

Learning from Exemplary Service Providers

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Abstract: Twelve exemplary service providers from the most highly-acclaimed resorts discussed and demonstrated how they deliver award-winning service. Three emergent themes offer insights to improve service quality: emotional generosity, exemplary communication, and effective interactions of culture, tradition and control. These themes support current literature on human resource development and service quality.

Service delivery is different from product delivery in important ways. Products can be counted, measured and shipped; services are created and consumed at the point of interaction between the provider and the customer (Pine & Gilmore, 1999). It is the process of service delivery, rather than the product, that affects consumer satisfaction (Zeithaml, Berry, & Parasuraman, 1988). Consumer satisfaction has become an increasingly competitive way for organizations to differentiate themselves (Gould-Williams, 1999), and organizations that are viewed as delivering highly satisfying services often position themselves as more expensive, but worth the price premium (Enz & Siguaw, 2000).

Just as services are different from products in important ways, exemplary service is quite different from average or acceptable service. Top service providers think and act differently (Walsh, 2000), grasping service's complexity and manifesting extraordinary interpersonal skills. They also see the big picture, infusing meaning and commitment into their work. For example, the proprietor of the Inn at Little Washington, Patrick O'Connell, discusses his beliefs:

It is important to understand the ultimate potential of the dining experience. It can be a life-changing, transcendental experience that takes you completely away from your own reality. It can raise your level of self-esteem, it can be a sort of healing process, and it can make you feel that life is worth living. That is what we aim for (Levin, 2000, p. 50).

The Inn at Little Washington is one of only two restaurants to maintain the American Automobile Association's highest distinction of Five Diamonds for 19 consecutive years (American Automobile Association, 2006). The standard of excellence for this exemplary organization is not just serving the finest meal in the most luxurious manner; the standard is rewarding every guest with a memory that delights each individual physically, mentally and emotionally.

Consistently delivering exemplary service is a rare occurrence (Zeithaml, 2000), even though much is known about how to improve service quality. More than 19 models of service quality have been postulated since the early 1980s (Seth, Deshmukh, & Vrat, 2005), including many that support the Gaps Model (Zeithaml et al., 1988), and those facilitated by growth in information technologies. The Gaps Model postulates five gaps that contribute to the disconnect between customer expectations and customer perceptions. In addition, the Service-Profit Chain (Heskett, Sasser & Schlesinger, 1997), clearly indicated the need for effective human resource management and development in creating quality service, a need clearly echoed in the extensive study of best practices in hotels (Dube, Enz, Renaghan & Siguaw, 1999). In spite of the numerous research approaches in existence, the Academy of Management in 2002 created a special issue to encourage further academic research into comprehensive service-management strategies, addressing continuing customer dissatisfaction with service quality (Bowen &

Hallowell, 2002). Even in luxury hotels, where guests expect high service quality, research has found that few have instituted many of the human resource and services marketing concepts in their service strategy (McColl-Kennedy & White, 1997; Presbury, 2004).

The purpose of this paper is to explain how three exemplary service organizations deliver consistently excellent service, and to discuss the alignment of their best practices with the existing literature. The research focused on exemplary service providers in organizations that are objectively judged to be superlative in their service quality, yet the findings suggest that the bigger issue is whether practice could be enhanced with more dissemination of research theories and findings, or more collaboration between researchers and practitioners.

Method

A qualitative, explanatory, multiple-case study design was adopted. This method allowed for collection of multiple sources of data, increasing the likelihood of being able to understand the complex interactions involved in creating exemplary service.

Case selection sought resorts that highly manifest the phenomenon of interest, exemplary customer service. The hospitality industry has two independent and long-standing ratings systems, the Mobil Stars (49 years of ratings) and the American Automobile Association Diamond Awards (70 years of ratings). Only those properties considered to represent the ultimate in world-class service are awarded the highest honors. In 2006, 137 establishments qualified for the Five-Diamond Award, representing just 0.27 percent of 50,000 screened properties (American Automobile Association, 2006). The Five-Star Award was given to 37 lodgings from the 9,000 that qualified for a recommendation in the United States and Canada (Exxon-Mobil Corporation, 2006). Florida has 11 lodging properties that won either honor in 2006, with only 2 receiving the Five-Star designation. The resorts selected for this study have received the Five-Star Award and/or the Five-Diamond Award annually for at least five years, making them appropriate cases for analysis. One is a city resort; the others are located 60 miles from the city. Two are part of luxury chains, while the other property is family-owned. All three cater to an upscale, savvy guest and often host celebrities, socialites, and even royalty.

