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World-Class Service

W. Gerald Glover

Appalachian State University, null@appstate.edu

Germaine W. Shames

Hilton International, New York

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World-Class Service

Abstract

In the discussion - World-Class Service - by W. Gerald Glover, Associate Professor, Restaurant, Hotel and Resort Management at Appalachian State University and Germaine W. Shames, Hilton International, New York, Glover and Shames initially state: "Providing world-class service to today's traveler may be the key for hospitality managers in the current competitive market. Although an ideal, this type of service provides a mandate for culturally aware managers. The authors provide insight into several areas of cultures in collision."

Up to the time this essay is written, the authors point to a less-than-ideal level of service as being the standard in the hospitality industry and experience. "Let's face it - if we're ever to resurrect service, it will not be by going back to anything," Glover and Shames exclaim. "Whatever it was we did back then has contributed to the dilemma in which we find ourselves today, handicapped by a reactive service culture in an age that calls for adaptiveness and global strategies," the authors fortify that thought.

In amplifying the concept of world-class service Glover and Shames elaborate: "World-class service is an ideal. Proactive and adaptive, world-class service feels equally right to the North American dignitary occupying the Presidential Suite, and the Japanese tourist staying in a standard room in the same hotel."

To bracket that model the authors offer: "At a minimum, it is service perceived by each customer as appropriate and adequate. At its best, it may also make the customer feel at home, among friends, or pampered. Finally, it is service as if culture matters," Glover and Shames expand and capture the rule of world-class service.

Glover and Shames consider the link between cultures and service an imperative one. They say it is a principle lost on most hospitality managers. "Most [managers] have received service management education in the people are people school that teaches us to disregard cultural differences and assume that everyone we manage or serve is pretty much like ourselves," say Glover and Shames. "Is it any wonder that we persist in setting service standards, marketing services, and managing service staff not only as if culture didn't matter, but as if it didn't exist?!"

To offer legitimacy to their effort Glover and Shames present the case of the Sun and Sea Hotel, a 500-room first class hotel located on the outskirts of the capital city of a small Caribbean island nation. It is a bit difficult to tell whether this is a dramatization or a reality. It does, however, serve to illustrate their point in regard to management's cognizance, or lack thereof, of culture when it comes to cordial service and guest satisfaction.

Even more apropos is the tale of the Palace Hotel, "...one of the grande dames of hospitality constructed in the boom years of the 1920s in a mid-sized Midwestern city in the United States." The authors relate what transpired during its takeover in mid-1980 by a U.S.-based international hotel corporation. The story makes for an interesting and informative case study.

Keywords

W. Gerald Glover, Germaine W. Shames, World-Class Service, Culture, Palace Hotel

World-Class Service

by
W. Gerald Glover
Associate Professor
Restaurant, Hotel and Resort Management
Appalachian State University
and
Germaine W. Shames
Hilton International
New York

Providing world-class service to today's traveler may be the key for hospitality managers in the current competitive market. Although an ideal, this type of service provides a mandate for culturally aware managers. The authors provide insight into several areas of cultures in collision.

"At your service" has become the byword of many industries in today's global marketplace. Yet, as we enter the service age, the cry "Why is service so lousy?" emblazons the cover of *Newsweek* and sets the tone in corporate boardrooms.

In the hospitality industry, service has always been a high priority and the rallying point of many impassioned spokespersons. Periodically, in the name of service, some industry leader or another will launch a campaign to "bring back old-time hospitality" or nudge us "back to basics." And back we willingly go--to traditional notions and formulas that somehow don't fit any more (if they ever did!).

Let's face it--if we're ever to resurrect service, it will not be by going back to anything. Whatever it was we did back then has contributed to the dilemma in which we find ourselves today, handicapped by a reactive service culture in an age that calls for adaptiveness and global strategies.

If hospitality managers are to meet the challenge of delivering service to an increasingly demanding, traveled, and diverse public, they will have to move ahead and go "world-class." If there is an edge to be had in today's competitive international hospitality arena, that edge is "world-class service."

World-class service is an ideal. It has implications for both international and domestic service providers, the hospitality managers, whether their lobbies are full of Japanese and Italian tour groups or a local convention of aluminum siding salesmen.

The term "world-class service" may conjure up images of pampered jet-setters being suavely plied with champagne at an exclusive resort. Although this scenario is not incompatible with the ideal we present, it is but one small chip in a massive mosaic. Just as compatible

are the service experiences of a small town salesman attending a nearby trade show or a housewife taking her five-year-old son on a bus tour.

