Online Instructor's Manual
to accompany

Hotel Operations Management

Third Edition

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Chapter Overview

This chapter helps students understand how the hotel industry fits within the larger hospitality industry. It directly addresses how hotels of different sizes and types are classified, owned, and managed. It concludes by examining challenges in today's hotel industry, as well as the opportunities available for those who seek professional careers in hotel management.

Chapter Objectives

1. Define components of the tourism industry and its lodging (hotel) sector.
2. Examine lodging industry properties, guests, and characteristics.
3. Describe lodging property ownership, management, and organizational alternatives.
4. Identify current lodging industry challenges.
5. Review typical lodging industry career opportunities and effective career planning principles.

Lecture Outline

LODGING IS PART OF THE TOURISM INDUSTRY
Overview of the Tourism Industry

Hoteliers are those professionals who work in the hotel and lodging business.

The tourism industry includes all businesses that cater to the needs of the traveling public.

It is one of the top 10 largest industries in 49 of the 50 states.

Figure 1.1: Segments in the Tourism Industry

The Lodging (Hotel) Sector

Lodging properties are a segment within the tourism industry.

Lodging properties include:
- Destination Resorts
- Full-Service Hotels
- Select-Service Hotels
- Hostels

Other types of lodging properties offering sleeping accommodations to the traveling public can include:
- Private clubs
- Casinos
- Cruise ships
- Time-share condominiums
- Campground lodges
- All-suites hotels
- Extended-stay hotels
- Bed and Breakfast (B&B)

CLOSE LOOK AT LODGING ORGANIZATIONS
Lodging Properties

Common terms used to classify hotels include:
- Upscale
- Mid-price
- Economy
- Budget

Lodging Guests

A guest is defined as a person who rents rooms and/or purchases food or beverages at a lodging property.

41% of the typical lodging guests are business travelers

59% of the typical lodging guests are leisure travelers

Lodging Industry Characteristics

Emphasis on Safety, Cleanliness, and Service
- Guests also consider "intangible" aspects of the purchase decision

Inseparability of Manufacture and Sales
- A room exists and is sold at the same site

Perishability
- If a guest room is not rented on a specific date, the revenue is lost forever
- *Revenue*: Money the hotel collects from guests for the rental of rooms as well as the purchase of hotel goods and services

Repetitiveness
- Some operating procedures are routine

Labor Intensive
- Much of a hotel's daily work involves employees providing services

HOTEL OWNERSHIP, MANAGEMENT, AND ORGANIZATIONAL ALTERNATIVES
Who Owns and Manages Hotels?

A *brand* is the name of a hotel chain; sometimes referred to as a flag

A *Franchisor* is a company who owns the right to manage a brand and who sells the use of the brand's name and/or business model

A *Franchisee* is a person or entity that purchases the right to use a brand name and business model for a fixed period of time and at an agreed-upon price

Figure 1.2 is a summary of the complex ownership/management arrangements possible today. These include:

- Single-unit property not affiliated with any brand
- Single-unit properties affiliated with a brand
- Multiunit properties affiliated with the same brand
- Multiunit properties affiliated with different brands
- Multiunit properties operated by the brand or others
- Multiunit properties owned by the brand

Hotel Organizational Structures

The primary functions of hotel personnel remain the same regardless of property size.

As the number of rooms in a hotel increase, the number of employees increases as well, and they perform tasks in increasingly more specialized positions.

Small Hotels

Figure 1.3: Organization Chart for Small (75-Room), Limited-Service Hotel

The property owner may be the GM and have someone responsible for maintenance and staff, an executive housekeeper and staff, and a front-office manager and staff.

Large Hotels

Figure 1.4 Organization Chart for Large (350-Room), Full-Service Hotel

With increased size, department heads are hired by the GM to perform accounting, revenue management, sales and marketing, front office, housekeeping, food and beverage, safety and security, engineering and maintenance, and other important tasks.

Instructor Note: Please refer to text for a complete list of departments.

Mega Hotels

Figure 1.5 Organization Chart for Mega (3,000-Room) Hotel

In a mega hotel, a resident manager assists the GM with the direct supervision and coordination of several operating departments.

The food and beverage department contain many highly specialized positions.

Instructor Note: Please refer to text for a complete list of departments.

Hotel Departments

Line and Staff Departments

Line departments are hotel divisions in the "chain of command" that are directly responsible for revenues or for property operations

Staff departments are hotel divisions that provide technical, supportive assistance to line departments. Examples departments are:
- Purchasing
- Human resources
- Accounting

Revenue and Cost Centers

Hotel departments can also be classified by whether they generate revenue or incur costs to support revenue-generating departments

A revenue center is a hotel department that generates revenue. Examples are:
- Front-office
- Food and beverage departments *(e.g. dining rooms, lounges, room service, and banquet areas)*

A cost center is a hotel department that incurs costs in support of a revenue center. Examples are:
- Sales and marketing
- Property operation and maintenance
- Accounting
- Human resources
- Security departments

CURRENT INDUSTRY CHALLENGES
Management and Operating Challenges

Labor Shortages

Managers should implement procedures to
- reduce turnover levels
- increase productivity levels
- recruit from nontraditional employee labor markets

Cost Containment

Hoteliers should examine ways to reduce costs without impacting quality

An excessive emphasis on cutting service or product quality will ultimately result in reduced hotel revenue

Hoteliers in many geographic areas in the United States indicate there are too many hotel rooms for the number of guests wanting to rent them

Legal Aspects of the Labor Force
Laws and regulations are sometimes complex without specialized knowledge

GMs should learn from specialists who know the laws that affect their specific properties and the required responses to comply with those laws

Some specialists include hospitality and community business associations, and qualified attorneys, as well as human resources specialists

Marketing and Sales Challenges

Increased Market Segmentation
Efforts to focus on a highly defined, smaller group of travelers

Brands Overlap
The more the number of brands increase, the harder consumers may find it to differentiate among them

Increased Sophistication of Guests
Results in a more competitive selling environment for hoteliers (i.e., online room booking)

Increased Amenities
Various amenities (i.e., business centers) increase costs for hotel owners yet sometimes appeal to only a small segment of the hotel's market

Increased Guests' Demands for Value
The concept of value considers the guests' perception of price relative to quality

Technology Challenges

Interactive Reservation Systems
Rise in online travel websites and smart devices allows travelers to become their own travel agent

Data Mining Technology
Analyzing guest (and other) related data to make better marketing decisions

Room-rate management
Matching guest demand with room rates

Social media technology
	Using social media to better connect with guests and potential guests

Cloud Computing
	The process of storing and accessing data and programs over the Internet
	instead of a computer's hard drive

Economic Challenges

Hoteliers are affected by the impact of globalization
	"As goes the economy, so goes the lodging industry"

Hoteliers know that their businesses can be affected by pandemics or the fear of them. Examples include:
- swine flu
- bird flu
- severe acute respiratory syndrome (SARS)
- Ebola

Economies of the world, the country, the state, and the community have a significant influence on the financial success of a lodging organization and the individual properties that comprise it

PROFESSIONAL LODGING CAREER OPPORTUNITIES
Management Positions

The lodging industry is vast, and so are the many rewarding alternative management positions available within it

Regardless of your vocational/professional preferences, there are likely to be rewarding positions available for you in the fast-paced and exciting lodging industry

Get Started with Career Planning

How does one start to plan for a career in the lodging industry?