Multiple sources of collected data included interviews with the general manager and three exemplary service providers, observations of the exemplary individuals, and a review of publicly available documentation, in an effort to probe how each individual and group thought about and created exemplary service experiences. Case studies typically combine data collection methods to provide “stronger substantiation of constructs and hypotheses” (Eisenhardt, 1989, p. 538). Interview protocols were based on the literature and approved by subject experts.

Data analysis involved reading and re-reading the data collected and coding it beginning with the individual interviews. Codes were allowed to emerge from the data. Once the interviews, observation notes, documentation and field notes were coded, coding reports were created and several codes were collapsed. The analysis yielded 19 coding categories. The coding categories were arranged into categories following the theoretical framework of formal and informal controls. The categorization facilitated comparisons across the data.

Findings

Three themes emerged from the analysis across cases and represented best practices of these luxury service leaders. These themes and their interactions will be briefly discussed.

Emotional Generosity or Love as a Business Strategy

Throughout the interviews, individuals described the very best service providers as passionate, committed, interpersonally sensitive, insightful, caring, and considerate of others. A serendipitous search uncovered a term, emotional generosity, which seemed appropriate to sum

up the many traits of the best service people. Emotionally generous people “feel genuine pleasure in uplifting others through their caring words ... The occupation doesn’t matter, as long as they have opportunities to reach out to people and build emotional bridges” (Millman, 1995, p. 185). The managers interviewed for this research were particularly attuned to the importance of being emotionally generous with employees as well as guests, and viewed employees as their most valued assets. All three resorts require associates to treat each other with the same respect as they show toward guests; being rude to a co-worker is considered grounds for termination.

These findings are consistent with the literature on emotional intelligence (Goleman, 1995), love in the business arena (Sanders, 2002), the need for service-focused human resource management (Schneider, 1994), and the importance of employee satisfaction (Dube et al., 1999; Heskett et al., 1997). Top service providers have “a passion to serve” (Dube & Renaghan, 1999, p. 35) that sets them apart and this passion requires employees’ functional, social and emotional labor. Sanders (2002) talks about love as “the ability to involve ourselves emotionally in the support of another person’s growth” (p. 18). Goleman (1995) discusses the need for empathy, for sensing how others are feeling, as an essential skill, finding that top performers work as part of a team, build consensus, understand other’s perspectives, and promote cooperation.

Exemplary and Ubiquitous Communication

Extraordinary and effective communication at all three resorts is an essential component of service delivery. All of the interviewees displayed and discussed remarkable listening skills, never interrupting and often pausing before answering, to organize their thoughts. One concierge commented, “The thing is to listen to the guests. Really listen to the guests and then from what they ask you, evaluate what they want.” Communication has been shown to be one of the eight essential competencies for hospitality managers, and interpersonal and communication skills are even more essential for students and non-managers. (Chung-Herrera, Enz, & Lankau, 2003).

Communication at these resorts is not only an individual skill. The resorts’ personnel communicate with each other, management communicates with individual staffers, and corporate communicates with management and staff. Daily meetings involve sharing of news, guest arrivals and departures, and a special focus on any slight occurrence that might interfere with a guest’s experience. Management maintains an open-door policy that encourages interaction and suggestions. One resort maintains a single database of information that includes guest feedback, preferences, and requests, along with employee input, anonymous or attributed. One simple phone number allows anyone to add to the database, and a full-time Guest Information Coordinator compiles over 80 daily inputs, quickly addressing immediate concerns and creating reports regularly to focus on trends, suggest areas for improvement, and provide daily feedback on how well the resort is meeting guest and employee expectations.

The resorts have standards requiring personnel to communicate with each other, and cultures which encourage this. Employees greet each other pleasantly, and during shift changes share information about guests, schedules, changes, tangibles, and challenges, to ensure a smooth transition. Positive, proactive communication is part of the culture, as is the use of storytelling to demonstrate creative solutions to service challenges. The result of this constant formal and informal communication is a spirit of collaboration that encourages teamwork and openness. The goal, according to one general manager, is that “a guest should never have to bring something to our attention twice.”

During observations of shift changes and in discussions with managers and staff, there was always polite conversation. Even in the chaos of changing shifts, people were observed discussing work-related issues. Storytelling is so much a part of the organizational culture that

every one of the interview participants repeated at least one or two stories they use for training purposes, or that have affected the way they conceptualize service.

Effective Interactions of Culture, Tradition, and Control

Culture reflects what an organization stands for, its mission, vision, and values, in the daily actions of its people (Davidson, 2003). Traditions further shape the culture by adding stories, legends and customs as part of an organizational memory. Controls are the means by which management attempts to influence performance, including policies, procedures, standards and other formal and informal strategies to direct behavior (Jaworski, 1988).

