and so hurt them and their families in the process.

The culture of fear of management can easily be rectified by empowering employees to police themselves with the understanding that "whistleblowers" will be held confidential.

The culture of any company, originating from senior management should be a partnership of trust and open communication which will certainly help reduce corporate theft.

### Tell me about your Corporate Culture

The first question to ask is – what is your company culture like? What type of CEO culture do you have? Is your CEO a hospitality executive or entrepreneurial type? Does your company have difficulty in hiring new staff? Is there a lot of turnover? Is there lots of internal company strife? If any of these issues are prevalent, you have a potential cultural crisis on your hands. If you are the CEO: how would you correct it? What are your strengths and weaknesses? What type of CEO do you think fits this company's background?

A SUCCESSFUL COMPANY CULTURE REQUIRES THE EXISTENCE OF A WELL-DEFINED, STRUCTURED ENVIRONMENT WITH NO AMBIGUOUS ORGANIZATION CHARTS. VERY CLEAR JOB DESCRIPTIONS AND UNMISTAKABLE LINES OF REPORTING PROVIDE CLARITY AND MAINTAIN THE COMPANY'S STABILITY AND CONTINUITY.

In any company, where the CEO is absent, workers at all levels get nervous and uncertain of their future and look for positions outside of this company, so a CEO must also always be visible even if not active in the company's day to day operations.

In the case of an overbearing, dominant, CEO with total centralized control, company culture will rely too heavily on corporate directives in all areas, and employees will stop thinking for themselves. They see themselves as "cogs in the wheel"; unimportant and inadequate. So in this type of environment, a staff empowerment program must be put in place to promote confidence building and new thinking.

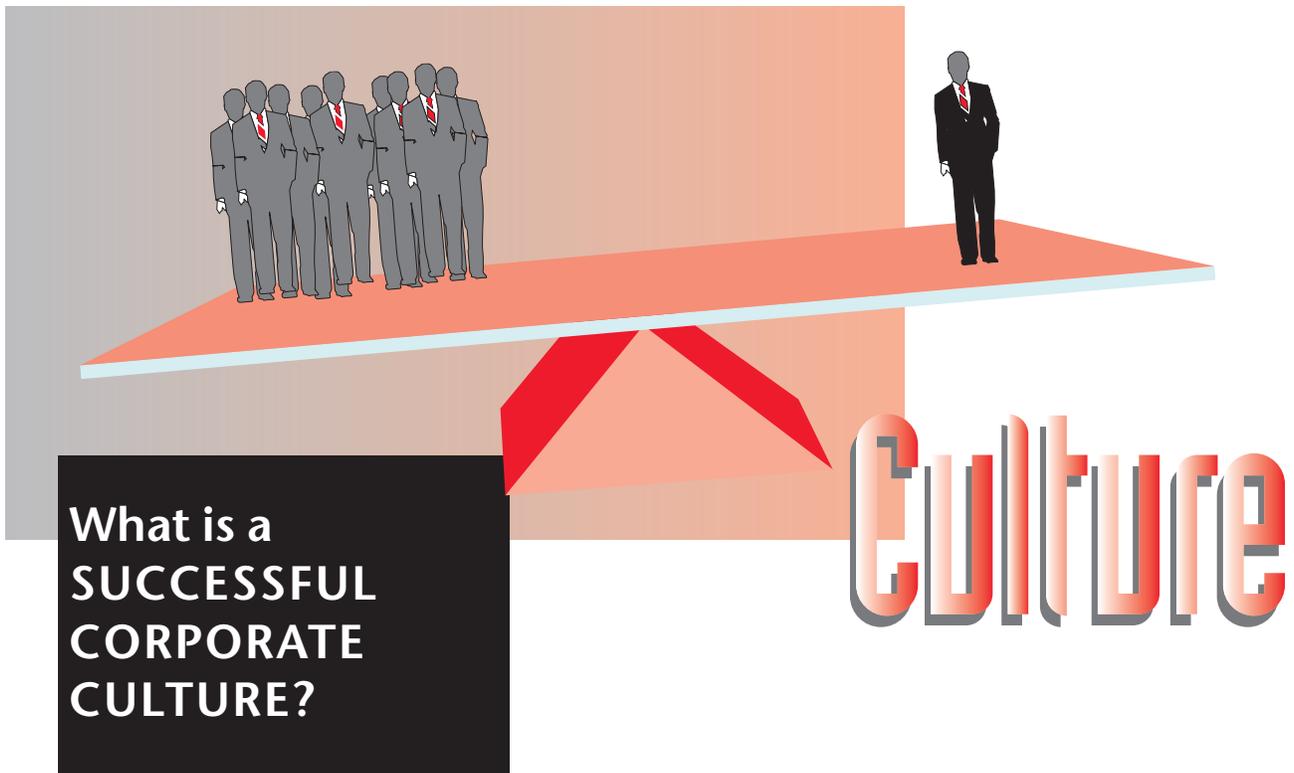
In the case of a very political environment, all employees will develop a feeling that their CEO is untrustworthy and goes behind their back. They feel mistreated and think they are exploited, even when there is no proof to confirm this conclusion. So the CEO must be easily approachable to quell their concerns, answer questions, and give "straight-forward replies" to assure them of the company's sincerity.