Many secondary and postsecondary schools offer hospitality-related educational and training programs

Work in a variety of lodging positions (including educational internships)

Develop a career ladder for professional development

Talk with other GMs, industry leaders, and educators nearby to obtain suggestions

Real World Hotel Challenges: Suggested Answers

1. Numerous issues can be of concern when a high-level manager in an independently-owned hotel considers a move to a large hotel management company. These issues are generic including the "pros and cons" of working for an independent versus a multi-unit company. Note: these are addressed in questions two and three below. There are other issues relevant to the personal situation described in the case study. The specific positive factors include the (a) close location of family and friends, (b) familiarity with the work situation including no surprises, (c) a reasonable assurance of "fair" compensation increases, and a stable location if, for example, a manager's family includes children of school age and/or spouse with a job in the area. Disadvantages are that a manager would lose the above-cited positive aspects of the present position.

2. A manager might accept employment with a hotel management company to learn more about business operations in different hotels while remaining with the same company, potential compensation increases, and opportunities to move to different locations are among them. Other advantages may include increasing responsibilities and challenges and the opportunity to become the general manager for properties of increasing size. A manager might even become a multi-unit district or regional manager. Another advantage: the manager will have a large network of unit manager peers to consult with as special problems arise. The disadvantages of the present position (see question one) would also be factors in a move to the new position.

3. When one has a good job and enjoys it there is less reason to seek a new position than if the current position is only acceptable until a better position is found. When the status quo is good (or even great!), a person is "taking a chance" that another position is better and that the employment benefits cited by the potential employer are, in fact, correct. The advantages of the present position (see question one) would also be factors in a decision to seek a new position.

1. Hopefully, the response to this challenge is not determined only on the basis of this conversation between the front desk manager and the new general manager. Qualified high-level managers should be empowered to make these types of decisions with the approval and support of their own manager. Situations are almost always best resolved when the manager is able to tell a guest, "Here is what we can do," instead of "I will check on this and then get back to you."

   The proper contract for the present occupants of the room should specify that the room rental ends on the day in question, and the agreement for the arriving guests specifies that the room rental begins on the same day. The front desk manager should inform the present guest room occupants about the problem and offer them the best available complementary room. He or she can also indicate that a hotel employee can assist with the move to the new room and, perhaps, personally deliver a bottle of wine or champagne to the complementary room. Alternatively, the manager can offer to (a) determine if any similarly-rated hotel in the area has an unoccupied suite and (b) explain the situation with a request that a rate lower than rack rate be offered.

2. If the above tactics are successful, the arriving couple will have access to their suite at the time specified on the contract, and no other compensation or adjustments will be necessary.

3. The general manager should use this challenge as a real opportunity to show trust in and respect for the front desk manager. Perhaps, because the relationship between the two professionals is just now being formed, the general manager could provide feedback to the manager as the situation is described, and then suggest that the manager consider all alternatives and then make the decision.

Your Opinion Counts: Suggested Answers

Your Opinion Counts

1. This question asks about the types of hotels in which students would like to work. Answers will vary, and some students may say they want to work in different hospitality industry segments.

    Instructors may emphasize that the average property is located in non-urban zones, is relatively small, and sells rooms for a modest price. Therefore, students need to have realistic expectations about their employment opportunities.

    Career advancement in limited-service hotels can occur more rapidly while career advancement in large, full-service hotels will likely take longer. There are greater operating cost challenges in full service hotels than in smaller limited-service properties. Also, because there are more departments and employees, general managers and departmental heads must efficiently coordinate and control of activities within and between various departments, and it typically takes some time and experience to develop these leadership traits.

    The last part of Question 1 relates to other management concerns that may impact employment decisions. Instructors may want to preview management basics in Chapter 4 that include planning, decision making, organizing principles, delegation, flow of communication, motivation, leadership, and discipline. The needs of leisure travelers are different from those of business travelers. Depending on the hotel's target market, hoteliers must provide the products and services that targeted guests most likely will desire. At the same time, selected aspects (guest safety, cleanliness of facility, and service, for example) are common guest concerns regardless of the segment in which a hotel operates. Also, guests are concerned about "value" (perceptions about what they receive for what they pay), and the extent to which value is received relates to the level of the guests' satisfaction with a lodging experience.

2. Question 2 reinforces the importance of consistently delivering guest service. Guest relations training should begin at orientation for new employees by emphasizing that guests are buying service. Department heads must design specific guest-relations training applicable to their departments' own needs and systems. It is important to anticipate the specific needs of guests to be addressed by each department. For example, the concierge at a resort hotel will need to know about local attractions. Front-desk personnel must be trained to effectively and efficiently exceed guests' needs as they check guests in and out of the property.

Guest-relations training is also needed for non-guest contact employees. For example, if housekeeping employees notice that several guests frequently move furniture in the guest room to make it more convenient; the issue of room re-arrangement should be reported to the executive housekeeper. Delivering quality service by recognizing guest preferences is everyone's job in the hotel!

Training is absolutely critical to the hotel's success. However, ensuring consistent delivery of guest service at the hotel will not likely be achieved by training alone. For example, it is easy to train employees how to make beds, but it may be more difficult to train employees how to anticipate guests' needs and meet them. Make guest service the heart of the hotel's culture by create a service culture which helps all employees at all organizational levels to be alert to the concept of service while they are at work. The hotel can reward employees who provide high-quality service; this recognizes their efforts and also encourages others to do the same. Also, empowering line-level employees can help to consistently deliver greater quality service. Remember that a property's guests judge the quality of service based in large measure on their encounters with front-line employees.

3. Answers to this question will vary, and excellent career opportunities exist in all types of properties of all sizes in almost all locations if one is well prepared. The instructor may suggest that the decision about location, at least at the beginning of one's career may relate to long-term career goals.

   While personal preferences may be affected by numerous concerns including family, educational opportunities, healthcare availability, cost of living, weather, and off-job activity preferences, the ability to learn about the hospitality business should be concern as early career opportunities are evaluated.

4. This question addresses the labor shortage problem in the lodging industry and asks students about tactics to retain current employees and to recruit new employees. Specific activities can include creating a culturally diverse workforce, strictly enforcing a zero-tolerance harassment policy, and making employee safety a top priority. As a tactic to recruit new employees, the hotel can make an effort to boost the company's image so potential employees can feel proud of working there. Networking with internship coordinators at hospitality programs is also important. Furthermore, during interviews, managers can share the success of their business and the future direction of the company with potential employees.

   The question also asks for examples of recruitment tactics. Students may note the use of social media for recruitment, alerting friends and relatives of current employees (internal recruiting), job fairs, executive search firms, recruiting at schools, and appropriate use of "help wanted" signs.

