

# The Development of Organizational Culture and Organizational Citizenship Behaviour during the Preopening of a Hotel – The Case of Kempinski

Bachelor Thesis for Obtaining the Degree

Bachelor of Business Administration

Tourism and Hospitality Management

Submitted to Dr. Ulrike Bauernfeind

Petra Tominz

0911555

Vienna, 25<sup>th</sup> May 2012





# Affidavit

I hereby affirm that this Bachelor's Thesis represents my own written work and that I have used no sources and aids other than those indicated. All passages quoted from publications or paraphrased from these sources are properly cited and attributed.

The thesis was not submitted in the same or in a substantially similar version, not even partially, to another examination board and was not published elsewhere.

25<sup>th</sup> May 2012

5 M

Date

Signature



# Abstract

This study investigates the role of organizational culture and organizational citizenship behaviour within a preopening setting of a hotel. The interdependencies of the three fields of organizational culture, organizational citizenship behaviour and preopening management are examined and their implications for a successful hotel opening assessed. In order to collect data, nine in-depth interviews were carried out with employees of the hotel management company Kempinski. The company itself and an example hotel of the hotel group (Kempinski Hotel Das Tirol) served as an exemplary case study to analyse the interdependencies assumed. Challenges faced during the preopening phase are captured and the role of organizational culture in order to deal with these challenges is evaluated. A close connection between a functioning organizational culture and a smoothly running preopening phase was found. Furthermore, the study found that it is essential to implement an organizational culture during the preopening phase which is reasonable, understandable and company-fitting. This is crucial in order to conduct a successful preopening through high quality teams, efficient handling of challenges, developing an encouraging atmosphere, representing the company appropriately externally and through that, developing a successful property. Additionally, results showed that organizational culture has a company-wide influence on many operational and social areas. Finally, the outcomes of the study suggest that organizational culture serves as a core which connects all properties and employees company-wide. The findings of the paper are important to understand the significant effect of organizational behaviour development on the smooth running of the preopening phase of a hotel and its operation. Recognising this influence is essential in order to ultimately develop a successful property and to obtain satisfied and committed employees.



# **Table of Contents**

Affidavit									
Abstract									
Tab	Table of Contents								
List	List of Tables8								
List	List of Figures								
List of Abbreviations9									
1	Introduction								
2	Literature Review								
2.1 Preopening Management									
	2.1.	1	Before Preopening: The 5-Phase Process of the Hospitality Fac	ility					
	Dev	Development							
	2.1.	2	Guidelines to Preopening	13					
	2.1.	3	Impacts and Influences	17					
	2.1.4	4	Trends	22					
2	2.2	Orga	anizational Behaviour	24					
	2.2.	1	Gaps in Literature	25					
	2.2.		Organizational Culture	25					
2.2.		3	Organizational Citizenship Behaviour	34					
	2.2.4		A Practical Example: Opening the Taj Mahal	38					
3	Methodology								
3	8.1	Case	e Description	41					
3	8.2	Inte	rviewees	42					
4	Interview Results								
4	l.1	1 Preopening							
	4.1.1		Tools for Preopening	44					



	2	4.1.2	Preopening Challenges47
	2	4.1.3	Trends in Tourism49
	2	4.1.4	Impacts50
	Z	4.1.5	Work Force51
	4.2	C	Organizational Culture
	Z	4.2.1	Role of Organizational Culture52
	Z	4.2.2	Goals of Organizational Culture54
	2	4.2.3	Values of Organizational Culture55
	2	4.2.4	Competing Values Framework56
	Z	4.2.5	Cultural Approach in Management58
	Z	4.2.6	Tools and Practices for Implementation of Organizational Culture 58
	Z	4.2.7	Change of Behaviour during Preopening and Development of
	(	Organ	izational Culture64
	2	4.2.8	Differences: Preopening Hotel and Established Hotel65
	4.3		Organizational Citizenship Behaviour66
	Z	4.3.1	Forms of Organizational Citizenship Behaviour66
	2	4.3.2	Importance of Organizational Citizenship Behaviour67
	2	4.3.3	Encouraging Organizational Citizenship Behaviour68
	Z	4.3.4	Cultural Background and Organizational Citizenship Behaviour69
	2	4.3.5	Employee's Contribution to a Hotel's Direction70
5	[	Discus	ssion71
6	(	Concl	usion82
	6.1	. L	imitations of the Study86
	6.2	F	ecommendations for further Research87
7	A	Ackno	wledgements
Bi	blio	grapł	ny
Ap	pe	ndice	s94



Appendix A	94
Appendix B	99
Appendix C	
Appendix D	110
Appendix E	116



# **List of Tables**

Table 1: Sources of interview questions, p. 40

# **List of Figures**

Figure 1: The competing values framework, p. 27

Figure 2: Elements of a strong organizational culture, p. 30



# **List of Abbreviations**

EAM: Executive Assistant Manager

- GM: General Manager (hotel)
- HOD: Head of Department
- LQA standards: Leading Quality Assurance standards
- OCB: Organizational Citizenship Behaviour
- TTTT: Time To Talk Together



# 1 Introduction

"Each project has been unique, each project has been the same, and each has been professionally rewarding" is Tom Dupar's statement about the opening of hotels (O'Fallon and Rutherford 2011, p.14). In order to successfully open a new hotel, a lot of organization, planning and a strong and effective team are essential. Guiding the hotel management team effectively through the preopening phase is an issue that is faced by many growing hotel groups. Therefore, setting a framework to manage this challenge is crucial. Nowadays, behavioural sciences are a major part in organizational research and have a growing importance in practice as well. In the hospitality industry, it all depends on the people, and people working in the hospitality industry need to be different and have specified characteristics compared to other industries (Dawson et al. 2011; Bowen & Ford 2004). They are the company's face and the hospitality industry completely relies on the talent of their employees. For the industry, developing an appropriate and motivating organizational culture is its lifesaver. Likewise, it is an opportunity to encourage employee's commitment and loyalty to the company. However, how the field of organizational behaviour, namely organizational culture and organizational citizenship behaviour, and the preopening of a hotel are connected and interdependent has not been explored in this relation yet. Organizational culture is a cognitive frame formed by values, attitudes, behavioural norms and expectations which are shared by a group (Greenberg 2011). Furthermore, Greenberg (2011) describes organizational citizenship behaviour as actions that are taken by members of an organization that go beyond the formal expectations of their job requirements and that such engagements also depend on a motivating organizational culture. There is evidence that organizational culture can make a significant change in employees and their commitment to the company as outlined by Brownell (1990) and the case of Donald Trump's Taj Mahal in New Jersey. Furthermore, organizational culture is vital for a company for the roles it takes within an organization. The three roles of organizational culture described by Greenberg (2011) are named as members associating with the organizational values, encouraging commitment to the company and setting behavioural norms.

10



The importance of organizational behaviour development in a company and the planning and organization of a hotel preopening are evident. The purpose of this study is to investigate the interdependencies of the areas of preopening management of hotels and the development of organizational culture and organizational citizenship behaviour during the preopening phase. It is a tough task to combine these three areas. The study will examine approaches applied to deal with these challenges in order to support the development of organizational culture and organizational citizenship behaviour, and therefore reinforce a successful development of the preopening project. The goal is to link organizational behaviour and preopening management to an extent to which both fields benefit from each other. The focus of the study is to make professionals aware of the importance of organizational behaviour development in the preopening phase in order to motivate employees to the voluntary commitment to the company and thereby avoiding numerous rules and policies.

A case study environment was chosen, where nine employees of the fast-growing hotel management company Kempinski were interviewed. Kempinski is one of the oldest European hotel groups with German roots that has over 70 properties in Europe, Africa, Middle East and Asia Pacific. The case of Kempinski and the example hotel Kempinski Hotel Das Tirol are prototypical to throw light on the dependency of the development of organizational culture and organizational citizenship behaviour within the setting of a hotel preopening phase. Information for the research questions was obtained through qualitative research with the help of in-depth interviews.

In order to examine the objective of the paper, the content of the study is organized along these lines. To set a basic framework, previous research and literature for all three areas is studied, followed by the detailed description of the paper's methodology and the presentation of the case studied and the interviewees. Next, interview results are presented and in the following discussion section, these results are interpreted and compared with the literature examined previously. Finally, concluding remarks will be drawn, limitations are outlined and recommendations for further research are given.



# 2 Literature Review

# 2.1 Preopening Management

This chapter of the literature review will examine the hospitality industry and best practices in opening a hotel according to recommended guidelines. Furthermore, the impact of a new hospitality facility on the local environment will be examined as well as the current trends which affect the industry.

# 2.1.1 Before Preopening: The 5-Phase Process of the Hospitality Facility Development

The development of a new hospitality facility is a complex project which can differ from country to country and type of development. It is a lengthy process which can be regulated on one hand, but is also risky on the other hand. To ease the development process there are different models, which help to find a guideline for the procedure. The 5-Phase Process as proposed by Baker (2000) is an eventsequence model, which emphasizes the importance of the management of stages.

The five phases of hotel developing process explained by Baker (2000) are the following:

# 1. Concept and Initial Consideration

In this phase, objectives and ideas are developed as well as ways to achieve them. Also, a basic strategy is developed. In other cases, the strategy is already provided by the company. Market research is conducted, and a suitable site for the new facility has to be found.

# 2. Site Appraisal and Feasibility Study

A refined appraisal is conducted to evaluate the viability of the project, the financial support and the response of competitors to the new project. Consultations with the authorities are essential in this phase.

# 3. Detailed Design and Evaluation

The professional team and the design team are to be appointed at this stage. The project brief that is developed needs to outline the design and



detailed drawings, budgeting, taxation, planning and marketing, management and technical functions and various boundaries of responsibility. The planning application is to be submitted, and consultations with the local authorities and statutory undertakers are conducted. Changes and adaptions are made to obtain final approvals from all parties.

## 4. Contract and Construction

To prevent problems or solve them as early as possible, contractual affairs need to be supervised, and all equipment, buildings and plant are checked before commissioned, to ensure a smooth completion of the project.

## 5. Marketing and Preopening

The starting point of marketing activities is set and also a professional preopening team is appointed at this stage.

Those five stages of development are guidelines to ensure that none of the important issues to be tackled during the process are forgotten. The stages do not have to be strongly kept apart, but they overlap, and while one stage is still in process, another one can be started ahead of time.

# 2.1.2 Guidelines to Preopening

Other literature for preopening management for hotels goes further into detail in structuring and proposing ways of conducting the preopening phase. The following list is a recommendation by various professionals and academics of how to manage the preopening phase of a hotel with excellence. Tom Dupar who was opening hotels for 20 years states "each project has been unique, each project has been the same, and each has been professionally rewarding" (O'Fallon and Rutherford 2011, p.14). This indicates how preopening in hotels can have certain continuity, but there is also no project comparable with one another. Engagement, close consideration and detailed planning are required for the following points in the guideline:

# 1. Management and Operations

This phase starts 12 to 18 months prior to the actual opening of the hotel as Laventhol & Horvath (1984) explain. Staff is recruited, trained and retained. A marketing campaign is developed and implemented, which needs to be



aggressive enough to draw attention to the new facility. Furthermore, each operating department needs to be managed properly, operating profits need to be generated, operating costs and expenses controlled and reduced, and the visibility and reputation of the new facility need to be enhanced. The long-term success of a project highly depends on the achievement of these primary goals. Therefore, a professional and experienced management team is required. This phase may be connected and incorporated to the fifth phase of Baker's (2000) proposed 5-Phase Development Process.