These CEO's actions lead to culture gaps and deformity resulting in staff turnover, low productivity, absenteeism and internal company strife unless they are immediately rectified.

Misperceptions can also occur, whether the CEO is the best or the worst at his job. The best CEOs are those who take time to evaluate themselves and understand their personal styles, and see how they affect their employees' morale and loyalty. No one is perfect; therefore, changes are inevitable to ensure that the culture of the company changes and improves through the integration of the best the CEO has to offer his people.

Corporate culture thus refers to the emotional climate or personality of the organization. An organization's culture refers to "unspoken beliefs, values and traditions translated into statements of vision and mission, common to the work force" that are expressed in silence and powerful rules, which control and reinforce the behavior that is encouraged or discouraged in the workplace.

Culture cannot be changed overnight like sheets on a bed, and many who work in a political climate cannot survive in an entrepreneurial culture or in other cultures described in this study. You must therefore investigate the CEO and corporate culture, as well as the other normal issues, such as company financial stability, future growth potential etc., before deciding whether you wish to invest your working life with this company.



## THESE ARE ARE SOME COMMENTS MADE BY OTHER INDIVIDUALS.

**JIM PANTHAKY**

I had to steer my midtown Toronto Hotel through the triple whammy that we faced in the last quarter but I believe we emerged stronger because we survived and learnt new skills, things that we took for granted took forefront.

Meanwhile motivating employees and colleagues and the entire team remains a top priority for me so that they stay focused and not give up hope and continue to provide high quality customer satisfaction.

**JAMES BATT**

A very thought-provoking piece. Overlay on the CEO types you identify different social and racial cultures, and you enter a world of difference . . . as perhaps anybody working in the Asian environment will have identified. But fundamentally, management, or getting the job done, relies on strengths which don't vary that much.

I didn't see the word "integrity" in your descriptions (although it is implied). That's the word which defines a good corporate culture to me.

**RICHARD MAU**

I couldn't agree with you more about your article being required reading, as it will open one's awareness to the process of assessment and culture. As you have closed in your article, that we, as candidates, should investigate the companies we are pursuing to ensure there is a match in our expectations. Oftentimes, it could lie in the relationship and management style of your direct report that could be the (so called) cog in the wheel. He could be the individual that has one of the leadership styles described in your message.

What kind of leadership style do I currently work under? Being unemployed, I cannot reply, however I can say I have worked under just about every leadership style from control oriented micro managers to empowering entrepreneurial leaders. I think you can guess which one I work and perform best under, but it can be very touchy getting to know which style a superior has, without possibly sending a misinterpreted message.

**BILAL SAEED**

I am grateful for the insight into "Culture" in the hospitality industry. I for one has been exposed to most of the types of CEOs listed in my 24 years in the industry.

In my humble opinion there are two typical types of "Cultures" that I have encountered. One, that is associated with a typical Management Chain (Corporate Culture) the other, a specific culture associated with privately owned enterprises. The large conglomerates offer relatively uniform philosophies with clear-cut guidelines through well-constructed Policy & Procedures that form the organizational culture. The other remains fluid and subject to whims (but with good intentions) at best of times.