Lastly, to be considered as an "employer of choice" within the community, an organization can (1) create career opportunities for staff and allow them to grow professionally and personally, (2) develop a systematic mentoring program, (3) show that the organization encourages transfers within company operations, and (4) offer good retirement plans.

5. Career opportunities in the lodging industry are diverse. Numerous types of management positions are available. Since basic management principles can be utilized in all types of lodging segments, experience and skills gained in one type of hotel can be transferred to another. Students can begin to prepare for successful and responsible management positions by attending a hospitality program, working in a variety of lodging positions, developing a career ladder for professional development, and talking with hotel managers. These suggestions emphasize that students should learn as much as they can about the industry from diverse individuals.

Ask students to develop their own career ladders and to evaluate their own strengths to market themselves, and their weaknesses to find ways to improve themselves. Identify career goals and make progress every day towards those career goals. Career planning is an ongoing process and career plans change as personal lives and circumstances evolve.

Exam Bank: Questions and Answers

Choose the letter of the best answer to the questions listed below.

1. Which segment of the tourism industry includes lodging operations?
   a. Hospitality
   b. Retail
   c. Transportation
   d. Destination sites

   Answer: a
   Learning Objective: 1.1. Define components of the tourism industry and its lodging (hotel) sector.
   Difficulty Level: Easy

2. Which type of lodging operation offers its guests sleeping rooms, meeting space and complete food and beverage services?
   a. Select-service
   b. Full-service
   c. Limited-service
   d. Hostel

   Answer: b
   Learning Objective: 1.1. Define components of the tourism industry and its lodging (hotel) sector.
   Difficulty Level: Easy

3. An ala carte menu is one in which the menu items offered are individually
   a. described.
   b. portioned.
   c. served.
   d. priced.

   Answer: d
   Learning Objective: 1.1. Define components of the tourism industry and its lodging (hotel) sector.
   Difficulty Level: Medium

4. Which type of hotel is typically operated out of a converted home?
   a. Hostel
   b. Full-service
   c. Select-service
   d. **Bed and Breakfast**

   Answer: d
   Learning Objective: 1.1. Define components of the tourism industry and its lodging (hotel) sector.
   Difficulty Level: Medium

5. The U.S. tourism industry is one of the top ten largest industries in
   a. 50 of the 50 states.
   b. **49 of the 50 states.**
   c. 40 of the 50 states.
   d. 39 of the 50 states.

   Answer: b
   Learning Objective: 1.1. Define components of the tourism industry and its lodging (hotel) sector.
   Difficulty Level: Hard

6. What is the approximate size of the "average" hotel in the United States? management process?
   a. 50 rooms
   b. **100 rooms**
   c. 200 rooms
   d. 300 rooms

   Answer: b
   Learning Objective: 1.2. Examine lodging industry properties, guests, and characteristics.
   Difficulty Level: Easy

7. About what percentage of hotel guests travel for pleasure, rather than travelling for business?
   a. 19%
   b. 39%
   c. 79%
   d. **59%**

   Answer: d
   Learning Objective: 1.2. Examine lodging industry properties, guests, and characteristics.
   Difficulty Level: Easy

8. Which lodging industry characteristic recognizes the fact that, if a guest room is not rented on a specific day, the room revenue that would have been achieved for that room, on that day, is lost forever?
   a. Inseparability of manufacture and sales
   b. Perishability
   c. Repetitiveness
   d. Labor intensive

   Answer: b
   Learning Objective: 1.2. Examine lodging industry properties, guests, and characteristics.
   Difficulty Level: Medium

9. Which lodging industry characteristic recognizes the fact that a hotel's ability to attract and retain qualified staff members who consistently deliver excellent service is a key to the success or failure of a hotel?
   a. Inseparability of manufacture and sales
   b. Perishability
   c. Repetitiveness
   d. Labor intensive

   Answer: d
   Learning Objective: 1.2. Examine lodging industry properties, guests, and characteristics.
   Difficulty Level: Medium

10. Which lodging industry characteristic recognizes the fact that, in most cases, a hotel's GM must have expertise in one or more areas beyond that of merely selling hotel rooms?
    a. Inseparability of manufacture and sales
    b. Perishability
    c. Repetitiveness
    d. Labor intensive

    Answer: a
    Learning Objective: 1.2. Examine lodging industry properties, guests, and characteristics.
    Difficulty Level: Easy

11. What is another name for a management company that operates hotels for a fee?
    a. Brand manager
    b. Franchisee
    c. Contract company
    d. Franchisor

    Answer: c
    Learning Objective: 1.3. Describe lodging property ownership, management, and organizational alternatives.
    Difficulty Level: Easy

12. Which is a staff department in a lodging operation?
    a. Human resources
    b. Front office
    c. Food and beverage
    d. Housekeeping

    Answer: a
    Learning Objective: 1.3. Describe lodging property ownership, management, and organizational alternatives.
    Difficulty Level: Easy

13. Which is a revenue center in a hotel?
    a. Human resources department
    b. Security department
    c. Front office department
    d. Accounting department

    Answer: c
    Learning Objective: 1.3.   Describe lodging property ownership, management, and organizational alternatives.
    Difficulty Level: Medium

14. Which is a cost center in a lodging operation?
    a. **Human resources department**
    b. Front office department
    c. Food and beverage department
    d. Parking garage

    Answer: a
    Learning Objective: 1.3.   Describe lodging property ownership, management, and organizational alternatives.
    Difficulty Level: Medium

15. How is "market share" typically determined in the lodging industry?
    a. **By the percentage of dollars spent**
    b. By the number of guest rooms sold
    a. By the number of guest rooms available for sale
    b. By the number of hotels in a market

    Answer: a
    Learning Objective: 1.3.   Describe lodging property ownership, management, and organizational alternatives.
    Difficulty Level: Hard

16. Significantly reducing the number of staff members in an organization for cost containment purposes is a process generally referred to as
    a. abasing.
    b. attrition.
    c. **downsizing.**
    d. erosion.

    Answer: c
    Learning Objective: 1.4. Identify current lodging industry challenges.
    Difficulty Level: Easy

17. The focusing of marketing efforts on highly-defined groups of travelers is a process known in the lodging industry as
    a. merchandising.
    b. revenue management.
    c. shotgun marketing.
    d. **market segmentation.**

    Answer: d
    Learning Objective: 1.4. Identify current lodging industry challenges.
    Difficulty Level: Easy

18. What is the formula lodging managers use to calculate a hotel's occupancy %?
    a. Total Rooms Sold + Total Rooms Available = Occupancy Percent (%)
    b. Total Rooms Sold - Total Rooms Available = Occupancy Percent (%)
    c. **Total Rooms Sold ÷ Total Rooms Available = Occupancy Percent (%)**
    d. Total Rooms Sold x Total Rooms Available = Occupancy Percent (%)

    Answer: c
    Learning Objective: 1.4. Identify current lodging industry challenges.
    Difficulty Level: Medium

19. A hotel had 353 rooms available for sale on a Saturday night. The hotel sold 300 rooms that night. What was the hotel's occupancy % for that Saturday?
    a. 8.5%
    b. **85.0%**
    c. 11.6%
    d. 116.6%

    Answer: b
    Learning Objective: 1.4. Identify current lodging industry challenges.
    Difficulty Level: Medium

20. The use of technology to analyze guest-related data to make better marketing decisions is known as data
    a. **mining.**
    b. management.
    c. segmenting.
    d. selection.