## 2. Organizational Philosophy and Briefing Document

The organizational philosophy briefing document expresses the methods and systems which are planned to operate the new facility; it covers all the operational aspects for the hotel (Ransley & Ingram 2004). This essential document originates from the party which initiated the development of the new hotel. In some cases, guidelines for a specific common goal are provided from the developing company.

#### 3. Blueprints

Blueprints are documents which architecturally ensure a smooth flow of guests, services, goods and staff. Detailed regulations are set in the architectural blueprints, e.g. for the bag storage room, for valet parking and cashier, for the ballroom and all equipment needed for it, as well as a storage room for this equipment. Furthermore, plans for the location of housekeeping closets and storage for extra equipment for guest rooms are described. Also, the size, kind and requirements of basic commodities are outlined, like for example for garbage carts. There are many more aspects that are detailed in this document (O'Fallon and Rutherford 2011).

#### 4. Model Room

Model rooms are built close to the site, so every single aspect of the room can be revised and corrected straightaway if necessary. This tool offers opportunities to check for example if utilities like the electrical outlets are placed precisely where they are planned to be, if the bed lights are strong enough so that the guest can read before going to sleep and if the



thermostat is located conveniently for the hotel guest. Also, model rooms can be used by the sales & marketing team to sell hotel rooms up to 3 years ahead of completion of the new facility (O'Fallon and Rutherford 2011).

#### 5. HR and Staff Plan

The staff plan is a valuable document which sets out all the positions needed, when they start and how much they get paid and other details. This all builds up from the organizational chart, which is initially developed. These details then lead to a staff plan budget which needs to be adjusted if any dates change or positions are taken in earlier. Typically six weeks before opening a so called mass hire is conducted which often takes place during two to three days. Now that the team is hired, training begins about three weeks before opening with orientations, codes of conduct, company philosophy, policies and departmental training (O'Fallon and Rutherford 2011).

#### 6. Preopening Budget

Three main categories form the whole preopening budget. The two biggest parts go to labour cost, which is copied from the preopening staff plan budget, and sales and marketing cost, which is calculated from the efforts in public relations, promotion, collateral and business travel. The minor part goes to miscellaneous, which can include licences, permits, HR recruitment, utilities and office space rentals. The opening of the hotel may be delayed for any reason and if this happens, additional costs arise from all three categories. The preopening budget then needs to be adjusted (O'Fallon and Rutherford 2011).

With regards to the preopening operational finance, it is highly beneficial to stick to the initially set dates of completion to not let any additional cost arise. Decisions regarding operations need to be taken for all back office systems, the authority of the financial controller, a payroll system, credit policies and cash control, an accounting manual, delivery and invoice note controls and other topics. An essential element to grant a long-term success is to prepare and deliver first class management information which



evaluates all software systems, implements it correctly and connects it with any other specialist software in the facility (Ransley & Ingram 2004).

# 7. Operational Supplies and Equipment (OS & E)

A crucial element for the preopening budget is to specify, quantify and budget for operational supplies and equipment (OS & E) because the costs can come up to \$10,000 per guest room. Excluding furniture, fixtures and equipment (FF & E), OS & E includes everything, which is not nailed down, as Tom Dupar explains (O'Fallon and Rutherford 2011):

- Guest room items

Bedding, clock radios, hangers, iron and ironing board, guest amenities, etc.

- Housekeeping

Vacuums, housekeeper carts, laundry bins, valet delivery carts, cribs, rollaway beds, pillows, towels, etc.

- Food and Beverage front-of-house

Cutlery, serving trays, glassware, table linens, salt and pepper shakers, espresso machines, etc.

- Banquet items

Chairs, tables, staging, staging steps and railings, podiums, ice bins, pianos, etc.

- Kitchen

Any utensils, pot, pan, dish, glass rack, mops, buckets, specialty items, etc.

- Hotel administration

Office desks, chairs, conference tables, filing cabinets, fax machines and copiers, flags, etc.

 Staff uniforms
Summer and winter uniforms, custom embroidery, different requirements for different positions

# 8. Purchasing, Warehousing, Delivery and Installation of OS & E

Each order is tracked, so that the items arrive on time and to the right location. Most items are stored in a local warehouse until the construction phase is over and can then be delivered to the hotel. Some items, however,



are delivered directly to the hotel to avoid extra handling. Linen for all departments need initial washing, which is done at an off-site laundry. The move-in day has to be planned correctly. Depending on how well the move-in is done determines if significant losses will happen and how efficiently the operation of the hotel will work (Jones 2008). As soon as all items arrived at the site, the unpacking and distribution phase begins. Each item must be unpacked, distributed to the right location and installed. It is particularly advantageous to have a substantial connection with the local waste-hauling service, as packing material has to be removed every day (O'Fallon and Rutherford 2011).

# 9. Interior Graphics Package

The package includes the logo which is developed to brand the new hotel facility. It is also included into collateral material, uniforms and the signage package. The signage package is also part of the interior graphics package which comprises all signs to guide guests and staff around the hotel. The spelling must be checked and the arrows need to point to the right direction (O'Fallon and Rutherford 2011).

# 2.1.3 Impacts and Influences

A new hotel opening always has influences on its environment as well as the environment has influences on the new hotel development. Furthermore, risks and changing conditions are factors that influence the development of a project as well (Huffadine 1993). Sources of such factors and the influences on the social, economic and physical sphere will be outlined and the Cost-Benefit-Analysis described.

# 2.1.3.1 Market Constraints and Influences

The market demand of the target audience is the driving factor which shapes the final physical outcome of a hotel facility development to make the hotel able to respond to the demand (Huffadine 1993). Nowadays, there are many specialized types of hotels, which meet the demands of specific target markets, for example airport hotels, business hotels, resort hotels, wellness hotels, conference hotels, garni hotels or boutique hotels. Requirements made by the target group determine the location, type of service and facilities offered by the specific hotel type. For



example, commercial hotels are typically located downtown, close to an airport or a major motorway, it offers the latest communication technologies, exercise opportunities and serves a light breakfast to guests only (Huffadine 1993).

#### 2.1.3.2 Operator Constraints and Influences

Staffing of the hotel may be a major constraint for the operator. Often, on-site housing facilities need to be offered for the current staff, and it is necessary to provide recreational facilities for staff drawn from other areas, especially senior management. The work force pool can also be a major constraint in remote areas when the hotel becomes the major employer in the area. Therefore, the hotel also needs to provide comprehensive training facilities and approaches for staff. Furthermore, the type of hotel determines the kind of management style that will be used and sequentially this will influence the character of the hotel. The products sold to customers differ extremely, e.g. when comparing a commercial hotel product with a resort hotel product. Moreover, the individual personalities of staff, senior management and the general manager of the hotel shape the hotel's appearance. Although there are basic requirements for any hotel, there is a wide range of possibilities to draw a distinct characteristic to the hotel to be opened, for example, with quality, services, design, location or types of restaurants (Huffadine 1993).

#### 2.1.3.3 Social Impact

Gee (1988) clarifies that community relations are highly important for the success of a new hotel, as the new development and the host community are interdependent from each other. On the one hand, the host community provides a pool of employees, local customers and community services. On the other hand, the hotel provides jobs and the needed revenue to support the local business. If good relationships between the two groups are not developed, high social costs can arise. Therefore, detailed planning and investment is needed to form these relationships. Indifference and hostile behaviour of the local public has led in several destinations to a remarkable decline of visitor numbers, as guests often list among the most decisive factors of a vacation is the local friendliness. Furthermore, such behaviour might lead to a stop of the local on-going development. Gee (1988) explains that the smallest anticipation of development can lead to a number of impacts, positive ones and negative ones. One aspect of the social impact strategy is to find out what the



social impacts of such an economic development might be and then develop strategies to maximize the positive impacts and minimize the negative impacts. The second aspect is to give the local community the feeling that they are needed for the success of a resort. The community should be taking part in the planning and development of a project, and their leaders, as well as the general public, must be allowed to have a say in and react to the planned development.

Social impacts can take different directions depending on the local conditions like the cultural and economic difference of the local community and visitors, the destination's absorption rate of visitors until there is an effect on local traditions and activities of guests. According to Gee (1988), social impacts that frequently happen with tourism and hotel development are:

- Positive impacts

Provision of infrastructure, increase in public services, new jobs, small business opportunities, tax revenues, community image, restoration and preservation

- Negative impacts

Loss of rural character, crime, prostitution, environmental pollution, traffic, crowding, cultural dilution, traditional family bond breakdown

Cultural impacts also change the lifestyle of local residents, for example, the change in the role of family members, e.g. when women of the community start their first employment and join their husbands to contribute to the family's income. Furthermore, the character of a community may be changed as their culture becomes eroded and unattractive for guests because cultural displays may only become a further source of income. Also, the two-way migration might change the local appearance. Two-way migration is best described by the fact that a group of new residents arrive and some of the established residents leave. New residents are newcomers seeking for jobs whose background is more similar to the one of local residents and the other group are buyers of second homes who are often culturally more similar to tourists. The local residents who leave the location may do so because of different reasons such as increase of property value, attractiveness of a glamorous hotel job in another destination and urbanization (Gee 1988).



## 2.1.3.4 Economic Impact

Gee (1988) suggests that tourism development affects the local economy in many different ways. On one hand, new tourism businesses create new jobs. This is considered as an economic impact as well as social impact as described before. However, not only locals seek for those jobs, also newcomers become residents of the area for the newly created jobs. Newcomers compete with the local residents for those jobs. The tax base is also increased as there are more businesses and employees to tax. Increased numbers of visitors to the touristic site increase the visitor spending in the area, which again supports the local development by bringing in outside income into the local economy. The revenue generated and re-spent in the community has a social impact on the residents and their quality of life regarding material, cultural, social and psychological aspects. In tourism development, as Gee (1988) explains, there are not only economic benefits, but also economic costs which need to be recognised. Such costs may include the provision of health and social services, transportation and sewerage by the local government and infrastructure costs carried by the local community.

#### 2.1.3.5 Physical and Environmental Impact

As Huffadine (1993) suggests, catering for the needs of guests may pose many issues to be solved for the physical construction of the hotel. The different hotel categories all require an individual mix of resources and technology which in turn influence the planning and design and the type and method of construction. Concerns for future maintenance have to be cared of, as well as on-going efficiency and return on business which is also determined by the physical condition of the hotel. These may include planned energy conservation, heat exchange equipment, space requirements and a planned work flow for staff, service and guests. Furthermore, the characteristics of the geographic location and site conditions affect the design and final product of the new hotel. Conservation issues need to be addressed wherever the nature is particularly sensitive, as the damage of it will finally lead to the destruction of the core attraction which a resort project was planned for. Moreover, to ease decision making, to assist in design development and to protect the environment and investment, an environmental impact study is a valuable tool to invest in. It examines the current natural and social conditions in the area and then determines areas in danger.



