

# HOTELS

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FOSTERING A STRONG COMPANY CULTURE

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## GREAT HOTEL RESTAURANTS



# 1 Culture class

HOTELS gathers leaders to discuss how to foster a strong company culture and why its benefits are far from just soft.

By ANN BAGEL STORCK, MANAGING EDITOR



**I**n 2014, Merriam-Webster named “culture” its word of the year, but hoteliers — and employers in virtually every industry, for that matter — have long been focused on the best ways to build cultures that enrich employees and, most important, serve guests and boost business.

Consequently, HOTELS partnered with the Wall Street Journal to gather leaders from throughout the hotel industry at Virgin Hotel Chicago for a recent roundtable to discuss just that — the unique intricacies of culture, how to affect and shape it and what’s on the horizon in this increasingly critical area. What follows are highlights from that discussion.



## The PANELISTS



**Dominique Colliat**  
executive vice president  
Hotel Services, North and  
Central America and the  
Caribbean, AccorHotels



**Niki Leondakis**  
CEO  
Commune Hotels & Resorts



**Lindsey Ueberroth**  
president  
Preferred Hotels & Resorts



**Bill DeForrest**  
president, CEO  
Spire Hospitality



**Nabil Moubayed**  
area director of operations,  
Midwest, Kimpton Hotels  
and Restaurants



**Robb Webb**  
chief human resources  
officer  
Hyatt Hotels Corp.



**Clio Knowles**  
vice president of people  
Virgin Hotels



**Jim Petrus**  
global brand leader  
St. Regis, Starwood Hotels  
& Resorts Worldwide



**Jeff Weinstein**  
editor-in-chief  
HOTELS (moderator)

## What are the best ways you have found to strengthen your company culture?

**LEONDAKIS:** What I've learned is you can't define the culture and push it out. You need to have employees engage and be part of the definition of what they want it to be. Then once they help you define what it is, what they want it to be, you can begin to implement it and push it out, because they created it.

**UEBERROTH:** You can't put posters on the wall and tell people, "This is our culture." I think that those days have sort of changed.

Your associates spend so much time at work. It's really a reflection upon who they are as an individual. They want to be proud about where they work. I always like to ask people, "Would you want your best friend to come work for this company?" I think that's a good way to measure whether or not you're doing something right.

**COLLIAT:** It's difficult in a big company when you are talking about culture. I mean, you don't create the culture in a couple of years. It takes a lot of time.

**WEBB:** I joined [Hyatt] eight years ago, and when I came in, it was clear to me that the culture of Hyatt and the personality of Hyatt is the personality of the Pritzker family — very humble, very achievement-oriented, quirky sense of humor — a lot of great things.

It makes me crazy when I'll see a goal that says, "Change the culture by December 31st." You can't do that even if you try. Culture isn't something that you do to somebody. Culture happens every time two people come together,



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—NIKI LEONDAKIS

and it's the way they interact. It's what's valued. It's what's not valued. It's a form of guardrails in an organization. I think our culture evolves. We set out to evolve it in a way that reflects the interests of the colleagues that work at Hyatt, the guests that stay there, the business partners and so forth.

**PETRUS:** When you talk about creating culture, a lot of this is seeing is believing. It's not the seven pages of cultural stuff that you have to do. It's making sure that people see real-life examples of how it comes to life. And then it's from the heart.

For exclusive videos of our panelists sharing their insights on company culture, visit [hotelsm.ag/culturevideos](http://hotelsm.ag/culturevideos)

**DEFORREST:** It's about getting out there and really getting in front of people and saying, "Why is it that you choose to be with us to begin with? What do you like? And then, what don't you like?" You have to treat that part of your responsibility the same way you deal with your customer relationships. If you don't, you're never going to be successful.

**KNOWLES:** Our belief statement starts with we love what we do, and what we do is important. And I spent a lot of time talking to our new hires about that.

Raul [Leal, CEO of Virgin Hotels] and I can talk about culture all day long, but if the team's not living it and making it their own, it's never going to be successful. So we started a cultural champions committee, which we had huge interest in from the teammates here on the ground, because it's really got to be theirs. It has to evolve with their vision for it.

**MOUBAYED:** I think the most important piece of it is that we all have the responsibility to get to know our employees really well. On the operations side, I have found that to be the most powerful piece of what I do. I know that they might've just had a baby, or they might support this soccer team. It resonates with them. That then gives them license to also do that with our guests.

## How is technology impacting your culture?

**DEFORREST:** I worry that technology actually hurts us from a cultural standpoint, because it's very hard for us to be present.