    Answer: a
    Learning Objective: 1.4. Identify current lodging industry challenges.
    Difficulty Level: Hard

21. A career ladder is
    a. a series of promotions that can occur within a single hotel department.
    b. **a plan identifying successively responsible positons within an organization or industry.**
    c. the collective methods used by employees to gain promotions.
    d. the manner in which employees seek raises for accepting new positions.

    Answer: b
    Learning Objective: 1.5. Review typical lodging industry career opportunities and effective career planning principles.
    Difficulty Level: Easy

22. A senior member of management who provides advice and counsel to less-experienced staff members about matters relating to a job, organization, or profession is known as
    a. a coach.
    b. a mentor.
    c. an advocate.
    d. a counsellor.

    Answer: d
    Learning Objective: 1.5. Review typical lodging industry career opportunities and effective career planning principles.
    Difficulty Level: Easy

23. Enrollment in a formal two-year or four-year hospitality management training program is
    a. absolutely critical to a successful hospitality career.
    b. not absolutely critical to a successful hospitality career.
    c. absolutely critical to a successful multi-unit hospitality career.
    d. irrelevant to a manager's lodging career.

    Answer: b
    Learning Objective: 1.5. Review typical lodging industry career opportunities and effective career planning principles.
    Difficulty Level: Medium

24. Which is a graphic "road map" that indicates possible career progression through a lodging organization?
    a. Mentorship
    b. Career ladder
    c. Internships
    d. Professional development programs

    Answer: a
    Learning Objective: 1.5. Review typical lodging industry career opportunities and effective career planning principles.
    Difficulty Level: Medium

25. Which would be a position in a multi-unit hotel management company?
    a. Convention services manager
    b. Director of Sales
    c. Director of Marketing
    d. **Regional Director of Sales and Marketing**

    Answer: d
    Learning Objective: 1.5. Review typical lodging industry career opportunities and effective career planning principles.
    Difficulty Level: Hard

Chapter 2 - The Guest Service Imperative

CHAPTER 2 OUTLINE

Guest Service Overview
    Importance of Guest Service
    Emphasis on Service Culture
        Core Values
        Vision
        Mission
Managers' Role in Quality Service
Service: The Guests' Perspectives
Steps to Deliver Quality Guest Service
    Consider the Guests Being Served
    Determine What the Guests Desire
    Develop Procedures to Deliver What the Guests Desire
    Train and Empower Staff
    Implement Revised Systems
    Evaluate and Modify Service Delivery Systems

Service and Moments of Truth
Management Tactics for Superior Guest Service
    Remember That Service Is Delivered by Employees
    Managers Cannot Delegate Responsibility for Superior Service
    Managers Must Recruit and Select Service-Minded Staff
    Provide Effective Orientation and Training
    Supervise with a Service Emphasis
    Empower Staff with Service Authority
    Emphasize Continuous Quality Improvement
    Effective Service Recovery Can "Save the Day"

Chapter Overview

In this chapter students learn the importance of providing outstanding service to hotel guests. It defines Moments of Truth are defined as those instances in which guests form positive, or negative, impressions of a hotel. The chapter concludes by addressing the strategies and tactics hospitality professionals use to ensure the consistent delivery of high quality guest service in the hotels they manage.

Chapter Objectives

1. Explain three aspects of guest service: its importance, the need for service to be an integral part of the hotel's culture, and the role of managers in quality service.
2. Discuss the need to role model guest service as a core value as service processes are developed, implemented, and maintained.
3. Emphasize the importance of considering the needs of hotel guests from their own perspectives.
4. Describe six steps important in the consistent delivery of quality guest services.
5. Define the concept of moments of truth and discuss how they can help guests confirm they are receiving exemplary levels of service.
6. Review tactics that can help hotel managers consistently achieve superior levels of guest service.

Lecture Outline

GUEST SERVICE OVERVIEW

An on-going emphasis on the importance of guest service is important and, as is true in many other areas of lodging management, "it all begins with the manager."

Importance of Guest Service

The guests' perceptions about the level of service quality are an important factor in their total experience that determines whether they receive value from the hospitality operation.

Quality means the consistent delivery of products and services according to expected standards.

Service is the process of helping guests by addressing their wants and needs with genuine respect and dignity in a timely manner.

Value can be described as a guest's perception of the relationship between what was paid for a hospitality product or service relative to what was received for the payment.

Emphasis on Service Culture

An emphasis on guests must be an integral part of the hotel's *corporate culture*: a collection of understandings shared by the employees that influence organizational decision-making.

Core Values

Core values are the foundations of a corporate culture that describe how people in the organization intend to act.

They guide the planning, decision-making, problem solving, and prioritizing of actions that hotel managers use to transform plans into reality.

Vision

A hotel's *vision* is a picture of a hotel's ideal future and answers the question: "What do we want to create?"

Hotel managers maximize efforts to attain a shared vision when they consistently consider their core values, including a genuine concern for guest service, as decisions are made

Mission

The *mission* clarifies how a hotel will add value for guests, employees, and others that it impacts

In many cases, missions recognize that a hotel can only be successful through the efforts of its staff members to consistently deliver quality products and services, and then the needs of other stakeholders are identified and considered.

MANAGERS' ROLE IN QUALITY SERVICE

Hotel managers are the primary impact on corporate culture. They do so by:
- Motivating employees to achieve service goals
- Recognizing and rewarded employees who achieve those goals
- Develop and implement the processes used for:
    - Employee recruitment
    - Selection
    - Orientation
    - Training

Managers *empower* employees by granting them the authority (power) to make key decisions within their areas of responsibility.

SERVICE: THE GUESTS' PERSPECTIVES

Hotel managers must consider the needs of their guests and develop service delivery processes and procedures to address those needs.

Examples include the guests' need for a clean room and the process and procedures are met by an effectively staffed, trained, and equipped housekeeping department.

Consider you own service expectations while checking in to a hotel. You probably expect:
- Minimal waiting time to check-in
- A friendly welcome, including eye contact, a genuine smile, and acknowledgment of your name
- Accurate and confirming information about your reservation
- The proper type of room immediately available
- Answers to your questions about the hotel and its services
- Directions to your room

Planners must consider and often combine the needs of different guest demographics (e.g., business travelers vs. family travelers) when planning for areas (e.g., business center and playground) that contribute to the experience of the guests during their hotel stays.