Gee (1988) explains the environmental-physical impacts that a development of a hotel may have on the local environment. He realizes that there are two sides of an impact, a positive one and a negative one. A hotel needs to have a design which functions in harmony with its natural environment and preserves it too (Gee 1988). Nowadays, remote areas and a unique natural environment are a major tourist attraction. Those ecological systems are highly delicate and are destructed extremely easily. Therefore, they are in high need of protection which can be achieved by forward planning and detailed design, as Huffadine (1993) suggests. At present, the general public is more and more worried about the addressed protection of environment. This led to increased awareness and concern about sustainable development from the industry's side. The myth that development and environment are incompatible, that environmentally protective hotels add little market value and that environmentally friendly building practices are very expensive and complicated can be disproven through today's action plans and improved technology (Mill 2008).

#### 2.1.3.6 Cost and Benefit Analysis

Gee (1988) summarizes that tourism and hotel development is overall an economic process. Social and environmental impacts are the result when the hotel development has been successful. Regarding costs, large investments and a low rate of return in the first few years have to be expected. Social costs are affecting the host community, for example by quality of living changes and cultural and traditional value changes. Environmental costs are caused by the developers, the host community and the society in general. Such costs include the loss of wilderness areas, costs of preventing pollution and congestion, costs of undertaking historical or cultural preservation and changes in the ecological balance.

Benefits on the other hand include employment, newly generated revenue and increased visitor expenditure and therefore increased material quality of life for local residents. A developing infrastructure also attracts development in other sectors. Residents also benefit from the cultural and educational interchange with visitors. Environmental benefits, which are connected to the new development, include the preservation of flora and fauna, historical sites and the human and natural environment (Gee 1988).



The costs and benefits of a newly proposed development need to be identified and evaluated by all parties to ensure that the benefits outweigh the costs and that therefore, success of the project can be ensured (Gee 1988).

# 2.1.4 Trends

For the hotel industry to grow it is necessary to know who are and will be the customers. Today, this is often determined by examining demographic and psychographic data of the market of interest. On the other hand, the hospitality facility provider needs to know why those potential customers will exist. Such factors include the reason for a need of hotels, increased leisure time, increase of discretional income, business travel differences, interest in a travel experience, and economic trends such as public liability, insurance costs and gasoline prices. Managers of hotels need to plan for profit and it is vital that such trends are recognised to be able to sell an appropriate product (Bardi 2011).

Bardi (2011) suggests that the most significant trends in the lodging industry at the moment are:

# 1. Discretionary Income

This kind of income is the most significant factor for the growth of the hospitality industry. It is the money left for leisure time after necessities such as accommodation, food and insurance have been paid. The increase in discretionary income is mostly due to the fact that more and more married women re-join the workforce or do not leave it at all. Families with two incomes then have nearly the double discretionary income than in earlier times. This money for use in leisure time is strongly dependent on the economy. With a downturn in economy and high unemployment rates, the discretionary income also shrinks or is used in other ways than for the hospitality industry.

# 2. Leisure Time

A workweek of 40 hours or less, paid vacation and 3 day weekends enable the hotel industry to grow. This increased leisure time gives people the opportunity to explore new geographic areas, try different sports or sample



new culinary trends. The market base for the lodging industry expands. Also, early retirement of the baby boomer generation grants more leisure time and they will eventually become the market segment in focus through their two main assets: time and money.

#### 3. The Me/Pleasure Concept

A few generations back in time, leisure and recreation was only for the privileged and wealthy people. Nowadays, the concept to deserve a break and get away from it all is needed to balance the social and mental needs. People find themselves communicating more through technical devices than in person and the result is that people are lacking social interaction. Such needs are taken care of while traveling and by that also the hotel industry benefits.

#### 4. Family Size/Household Size

The trend towards smaller families and smaller households results in greater discretionary income available for the family members. Furthermore, the costs associated are smaller for smaller families and households than for bigger ones. The probability for dining out, travelling or engaging in leisure activities is also higher for people living in smaller households.

#### 5. Business Travel

Today's corporate business travel is highly complex and hard to capture as it is highly dependent on the high energy prices, fast communication and economy in general. Travel costs increase when, for example, the oil prices rise, and therefore transportation becomes more expensive. Nowadays, every business trip is reviewed for its necessity as there are many alternatives with modern technology. Social networking often also reduces the need of formal meetings. This sector needs to be continuously revised because it is in many hotel businesses the main source of income.

#### 6. Female Business Travel

As discussed before, fast communication and high energy prices affect business travel. Females travelling on business travel, which is a growing



market, have different needs. Particular amenities and safety issues such as women only floors, better lightning on hallways and parking lots are some of the examples.

## 7. Travel as Experience

People travelling today are not travelling exceptionally for the traditional reasons like business and family visits, but there are many. Some examples are education, culture, sports and personal development. Also, cultural pursuits, fabulous outdoors and sporting events may attract visitors.

# 2.2 Organizational Behaviour

Greenberg (2011) emphasizes that in an organization, it is all about people. No matter how good the products may be, without the well-functioning of the workforce, no company can be successful. Studies of organizational behaviour puts the people in the centre of focus and specialises in the field of human behaviour in organizations. Organizational behaviour is based on behavioural sciences, which draw knowledge from the psychology and sociology. This section of the literature review will deal with two disciplines of the organizational behaviour field, namely organizational culture and organizational citizenship behaviour, its roles, forms, importance, creation, promotion and change.

To have a basic understanding of the behavioural sciences, organizational behaviour will be explained closer in the following. The name already implies that organizational behaviour deals with organizations. Organizations are "a structured social system consisting of groups and individuals working together to meet some agreed-upon objectives" (Greenberg 2011, pp.33).

Four key characteristics shape the field of organizational behaviour as Greenberg (2011) explains:

- 1. Organizational behaviour is drawn from the scientific method
- 2. Organizational behaviour studies individuals, groups, and organizations
- 3. Organizational behaviour is a multidisciplinary field



4. Organizational behaviour enhances organizational effectiveness and individual well-being

One of the key characteristics of organizational behaviour is the multidisciplinary element of the field. Its interests lie in the human behaviour in organizational setting and deal with all aspects that may occur. Therefore there are many different disciplines in the huge field of organizational behaviour such as organizational justice, job satisfaction, group dynamics, ethics, leadership, motivation and decision making. And among all these, organizational culture and organizational citizenship behaviour as two of these disciplines and their development during a preopening phase of a hotel will be the major focus in the thesis.

# 2.2.1 Gaps in Literature

While conducting research for preopening management, it became obvious that it is very hard to find literature on the topic. It is a very inconsistent and ever-changing topic which is depending on external and internal factors. Best practices reports and detailed descriptions of practical examples were missing. Regarding research for organizational culture, there were many documents dealing with organizational culture change in a business and the importance of organizational culture for the organization. However, literature on the development of culture for a firm which is still in its forming phase was very hard to find, especially for the setting of preopening. The case of the Taj Mahal was a great exception; however, there was no recent documentation (within the last 10 years) regarding the topic of creating organizational culture during a preopening.

# 2.2.2 Organizational Culture

Employees of an organization are challenged with obstacles of external adaption and internal integration, Greenberg (2011) explains. To cope with these problems the group creates, develops or finds certain patterns to deal with them, and such patterns are called organizational culture. Values held and shared by the group are the basis from which organizational culture is borne and conceptualized. Typically, it does not react to change from outside, but it is continuously changing by itself and



adapting step by step. To sum up, it is a cognitive frame formed by values, attitudes, behavioural norms and expectations which are shared by the group.

Greenberg (2011) furthermore explains that the key characteristics of organizational culture are: to be sensitive to others, to be interested in new ideas, to take risks consciously, to be open to various communication alternatives, to be friendly and congenially and to set importance on values which are placed on members of the organization. Furthermore, a prevailing organizational structure in an organization can be either strong or weak which also makes an impact on the members of the group. Often, managers start from the fact that there is only one uniform culture in an organization. In reality though, there are many cultures in an organization which differ from each other in some ways. This particularly frequently happens within large groups.

#### 2.2.2.1 The Role of Organizational Culture

Cultural values make the organizational culture of each company unique and it also has to be recognised as intangible dynamics. It guides people to certain behavioural norms and therefore plays three roles within a group. On one hand, the organization has to define its values and perceptions as clearly as possible, so that the members can strongly associate with the company and feel as a vital part of the organization. On the other hand, organizational culture encourages commitment to the organization's mission. When people feel as being a part of the whole organization, having a say and being involved in the company, they begin to think beyond their own interests and realize that this is about something bigger than everyone's individual interests. Furthermore, it sets guidelines in how employees are expected to behave in several situations to support a company's mission. These guidelines are particularly helpful for newcomers and grant stability in behavioural patterns (Greenberg 2011).

With such big influence on people and their behaviours, it is clear that organizational culture is an important and intangible force in organizations, which needs to be wisely taken care of (Greenberg 2011). Furthermore, it is of great importance for the analysis of an organization, as Smircich (1983) explains. Smircich (1983) emphasizes that regardless whether the concept of culture is treated as a background factor, a metaphor for conceptualizing the organization or an organizational variable, culture



drives interest to go beyond guests' expectations by adding non-required values to the company experience.

#### 2.2.2.2 The Competing Values Framework

Greenberg (2011) proposes that even if the organizational cultures of companies are unique, there are still some underlying parallels. A well-known approach to define these different organizational culture types is called the *Competing Values Framework*. This model suggests that organizational culture can be defined upon two dimensions of contrasting values. The opposite values are "flexibility and discretion" versus "stability and control" and on the other hand "internal focus" versus "external focus". These dimensions define four basic types of organizational culture and Cameron & Quinn (2011) list them as *Hierarchy Culture, Clan Culture, Adhocracy Culture and Market Culture.* They are explained in detail in *Figure 1,* which is adapted from Greenberg (2011) and Cameron & Quinn (2011).

#### Flexibility and Discretion

#### Clan Culture

The core values of clan culture are teamwork, employee involvement programs and the company's commitment to employees. People feel as being one, individuality, solidarity, participation and shared values and goals are typical characteristics of a clan culture. Also, a development of a humane work environment, empowerment of employees, facilitation of employee's participation, commitment and loyalty are the main tasks of the organization's management (Cameron & Quinn, 2011).

Internal Focus

#### **Hierarchy Culture**

This type of organizational culture is based on the internal focus and stability, order and control. Organizations with such a culture have leaders which are good coordinators, strive for smooth-running workflow and count on formal rules and policies. Cameron & Quinn (2011) explain that there are standardization, control and clear guidelines that are highly important for the success of this type of organizational structure.