I have had the good fortune of working with a Mentally Intelligent CEO who leads from the front and has clear vision for his company. Having said that, there are times that incumbent (expatriate) senior management cannot reconcile to the typical nationalistic culture/trait they are confronted with. I think we all carry a bit of culture with us and must learn to be adept and adapt to the cultures we are exposed to.

**BRUCE HARKNESS, GENEVA**

Interesting article and as I was saying to a colleague of mine only this morning.

Ultimately company culture lives through its people, in our case – guest, employees and our owners and of course the services we provide.

A culturally friendly company encourages tolerance for the failures that come with experimentation – this ultimately allows the culture to be dynamic and lasting and ultimately survive situations such as the industry is experiencing now.

**LUC A. VERSCHULDEN**

A very interesting article. I can see myself between "Tap Dancer" (I write a lot of memos, merely because of my short term contract and need to document everything, remember this Africa) and the Mentally Intelligent (although I don't like the description).

Our Owners are the typical "Exited Innovative Entrepreneur". They have no knowledge about hospitality, let alone how to treat employees . . . And there omnipresence is not creating a good culture. Nevertheless, I believe that through my combination of Tap dancing and mentally intelligence, we have been able to realize a GOP of 45% more than the budget and we have received 2 awards for outstanding services in our

7 months existence. With a competition of 12 hotels within a radius of 5 km, that's not bad.

**JAGDISH PAI, DIRECTOR OF SALES, GOLDEN SANDS HOTEL APARTMENTS, MALAYSIA**

Many thanks for quite some interesting articles on the hospitality industry. You're right. Culture is learned. It's not genetic.

Any mature professional who has metamorphosed well in this industry, academically as well as in terms of work exposure, will appreciate the importance of imbibing and adapting to one's corporate culture, regardless of luxury or mass appeal brands he/she represents.

In most global set ups around the world there are orientation or induction programs designed to break you into the corporate culture, comprising of shared values, norms, philosophy, rules, regulations and the climate of an organization; thus making it easier for candidates to blend, adapt and eventually settle in as 'productive' team players.

However, in new economies (like the UAE) the dynamics are a little different, given the multi-cultural, multi-national, multi-lingual scenario, religious inflexibilities, economics or just plain ignorance. Also, given the transient nature of the supply, there is more economic/ short-term focus than a long-term career focus, amongst average candidates.

With a few exceptions of course, 'Corporate Culture' therefore, by and large, tends to be a copy of the 'Mission statement' circulated amongst new recruits and the work force!

I do hope that more evolved companies, look at organized initiatives to inculcate shared values and a common vision amongst employees to achieve some kind of homogeneity amongst people from diverse and disparate backgrounds.

**KEES FEKKES**

I read your article on Corporate Culture, which I found quite interesting. Especially because I strongly believe, that in our wonderful hotel business some CEO's and top managers still run the show from a top-down managerial approach.

The management style I prefer is, that one takes leadership in our industry executing 'management by example' and 'management by objectives'. Important is respect to all the workers in the company, to delegate as much as possible, to give the employees the real responsibility they need to feel (which enhances the pleasure

in the job which will generate from them the necessary solutions and suggestions). For the good employees with future potential it will give career opportunities (very important for a company with a solid a solid Management Development Plan, which will set a 'company culture') and it will show the weaker skills of those who don't have this potential in growth (maybe not yet).

Corrections on the work floor need to take place in privacy (not in the presence of other workers). Make sure as a CEO that all management office doors, including the one of the CEO, are always open for employees to enable them to ventilate their comments, suggestions, solutions and complaints (see Mc Donald's).

The term 'management by walking around' is an old one, but this is very much applicable for our industry. Through this 'management by walking around' one also will learn, by meeting the employees, what their needs, suggestions, and solutions are who are not very outspoken and extrovert.

Since I gained my professional experiences often in the smaller and bigger Islands of the Caribbean, working under management contracts (for sometimes Governmental owners of the hotels: Bonaire and Cuba) it is to me imperative, that the local General Manager, being the outpost and quality-image of the Management Company, should be able to feel (empathy) and adhere to the social and cultural behavior of the Island. A cultural awareness of the local habits and rules are very important to the success of the management mission.