Each resort has a distinct culture. One resort maintains a list of the elements of their culture, which include “respect for all people, accountability, energy, great work ethic, customer orientation, financial orientation, recognition and rewards, commitment, and others” according to the hotel manager. The resorts have extensive lists of standards, or controls, that direct how things are to be done, but these are only the framework. Customizing and personalizing the delivery of service adds the human element that sets these exemplary service organizations apart.

The interactions of culture, tradition, and control demonstrated by management show how carefully and consistently they work toward integration and alignment. For example, one resort has developed a system to address any service bottleneck: A call goes out whenever the volume of business is so large that it actually takes away from performance. The goal is to quickly take back control. The system is based on teamwork, and available help comes from whatever department can spare it. When the general manager arrives to answer a call to the restaurant, he doesn’t take over. He leaves the management to the restaurant managers, and instead goes to the back to plate desserts or do dishes. This alleviates the bottleneck and leaves the busboys marveling about how well the general manager can assist. This practice only works in an environment conducive to solving problems and creating service stories, not feeding egos and placing blame.

A second example of integration is one resort’s practice of correlating their colleague commitment survey to their guest satisfaction surveys, in an effort to identify inconsistencies in cohesiveness and flow. This helps them view and manage the organization as an organic system of interactive parts, only thriving when everyone is synchronized and moving together.

The interaction of culture and control is facilitated by attention to employee recruitment, training and retention. Interviewing and selection is an extensive process of multiple interviews, careful background checks and testing. New employee training heavily focuses on culture and tradition, while specific job-related procedures are taught on the job.

Conclusions and Recommendations

In a comprehensive survey of hospitality industry best practices conducted with 13,400 managers in U.S. lodging companies (Dube et al., 1999), the conclusion was that the following qualities are what set the champions apart: “passion, compassion, vision, organization, and innovation” (Dube & Renaghan, 1999, p. 41). These three case studies support these findings for top-service quality resorts. All of these qualities: emotional generosity, exemplary communication skills, and a melding of control and culture, can and should be nurtured in any organization wishing to differentiate itself through service. So why have so few organizations made the commitment to being or becoming service champions?

The American Consumer Satisfaction Index continues to show that Americans are more dissatisfied with service quality every year (Bowen & Hallowell, 2002), and that consumer expectations are growing faster than organizations can meet those expectations (Foster, 1998). Human resource management practices may be the key to creating service champions.

Luxury hotels in Australia were found to have four negative human resource practices: long-term commitment to people is lacking, training is not utilized to develop staff competencies, recruiting is deficient and managers lack of faith in existing employees (Presbury, 2004). Pre-employment testing, incentive plans, and employees who feel they have the opportunity to influence the management of their organization are less likely to leave. This is important, as turnover is believed to be one of the most serious problems in the hospitality industry (Cho, Woods, Jang, & Erdem, 2006). Excellent human resource practices have been shown to increase employee motivation to provide high quality service, and become enthusiastic supporters of their organization and its offerings (Tsaur & Lin, 2004).

This research demonstrates that organizations wishing to make the commitment to excellence in service can learn from best practices of exemplary providers, and from the service quality literature. Trust in and commitment to employees must be part of a strategy that includes intelligent job design, careful employee selection, and effective training in skills known to enhance service performance (Chenet, Tynan & Money, 2000). For example, one of the resorts refers to employees as *colleagues* and carefully nurtures their relationships.

These three resorts can be considered early adopters of the idea of co-creating value with customers, by personalizing experiences and creating organizational supports that allow for the use of imagination, involvement, and expertise (Prahalad & Ramaswamy, 2004). The resorts also reflect the theoretical orientation of the Service-Profit Chain (Heskett, Jones, Loveman, Sasser, & Schlesinger, 1994), reflecting the new paradigm: commitment to and investment in people, technology that supports frontline workers, revamped recruiting and training practices, and compensation linked to performance for employees at every level (p. 164). The three resorts all maintain operating and service strategies that are driven by employee satisfaction, training, capability, and commitment, yet none of the interviewees indicated any familiarity with the Service-Profit Chain (Heskett et al., 1994) concept when questioned.

There is a need to continue research into the human resource practices in service organizations at many levels, as these practices have been ignored by both managers and researchers (Chung & Schneider, 2002). The current research looked at top service organizations and found that they are implementing many of the recommendations of researchers, often without prior knowledge of the theory and concepts underlying their decisions. Coordination of research and practice could effectively enhance both service quality and employee satisfaction.

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