#### **Adhocracy Culture**

This culture type is characterized by flexibility and orientation on the external environment. There is a clear absence of hierarchy and cuts across normal bureaucratic boundaries are typical. This enables companies with such a culture to make rapid changes in their operational ways. Adhocracy culture is future oriented, innovative and assesses what the future requires (Greenberg, 2011).

External Focus

#### Market Culture

Cameron & Quinn (2011) suggest that the term market serves in this case as the organization being a market itself. For this form of culture the external environment is the main focus as well as the transactions with external parties like suppliers, customers, regulators and contractors. This is done to create competitive advantage for the company. Competitiveness and productivity are the main goals for market culture.

Stability and Control

Figure 1: The competing values framework



## 2.2.2.3 The Creation of Organizational Culture

Research has shown that hospitality industry has significantly different attributes, characteristics and values as other industries and this has also an impact on what kind of culture should be created in such an environment. People who would like to start a career in this branch also need to possess special characteristics which correspond with the industry. Literature suggests that personnel who work within the service industry need to be unique (Dawson et al. 2011; Bowen & Ford 2004). Employees need to embrace all aspects of the industry to be successful, even the negative ones like burn-out and high turnover. Dawson et al.'s (2011, p. 290) research found that the main aspects of the hospitality industry are: "management principles", "customer relationships", "job variety" and "job satisfaction".

Greenberg (2011) explains that most members of an organization share values, goals, attitudes and expectations. These are attributes of an organizational culture which was born out of two main factors. On the one hand, the company founders were in many cases people with characteristics such as a dynamic personality, solid values and strong visions. These people were directly involved in hiring the initial staff and shared their values with the new employees. On the other hand, the experiences with the external environment also play a vital role. When critical events happen within a company it clearly leaves its effects on employees and their organizational culture. A learning effect happens, and this knowledge is passed on to co-workers. A so-called organizational memory contains such information which is shared from leaders to employees when needed (Greenberg 2011).

As mentioned before, organizational culture typically begins life in the founder's head and encompasses his truth, reality and way of how the world works, Schein (1983) explains. His special personality shapes the culture of that group of employees. However, organizational culture is not fully established until the group went through various crises in coping with external adaption and internal integration problems and the group formation process. The result is a pattern of assumptions, as Schein (1983) puts it, which evolved during coping with the problems, as explained above. This pattern proved to be good and is therefore worthwhile passing on to new company members to inform them how to feel, think and perceive certain situations. As defined earlier, organizational culture is intangible.



Schein (1983) outlines that it is neither a philosophy nor a value system; it is the underlying assumption about values which determines eventually the human behaviour. Company founders need to bring those assumptions across to the employees, and many of them have issues in how to conduct the transmission. When a company is still in its forming phase, the paradigm is often only in the founders head (Schein 1983).

Now, one can understand that organizational culture is a complex interaction of the theories a founder has in his head and the solutions which a group subsequently experiences. Organizational culture is a complex process, Schein (1983) says. Shared solutions which worked out well become granted until they drop out of awareness and become unconscious. This process starts as soon as a new group of employees is formed together. After the forming, the founder needs to embed a "cultural element" in the group's mind – transmit the underlying assumptions. Schein (1983, p. 22) lists ways of transmitting these values.

- 1. "Formal statements of organizational philosophy, charters, creeds, materials used for recruitment and selection, and socialization"
- 2. "Design of physical spaces, facades, buildings"
- 3. "Deliberate role modelling, teaching, and coaching by leaders"
- 4. "Explicit reward and status system, promotion criteria"
- 5. "Stories, legends, myths, and parables about key people and events"
- 6. "What leaders pay attention to, measure, and control"
- 7. "Leader reactions to critical incidents and organizational crises"
- 8. "How the organization is designed and structured"
- 9. "Organizational systems and procedures"
- "Criteria used for recruitment, selection, promotion, leveling off, retirement, and "excommunication" of people"

Greenberg (2011) widens these approaches with his proposed tools to transmit cultural values of the organization: symbols, slogans, stories, jargon, ceremonies and statements of principles.

Jamieson (1985) states that the easiest way to look at organizational culture is to see it as the personality of the business. He also points out the components on which



one should focus when creating a successful culture: strategic business values, management philosophy, orientation towards people and ethics of behaviour. Sinha (2010) furthermore outlines the following elements that need to be considered in order to design a strong organizational culture which helps companies to be enduring and successful (*Figure 2*, adapted from Sinha (2010)):

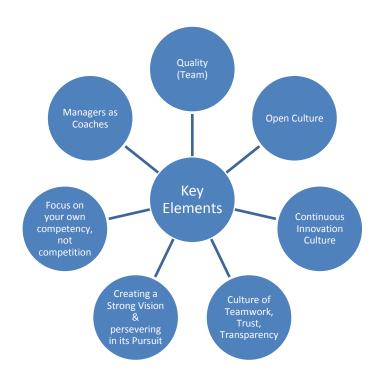


Figure 2: Elements of a strong organizational culture

Finally, to be able to create the stable and effective organizational culture, as Sinha (2010) explains, the characteristics of such a strong organizational culture are described by Schein (2010) as: a proactivity assumption, commitment to learning to learn, commitment to truth through pragmatism and inquiry, commitment to full and open task relevant communication, commitment to diversity, commitment to systematic thinking and commitment to analysis for understanding and improving the world. Furthermore, important characteristics are positive assumptions about human nature, orientation toward the future and the assumption that the environment can be dominated (Schein 2010).



# 2.2.2.4 Change of Organizational Culture

Organizational culture is in a constant state of relative stability as Greenberg (2011) highlights in his book. The environment around a firm changes constantly, like market conditions, emergence of new technologies, competitors and government policies. Such factors force organizations to adapt and change to remain successful. And when an organization's way of operation has to change, its culture has to change as well.

Greenberg (2011) concludes that even if organizational culture is generally constant, it is not unchallengeable. External forces (e.g. workforce changes) and the change of the design of an organization (e.g. mergers and acquisitions) change the organizational culture in certain ways. The degree of change is often determined by how creatively and innovatively an organization approaches an issue.

Cameron (2004) states that there are two main approaches to culture development, a functional approach which assumes that culture arises from shared behaviour, and a semiotic approach which assumes that culture is kept in personal understandings. The functional approach suggests that culture is able to predict other organizational outcomes such as effectiveness and commitment, while the semiotic approach suggests that the concept of culture is not dependent of any other influences. Experts agree that culture binds the people in an organization and represents the ideology that people have of an organization according to Cameron (2004). It guides people and influences the way they act, feel and think. The characteristics of organizational culture are that it is slow in changing, it is a core characteristic of organizations, it refers to indirect, not noticeable aspects of the organization, but most of all it includes core values and unanimous interpretations of the organization (Cameron 2004).

Culture is very hard to measure, as it is intangible and often not apparent. It can be measured however through the model of competing values, as it has been explained earlier. The framework enables an analysis of the underlying cultural dynamics. As an organization reacts to competition, pressure and change over time, it eventually develops a dominant orientation and a specific value set (Cameron 2004; Schein 1996; Sathe 1983). There is strong evidence that the organizational cultures can be accurately described by people using the competing values framework (Cameron &



Quinn 2011). The assessment of organizational culture is facilitated when aspects of the organization are identified which strongly represent the key principles and norms. Members of an organization then get the chance to respond to them (Cameron 2004).

Changing an organization's culture can be very complex, as values and patterns which have been set before are difficult to change, as Cameron (2004) explains. Cameron (2004) describes a set of steps that has been developed through the previous work of other authors and their descriptions of successful organizational culture changes. Changes in the organizational processes as well as in members and their conversations, language, symbols and values will be initiated through these steps listed in the following. Cameron (2004) emphasizes that all of the factors need to be addressed to create enough power to change the organizational culture and turn it over fundamentally. The steps to change and develop the preferred future culture are (Cameron 2004, pp. 7-10):

- 1. "Clarifying Meaning"
- 2. "Identifying Stories"
- 3. "Determining Strategic Initiatives"
- 4. "Identifying Small Wins"
- 5. "Craft Metrics, Measures, and Milestones"
- 6. "Communication and Symbols"
- 7. "Leadership Development"

These stages help to effectively lead organizational culture change and explain activities which need to be taken to help culture change occur. It is important to inform the members of the organization where the company is standing at the moment and where it needs to go. This guideline provides ways to overcome the hurdles that organizations face during culture change and to shape the process more systematically (Cameron 2004). Furthermore, some of the steps can also be adapted to be used in the creation of a new organizational culture.

# 2.2.2.5 Organizational Culture and its Dimensions of Impact

The preceding literature suggests that organizational culture has an influence on many other aspects of human behaviour. Relatively few studies have been



conducted to investigate some of these relationships. Nystrom (1993) found that employees who are influenced by a strong organizational culture are mostly more satisfied with their jobs and are more committed to the organization than employees surrounded by a weaker culture. Lund (2003) found that job satisfaction was higher rated with respondents who work in an organization with adhocracy and clan organizational culture types in contrast to market and hierarchy culture types. However, higher job satisfaction does not necessarily mean higher performance as Deshpande et al. (1993) determined. They examined the performance of businesses which are driven by the four different organizational culture types and ranked them from best performing to worst performing: market culture, adhocracy culture, clan culture and hierarchy culture. Additionally, Wilkins & Ouchi (1983) state that a clear understanding of the company's organizational culture enables members of the organization to make right emergency decisions and function efficiently even under conditions of high ambiguity and zero contact with headquarters, as they explained in a real-life example. Also, Padma & Nair (2009) suggest that – also considering other authors' (Martins & Martins 2003; O'Reilly 1989; Nystrom 1993; Black 1999) research – organizational commitment is an outcome of organizational culture. They examined if the different types of culture are reflected in the different dimensions of commitment. They found confirmative results for that hypothesis which completes Saeed & Hassan's (2000) statement of organizational culture's noteworthy effects on attitudes of members of the organization towards their commitment. Furthermore, Joo & Shim (2010) add that organizational commitment is affected through psychological empowerment and organizational learning culture as well as demographic variables. Jamieson (1985) further on ads, that organizational culture affects the content of trainings, employee relations policies as well as systems used for managing.

It is nowadays widely agreed that the development of organizational culture stems from the leadership of a company on the one hand, but on the other hand, the development of an organization's leadership is affected by its organizational culture (Simosi & Xenikou 2010; Bass & Avolio 1993). Furthermore, Lok et al. (2005) found that organizational culture acts as a mediator between the leadership and employee commitment. The organizational culture has a significant effect on the influence of leadership on the commitment of members of the organization, as Lok et al. (2005)



explain. Moreover, Mahal's (2009) study led to the conclusion that organizational culture and climate are essential factors to raise employee's motivation. Mahal (2009) explains that it is necessary to conduct several activities like workshops and seminars where the members of the organization have the chance to talk about issues relating to the organizational culture or climate in order to raise motivation and performance levels.