Many management contracts fail, because of the lack of the understanding and acceptance of the cultural behaviorism and environment of the Island they work at. Islands have very nationalistic characters. For instant on Bonaire (being a Netherlands-Antillean Island within at that time a group of six Islands) the people feel that they are in first place Bonairean (their small Island of 11.000 inhabitants) then Antillean and then Dutch (although they have a Dutch passport and all the benefits from the Netherlands). They love their Island and the island culture. A stranger coming to be the General Manager has to understand that.

Even on the biggest Island of the Caribbean, Cuba, this is a vital element too, although there is a lot of criticism on the Island's Political structure and Leadership, which often is not spoken out. Nevertheless almost

all Cubans are very proud of their Island, their culture (which is rich) and their special behavior in comparison to especially 'non Cubans/Latinos' – and I know because I am married to one. They will fight for the freedom of their Island (Cuba), in spite of their difference of opinion with the Leadership on the Island and local politics, if foreigners attack their Island. For every manager working abroad the device is: 'get to know the environment, culture and behavior of the Island and its inhabitants.

PETER JANSSEN, KUWAIT



Judging the level of your article it shows again that you are not only a 'pretty face' but also a serious thinker. Analyzing 'culture' can take us a long way and even solve the problems of our times. Solving cultural

differences might be the only real thing I do in my job.

Understanding the culture of the Chefs, Waiters, Housekeeper, Financial Controller and making them tic together, is a main task. Take then the 'culture' of the Owner, the Management Company, Suppliers, Key Accounts, Hotel Guests and voila, you have to deal with a mixed basket of customs, egos and expectations or plenty of stuff to keep you going all day. Add to this the culture of my wife, children, and mother-in-law and you make overtime everyday. Only with the goldfish of my daughter, I do not have a problem, although when the fish died I had to rush to the shop to buy a new one, before she found out and would be heartbroken.

In a Management Seminar, the group leader stated once that the main problem for today's Managers is the 'recognition' of the cultural needs in all of us. I gather from your article that among several others, a definition of culture is "a learned pattern of behavior". Indian culture preaches that in order to live in peace with the world and ourselves, we need to change the "dominator culture model" to a 'partnership model of culture'.

At a very early age, I read a story about monkeys. **The tale is as follows:**

MARK HENNEBRY, IRELAND



Interesting article. My experience has been that in a hotel context, sub-cultures are formed in each department. Food & Beverage staff are different from Housekeeping who are different from Engineering and so on.

Thus it is important for a general manager to be involved with staff at all levels. And in reference to your business, important that the hiring of a department head fits with the hotel culture or is specifically hired to alter that culture if it is negative.

In the Asian context, Expat department heads come and go, but the staff often stays for very long periods of time creating their own work culture.

In a typical two-year contract, the manager takes the first six months to get his feet under the table, the last six months looking for a new job, so real progress is made in the intervening twelve months.

**Four monkeys were living in a cage in perfect harmony. They had plenty of food, sex and happiness. In another case there were four monkeys constantly fighting for food and beating up each other. After some time, one monkey died in the first case and the three others were overweight and in a bad shape. In the second case, the monkeys were perfectly healthy and had a long life to live.**

**The morale of the story is that we live in a 'the culture of conflict' and 'conflict brings growth'. Looking at my own professional career on 4 Continents and 12 different countries, I felt physically better in places where there were plenty of challenges and hassle. I just went through the opening of a new hotel, which is always an event, especially in the middle of the dessert and I never felt better. I hope you feel good as well Steve, because with SARS, 911, and the economic slump, it must be "no piece of cake" for guys in your business. In conclusion, is living in conflict our culture or part of our "eco survival system"?**

**Of course living with a little conflict and competition is good for all of as long as you know to handle it. At hotel school, we learn how to cook, clean, calculate, etc. Do we learn enough about understanding "Cultures in our Industry as well as religions and races?"**

**GEORGE I. GARCIA**

GEORGE I. GARCIA

Time is our most valuable asset, yet we tend to waste it, kill it, and spend it rather than invest it. For me one of the best investments is to have the great opportunity to Read your information.