World-class service is the consistent satisfaction of the needs and expectations of a culturally diverse public. It matches the capabilities and approach of the service provider to the needs and expectations of the service consumer. Proactive and adaptive, world-class service feels equally "right" to the North American dignitary occupying the Presidential Suite and the Japanese tourist staying in a standard room in the same hotel. At a minimum, it is service perceived by each customer as appropriate and adequate. At its best, it may also make the customer feel "at home," "among friends," or pampered. Finally, it is service as if culture matters.

The link between service and culture is not readily apparent to most hospitality managers. Most have received service management education in the "people are people" school that teaches us to disregard cultural differences and assume that everyone we manage or serve is pretty much like ourselves. Is it any wonder that we persist in setting service standards, marketing services, and managing service staff not only as if culture didn't matter, but as if it didn't exist?!

Recognizing and managing culture is essential to the delivery of world-class service. The mandate for culturally aware hospitality managers is clear.

Caribbean Resort Serves As Case Study

The authors' experience in the hospitality and tourism industries in the Caribbean serves to illustrate the need for and application of the world-class service concept. One resort, which will be referred to as the Sun and Sea Hotel, is the subject of the following analysis.

The Sun and Sea Hotel is a 500-room first class hotel located on the outskirts of the capital city of a small Caribbean island nation. Independent from its colonial status for almost two decades, this developing nation faces the economic, political, and social problems typically associated with rapid modernization: expatriate management and absentee ownership, labor-management friction, a relatively unskilled local labor pool, and rising crime rates.

As the Sun and Sea Hotel is part of a large multi-national hotel chain, many of its managers come from previous assignments in Europe and the United States where they became accustomed to managing according to the social conditions and value orientations prevalent there. Frequently managers and their families have difficulties adjusting to life in an island society. Complaints of "rock fever" are standard cocktail conversation and manager turnover is high. Local managers find themselves cast in the role of "culture broker" and middleman. They often feel caught between the cultures of the organization, their expatriate counterparts, and their own origin. One local manager describes his frustration: "I feel like I don't belong anywhere any more. If I act like the manager my company expects me to be, my family and friends accuse me of selling out. When I act like a local, the company and expatriates say I don't have what it takes to be a good manager!"

Several different, and often competing, views of management can be observed in the hotel and its operations. The corporate office, expatriate managers, aspiring local managers, employees, and trade union seem to be in constant disagreement. These groups each have their own perspective and agenda, and one doesn't have to look far for examples of the problems engendered by their clashes: backbiting, infighting, sabotage, and demoralization.

At the corporate office, boardroom discussion of the Sun and Sea Hotel is seasoned with "war stories." Corporate officers tend to blame the "difficult natives" for the hotel's inability to maintain the same standards of service as the company's properties in Europe or the United States. There is also concern about some of the expatriate managers "going native" and letting too much of the local culture seep into their hotels.

Hotel employees and trade unions share the often unstated feeling that tourism is a sophisticated form of servility. Having only recently thrown off the yoke of colonialism, they are determined not to allow themselves to be bullied by "Jack." Many employees are alienated from the organization where they work and are receptive to trade union leaders who may or may not use their support toward constructive ends.

Of course, the most obvious and costly consequence of the Sun and Sea Hotel's unmanaged clash of cultures is inconsistent guest satisfaction. Guests are often first-time visitors to the hotel and island. They are drawn by glossy brochures and exuberant travel agents who paint an unspoiled paradise peopled by smiling and carefree natives. Buoyant with anticipation, they're herded into jumbo jets where they huddle three across and count the minutes. Their expectations of "paradise" usually fizzle upon arrival at the airport where poker-faced customs officials offer a less than cordial greeting to the island. Visitors then inch through traffic with a taxi driver who often bears an uncanny resemblance to those encountered in New York or London. By the time guests arrive at the hotel, they are sweaty and disillusioned. Nothing short of world-class service will appease them.

But service at the Sun and Sea Hotel is, at best, inconsistent. Dissatisfied employees extend indifferent service. Guest requests are met with nonchalance; complaints are received as personal affronts. Guests may bristle at a tardy wake-up call, coffee served cold, or an unscrubbed bathtub, but soon learn that expressing their displeasure does no good. The complaints that do reach management tend to be extreme, multiple, and accompanied by "money back" demands. Even when managers handle complaints well, the guest is usually already lost as a repeat customer.

Most guests leave the hotel unexhilarated by their stay. They've neither experienced the local culture nor the international jet-set environment they had been "sold." Many feel like they were given a "canned" product, something diluted and mediocre. One former guest summed it up: "If I'd wanted noisy discos, hamburgers, and crummy service, I could have stayed in New York."