Finally, Aldehayyat (2011) found that organizational culture strongly affects the strategy formulation and implementation of an organization. And even though this is the case, many organizations do not conduct an analysis of their own organizational culture. The fit of organizational culture and the chosen strategic directions is crucial for the effectiveness and success of the organization's strategy.

# 2.2.3 Organizational Citizenship Behaviour

Greenberg (2011) describes organizational citizenship behaviour (OCB) as actions which are taken by the members of an organization that go beyond the formal expectations of their job requirements. Such generous and informal actions where individual feelings are put aside to help a colleague are essential for the well-being of an organization and the bonding of the members in it.

# 2.2.3.1 Forms

There are five different forms of OCB as Greenberg (2011) highlights. The five major categories include *Altruism*, *Conscientiousness*, *Civic Virtue*, *Sportsmanship* and *Courtesy*. Actions of *Altruism* are for example volunteering, helping a colleague or switching vacation dates for a co-worker. In contrast, actions of *Sportsmanship* are about doing things without any complaint and not finding fault within the company. *Conscientiousness* is a form of behaviour which is of great advantage for the organization as the members don't miss any day of work, come in earlier if there is a need for it and don't spend time on personal issues. *Civic Virtue*, on the other hand, includes actions such as attending non-required meetings and being up-to-date with new information in the company. The last form of the major behavioural forms in OCB is *Courtesy*, which includes actions such as staying calm when provoked and avoiding problems, as Greenberg (2011) explains.



The actions of the five forms of OCB can be directed to advantage either an *individual* or the *organization*, as the examples show. OCB-I which includes actions directed at individuals, are engagements such as doing a favour for someone or helping them with a project. OCB-O which includes actions directed at the organization, are engagements such as communicating loyalty towards the organization, being tolerant to momentary troubles without complaining and speaking positively about the company (Greenberg 2011).

#### 2.2.3.2 Understanding and Promoting Organizational Citizenship Behaviour

Before OCB can be encouraged and promoted among the members of an organization it first has to be understood as well as its impact on delivery of high quality service captured. OCB is a tool for rapid satisfaction of customer needs. If the delivery of high quality service cannot be assured to the desired level through rules and regulations, another way of achieving the required quality level is to encourage OCB, meaning that employees go beyond what is required and behave innovatively and spontaneously (Raub 2008; Van Dyne et al. 1994). Literature suggests that the engagement is determined (partly) by the organizational context which includes the organizational structure and culture, human resource policies and granted rights to employees (Raub 2008; Bienstock et al. 2003; Graham 1991). Adler & Borys (1996) found that bureaucracy in organizations has a negative impact on organizational commitment and job satisfaction and it also limits innovation. Raub (2008) examined in his study the impact of two elements of organizational structure, namely centralization (decisions are made hierarchical) and formalization (individual decision-making power is restricted by rules, regulations and standard operating policies), on organizational citizenship behaviour. Previous research suggests that if the margin of control of employees is restricted, it will have a negative impact on OCB. This was confirmed by Raub's (2008) study, where he found that a centralized organizational structure has a significant negative impact on certain elements in OCB. Formalized organizational structure however did not show a significant relationship with OCB. The insignificance between OCB and formalization and significance of OCB and centralization might be explained through the fact that centralization is a personal form of control whereas formalization is a more bureaucratic, impersonal form of control. Regarding the organizational and



individual forms of OCB, personal control might have had a higher impact on the sample tested by Raub's (2008) study.

As OCB is understood and it has been recognised that organizational structure has an impact on the execution of OCB, attention can be drawn to influences of more abstract constructs. Tang & Tang (2011) studied the effect of high-performance human resource practices on service-oriented organizational behaviour within the climates of justice and service. Tang & Tang (2011) found the mediating role of the two climates on the impact of high-performance HR practices and OCB through their paper. Human resource practices influence the perception of an organization's members of the way they are treated and what is expected from them and this can consecutively influence OCB positively as Tang & Tang (2011) explain. The justice and service climates as well as high-performance human resource practices were proven to be successful approaches to promote service-oriented OCB, to motivate discretionary behaviours and to establish social climates (Tang & Tang 2011). Further motivation for organizational citizenship behaviour was found by Ma & Qu (2011) and their study about social exchanges. Three categories of social exchanges were tested on a new three-dimensional framework of OCB, including the organizational (OCB-O), interpersonal (OCB-I) and customer (OCB-C) type of OCB. Ma & Qu (2011) explain that the three types of OCB were found to be positively interrelated, so that the suggestion may be drawn that "positive social exchanges in a general sense can motivate employees to go above and beyond their role requirements" (p. 687).

The motivation of employees to engage in OCB can also be looked at in a more abstract approach. Even though the core motivation for OCB comes from within the employees, there are some actions that can be taken to encourage OCB. Encouraging is needless however, if the supervisors themselves don't set an example. It might seem that the following guideline is requiring basic conditions which should be granted in a business. However, often especially these conditions are not in place (Greenberg 2011).

- 1. Be a model of helpful behaviour
- 2. Demonstrate courtesy
- 3. Make voluntary functions worth attending
- 4. Don't complain



- 5. Demonstrate conscientiousness
- 6. Treat employees fairly

## 2.2.3.3 Importance of Organizational Citizenship Behaviour

All disciplines in organizational sciences have an effect on the organizational functioning, and so does OCB. Job satisfaction, organizational commitment and other factors, including OCB, influence organizational functioning in complex ways (Greenberg 2011). Furthermore, OCB can have an influence on recruitment of an organization if positive word-of-mouth is spread that makes the organization appear attractive as an employer. OCB however is nowadays still an informal and unofficial way of behaviour in organizations, even though it makes life more pleasant for everybody. Some companies however, take account of engagement of OCB anyway. Recent studies showed that employees would perceive formal performance appraisals fairer if organizational citizenship behaviour would at least be weighted 30% against core task behaviour. Therefore, it appears valuable to encourage and support the engagement of employees in OCB (Greenberg 2011).

#### 2.2.3.4 Culture affecting Organizational Citizenship Behaviour

Literature about organizational citizenship behaviour suggests that it is important to explore the reasons giving rise to OCB closer, such as its presumed antecedents, conceptual models and possible mechanisms (Wang & Wong 2011). Wang & Wong (2011) examined OCB in a culture-specific framework consisting of Chinese values, organizational commitment and the leader-member exchange. Results showed that people who are stronger influenced by Chinese values, or to generalize by cultural values, are more likely to support quality exchanges between themselves and immediate supervisors and co-workers. The statistical results strongly supported the relationship between Chinese (cultural) values and organizational citizenship behaviour. Chinese people live in a highly collective and distant power culture. It is believed that they might perceive some forms of organizational citizenship behaviour as requirements of their jobs and also perform on a higher level. Furthermore, leader-member exchange and OCB also show a highly positive relationship, which means that the former has a positive influence on the latter (Wang & Wong 2011).



## 2.2.4 A Practical Example: Opening the Taj Mahal

Brownell (1990) describes the story of the opening of the Taj Mahal and how important organizational culture is perceived by Donald Trump, the owner of the hotel and casino. Brownell (1990) says that with the tallest building in New Jersey, Donald Trump created the adults' fantasy playground, the Taj Mahal Casino Resort. Donald Trump understood that a good culture is the key to guest satisfaction and employee commitment. Therefore he created the Taj culture, as Brownell (1990) puts it. He used fantasy as an approach to create culture, as the idea of fantasy often has a much greater excitement and motivation effect on employees and guests as rational visions. Disney is the leading example for this approach. Fantasy has its own features, symbols and meanings which are applied to shape and sustain a certain culture. A strong culture is born with the culture leader who uses different approaches and images to create shared values and assumptions. And so did Donald Trump. He used three different approaches to shape the organization's members' experience: the theme of fantasy, hyperbole and participative management. The employees are treated as performers on stage at the Tai, Trump tries to ensure that the employees are having fun, because bored people are also not good workers, he perceives. And the employees also want to be part of the fantasy. The environment needs to fit into the fantasy idea, and it actually does evoke a feeling of being in another world, a feeling of astonishment and wonder. Donald Trump is well known for his ability to inspire people with his ideas. Furthermore, for Trump, hyperbole is a key element to success. He says that people want to believe that something is the biggest or the greatest. For himself as well, exaggeration is a personal characteristic. Trump proves to be an excellent culture leader through his symbolic management and being a leading example for being inspired. Meanwhile, he also realizes that employee commitment is as important as anything else. A customer, so he believes, will forgive a system failure but he will never forget poor service. Trump uses a participative management method to be close to his employees. This includes fun nights, weekly management-employee discussions, highly valued communication and Trump's regular visits. Employees feel involved, valued and important. And a happy employee with a good attitude will be an appropriate representative of the hotel. Donald Trump brought his vision of the Taj Mahal to life, just like an excellent culture leader is supposed to (Brownell 1990).



# 3 Methodology

In this study, qualitative research will be applied to find answers to this specific research topic of the development organizational culture and organizational citizenship behaviour in a hotel preopening setting form the managerial perspective. As Mack et al. (2005) say, "Qualitative research is especially effective in obtaining culturally specific information about the values, opinions, behaviours and social contexts in particular populations" (p. 1). This statement is especially important as it exactly describes what this thesis is trying to investigate with this type of research tool. Furthermore, Mack et al. (2005) emphasize that other intangible factors like "social norms, socioeconomic status, gender roles, ethnicity, and religion" (p. 1) whose role may not be obvious can be recognized with qualitative research.

Within the broad topic of qualitative research, in-depth interviews appear to be the most appropriate method to investigate the development of organizational culture and organizational citizenship behaviour within one certain professional company. Mack et al. (2005) explain that in in-depth interviews, questions are asked in a neutral manner and the respondent is considered to be the expert, whose entire knowledge and view on a certain research topic is tried to be obtained. The interviewer asks attentively and poses follow-up questions based on responses the interviewee gave. In-depth interviews are usually conducted face-to-face, but in some cases in this study the interviews were conducted via Skype. It is all about "learning about the perspectives of an individual" (Mack et al. 2005 p. 30). Interview data taken for these interviews were tape recordings, notes and typed transcripts.

The interview guidelines for the in-depth interviews were constructed in March 2012 based on the research topic, the literature review and its components. The interviews are built up in sections of personal information, preopening management, organizational culture and organizational citizenship behaviour.

In the following table, the development for the questions of the General Interview Guideline is outlined, upon which the other specific interview guidelines build on. The objective and source of each question are recorded.