**JOHN MAVROS**

JOHN MAVROS

We are all products of our environment. But for me integrity is primary followed by deep experience. My first twelve years in the Industry were with WESTIN.

Eight years at the Century Plaza, then I opened the Westin South Coast Plaza and The Philippine Plaza. I feel a positive attitude and building long-term relationships is vital in our industry.

Preferred Hotel Management has been around for eight years now. We have primarily managed Bank owned Hotels. As re-possession, physical plants are often neglected and the staff is usually demoralized and untrained.

We have found open and honest communication with the staff about the fact that the property is for sale works best. We communicate our goals to the staff that we will operate and market the Hotel professionally with their help and support.

We make it clear that it often takes a long time to sell a hotel however the best job security is to do your job well every day.

**JAMES SMITH, SCOTLAND**



I read with great interest the basic four management styles all of which in one way or the other contribute to the Corporate Culture, which in many

cases when the bottom line is under great pressure is suddenly not important.

In 1982 I compiled a paper – I cannot say “authored” and used this when I was V.P of Hilton to indicate to the Managers to whom I reported and to the Dept. Heads with whom I worked the four styles of management and where a total omission of one would result in mismanagement.

At that time Culture was just coming into being. I agree with all that was written (as I did of the last report) and when I do get back to my office will send you what I compiled many years ago. You may find it interesting and says that what has been

written now twice. I would also suggest you contact the Adizes Institute which has an incredible bank of academic material which I have always found to be both interesting and applicable. It brought a different prospective to the every day running of a hotel. I liked the two candidates who were neck and neck until one failed the “CORPORATE TEST”. It would be interesting to know the points or areas found wanting in the candidate that failed. The comparison to a fish is also appropriate and used in a rather brash or rude manner – and this is translated from the German “the fish stinks from the head”.

**SAMI EL BITAR**

SAMI EL BITAR

Thank you for keeping me posted, the study you have done "Culture in the Hospitality" industry was truly excellent. Even so my comments may not be as lengthy as your study, but they are the “Essence” of over

20 years of experience;

- a. With all of the advance technology in the World, the principal in what we do is the human touch = treat people the way you want to be treated and use your common sense.
- b. One more point I would like to add to your study: “A Successful” business has to be a part of its community and its people.

To understand what is the real meaning of “Culture” you have to appreciate the quality of life & its diversity, the quality of time and its essence and the joy of your work.

**ABEL NOLASCO, MANILA**

ABEL NOLASCO

Believe me, living in the Philippines makes your daily life exciting and full of surprises that you have to face besides our regular duties. This is the Philippines and that’s part of their “Culture”.

I believe I read your article a few times already and not because I didn’t understand but because I find it very interesting.

My only comment about it is that, one of the reasons I joined the Hospitality Industry was because I always have been interested in “Cultures”, languages, customs and everything about people.

16 years ago I found the company that offered me at that time some of the things I was looking for. One of the main reasons Hyatt top executives are still around is because they all are like a big family and I am talking about from the top (our president BC). He is the only president I

# CULTURE

“... And in reference to your business, it is important that the hiring of a department head fits with the hotel culture or is specifically hired to alter that culture if it is negative.”

**Mark Hennebry**

know since the beginning of my career with HI hotels and believe me; the foundation of this company is about taking care of its People.

“Culture” plays a very important roll in the success of our hotels, and it is emphasized at all times by our corporate office in Chicago. Believe me, it’s not all the time about money the reason I’m still working for this company but it’s because about loyalty and values that I learn in my 16 years (six different countries), not too bad for a Mexican who quit college to work full time in Hyatt Regency Acapulco as Bar Supervisor.

Your study it’s so true, that you can tell who and how is your CEO or President looking only at their success of the company and type of values of the people who work for it.

**BRADFORD ZAK**



Great article! Currently, I am re-reading the Collins/Porras ‘Built To Last’. They develop this notion of sustainable companies and their culture further and break things down to levels

that are more fundamental. Yet, the thrust of your message is clear: candidates of a potential hiring must consider the compatibility of the organization’s culture as a suitable match to that of their own.

Indeed some companies work to articulate their “culture” with a set of ‘Mission, Values and Guiding Principle’ statements. I would suggest that candidates look for such statements (on the target’s web site for example) and then attempt to ascertain, if indeed, they are just words or living ideals/goals.