STEPS TO DELIVER QUALITY GUEST SERVICE

Competitive Edge is a tactic, process, or program used by a hotel that is desired by guests but not offered by the hotel's competitors

FIGURE 2.1: Six Components of Quality in the Hospitality Industry
- Ingredient 1: Consider the guests being served
- Ingredient 2: Determine what the guests desire
- Ingredient 3: Develop procedures to deliver what guests want
- Ingredient 4: Train and empower staff
- Ingredient 5: Implement revised systems
- Ingredient 6: Evaluate and modify service delivery systems

Consider the Guests Being Served

Hotel managers must understand what their guests want

Determine What the Guests Desire

A questioning process is a good way to determine guests' wants and needs

Develop Procedures to Deliver What the Guests Desire

Two good ways to make procedures more guest-friendly are to benchmark and to utilize cross-functional teams of employees

Benchmark: The search for best practices and an understanding about how they are achieved in efforts to determine how well a hospitality organization is doing.

Cross-Functional Teams: A group of employees from each department within the hospitality operation who work together to resolve operating problems

Train and Empower Staff

When procedures are implemented to meet or improve the guests' service expectations, employees must learn work methods

After staff members are trained, they should also be empowered to make decisions about their guests' unique needs

Implement Revised Systems

Employees work together to develop improved procedures

Evaluate and Modify Service Delivery Systems

Due to the frequent changes in guests' preferences, technologies, and work methods, there is a constant need to evaluate and, if necessary, modify procedures

Hotel managers cannot address problems unless they are aware of them

Comment cards are a useful way to address concerns of current guests

Prompt attention dramatically increases the likelihood of repeat business

SERVICE AND MOMENTS OF TRUTH

Moments of truth involve any opportunities for guests to form an impression about a hotel

Moments of truth can be positive or negative

Positive moments of truth can be turned into a *wow factor* at any moment

A wow factor is the feeling guests have when they experience an unanticipated and positive "extra" as they interact with a hospitality operation

Hotel managers plan many aspects of a guest's experience at their properties

The best hotel managers attempt to ensure that effective plans are in place to minimize the number of service failures and to correct those that do arise

Some hotel managers' goal is to have *zero defects* or to never have any guest-related complaints after guest service processes are implemented

Figure 2.3 illustrates how a decline in defects can be measured
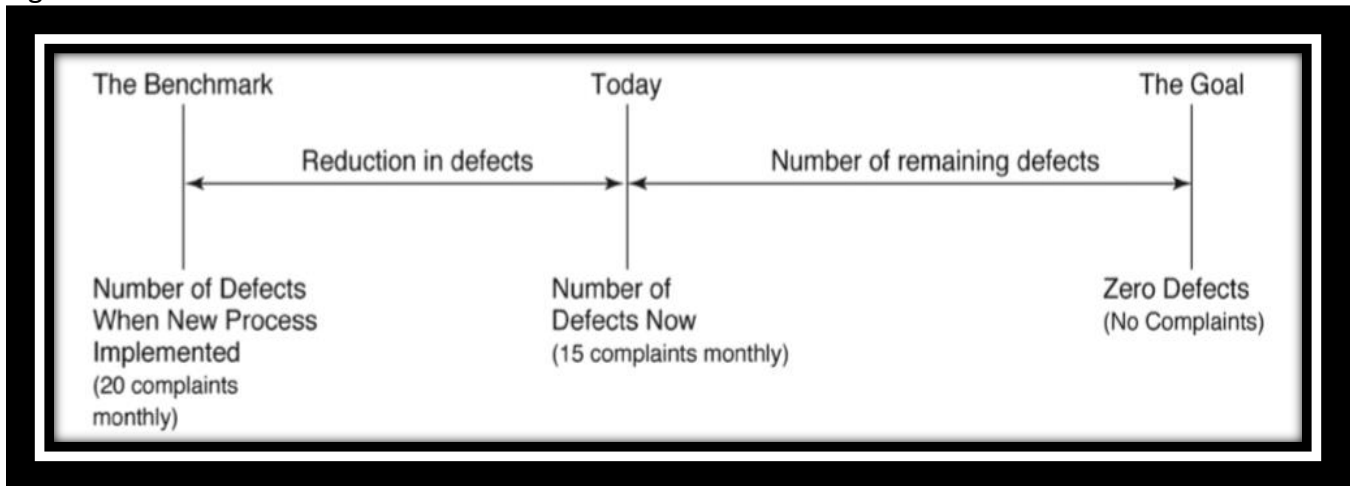
The Benchmark	Today	The Goal
← Reduction in defects →		Number of remaining defects →
Number of Defects When New Process Implemented (20 complaints monthly)	Number of Defects Now (15 complaints monthly)	Zero Defects (No Complaints)

MANAGEMENT TACTICS FOR SUPERIOR GUEST SERVICE

Remember That Service Is Delivered by Employees

- Provide a hospitable greeting
- Practice the "art and science" of suggestive up-selling to provide a guest with a wider awareness of the property's products and services
- Utilize product knowledge to answer all of a guest's questions
- Help other employees when they became especially busy during the work shift
- Consistently meet or exceed the guests' service expectations

Managers Cannot Delegate Responsibility for Superior Service

The manager recruits, trains, and empowers staff members to serve the guests

The manager serves as a role model to emphasize the importance of guest service

Managers are held accountable or responsible for the extent to which the property is successful

Accountability: An obligation created to complete an assignment that has been delegated by someone in a higher level of management

Service is an essential ingredient in the success of managers

Managers Must Recruit and Select Service-Minded Staff

An *employer-of-choice* refers to the concept that the hotel is a preferred place of employment in the community for applicants who have alternative employment opportunities

Employee turnover rate is a measure of the proportion of a work force that is replaced during a designated time period (month, quarter, or year)

In the selection process, some managers ask open-ended questions, such as "*What would you do if a guest waiting behind other guests to check in came to the front of the check-in line to ask a question?*"

Managers should discuss and share the property's core values, vision, and mission with their service focus

Emphasize the importance of service and review how the position for which an applicant is applying directly relates to serving guests

Provide Effective Orientation and Training

Introduce to the property's core values, vision, and mission with emphasis on guest service

During the orientation process, train employee in guest-friendly procedures

Thoroughly deliver the knowledge and skills required before new staff members have contact with guests

Supervise with a Service Emphasis

Employees normally do what they are rewarded to do

Managers should always thank their staff members when exceptional guest service is rendered

Effective managers practice the delivery of superior service by "Walk to talk"

Empower Staff with Service Authority

Hotel managers empower their staff as they
- Share their service mission
- Provide the training and other resources required to meet the needs of the majority of guests
- Encourage staff members to help guests with out-of-the-ordinary service requests

Emphasize Continuous Quality Improvement

CQI are on-going efforts within a hotel to better meet (or exceed) guests' expectations and to define ways to perform work with better, less costly, and faster methods

Address with employees both the largest and smallest problems and then put procedures in place to resolve those issues

Effective Service Recovery Can "Save the Day"

The best employees with the most positive guest service attitudes using "proven" service delivery processes will appeal to most of the guests most of the time

When negative feedback arises, staff should to use an appropriate service recovery tactic

Step 1: Introduce yourself by name and position.
Step 2: Discover necessary information
Step 3: Empathize with the guest
Step 4: Fix the problem and apologize on behalf of the hotel
Step 5: Thank the guest for bringing the matter to your attention

Real World Hotel Challenges: Suggested Answers

<u>Real World Hotel Challenges: 2.1</u>

1. Hotel general managers must recruit, select, and facilitate the work of employees who care about their jobs, their peers, and the hotel's guests. However, this is much easier to say than it is to accomplish. Employees who do care are less likely to set non-essential priorities higher than work responsibilities.