Hotel Poses a Dilemma

The leaders of the Sun and Sea Hotel recognize that the property cannot long continue to show a profit, crippled as it is by operational problems and negative word-of-mouth publicity. As concerned as they might be, they defend the status quo and resist the idea that the hotel's dilemma is largely cultural.

To analyze the case, we use four broad areas of culture management, namely business strategy, marketing, human resources development, and customer contact.

• **Business strategy.** Although much thought and planning had been devoted to real estate development, financing, purchasing, and the logistics of airline service, the hotel's leaders gave little or no consideration to fitting the hotel's social system into the community. The hotel clearly lacks a sound and flexible business strategy for operating successfully at that particular location. Management failed to incorporate feedback from the local community, tourist bureau, employees, and customers into the design and development of their product and service delivery system. Instead they attempted to apply a generic corporate model, much to the dissatisfaction of many natives, employees, and guests. Strongly worded directives from the corporate office insisting upon strict adherence to company policies and procedures are a constant irritant to on-location managers. A diffused and counterproductive corporate culture makes implementation of any directive difficult, let alone directives which are often contrary to local practices and culturally provocative.

• **Marketing.** The corporate office spared no expense in its initial efforts to market the Sun and Sea Hotel. Splashy advertising in top dollar publications and aggressive sales forces peddled paradise to middle income North Americans. As each successive wave of visitors to the island and hotel returned to the mainland, the hotel's image suffered more and more from negative word-of-mouth publicity. In an attempt to counteract the damage, the corporate office budgeted even more funds for additional advertising and the development of new markets. Without a repeat customer base, the hotel is on a marketing treadmill, scrambling after new customers while losing market share. In its zeal to capture fresh markets, the hotel is neglecting to adjust its product and service delivery system to the unique needs and expectations of its new customers. It just goes on being the old "take it or leave it" Sun and Sea Hotel. Perhaps the most serious flaw in the hotel's marketing approach is its failure to imaginatively use the local culture as an asset. Instead, the hotel offers its guests a safe but numbing "tourist bubble" which shields them from the local community.

• **Human resources development.** Strategy and marketing problems are compounded by the company's inadequate human resources development efforts. At all levels, the hotel's personnel are ill equipped to perform effectively. Expatriate managers are transferred in with little or no advance orientation to the local culture. Struggling with

their own and their families' cultural readjustment, they are often rendered ineffective for extended periods of time. Local managers tend to become complacent after years of watching expatriates come and go, taking positions to which locals aspire. Management development opportunities are limited, and the few local candidates chosen for grooming are those who are willing to shed their cultures and adapt to the managerial mold favored by the company. Employees too are disillusioned. Management/labor relations are strained by differences in cultural perceptions, values, and behavior. Yet it is taboo to address these differences openly although most hotel personnel are at least vaguely aware of them.

• **Customer contact.** As the social system dictates the service experience, the stage is set for customer dissatisfaction. Employees raised to believe in the good of the group are alienated by the self-serving behaviors they observe in the workplace and feel as if they are working in a foreign society. Untrained and managed by culturally insensitive expatriates, they are ill disposed to greet hotel guests in the same open, friendly manner with which they might greet a visitor to their home. The hotel's service environment somehow transforms friendly natives into unfriendly service providers. Sun and Sea Hotel managers have yet to learn that unhappy employees breed unhappy customers. They are quick to blame employees when guests complain, but resist examining the cultural forces behind employee behavior.

Our description and analysis of the Sun and Sea Hotel's problems is by no means comprehensive. Our intention is simply to raise the issues. If we've succeeded, you now understand some of the many ways culture can affect the operation of a service organization.

We concede that the case of the Caribbean resort is a slight exaggeration of the hospitality industry's cultural status quo. It does, however, illustrate actual situations the authors have observed in hotels in many countries, particularly Third World countries.

Cultural impediments to service delivery are certainly not confined to developing countries. Pluralistic work forces and expanding markets pose challenges to service managers everywhere. The following case study deals with a hotel in a North American city.

The Grande Dame Serves As Example

The Palace Hotel is one of the grande dames of hospitality constructed in the boom years of the 1920s in a mid-sized midwestern city in the United States. Opulent, palatial, and old world, the hotel was, during its heyday, a monument to the city's prosperity and the place to see and be seen. A curious marriage of midwestern familiarity and European elegance, the hotel captivated the affluent but unsophisticated locals for several decades.

During her "fat" years, the hotel enjoyed carefree profits, *laissez faire* management, and no competition. As the hotel's owner grew richer and more smug, he allowed the hotel to manage itself while he enjoyed the lifestyle of a benevolent monarch within her walls. The hotel's staff grew accustomed to high tips, familiar faces, and a fatherly owner/manager.