I’ve found this exercise to be revealing when brought into the interview process, with queries to the interviewer or staff while on a sight-visit (invited or while conducting personal research).

Earlier this month, while in St Lucia, I did this sort of thing and found the target non-compatible.

**KAILASH HURREE WROTE**



That’s a very brilliant article which I read with great interest. In the Mauritius Hospitality Industry unfortunately not much attention has been given to company culture or corporate culture. The Industry has evolved in such a way that the same people are serving the industry since 15-

**ERIC ENARD, WASHINGTON, USA**

The leadership group as much as by the CEO defines culture. In the case of a weak CEO, other de facto leaders emerge and through skill and talent define the evolving company culture.

Most essentially, Culture is defined by what a company is willing to invest in. In other words, in a company that values ethics above immediate profit, the decision makers will choose to honor their agreements even if they take a short-term loss financially. This sends a powerful message to all levels of the company that the leadership expects each individual to act with integrity. Likewise, a company that seeks short-term profit regardless of the ethical ramifications of their business practices sends a entirely different message to its employees.

The money trail leads to the key values that inform the decisions at the highest level of any business enterprise. The other key indicator is disciplinary actions/promotions, especially in relation to job performance. The people who are promoted act as a model for success within an organization while those who are eventually eliminated create a model of failure. Both give concrete examples to those working within a company; the more consistent a company is in applying it’s core values throughout these processes, the stronger the company culture will be.

In the end, culture flows from an enterprises core values and from the people who embody those principles within the organization. Culture is transmitted through the chain of command and reinforced through the internal and external decisions that a company makes in the course of conducting business.

20 years. It has been built on an on-the-job culture development. Actors of the Industry, unfortunately, did not possess formal and appropriate high-level education & training in the hospitality industry. They developed it according to their capabilities but circumstances were so favourable at the then time that the industry matured very fast. So logically, those actors thought that they were good in what they were doing. Due to lack of responsiveness to the Industry’s needs to built up on training, culture and management tailor to the industry, today we are going through a very slow growth – negative growth in certain period of the year. Massive marketing and promotion do not bring positive growth if the delivery does not follow. Satisfied customers are becoming demanding customers. Customer satisfaction is transformed into customer delight!

The culture was not developed, hospitality industry staff lacked motivation and they were given minimum training, staff turnover within the industry is high causing inconsistency in developing company culture and maintaining quality service. Only recently that appropriate curriculum for undergraduate degrees has been developed attracting school leavers and staff in the industry. I firmly believe that without the right qualifications & training to people working in the hospitality, culture cannot be developed in them.

As the article mentions ‘Culture is learned; it is not genetic’. Tourism is an “experience”, creating the experience is a game and the game requires strong players!

**JULIAN BUGLEDICH**



Having just read your newsletter on culture I found the study interesting to say the least.

Having worked for many years with a company that was eventually sold to an international company, what a interesting comparison I found. The company I worked for had very much a culture of using the skills of the management to run the business. We were one of the most successful hotel companies in the region. We worked as a team and we were loyal to the business at all times. During the crisis of the early ‘90s we still endured. While some companies were slashing their wrists we were still returning good profits to the owners. In fact I do not recall one General Manager leaving to join another company.

Yet as the Senior Executive I was receiving applications daily from General Managers. What made us distinct was that we had a culture of creativity and profit.

Three things were always our focus: Look after your staff, look after your customers and look after your bottom line.

In this day and age of hotels becoming process orientated organizations we will loose the very essence of what makes one hotel different to another. Many of the Asian owners risk falling into this category. Good management and culture is not a product of process. You can run all the training programs you wish to try and improve service standards and you will still become an also ran.

The financial institutions that now own and run many of these businesses as owner operators are the ones that risk this fatal error. They develop a process on analysis. They analyze to the point that they are unable to make a decision (Analysis paralysis, we once called it). Wanting to see the process make the decision rather than the experience. Well this just will not happen. As one of my American owners once said in very sporting terms, you can analyze till the cows come home but at some stage you have to "Step onto the Batting Plate if you want to hit a home run."