   There are numerous factors that can enhance the preferred employee-supervisor relationship. One way to identify them is to ask students to think about the very best boss they ever had and to answer the question, "Why was he or she my best boss?" Their answers to this question suggest what managers should do and what might have been done to reduce the current challenges to providing exemplary service to the guests who will be checking in.

2. There may be several tactics to reduce the guest service consequences of an under-staffed front desk department when many guests will be checking in. Examples include calling staff that are off for the day to come in and asking those working now to please remain a few hours longer. If other employees are scheduled for a late night shift (audit), one of them might also be called.

   Employees scheduled to work the next day (especially morning) could be asked to work this afternoon and early evening because there will be fewer guests checking out tomorrow morning. Another possibility: a "pre-check-in" reception might be quickly planned in an available public area. Guests awaiting check-in could be invited to the area for complimentary wine and cheese or other easy-to-prepare food items while awaiting check in.

3. Meeting planners and guests do not generally care about the challenges that confront hotel employees as they provide products and services. Instead, their perspectives focus on receiving value in return for the costs they have incurred. Therefore, an interesting class discussion can evolve between students. One group will likely suggest the importance of being "transparent" and informing the meeting planner about the issue and what is being done to manage it. A second group may believe it best to wait to see if the planned corrective actions will be effective and not inform the meeting planner unless it is absolutely necessary to do so.

1. General managers must understand that their employees have a critical role to play in the success of their hotels. There is no "quick fix" in efforts to establish and maintain a culture that emphasizes guest service. Hopefully, hotel owners realize this as they retain general managers to "turn around" the business.

   General managers and their top management teams must agree on the core values that will drive the property's culture. These core values must include genuine employee respect and an emphasis on guests, quality, and value. They must recognize that profits result from the strategies implemented in concert with these core values. A long range plan is needed, and it should be developed by the management team.

2. Each manager should work with employees in their department to determine what they can do to help the property move ahead and accomplish their long range plan. When employees are involved in the planning process, they are much more likely to help ensure that it is successful. Employee input can include making suggestions about planning priorities and in suggesting tactics to address them. Employee input to new and revised work processes driven by the plan will also be helpful.

3. Owners and their general managers should agree on factors used to evaluate improvements in hotel operations. While profitability is important and obvious, owners should realize that long-term, not short-term, profitability should be the goal. This in turn, involves much more than cutting costs.

   Time is needed to plan and implement marketing efforts to determine guests' needs and desires and to train staff to deliver them. Costs incurred for technology, equipment, renovation, and human resources improvements may also be needed.

   With the above in mind, the success of a general manager's efforts should be evaluated by factors including profitability, adherence to agreed-upon operating and capital budgets, employee turnover rates, guest comments, and market share.

Your Opinion Counts: Suggested Answers

Your Opinion Counts

1. Excellent service is defined by the guests who are the recipients of the service. Some perceptions will be the same, and many others will differ for those who visit a highway motel and a five star property. For example, all persons will appreciate a genuine welcome and direct answers to their questions. All will desire a clean and safe room, a positive correlation between what was promised and what was received, and confirmation that they received product and service value based on what they paid.

   Many of the differences in service expectations for the two types of properties noted above relate to the value concern. Higher prices are need to pay for greater levels of service, finer and larger guest room accommodations, and more significant public space ambiance, among numerous other amenities. Other factors including reputation and prestige are also important. Hoteliers in both types of properties, however, must consistently provide what their guests want at a value to the guests.

2. Moments of truth relate to anything, regardless of how seemingly minor they may be, that form an impression for the guests. Some persons may notice how clean—or dirty—the restrooms are. Others might notice the "little extras" in guest service or miss them because they were not provided. The concept of value was noted in the *Question 1* response above, and it applies here as well.

   Many guests, who received only what they expected, obtain the minimum required value and, therefore, have no reason to complain. Other guests who receive a "Wow" positive moment of truth experience are delighted with the extra value. Unfortunately, still other guests who are recipients of more-than-expected negative moments of truth are turned off and away from the hospitality operation. The best hoteliers know that, in fact, the "little things" do count.

3. A basic management fact is that a person cannot delegate accountability. Therefore, it is correct that managers are responsible (because they cannot delegate accountability) for the problems that occur in the hospitality operation. They—not the employees—have the authority (power) to correct the causes of problems through process revisions, and increased training, supervision, and motivation activities, among many other tactics.

4. A well-thought-out training program on guest service would address numerous issues including:
   - The importance of guest training
   - The role of employees in delivering guest service
   - Emphasis on the fact that guest service is important for front-and-back-of-house staff
   - Explanation of the concept of moments of truth
   - Looking at the operating from the guests' perspectives
   - Empowerment to enable employees to meet unusual but reasonable guest expectations
   - Complaint resolution
   - Common guest service errors
   - Learning from guest service mistakes

5. Managers should explain, justify, and defend why process changes are needed. They can enable employees to make suggestions about process revision changes during their planning, implementation, and revision. If employee suggestions can be used, they should be. If they cannot be used, managers should explain why they cannot be used.

   Managers who have a history of emphasizing employee participation tactics generally have fewer change-related management challenges, and tactics to overcome employee resistance to change can then become less necessary.

Choose the letter of the best answer to the questions listed below.

1. A guest's perception of the relationship between what was paid for a hospitality product or service relative to what was received for the payment is called
    a. value.
    b. service.
    c. quality.
    d. Moment of truth.

    Answer: a
    Learning Objective: 2.1. Explain three aspects of guest service: its importance, the need for service to be an integral part of the hotel's culture, and the role of managers in quality service.
    Difficulty Level: Easy

2. An integral part of a hotel's corporate culture must be an emphasis on
    a. staff.
    b. guests.
    c. image.
    d. profits.

    Answer: b
    Learning Objective: 2.1. Explain three aspects of guest service: its importance, the need for service to be an integral part of the hotel's culture, and the role of managers in quality service.
    Difficulty Level: Easy

3. Which answers the question "What do we want to create?
    a. Service level
    b. Values
    c. Culture
    d. Vision

    Answer: d
    Learning Objective: 2.1. Explain three aspects of guest service: its importance, the need for service to be an integral part of the hotel's culture, and the role of managers in quality service.
    Difficulty Level: Medium

4. Which is the act of granting employees the authority (power) to make key decisions within their areas of responsibility.
   a. Supervising
   b. Mentoring
   c. Coaching
   d. Empowering

   Answer: d
   Learning Objective: 2.1. Explain three aspects of guest service: its importance, the need for service to be an integral part of the hotel's culture, and the role of managers in quality service.
   Difficulty Level: Medium

5. Which tool clarifies how a hotel will add value for guests, employees and others?
   a. Service level
   b. Culture
   c. Vision
   d. Mission

   Answer: d
   Learning Objective: 2.1. Explain three aspects of guest service: its importance, the need for service to be an integral part of the hotel's culture, and the role of managers in quality service.
   Difficulty Level: Hard

6. To best anticipate and develop service delivery processes and procedures to address them managers must consider the needs of their
   a. property owners.
   b. guests.
   c. supervisors.
   d. vendors.