When a U.S.-based international hotel corporation took over the hotel in the mid-1980s, what company management found was a badly-decayed physical plant, aged work force, tough competition, and personalized but plodding service. While the Palace had languished, many of her original patrons remained faithful, but they were now as old and tired as she was. Competitors had wooed away the younger set with discotheques, trendy decor, and faster service. The Palace's patrons nursed their daily glass of sherry amid decaying splendor as the hotel slipped farther and farther into the red. The city's movers and shakers, in the meantime, spent freely on happy hours, meetings, and parties at the slick new hotel up the street. Visitors to the city were lured to the new hotel by aggressive and proactive marketing bolstered by snowballing word-of-mouth publicity. The Palace totally lacked the former and had gradually lost the latter. By the time of the takeover, her occupancy hovered lamely between 30 and 45 percent.

The takeover was received with skepticism and hostility by patrons and staff alike. Both had their reasons for resisting change. The patrons feared that their comfy second home would come to resemble the new hotel up the street, and worse, their favorite bartender might be let go. The employees resented the intrusion of outsiders (many with funny names and accents) into their family, and they feared for their jobs.

The new general manager and his assistant were respected and fully enculturated members of the international company they represented. They believed in working long hours, running a "tight ship," setting and enforcing the highest standards of service, and doing it all with their eyes fixed on the bottom line. They were appalled by the state in which they found the property and made no attempt to conceal their displeasure. To their way of thinking, the employees and managers were all lazy, the food inedible, and the service abominable.

The new management's first major initiative was to encourage all retirement age employees to leave. Two thirds of the hotel's department heads were replaced by company people. Many middle managers followed their bosses to other hotels or opted for early retirement. The formerly docile union instantly became a menacing and relentless presence in the hotel. "Strike" entered the vocabularies of the remaining workers; dozens of age and race discrimination suits were filed.

New department heads converged on the conflict-ridden grande dame from hotels in Europe, Canada, and Australia. The general manager had intentionally selected managers with a reputation for being solid company men, ambitious and tough. They lived up to their reputations. This was war! The company's policies and systems were imposed and sabotaged; the union and management locked horns on everything from severance pay to the employee cafeteria.

As the corporation poured tens of millions of dollars into renovating the hotel's physical plant and developing new markets, service standards declined. Although management went all out to recruit and train fresh talent, the hotel's climate crippled their performance, and they soon became demoralized. Neither the hotel's old patrons

nor her first-time guests were satisfied. The former were put out by the new faces, changed decor, and strange menu items; the latter complained of poor housekeeping, temperamental employees, and sub-standard service.

The hotel's management team, discouraged by their lack of progress and under pressure from the general manager, began to fight among themselves. Interdepartmental conflicts caused further service problems.

Corporate officers became regular visitors to the troubled property. Operating results were far below projections, and what had appeared on paper to be a prime opportunity was becoming a drain on corporate reserves. Those who had masterminded the takeover began the hunt for a scapegoat. No one was surprised when the general manager was prematurely transferred. The more savvy among them were also not surprised when service continued to decline and the hotel continued to lose money.

Grande Dame Goes from Palace to Poorhouse

Renovation of the hotel is on hold while the corporation reconsiders its decision to revive the ailing grande dame. Management is beginning to wonder if the hotel will ever be able to meet its competition and satisfy the expectations of the company's discerning international clientele. They know they have a serious problem, but blame it on the former owner's negligence and the old guard employees' obstinacy. The more money they lose, the more blind they become to the cultural factors influencing the hotel's downward spiral.

Upon analysis, the Palace's dilemma becomes a textbook case of cultures in collision.

• **Business strategy.** The corporation, eager to expand its operations in the United States, was well-disposed toward the acquisition of a hotel with an established name and elegant facade. The feasibility study which was conducted considered such factors as the state of the hotel's physical plant and the outlook for the local economy. No one seemed to take much notice of the employees (other than the fact that they were past their prime) or longtime patrons (other than the fact that they weren't consuming enough). In fact, the corporation approached the takeover as if it were an opening, as if it were starting from scratch. They didn't consider that in its 65 years of operating, for better or worse, the Palace had developed a very defined and change-resistant culture, culture where everyone knew everyone and everyone was someone.

Both the patrons and employees liked it that way and were prepared to fight to preserve the culture they had helped to create. To them and the community, the Palace was more than a dollars and cents business; it was an object of civic pride and a place that enhanced the identity of thousands of people. The corporation's plan failed because it was not compatible with the hotel's existing culture and was executed with a heavy hand that alienated the people whose support it required to succeed. The fact that most of the plan's executors were foreigners intensified local resistance and hastened its failure.