I do not say that process is something that should be ignored but it must not be the decision maker. You are going to make mistakes along the way everyone does. But the objective is not to be wasteful and make sure that you have many more successes than failures.

The other mistake many owners make is that they try to steal or poach culture. You cannot inherit a culture by only employing people from one company. This breeds animosity and insecurity from those who did not come from that culture. I did pride myself in ensuring that we had a cross section from various companies when we hired outside the organization. The attitude and the willingness to contribute to the company's culture were the most important factors. But at all times the philosophy had to come from the top. You can drive a successful culture without the people at the top being committed to the company's philosophies.

Many new companies run the risk of being an also-ran. They start with the right intentions but lose their way because of a lack of discipline to the culture. Hotel Owners as one Senior Australia spokesman (who became a tourism spokesman) said would make the worst farmers. They cannot survive the ups and downs of tourism. As soon as the market goes through a tough period you guys slash your wrists. "Imagine

if every farmer reacted the way you do to drought, and market conditions".

Lastly let me concur with your comments about those companies who incessantly write memos to ensure that they are not to blame. These are the companies that eventually will not understand why they went out of business or why they are not getting market share. These are the ones whose culture does not breed a sense on initiative but one of criticism.

Many of these brands that are well known regional brands and have a very threatening culture. They experience turnovers of General Managers that can only be described as suicide. I call these jobs "suicide jobs" because that is what happens the manager eventually walks out or is dismissed.

The Manager is hired with all the good intentions and eventually the Rhetoric that the person was hired under disappears and is replaced with blame and aggression. Has anyone told these people how much money this type of turnover is costing? The problem perhaps could be because of a clash of the Western and Asian Culture, with neither side wanting to give in.

Those companies that have been successful are the ones that recognize the benefits of both cultures and take the best of both worlds and make their own culture.

These are the companies that when all else fails will eventually succeed. Having the money will not always bail you out of trouble. Having the right culture could cost you half as much to achieve the same objective.

Culture is not something that can be bought it is not something that can be demanded it is the method that you do business that dictates the culture.

The culture can in many ways be the difference between the success or failure of your business. It is what makes the difference between ordinary and large profits and it eventually is what will drive shareholder value. Your culture will determine whether you survive the droughts.

ROBERT MARAT

ROBERT MARAT

I read your study on corporate culture in the hospitality market with interest. Coming from another "cultural background" than the Northern Americas, I would like to comment a few things.

As you pointed out in your article, a corporate culture is somehow defined by the CEO's behaviour and attitude. This might be the case in individualistic countries like the USA, Canada, Australia, etc. In more collectivistic countries (i.e. Scandinavia, Indonesia), decision making, organizational behaviour and therefore culture creation is more a group matter.

Also, the top-down approach (from CEO to subordinates) falsely assumes that subordinate behaviour is proportionally linked to the CEO's behaviour. As individuals, employees have a wide range of means to react on attempted changes of corporate culture by CEOs.

What it really comes down to is the individual judgment of employees whether certain policies or organizational systems are "just". Only if the employee perceives the company as a fair system (towards him/herself, his/her colleagues, the environment, the customers, other stakeholders), he/she will change the attitude towards the company and in further consequence his/her organizational behaviour. In return, changes in organizational behaviour change corporate culture.

RENI TEUSCHER

RENI TEUSCHER

I read your recent article and I just would like to add that values are playing an important part of a good and successful working relationship.

When I opened the NW Renaissance Hotel in Makati, Manila, we built our organization on values. We interviewed over 6000 applicants (I saw everyone one of them) we explained our values in the organization and the employees and their respective valued return to the organization. We eventually hired 600, ran the Hotel

**"ANY MATURE PROFESSIONAL who has metamorphosed well in this industry, academically as well as in terms of work exposure, will appreciate the importance of imbibing and adapting to one's corporate culture . . ."**

– Jagdish Pai

without any Union for the six years I was associated with that Hotel. (No Union in Manila, has never been done before).

I really enjoy reading the various subjects you discuss, while I might not comment on all of them, they always provide great insight and food for thought.

ANDREW WHITAKER

**How to instill corporate policy, thought you might enjoy this**

This one is brilliant – read on – it makes lot of sense!

Put eight monkeys in a room.