   Answer: b
   Learning Objective: 2.2. Emphasize the importance of considering the needs of hotel guests from their own perspectives.
   Difficulty Level: Easy

7. Which is a universal need of all hotel guests?
   a. Wi-Fi access
   b. Mini-bars
   c. **Clean drinking water**
   d. In-room safes

   Answer: c
   Learning Objective: 2.2. Emphasize the importance of considering the needs of hotel guests from their own perspectives.
   Difficulty Level: Easy

8. Employee guest ratio is typically calculated as the number of hotel employees relative to the
   a. room revenue achieved by a hotel.
   b. **number of rooms in a hotel.**
   c. number of rooms sold in a hotel.
   d. supervision levels in a hotel.

   Answer: b
   Learning Objective: 2.2. Emphasize the importance of considering the needs of hotel guests from their own perspectives.
   Difficulty Level: Medium

9. As hotel guest expectations increase, hotels can typically
   a. decrease the number of rooms they sell.
   b. increase the number of rooms they sell.
   c. decrease their prices.
   d. increase their prices.

   Answer: d
   Learning Objective: 2.2. Emphasize the importance of considering the needs of hotel guests from their own perspectives.
   Difficulty Level: Medium

10. A 150-room hotel employs 30 workers. What is this hotel's employee to guest ratio?
    a. 1:3
    b. 1:4
    c. 1:5
    d. 1:6

    Answer: b
    Learning Objective: 2.2. Emphasize the importance of considering the needs of hotel guests from their own perspectives.
    Difficulty Level: Hard

11. Which is a tactic, process, or program used by a hotel that is desired by guests but not offered by the hotel's competitors?
    a. Span of control
    b. Empowerment
    c. Quality service
    d. Competitive edge

    Answer: d
    Learning Objective: 2.3. Describe six steps important in the consistent delivery of quality guest services.
    Difficulty Level: Easy

12. Which is the initial step hotel managers take in developing and implementing a quality service system in a hotel?
    a. Train and empower staff
    b. Implement revised systems
    c. Consider the guest being served
    d. Develop procedures to deliver what guests desire

    Answer: c
    Learning Objective: 2.3. Describe six steps important in the consistent delivery of quality guest services.
    Difficulty Level: Easy

13. Cross-functional teams are made up of hotel employees
    a. from different departments.
    b. of different ages.
    c. with different years of experience.
    d. who are paid different hourly amounts.

    Answer: a
    Learning Objective: 2.3. Describe six steps important in the consistent delivery of quality guest services.
    Difficulty Level: Medium

14. When they engage in benchmarking hotel managers seek to find
    a. new customers.
    b. cost cutting techniques.
    c. best industry practices.
    d. high-quality employees.

    Answer: c
    Learning Objective: 2.3. Describe six steps important in the consistent delivery of quality guest services.
    Difficulty Level: Medium

15. Which is the final step in ensuring the consistent delivery of quality service?
    a. Train and empower staff
    b. Implement revised systems
    c. Consider the guest being served
    d. Evaluate and modify service delivery systems

    Answer: d
    Learning Objective: 2.3. Describe six steps important in the consistent delivery of quality guest services.
    Difficulty Level: Hard

16. Moments of truth are impressions formed by hotel
    a. managers.
    b. staff.
    c. guests.
    d. owners.

    Answer: c
    Learning Objective: 2.4. Define the concept of *moments of truth* and discuss how they can help guests confirm they are receiving exemplary levels of service.
    Difficulty Level: Easy

17. Hotel owners want their guests to have
    a. as many moments of truth as possible.
    b. as few moments of truth as possible.
    c. as few positive moments of truth as possible.
    d. **as many positive moments of truth as possible.**

    Answer: d
    Learning Objective: 2.4. Define the concept of *moments of truth* and discuss how they can help guests confirm they are receiving exemplary levels of service.
    Difficulty Level: Easy

18. Word-of-mouth advertising originates from a hotel's
    a. managers.
    b. staff.
    c. **guests.**
    d. owners.

    Answer: c
    Learning Objective: 2.4. Define the concept of *moments of truth* and discuss how they can help guests confirm they are receiving exemplary levels of service.
    Difficulty Level: Medium

19. What is true about word of mouth advertising?
    a. It is neither positive nor negative.
    b. **It can be positive or negative.**
    c. It is always positive.
    d. It is always negative.

    Answer: b
    Learning Objective: 2.4. Define the concept of *moments of truth* and discuss how they can help guests confirm they are receiving exemplary levels of service.
    Difficulty Level: Medium

20. A goal of no guest-related complaints established after guest service processes are implemented is referred to as
    a. positive reinforcement.
    b. **zero defects.**
    c. a mission statement.
    d. corporate culture.

    Answer: b
    Learning Objective: 2.4. Define the concept of *moments of truth* and discuss how they can help guests confirm they are receiving exemplary levels of service.
    Difficulty Level: Hard

21. "Employer of choice" refers to the concept that a hotel is the preferred place of employment in the community for applicants
    a. with little chance of finding a job.
    b. **who have alternative employment opportunities.**
    c. with extensive industry experience.
    d. who have minimal industry experience.

    Answer: b
    Learning Objective: 2.5. Summarize information about five basic leadership tactics: decision-making, delegation, communication, motivation, and discipline.
    Difficulty Level: Easy

22. Which is the formula managers use to calculate their employee turnover rate?
    a. Number of Employees Separated (÷) Number of Employees in the Workforce
    b. **Number of Employees Separated (x) Number of Employees in the Workforce**
    c. Number of Employees Separated (+) Number of Employees in the Workforce
    d. Number of Employees Separated (-) Number of Employees in the Workforce

    Answer: b
    Learning Objective: 2.5. Summarize information about five basic leadership tactics: decision-making, delegation, communication, motivation, and discipline.
    Difficulty Level: Easy

23. Service recovery tactics are used when a guest
    a. experiences high quality service levels.
    b. **provides negative feedback during a current visit to a hotel.**
    c. provides positive feedback during a current visit to a hotel.
    d. experiences a positive moment of truth.

    Answer: b
    Learning Objective: 2.5. Summarize information about five basic leadership tactics: decision-making, delegation, communication, motivation, and discipline.
    Difficulty Level: Medium

24. When is the ideal time to address service-related concerns of a guest with the goal of identifying problems and resolving them?
    a. Before the guest checks in.
    b. **While the guest is still on the property.**
    c. Within 24 hours of the guest's departure.
    d. Within 1 week of the guest's departure.