Number	Objective	Source
Question 1	receive approval for interview	Own source
Question 2	exact position	Own source
Question 3	interviewee's activities and responsibilities	Own source
Question 4	interviewee's team composition	Own source
Question 5	interviewee's strategy and motivation	Own source
Question 6	guidelines for preopening	O'Fallon and Rutherford (2011); Jones (2008); Ransley & Ingram (2004); Baker (2000); Laventhol & Horvath (1984)
Question 7	challenges fought	Own source
Question 8	project development of Kempinski Hotel Das Tirol	Own source
Question 9	impacting trends in tourism	Bardi (2011)
Question 10	importance of organizational culture	Greenberg (2011)
Question 11	historical values	Greenberg (2011), Schein (1983)
Question 12	Kempinski's core idea	Brownell (1990)
Question 13	culture type definition	Greenberg (2011); Cameron & Quinn (2011)
Question 14	personal implementation practices for organizational culture	Own source
Question 15	tools for organizational culture implementation	Greenberg (2011); Sinha (2010); Schein (1983)
Question 16	developments of organizational culture during the early phases	Greenberg (2011), Cameron (2004); Schein (1996); Sathe (1983)
Question 17	developments of employee's behaviour through organizational culture	Own source
Question 18	personal main components to develop an organizational culture	Own source
Question 19	goals of organizational culture implementation	Greenberg (2011); Aldehayyat (2011); Mahal (2009); Padma & Nair (2009); Mack et al. (2005); Cameron (2004); Lund (2003); Nystrom (1993); Smircich (1983); Wilkins & Ouchi (1983)
Question 20	impact of preopening setting on organizational culture development	Greenberg (2011); Aldehayyat (2011); Simosi & Xenikou (2010); Cameron (2004); Bass & Avolio (1993)
Question 21	impact of national cultural background on acceptance/development of organizational culture	Own source
Question 22	implemented personal values of interviewees	Own source
Question 23	power structure of the business	Greenberg (2011); Raub (2008); Bienstock et al. (2003); Graham (1991)

#### Table 1: Sources of interview questions



Question 24	reason for why the Kempinski approach to culture works	Own source
Question 25	forms of OCB observed	Greenberg (2011)
Question 26	importance of OCB	Greenberg (2011); Ma & QU (2011); Tang & Tang (2011); Raub (2008); Adler & Borys (1996)
Question 27	encouragement of OCB	Greenberg (2011); Ma & Qu (2011), Tang & Tang (2011); Raub (2008)
Question 28	impact of national cultural values on OCB	Wang & Wong (2011)
Question 29	employees possibility to contribute to Kempinski's direction	Aldehayyat (2011); personal

The field work for this study was undertaken in April 2012. The interviews lasted for approximately one hour and were based on questions that were submitted to the interviewees prior to the interview. In total, nine interviews were conducted with experts from the field.

## 3.1 Case Description

Kempinski is one of Europe's oldest five-star luxury hotel groups established in 1897. It differentiates itself from many other hotel chains by considering each hotel to be an individual, there is none Kempinski hotel which looks alike or is presented alike. There are over seventy hotels at the moment, and the number is increasing continuously as there are ten openings in progress. Furthermore, Kempinski generally believes that it established a unique reputation in the hospitality industry through their approaches to problems, innovative ideas, development patterns, people and internal organizational culture. The study was directed to this company due to the special positioning of the hotel within the industry, best practices, example function and particular interest of the author of this thesis.

Respondents from corporate and hotel level in managerial positions were considered. The corporate office of Kempinski SA is located in Geneva Switzerland. The recently opened hotel in focus was the Kempinski Hotel Das Tirol in Kitzbühel, Austria. Emilie Langlois explains that the hotel was a take-over hotel which was redesigned according to Kempinski's guidelines and opened in December 2011. The hotel fitted into Kempinski's development goals to boost the European portfolio. The owners of the hotel have already another property managed by Kempinski and



wanted to have the hotel management company involved in the Kitzbühel property as well. The respondents agree that Kitzbühel represents the richness of Europe and the location is close to the core market of Germany and the site therefore is an appropriate setting for Kempinski.

## 3.2 Interviewees

The respondents interviewed are current employees of the hotel management company Kempinski. Two interview groups were examined, respondents of one group were members of the company working at the corporate office of the company in Geneva and the other interview group consisted of respondents who are working in the just-opened Kempinski Hotel in Kitzbühel, the Kempinski Hotel Das Tirol. In the following section, personal backgrounds of the respondents are outlined shortly:

## **Corporate Office Geneva**

- Siddharth Biswas

He works for Kempinski since March 2006. He was firstly employed as Manager of Strategic Planning and changed then in November 2009 to the position of Corporate Preopening Manager.

- Emilie Langlois

She started working for Kempinski in 2005 as Director of Development until 2008, when she became Preopening Director. And now, since April 2011, she is the Vice President Projects at the Kempinski corporate office in Geneva.

- Marc Feller

He works for Kempinski since the year 2000. He has a revenue management background as a director in the Kempinski Hotel Bristol in Berlin, but changed in 2005 to the corporate office in Geneva. In 2010, he then transferred to the training department as Corporate Director of Essential Training Programs.



## Kempinski Hotel Das Tirol

#### - Henning Reichel

He works for Kempinski since four years as a General Manager. He was running two hotels close to Frankfurt, Germany, the Villa Rothschild Kempinski and the Falkenstein Grand Kempinski until August 2011. Since then, he was relocated to Kempinski Hotel Das Tirol as General Manager.

- August Bachler

He works for Kempinski since July 2011, Kempinski Hotel Das Tirol is his first Kempinski property. He is employed as the Executive Assistant Manager (EAM), the deputy of the General Manager. August Bachler actually is a local from the village of Jochberg, where the property is located. With a strong individual hotel background and F&B background, he is also the main responsible person for F&B issues, because there is no F&B manager per se in the house.

- Christian Schröder

He works for Kempinski since January 2010 and was relocated to Kempinski Hotel Das Tirol as People Services and Training Manager. Before, he was working in the People Services Department in Kempinski Hotel Ajman in the United Arab Emirates.

- Roman Barthelman

He works for Kempinski since nearly five years and is now Sales Director at Kempinski Hotel Das Tirol. Before, he worked in Kempinski Hotel Vier Jahreszeiten as Assistant Manager of Sales, Sales Manager and Assistant Guest Relations Manager.

- Julian Brust

He works for Kempinski since more than seven years and is now located at Kempinski Hotel Das Tirol since September 2011 as Revenue Manager. Before going into operations, he worked in the revenue department in the corporate office in Geneva.

- Benedikt Bodamer

He works for Kempinski since December 2011. Kempinski Hotel Das Tirol is his first Kempinski property, where he is employed as the Financial Controller.



- Sebastian Herzog

He is the most experienced Kempinski employee among the interviewees, because he worked for Kempinski for over 12 years. Kempinski Hotel Das Tirol is his third Kempinski property and he was already involved in two other preopening settings and one take-over during his career. Currently, he is the Rooms Division Manager at the Kitzbühel property.

## **4** Interview Results

Information captured from interviews conducted within Kempinski on corporate level with Emilie Langlois, Siddharth Biswas and Marc Feller and on hotel level in Kempinski Hotel Das Tirol in Kitzbühel with Henning Reichel, August Bachler, Christian Schröder, Roman Barthelman, Julian Brust, Benedikt Bodamer and Sebastian Herzog are recorded in the following chapter. The interview results are structured according to their relevance for the topics of preopening, organizational culture and organizational citizenship behaviour.

## 4.1 Preopening

The experts on corporate level expressed tools and challenges that are influencing the preopening and trends that impact the preopening operations. Furthermore, impacts that the opening of a hotel has on the external environment were mentioned, and also what the workforce during the preopening phase looks like. The management team on hotel level provided first-hand information on all these topics from the preopening phase of Kempinski Hotel Das Tirol and the experts on corporate level outlined the corporate view on the issues.

## 4.1.1 Tools for Preopening

## 4.1.1.1 The Point of View from Corporate Level

As a program for critical path management for preopening in hotels, Kempinski uses a program called *Project Insight*. The experts explain that it is a very interactive and web based tool which includes tasks needed to guide professionals through the preopening process. The program is a step-by-step process visualized on a spread sheet and it acts as a guide for the preopening phase, where all tasks are outlined



and linked together. *Project Insight* contains 1700 key items and a template for Kempinski projects. The template can be adjusted to any hotel opening, only the key dates need to be set and the other tasks are scheduled automatically. Another function of *Project Insight* is the so called "red flagging" for tasks, which warns people e.g. if a task is delayed and thus will have an impact on all other related tasks. There is a monthly conference call with the corporate office, regional offices and the GMs (General Managers) to discuss all the red-flag issues and come up with action plans. This tool is shared with the corporate office, the regional office, the GM and the heads of department, as the experts explain.

Another important tool which acts as a guide to help people to succeed in the opening of a hotel is the preopening budget. Besides, Kempinski also places high importance on establishing a strong vision, a strategy plan, first, so that all actions which have to be taken to achieve the goal are identified. From there, all expenditures are built up and added to the budget. The preopening budget acts like a guide to ensure that the hotel will open with high performance from day one.

Furthermore, Kempinski's central design guidelines need to be considered when a hotel is newly designed or a take-over is happening. It is an extensive document which defines e.g. how many square metres the staff canteen needs measure. It is shared with the owners, architects, and interior, landscape and kitchen designers from the first day.

Additionally, there are two different ways of professional input for preopening. On one hand, there is the corporate based team, which is involved in the project from the day on when the contract is signed. They are an expert team with professionals specializing in F&B, rooms division and other fields and provide advice when the construction phase starts. The team is also involved in recruitment and setting up the departments. On the other hand, there are task forces which are specialists in the field and more hands-on people. They are drawn from all over the world to provide professional support.

Training is another task to be completed in preopening as well. There are two kinds of trainings in Kempinski: the fundamentals and the essentials. The fundamentals are basic trainings that train people in Kempinski values, standards and systems.



These trainings are conducted by the local training manager. The essentials on the other hand, are developed by the corporate team. These trainings are task and job specific, e.g. for front office, reservations or sales. They are conducted by Training Masters, who are selected because of their knowledge and superior performance in their hotels, regardless of their position. They share their own experiences and best practices with the training group.

#### 4.1.1.2 The Point of View from Hotel Level

For the people who were actively involved in the opening of Kempinski Hotel Das Tirol, different tools for preopening played various roles, major ones and secondary ones. A general guideline to set a framework for the preopening phase was supplied by the corporate preopening team in form of the critical path software mentioned before. Furthermore, to frame the activities and development, Kempinski standards, policies and procedures and LQA (Leading Quality Assurance) standards had to be implemented. However, all these tools need to be interpreted and customized for the property – they only set a certain framework and within this framework the managers were able to perform in a flexible and creative way, and rely on their own expertise. Each department developed its own policies and procedures, and all of them had to be linked together. Further help was supplied by the corporate office in form of an expert from Geneva coming to the hotel to set up the finance department and a task force. The management team was relying heavily on the knowledge of the local employees about the region and how things have been conducted previously in the hotel. Still, it was very hard to break up the structure from the previous management structure. The managers experienced a very strong teamwork factor, everything was created out of teamwork and it wouldn't have worked in any other way they say. In some ways, the opening of Kempinski Hotel Das Tirol was facilitated by the fact that it was a take-over hotel and not a greenfield project. Many key elements were already in place, not everything had to be newly bought.