There are a couple of things I won't do. I won't call a GM on their cellphone. I always will go through the switchboard, because I want to hear how the guest is being treated when they call. I want to have a chance to say good morning to the desk, the associate who answers the phone. And I don't like to do too much with email.

I like to use technology in a way that you strengthen that personal relationship, and we've got to be careful we don't use technology to take it away.



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— BILL DEFORREST

**KNOWLES:** There are great ways to utilize technology in a positive way for the guest and for the employee experience. We just launched [an internal communications platform] in mid-April. It's a communication tool for our employees to talk to each other, and it's been so hugely successful.

We've got an event section that tells you what's going on at the hotel, what employee events are happening, our Twitter feed, our Instagram feed, so it's this one-stop shop for up-to-date information but also for fun and laughter.

We did a throwback Thursday photo contest on there last week. It was baby photos, and we had probably 50 people post their baby photos and vote on who was cutest, and they won a prize. It's just ways of getting the employees engaged with people they might not necessarily interact with on a day-to-day basis, but through the app they're able to connect. It's about using technology in a positive way to enhance the guest experience and to enhance the employee experience.

**LEONDAKIS:** When I joined Commune I wanted to be more progressive with the use of technology and came up with an internal technology platform for employee engagement. I wrote a weekly note from Niki — more like a blog — for 18 months, once a week. It took me two hours every Saturday morning.

Then I realized we were missing a whole percentage of our population, because some of our employees just weren't going to use this portal. It just wasn't intuitive. Some of them didn't have computers. Some of them still had flip phones.

I still visit the hotels. I still open every hotel and do an employee talk. I try to do a lot of video, but I'm not a professional actress, so I'm not that good at it. But you know, there's nothing like face-to-face. I just realized I need more people doing face-to-face besides me.

## How do you adapt your culture to a variety of team members, and how do you cope with associates who don't fit into the culture?

**UEBERROTH:** We've brought in executive coaches to work with people if we really felt that it was just more of a training issue. But at the end of the day, I think you have to have the courage of conviction to ultimately remove somebody from the organization if you really don't feel a change is possible, because I think it's amazing how quickly somebody can really disrupt the organization.

**WEBB:** I think it depends on the circumstance. If it's an individual who isn't quite getting it but they'd like to get it, then we'll work with them. If it's somebody who has decided they're going to engage in guerilla warfare and undermine everything that you do because they disagree with you, then why are you here?

Another thing is, if you want to be culturally relevant around the world, then you need to engage in conversations, and you need to understand how your culture plays or doesn't play.

**MOUBAYED:** I always go back to the statement: how would you want your family treated? There have been times when



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— LINDSEY UEBERROTH

we've had to take people who fundamentally have a great heart and passion for the business but have been brought up in a different brand or in a different environment. You just need to do what's best for that person at that time.

**KNOWLES:** We have a list of behaviors that we try and live by, and one of them is that talent is no excuse for bad behavior.

But we definitely made a misstep early on. We had a line-level member who wasn't performing. We were having conversations about whether or not we should be terminating, but in the

meantime, they did something pretty egregious, so the people director terminated them that day. Unfortunately, it was the day Sir Richard Branson was visiting, and he wrote a blog post about it on Virgin.com, and this disgruntled employee was the first comment underneath that blog post. It got a lot of negative feedback for us.

So, sometimes you have to take a step back and say, timing-wise, is this the right decision?

*What is your next big challenge when it comes to your company culture?*

**MOUBAYED:** We have to be very thoughtful as we grow internationally to say, how does Kimpton — which really does work very well in North America — work in Singapore, or London, or Brazil? Can we make that experience cross-cultural and make people feel the same way?

**WEBB:** If you are sitting in Beijing, we don't want you to think you're in Orlando. We want you to experience where you are. But there's also an aspect of it that's, I think, common to Hyatt. I think the caring is common, the way that you do it. We want to be culturally relevant in that area or even in that neighborhood, but it's all through people. That's why people are talking about culture — because it's really almost the last potential differentiator that exists.

**UEBERROTH:** Our offices around the globe have such a personality, and this one is very corporate. I want to dismantle walls in the middle of the night and tell people to take the headphones off. It drives me crazy when people are on conference calls where they're in the same office, and they're in their [individual] offices. You're like, get up! Go sit in a room together.

**PETRUS:** I think a lot of this comes down to how we make people feel good about coming to work. I think a lot of it starts with being sure that the management teams in our organizations understand the role of being explainers, motivators, energizers and focus on that, because ultimately, that makes people feel good about where they're spending their eight to 10 hours a day. When you look at the future, it all starts with management to really walk the talk of what the culture is and lead in that effort.



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— JIM PETRUS