    Answer: b
    Learning Objective: 2.5. Summarize information about five basic leadership tactics: decision-making, delegation, communication, motivation, and discipline.
    Difficulty Level: Medium

25. A hotel has 50 employees. In a specific time period the hotel experienced the separation of 15 employees. What was the hotel's employee turnover rate for this time period?
    a. 5%
    b. 15%
    c. **30%**
    d. 50%

    Answer: c
    Learning Objective: 2.5. Summarize information about five basic leadership tactics: decision-making, delegation, communication, motivation, and discipline.
    Difficulty Level: Hard

Chapter 3 - The Hotel General Manager

CHAPTER 3 OUTLINE

GM Responsibilities
    Investor Relations
    Executive Committee Facilitation
    Property Management
        Planning
        Organizing
        Staffing/Directing
        Controlling and Evaluating
    Standards Modeling
    Brand Affiliation Management
    Community Relations

GM Skills Development
    Formal Education
        Two-Year Degree Programs
        Four-Year Degree Programs
        Advanced Degree Programs
    On-Property Training
    Professional Development
        Business Associations
        Professional Trade
        Associations
        Trade Publications

GM Job Descriptions
    Select-Service Hotels
    Full-Service Hotels

Chapter Overview

This chapter helps students better understand the major tasks for which hotel general managers are held accountable. The chapter focuses on the skills needed by successful general managers as well as how these skills are most often acquired. The chapter concludes by addressing the many similarities that exist between the roles of general managers in full-service, and in select-service, hotels.

Chapter Objectives

1. Identify the major areas of responsibility for which hotel GMs are held accountable.
2. Describe the alternatives available to hospitality professionals seeking to acquire the skills needed to become effective hotel GMs.
3. Recognize the key similarities that exist between the jobs of select-service and full-service hotel GMs.

Lecture Outline

GM RESPONSIBILITIES

The traditional title of *General Manager (GM)* is used to identify the individual at a hotel property who is responsible for final decision making regarding property-specific operating policies and procedures

The GM is also the leader of the hotel's management team.

Property GMs "wear many hats" in the fulfillment of their duties.

GMs will be held accountable for their efforts in the following important areas:
- Investor relations
- Executive committee facilitation
- Property management
- Standards modeling
- Brand affiliation management
- Community relations

Investor Relations

GMs' must have the ability to communicate to investors and owners about current performance and future needs of their hotel(s).

To manage owner/investor relations successfully, GMs must have:
- Financial analysis ability
- Proficiency in written communication
- Effective public speaking/presentation skills

Executive Committee Facilitation

The *Executive Operating Committee (EOC)* are members of the hotel's management team (generally department heads) responsible for departmental leadership and overall property administration.

Figure 3.1 displays a typical mid-sized, full-service hotel property's management team members that would be supervised by the GM and their key areas of responsibility.

Management Team Member	Responsible For
Assistant GM (AGM)	Tasks as assigned by the GM
Controller	Accounting for hotel assets and liabilities
Human Resource Manager	Hotel staffing needs
Director of Sales and Marketing (DOSM)	Revenue production and hotel promotions
Front-Office Manager (FOM)	Guest services and sales
Revenue Manager (RM)	Rooms pricing and rooms inventory allotment
Executive Housekeeper	Property cleanliness
Chief Engineer	Upkeep of the hotel's physical facility
Food and Beverage Director (F&B Director)	Food and beverage production and service
Director of Security	Guest, employee, and property safety and security

To provide effective direction and consultation, GMs do not have to be an expert in the specific day-to-day operation of each department, but must be familiar with current trends, issues, and technology in each department.

"*The most successful managers can point to one or more individuals in their lives who took the time to 'show them the ropes.*"

To manage the EOC facilitation successfully, GMs must exhibit:
- good listening skills
- an ability to evaluate and implement managerial training and development programs
- assistance in professional improvement and growth of the EOC team

Property Management

GM should be able to direct overall management of the property.

Management refers to the process of planning, organizing, staffing, directing, controlling, and evaluating human, financial, and physical resources for the purpose of achieving organizational goals.

Functional Area	Purpose
Planning	To establish goals and objectives
Organizing	To maximize deployment of resources
Staffing/directing	To provide leadership
Controlling/evaluating	To measure and evaluate results

Figure 3.2 presents the relationship between these functional areas.

Planning
Planning is the process of creating goals and objectives and then designing action plans, strategies, and tactics to achieve those goals and objectives.

GMs engage in the planning function when they establish the philosophical and operational direction of their hotels.

Organizing
The organizing function of management relates to arranging and deploying resources in a manner that most efficiently helps achieve an organization's goals.

If a decision is made to implement a goal, all the hotel's resources must be organized and deployed to best achieve that goal.

Staffing/Directing
This concept relates to the GM's recruiting, motivational, and leadership characteristics.

Common terms used in place of *directing* are "coach" or "leader."

The GM demonstrates real leadership, and motivates a hotel staff to achieve tasks that were never before considered possible.

Controlling and Evaluating
This concept relates to measuring and assessing results.

GMs assess the effectiveness of his or her own actions, as well as that of their management team.

GMs will work closely with their accounting department to answer such questions as:
A. Were the hotel's ADR targets achieved?

ADR: The average price at which a hotel sells its guest rooms.

Total Rooms Revenue ÷ Total Number of Rooms Sold = ADR

B. Were its *RevPAR* targets achieved?

RevPAR: The average amount of revenue generated by each of a hotel's available hotel rooms in a specified accounting period.

Total Rooms Revenue ÷ Total Number of Rooms Available for Sale = RevPAR

The required talents of the GM in this area of management are:
- organizational and coaching skills
- analytical and financial analysis skills
- an ability to anticipate guest needs
- competitive spirit
- tremendous attention to detail
- physical stamina

Standards Modeling
The best GMs ensure their own actions and attitudes are consistently in line with the actions and attitudes they seek from their hotels' staff members.

Every hotel GM's behavior reflects the standards they hold for themselves and for their properties.

The talents required to perform successfully the standards modeling area of the GM's job include:
- High personal standards of ethical behavior
- Even temperament

- Real commitment to guest service

Brand Affiliation Management

Property-level brand management includes:
- Continually monitor operational standards set by the brand to ensure property performance
- Communicate effectively with franchise brand officials about marketing and sales programs
- Improve profitable operation of hotel by using services and programs offered by the brand

Quality inspection scores or Quality Assurance (QA) scores are the result of annual (or more frequent) inspections conducted by a franchise company to ensure that franchisor-mandated standards are being met by a franchisee.

QA scores are used in property ratings, marketing efforts, and, even, by owners to partially determine GMs' and other hotel managers' compensation/bonuses.

To manage their brand affiliations successfully, GMs must have:
- Well-developed interpersonal skills
- Persuasive ability
- Listening skills
- Effective writing ability

Community Relations

Opportunities to assist the local community include:
- Attracting new businesses
- Expanding tourism opportunities
- Providing input regarding local business community needs
- Holding charity events and fundraisers at the hotel

To perform successfully the area of community relations managers must have:
- An outgoing personality
- Well-developed social skills
- Effective public speaking & presentation skills

GM SKILLS DEVELOPMENT

Formal education, regardless of degree, will not make a person a qualified hotel GM; however, formal education can provide the tools with which to perform the job of GM after a person attains this position.