• **Marketing.** During its first 50 years, the Palace had no need for a sales department and simply didn't have one. Prestige and personalized attention had sold the hotel. When times began to change and the competition launched an active and successful campaign to dominate the market, pride, and inertia kept the Palace from responding with anything but dignified resignation. The new company's management, however, wasted no time in installing a 12-person sales team with a handsome budget in a posh office suite. They brought in one of their most seasoned marketing directors to run the department; they engaged a top-notch ad agency. The Palace's sales effort boasted five-color brochures, full page ads, slick video presentations, and preppy, smooth-talking salespersons, but it was a flop. The hotel simply couldn't deliver what the salespeople were selling. As the sales staff was seen as an out group and an upstart elite by mainstream hotel employees, their pleas for cooperation were scoffed at. Indeed, many employees enjoyed giving the salespeople a hard time and making them look bad. As a result, the salespeople ventured out of their posh office suite less and less. Forced into marginality by a mainstream culture resentful of their imposition and privilege, they became more and more out of touch with the constraints and realities of the hotel's operating environment.

• **Human resources development.** At the time of the takeover, many of the hotel's employees had 30 or more years of service and were past the conventional retirement age. They were tightly bonded to their supervisors, coworkers, and patrons. Age, seniority, and job security were revered in the Palace culture, and older workers had been doted upon by management during the old regime. A number of them were recognized as informal leaders and teachers. Under the new regime, many of these respected elders were forced to retire. The new management excited new hires with promises of job advancement, and tacitly encouraged them to upstage their older, less ambitious co-workers. The old guard responded to this insidious campaign with righteous indignation, union and legal actions, and internal sabotage. Though they might have explained their actions differently, they were fighting to preserve a culture. The new ways that were being imposed upon them by outsiders violated their value system by placing upward mobility before loyalty, aggressivity before experience. The result was an intense internal discord crippling to service.

• **Customer contact.** The Palace's reputation had been built upon the quality of its service. Employees took pride in the hotel and its clientele, and extended service willingly. The Palace's service style before the takeover could best be described as warm, personalized, perhaps a bit familiar, and not a paragon of efficiency, but always gracious and genuine. This service style was highly appropriate; it satisfied the needs and expectations of Palace patrons and brought them back again and again. After the takeover, however, the composition of the hotel's clientele changed dramatically. The employees continued to treat old patrons like dear old friends of the family. The

new customers, however, were a puzzlement and, at times, an irritant to them. It wasn't bad enough that these strangers spoke unintelligible languages and made odd requests, they also lodged complaints against employees with management! Management reacted with the standard "band-aids," training blitzes, procedures manuals, and warning notices. None of these measures, of course, dealt with the real issue, cultural differences. Differences between the old and new management, the old and new work force, the old and new clientele called for a multi-cultural approach to service management. The Palace's new leaders, however, responded with active, culture-bound formulas that accomplished nothing but the further polarization of the hotel's unmanaged cultures.

What's the Bottom Line?

Again, the Palace Hotel is a composite of a number of hotels of this kind which the authors have studied. Granted, her situation is more grave than the norm, but her problems are not uncommon. Unlike the case of the Sand and Sea hotel, the Palace's dilemma does not revolve around questions of national identity. The grande dame's cultural battlelines are less obvious: clashing corporate cultures, generation gaps, and differing perspectives (parochial vs. cosmopolitan).

Although they may operate in very different environments, the Sun and Sea and Palace hotels suffer the same malady, service management as if culture didn't exist.

How many of the problems illustrated by these two case studies could have been avoided or resolved through effective culture management? In the opinion of the authors, nearly all of them.

Skeptical readers may counter, "But, I don't see what this has to do with culture; the problems illustrated in these cases are the consequence of just plain bad management." We agree; service management without culture management is bad management. Traditional service management approaches are at best partially effective because they ignore one compelling truth: It is culture that describes how we deliver and consume service. Most service managers confronted by problems similar to those of the Sand and Sea or Palace are unable to "see" their cultural dimension. Traditional management education and practice have induced mass culture blindness in an industry at risk. Until service managers become sensitized to culture's impact on the workplace and marketplace, they will continue to lose ground in the service race.

The experience of culture savvy companies like Walt Disney World, Nikko International, SAS, and Delta Airlines attests to the benefits of managing service as if culture matters: more consistent quality, increased customer satisfaction, and profitability. Rather than harking back to plain, old-fashioned service, these companies are striding confidently forward into the global marketplace with a strategic advantage—world-class service.