To sum up, what the heads of departments commonly experienced was that there are some guidelines and policies and procedures which define a framework for the property. However, within those boarders there is a lot of space for flexibility, creativity, own ideas and expertise. The general guidelines that set the framework



are supplied by the corporate office, but everything is customized for the property by the people who are on-site. Generally, a hotel opening has to be planned and controlled; there are just too many things to consider. Nevertheless, Kempinski supplies the framework, on one hand but then relies on the management team, their talent and knowledge and give them free rein to bring the property up.

#### 4.1.2 Preopening Challenges

#### 4.1.2.1 The Point of View from Corporate Level

The two main issues for openings of hotels for Kempinski and any other hotel chain are time and money. With time, troubles with meeting the deadlines and delays are the main problem. Delays are not only due to the operator but also contractors and owners. Kempinski has to deal with delays and plan for it accordingly, because delays cost time, and time costs money. Cash issues on the other hand are expenses and costs. The operator fully relies on the owner's capability to finance the preopening and is therefore dependent on him. Management has to deal with owners short on cash and financing issues in general. Also, Kempinski emphasizes the importance of recruitment, which is bound to time and money. It is crucial to find the right talent for the right job, and to hire the person at the right time. The dynamics in a preopening setting are totally different from the dynamics in an established hotel. Kempinski relies on the people who are put into the positions. It is important that they are knowledgeable and experienced in preopening, because in preopening you start from zero, there is no set way of conducting things. Kempinski is not a standardized company. There is high flexibility in doing things and adding a personal touch to everything. Kempinski doesn't want to turn people into robots. This flexibility fact however can be difficult for newcomers, because they don't know where to start. The time of hiring is a tricky issue: to cut costs, owners prefer to hire people at the last minute, but then there is no time for the trainings and to set up the departments. On the other hand, it is important to watch out not to bore people by hiring them too early. Further challenges which come up during the preopening are: the date of opening, which can be challenged and delayed by various reasons, unpaid bills or political issues. When one task gets delayed, all others have to be shifted too. Also, the preopening budget, which is based on the 1700 key items from Project Insight, is affected by delays and rising costs, e.g. when staff has to be paid



three extra months of wages because of the delay. Moreover, quality of construction, approval on quotations and contracting outsourced partners are challenging tasks to be fulfilled. Operating supplies and equipment need to be checked for any snags which are identified by the designers and architects. Likewise, number of coffee spoons, cups, etc. has to be quantified. The operator and the owners often don't consider the same amount to be necessary.

The development of a hotel within the 5-phase process of hospitality facility development can take anywhere between 3 to 5 years, the experts say. The phase of preopening takes 12 months, and a take-over project such as the Kempinski Hotel Das Tirol about 9 months. It all depends on the critical path. Nonetheless, it can happen that there is a 3-year delay on an already existing 3-year plan like it happened at the Siam Kempinski Hotel Bangkok.

#### 4.1.2.2 The Point of View from Hotel Level

In Kempinski Hotel Das Tirol, the management team outlined a few challenges concerning the external environment as well as the internal environment. First of all, Kempinski Hotel Das Tirol is the first Kempinski property in Austria, a totally new product on a new market where the company has not been before. Furthermore, the setting is a mountain village and not a city, which also influenced the preopening procedures and the daily operations. Internally, time pressure and setting up the systems correctly were major challenges in the finance department and front office. Additionally, in front office nobody but the head of department has worked with the Opera system before. It could only be trained two days before the opening because of other disturbances, which was perceived to be too short. When Kempinski arrived at the property, the departments were very unstructured because some of the teams worked for over two months without a supervisor. Regarding recruitment, there was a major issue with the quality of staff because most of them were not used to a big chain hotel structure and have never heard of LQA standards and structured standardized systems. Most Austrian tourism employees have a background from individual hotels. Furthermore, most of them arrived only four to five days before the opening, and again time pressure was an issue and there was no extra time for training and stocking up the F&B outlets. Choosing the right supplies for each of those outlets and developing the conception of them was a challenging



activity for the responsible ones. The focus of the GM however was always sales, marketing and PR. Even if everything goes right during the preopening phase, one should not neglect the major goal to sell the product. People need to book the hotel so that the business unit can produce GOPs (Gross Operating Profits) and revenue for the owners of the property and Kempinski as the hotel management company. Because of all the sales efforts, the hotel achieved an average occupancy rate of 69% for the first month of opening, which was satisfying.

## 4.1.3 Trends in Tourism

#### 4.1.3.1 The Point of View from Corporate Level

Through the increase of leisure time, guests drive much more business into the hotels and eventually employees became therefore more productive. Furthermore, IT has a big impact on hospitality nowadays, needs and wishes of modern businessmen are being taken into consideration in the current GM workshop where a new business centre for Kempinski is developed. New things and trends are always evolving and it has to be taken account of. Infrastructure has always shaped the hospitality industry as well. In the 1960s the swimming pool was the new thing to have and since 1990s, SPAs became a necessity. Outlets like these are rarely used and seldom profitable, but people expect them to be in place. And the same trend is today with iPads and iPods. People expect them to be integrated into the system. Furthermore, trends in F&B are always evolving and Kempinski tries to adapt to them, such as outlets with interactive kitchens.

#### 4.1.3.2 The Point of View from Hotel Level

Specifically for the property in Kitzbühel, the management team outlined that the hotel had an advantage because it was on the market before with a good high-class reputation, so that adapting to trends or creating new ones is the property's own choice. There is less importance to observe the Austrian market for new trends because the hotel was an already established property on the market. However, to be the market leader Kempinski has to be innovative and differentiate itself as well as take a look around the competitors. Offers made for customers nowadays must be easily understandable and bookable without any obstacles about what is included. Furthermore, the highly individual clientele also requires individual offers. Kempinski's clients today experience luxury every day in their life and are extremely



individual. Kempinski needs concepts to respond to their needs, be individual but at the same time transparent and straightforward, the management team says. Furthermore, booking patterns have changed over the last years dramatically: people are much more knowledgeable, they compare offers, they have more experience and they increasingly book at short notice. These trends require a hotel to differentiate itself significantly from others. The hotel perceives that it has to offer a service rather than a product, because the real differentiation lies in the service. Moreover, Kempinski Hotel Das Tirol tries to adhere to the current design and culinary trends. Its à-la-carte restaurant Sra Bua is a Pan-Asian restaurant unique to the region. The Tyrolean cuisine is very common in hotels. Therefore, the hotel adapted the trend of "back to the roots" for its main restaurant Steinberg, where it is all about nature, bio, traditional and regional supplies. Furthermore, the hotel sticks to the current wellness trends. One more aspect highlighted was the issue for management traineeships: most people nowadays who come from universities want to do a management traineeship in order to become a HOD (Head of Department) straight away. They don't understand that the concept and operation of the hotel must first be learned and experienced by each and everybody before becoming a leader.

## 4.1.4 Impacts

Kempinski perceives that the hotels have a certain duty towards the community when it opens in a new location. On the social side, locals need to be involved. In the Kempinski in Bangkok for example, the local children of the community were invited into the hotel to have a look and explore the facility. Furthermore, the hotel has to give something back to the community and engage for example in charity. Good relationships with neighbours also need to be maintained to ensure that everyone partakes in maintaining the local environment. The hotel needs to make sure that they build the hotel in the best ways to protect the environment. Prevention is better than curing because it is much more expensive and difficult than repairing the damage.



## 4.1.5 Work Force

#### 4.1.5.1 The Point of View from Corporate Level

There are always newcomers in newly opening hotels. There cannot be Kempinski people only. On one hand, the local culture is brought into the hotel by employing part of the local workforce and, on the other hand, Kempinski experienced staff acts as ambassadors for the company. If locals do not have enough proficiency, the issue is tackled with task force. Sometimes, there are also local restriction rules which regulate how many experts from abroad can be brought in. And at that point, the task force approach is very valuable. Furthermore, it is important to employ the right person for a job. The Kempinski in Bahrain shows, as an example, that it is very important to have a local security manager, who is experienced in the local environment and the political situation. Kempinski is a very open-minded company where nationalities don't matter and every culture is embraced.

#### 4.1.5.2 The Point of View from Hotel Level

In Kempinski Hotel Das Tirol, there is a good mix of experienced Kempinski staff and newcomers. Most HODs were relocated from other Kempinski hotels from all over the world, other staff was drawn from other Kempinski hotels, taken over from the previous hotel management company or newly hired. The GM (General Manager) was able to build his own team; most other staff was hired by the People Services department and was already in place when the HODs arrived at the property. Regarding recruitment, it was hard to make decisions on the little information available about a candidate, there was not too much time to look for the right person and chances had to be given to people. However, as long as the feeling about a person is right, he or she corresponds to the DNA values and is eager to learn, the person gets a chance, even if the required knowledge is not in place yet. In the Kitzbühel property, it was hard to make the employees understand the companythinking, make them understand that hotel chains have different needs, aspects and challenges than individual hotels. As there is a turnover of almost 200% at the property each year because of the seasonality, it is very hard to develop appropriate orientation trainings. The original 3-day Kempinski orientation was cut down to a 2day session with newly added topics in order to enable people to get a short track through every important topic with Kempinski. For an excellent team, the



management team perceives team approach, motivation, flexible operations, a personal connection between team members and the will to learn as the most important aspects to build an effective team. Still, some key indicators and backgrounds have to be fulfilled before the person qualifies for Kempinski. Regarding the HODs, it is believed that the person on the top of the department has to be the hardest working one, the best role model possible, and a good tutor and listener in order to be able to lead a team of professionals.

## 4.2 Organizational Culture

How important organizational culture is for Kempinski and how it is lived and displayed is understandable through the following chapter. The experts from corporate level focus on the big picture of e.g. role, goals, values, types and tools and practices of organizational culture in Kempinski hotels. The experts from corporate level outline how organizational culture in hotels is planned to be developed and the management team provides first-hand information, of how all the cultural aspects were developed and displayed during the preopening phase and the first few months of the opening in Kempinski Hotel Das Tirol.

## 4.2.1 Role of Organizational Culture

## 4.2.1.1 The Point of View from Corporate Level

The organizational culture factor is a highly important element of Kempinski. Kempinski was forced in some way to analyse itself due to the fast growth in the past years. Through the employee satisfaction survey, it was found that people were not really aware of what the brand stands for. Therefore, Kempinski tried to analyse it's cultural, or so called DNA values, by consulting staff, GMs, corporate and regional employees and even guests to examine the perception of the brand Kempinski. Through detailed research, the five Kempinski DNA values were named:

- 1. People oriented
- 2. Straightforwardness
- 3. Entrepreneurial performance
- 4. Creating traditions
- 5. Passion for European luxury



They describe where Kempinski is coming from, what the employees are passionate about and how they behave. Nowadays, recruitment happens within the framework of these values. The hotels and the preopening phases are driven by these values, because, as they say, Kempinski people are the DNA values. Organizational culture is the most important element for Kempinski. If there is no culture, one cannot be the best in the field. It is an essential driver of the organizational strategy. The mission of Kempinski's organizational culture is "it is all about people".