In the middle of the room is a ladder, leading to a bunch of bananas hanging from a hook on the ceiling.

Each time a monkey tries to climb the ladder, all the monkeys are sprayed with ice water, which makes them miserable. Soon enough, whenever a monkey attempts to climb the ladder, all of the other monkeys, not wanting to be sprayed, set upon him and beat him up.

Soon, none of the eight monkeys ever attempts to climb the ladder. One of the original monkeys is then removed, and a new monkey is put in the room.

Seeing the bananas and the ladder, he wonders why none of the other monkeys are doing the obvious, but, undaunted, he immediately begins to climb the ladder.

All the other monkeys fall upon him and beat him silly. He has no idea why.

However, he no longer attempts to climb the ladder.

A second original monkey is removed and replaced. The newcomer again attempts to climb the ladder, but all the other monkeys hammer the crap out of him.

This includes the previous new monkey, who, grateful that he's not on the receiving end this time, participates in the beating because all the other monkeys are doing it. However, he has no idea why he's attacking the new monkey.

One by one, all the original monkeys are replaced. Eight new monkeys are now in the room. None of them have ever been sprayed by ice water. None of them attempt to climb the ladder. All of them will

enthusiastically beat up any new monkey who tries, without having any idea why.

*“And that's how any company's policies get established”*

AURELIANO COSTA

Excellent article, I read all the comments that were very good too. Congratulations.

I would like to put this under the perspective of a **Chef de Cuisine. What is Corporate Culture for an Executive Chef de Cuisine?**

Culture in the Latin sense of “colere” cultivate is very important at my level of Chef de Cuisine, but the sense of the sum of all the traditions and the history is also relevant.

Because we are dealing sometimes in the kitchen with two antagonist issues.

A corporate Culture or company culture. (Processes, rules, statements, missions, business philosophy, management systems). An artistic culture that any Chef de Cuisine should have and transmit, Creativity, Originality, Talent, team building and what Curnonsky called “la Métaphysique du Goût”.

My mentor in cuisine was a Belgian three-stars Michelin Head Chef, a “noncompromise” chef, making absolutely no concessions to what he considered to be the supreme art “le bien manger” I tried very hard to reach him. One day I had the chance to work with a General Manager that understood that my “intolerance” was an asset he could use. He had a very strong corporate culture but had also a very deep “human knowledge” and a way to transform each personality in an asset for his hotel.

He could transmit the “unspoken beliefs, values and traditions translated into statements of vision and mission” but talking in accounts the human characteristics of his main managers and the diversity of cultural backgrounds of a team.

Having said this, and I agree that there are two main cultures the one of big companies with well written procedures and a very profit oriented policy, and the smaller ones, where the creativity and the originality are priceless. The Chef's dream would be to find a mix of both.

This mix of culture “or thinking process” is now the “kitchen culture” in some hotels, where the high standards corporate culture can live together with high standards of cuisine. (But what is a high standard in Cuisine? I really would like someone to explain me that).

The danger of a very strong corporate culture resides in turning some executive chefs in pure managers, in very “corporate culturized” clones, in the detriment of the natural creativity a chef must develop.

Or on the contrary the lack of this Corporate Culture helps developing the so called “prima donna” syndrome that some Chefs suffer from.

I believe that great chefs in hotel are made by great general managers that could impose a “Corporate Culture” by taking in account the characteristics of the chefs they work with, creating the perfect balance between “Corporate”, “Personal” and “Professional” culture.

Only under these conditions can a chef “roll down” the “Corporate or Company Culture” to his brigade, managing and team building his team and getting results

JURGEN BAUMHOFF, QATAR

Thank you, very interesting reading indeed!

You should organise a conference (first time) under the heading “Company Culture of the future – what are the requirements for the future in people-based businesses like ours! I am sure you will get a lot of response, and participants from all general managers. For too long general managers who really are the makers and drivers of hotel company cultures, have been suppressed by corporate cultures, which often was a total mismatch to the core business we are in.

Our business is about managing employees and customers satisfaction, in order to deliver financial returns.

For too long now, have we been driven by financial institutions, etc, with only short-term motives, but in a world of increased instability, we can make a difference in the future!

I have started to practice the above, despite now being on the owners-developers side.