People are treated in Kempinski as individuals, as people who have knowledge, ideas and personal behaviours. They take decisions on their own because it is part of the organizational culture to be straightforward, people oriented and entrepreneurial. People in the organization take the base of policies and procedures and put on top whatever they think is appropriate and locally needed. It is all about going the extra mile in a personalized way, it is all about people.

#### 4.2.1.2 The Point of View from Hotel Level

In Kempinski Hotel Das Tirol, organizational culture is perceived as one of the major drivers for the hotel. There are so many different nationalities and cultures in all the Kempinski properties, and organizational culture is the core that keeps them all together. The five DNA values form the base for Kempinski's organizational culture. The culture however is not set in stone, but the DNA values are a fundamental factor for the cultural framework and a guideline for behavioural norms. Nonetheless, the organizational culture is individually developed in an appropriate way for each property within the set frame. It enables people to communicate on one common level. The success, however, depends on the ability of implementing, using and living up to the five core values. At the Kitzbühel property however, concerns raised that there was a very too lead time to understand everyone's feelings and behaviours, and therefore the team is still in its development phase. Furthermore, experienced Kempinski people at the hotel were perceived to be very good ambassadors, they lived up to the culture and shared it with co-workers. The GM as well embodies the values and plays a role model in the cultural environment. The management team understands that culture does not happen overnight, it has to grow and develop over time. In such a hotel where seasonality is a highly influencing factor, the organizational culture lives and dies with the people who are working in



management. In this respect, the trainings for organizational culture are of high importance in order to build an effective front-line team which is changing completely two times a year. Furthermore, nowadays employer branding is a crucial factor for employees when choosing the employer. The hotel is trying to position itself as an attractive employer and part of this is how employees perceive the company, how the company treats the employees and what the spirit within the company is. And all these aspects are dependent on Kempinski's organizational culture.

#### 4.2.2 Goals of Organizational Culture

#### 4.2.2.1 The Point of View from Corporate Level

One goal of the organizational culture is to make people understand where Kempinski comes from, where the company wants to go and what has to be achieved. Another, maybe more important goal, is to make them understand what Kempinski stands for so they can understand what is expected from them and in what way to service the guest in the end. Furthermore, Kempinski wants to convey a sense of belonging to the employees. Even the CEO, Mr Reto Wittwer, engages in it. He travels to nearly each opening of the hotels, shakes hands with everyone and talks to everybody. Investing in people is one of the most important things for Kempinski in order to enable employees to feel as being one with the company.

#### 4.2.2.2 The Point of View from Hotel Level

The management team at the hotel perceives that organizational culture encourages people in wanting to achieve certain goals, get to the next level and guide them into a certain direction. Organizational culture is about the values are represented internally and externally. Moreover, the goal of organizational culture is to set guidelines for behaviours, how to act and react, how to treat people and guests, being service oriented and naturally helpful, being open-minded and embrace all cultures. Furthermore, organizational culture wants to make people feel like being at home, make them understand in what environment they are, what they can expect, what the company is about and that they are supported to achieve their personal goals. Kempinski is a big company with many properties, and organizational culture is the core that connects all Kempinski properties with one another, even though each property is individual, as outlined earlier. The management team explains that



organizational culture is not something that is needed for a company in order to survive, but it is a luxury to have and it improves the loyalty, performance and turnover. As a final point, the GM strives for "Professionalism" and encourages it in every department and position. Everyone is and has to be a professional, always knowing what to do and being open and fresh when talking to guests. Through these prerequisites, skills and fun for the job are developed and the overall goal is achieved, the "simplicity of being" as the GM describes it.

## 4.2.3 Values of Organizational Culture

#### 4.2.3.1 The Point of View from Corporate Level

Although the Kempinski family has nothing to do with today's Kempinski company anymore and the modern vision of Kempinski was rather brought in by the CEO Mr Reto Wittwer, what was taken from the past and from the founders and kept intact is the passion for European luxury. For Kempinski, this value is deeply embedded in each employee. It enables them to deliver a luxury experience to their guests, which is shaped by European values, European understandings of luxury and European styles of conducting certain things. European luxury has always been the driver of the company and the most common cultural element kept from the past. Emilie Langlois says "European we are, and European we will remain". It is the passion for European luxury.

The most, Kempinski holds its people in high esteem; it actually is all about people. Kempinski as a company that provides management knowhow and this comes from within their people. It is a company for hoteliers, not owners, as also the logo says. Siddharth Biswas explains "if you have the right people and the right culture, you got it right".

#### 4.2.3.2 The Point of View from Hotel Level

The values of organizational culture which were kept since the company was founded are service, high-class hospitality, tradition, European luxury, individuality and appreciation of culinary delights, the hotel management team says. Even though the company was transformed through the last century and adapted to the modern times, there are still former values on which the organizational culture is based. Furthermore, it is perceived that the basic idea of Kempinski, the core idea around which everything is built is European luxury, European service culture and



individuality. The values which arise from organizational culture that are most apparent on hotel level are named as being people oriented, straightforward and individual. Further values are passion and service, tradition and identification with the region. The hotel staff says that the core values of the company are the same all over the world, but the way they are implemented, represented and lived differs from company to company.

Next to the company's values, each head of department also brings his own values into the team which they implement. Some of them were named as trust, respect, punctuality and transparency, honesty, being a role model and taking the time to talk to people. Quality does not just happen by itself, they say, and implementing their own values in order to achieve the goals is one freedom which the management team gets from Kempinski. There is no need for additional values apart from the DNA, the management team comments, it covers nearly each situation that could happen. It is perceived that in order to operate in an effective way, flexibility and individuality in conducting the daily business is a must.

#### 4.2.4 Competing Values Framework

#### 4.2.4.1 The Point of View from Corporate Level

Clan culture is the type of culture which describes best Kempinski's organizational culture, the experts say. It is all about talent and people and it is one of the fundamental approaches Mr Reto Wittwer implemented. Kempinski hires people alongside the DNA values, the company is committed to people, success, and hiring the best talents. For Kempinski, the success lies in their people. They are prepared with one of the best talent forces for their future properties that will ensure the success of the business. People are the essence of the business, the newly hired ones and the groomed ones. Besides that, Kempinski also invests in itself, its channels and web channels. The company seeks not to be standardized, but there are indeed policies and procedures in order to ensure quality standards and convey the European culture and luxury sense. They act as guidelines in the growing company for operated properties and during preopening. However, there is still a lot of flexibility to add the local and personal factor.

The experts however note that also many characteristics from adhocracy culture also cut into Kempinski's culture like flexibility, being adaptable and innovative.



Flexibility is a key element for a company which is not standardized. For example, an approach which worked in one country well does not necessarily have to be successful in another one. Also, individuality is highly treasured in the company. People should be different because then different cultures and experiences, inputs and insights are communicated and shared. This results in better team outcomes. Furthermore, empowering is a central element, people are encouraged to find their own solutions and therefore become better managers and leaders for the future.

#### 4.2.4.2 The Point of View from Hotel Level

For Kempinski Hotel Das Tirol, the most named culture type was clan culture for the following reasons: people rely on teamwork, the DNA values were defined, individuality of hotels with a connection through the core values, being people oriented, people bringing their own values into the company, talent management, open-mindedness, straightforwardness and highly valued individual approaches. The second most named culture type was adhocracy culture for the following reasons are observed in the hotel: flexibility to handle things, adapting to external environments, being future oriented, having new ideas and being innovative. However, hierarchy culture and market culture were named a few times as well because there are always some characteristics of those types of cultures in the departments. Regarding hierarchy culture, a certain degree of structure is needed to spread responsibilities and create stability. Market culture is important because the market and external co-players have to be observed. The management team however displayed, that every department has a different mixture of these elements, for example the front office and housekeeping departments have a strong focus on clan culture, whereas the F&B department has a stronger focus on hierarchy culture. It depends on the operations of the department on one hand, and on the other hand on the background of the people working in the department. For Kempinski Hotel Das Tirol it is the clan culture, for the Kempinski Hotel Ajman in the United Arab Emirates on the other hand it is the hierarchical factor that plays a greater role. This mainly is dependent on people's cultural backgrounds. For the property in Kitzbühel however, some perceive that the common culture type for the whole hotel has not been developed yet, this will be dependent on the GM and EAM (Executive Assistant Manager). For a hotel with such a big seasonal impact and high



turnover of staff however, there will probably have to be a stronger hierarchical factor, they say.

## 4.2.5 Cultural Approach in Management

#### 4.2.5.1 The Point of View from Corporate Level

A cultural approach is used in Kempinski's management, the experts confirm. The GM's are the ambassadors and then the culture goes through all the levels. The cultural approach is linked to the company values, the DNA values. It took Kempinski a bit longer than other companies to name their values, but the DNA values, they say, imply that it all is in the blood and it has always been there. It is the company culture, it is Kempinski.

#### 4.2.5.2 The Point of View from Hotel Level

The management team says that Kempinski's cultural approach to management works because the people who work for Kempinski are different from others, it all depends on their people, they say. And this is what differentiates Kempinski from other companies. There is enough space for everyone to find himself within the company; there are no limitations for one's personality, nationality and culture. However, the cultural approach had to be examined in detail first, because a culture only works if it is good, if it makes sense, if it is lived and if there are good role models and ambassadors representing it. Moreover, training is essential to understand the company values, people have to live up to them every day in order for such a company and its culture to function. Nationalities in general are not an important factor for organizational culture. However, the characteristics of each person's background have to be understood and levelled out, the management team says, in order to work together efficiently. Fortunately, the five DNA values can be stretched out so that they can be applied anywhere in the world and management styles can be adapted to the local characteristics too.

### 4.2.6 Tools and Practices for Implementation of Organizational Culture

#### 4.2.6.1 The Point of View from Corporate Level

To set the basic environment of the organizational culture, it is important to know that the organizational structure of Kempinski is a very basic and simple organization



chart. Nonetheless, the experts say that a high quality team is the most important factor. One has to invest time and money to find the right talent, but it is certainly investing and not wasting time and money. Good talent comes at a price, but the teams eventually achieve superior performance levels in the long-run. An open culture towards suppliers is of secondary importance, they say, safe and long-term relationships are very important, but suppliers should not be treated the same way as employees, the experts say. The culture of teamwork, trust and transparency is a crucial element for good functionality and efficiency of operation. But first of all, there has to be a strong vision developed so that everything else can be built upon. Usually the vision is developed 12 to 18 months prior to opening, upon which the preopening strategic plan depends, the experts say. The vision is one of the most important tools to drive your team, it always has to be in the back of everyone's head and determine the actions. However, there is the possibility to change it if it doesn't work. The focus of operation is external as well as internal: on the own competency internally and on the competition externally. If the goal is to be the market leader, competition has to be taken into account to a greater degree. However, Kempinski is not a follower, the goal is to be the pioneer and therefore focusing on the own competency is highly important. Furthermore, to guide the team, managers are coaches in some ways, but not in the traditional meaning. They are to groom their subordinates and act entrepreneurial. But empowerment is an important part of the Kempinski culture as well. Employees are encouraged to be entrepreneurial, to think out of the box. Still, there are some policies and procedures to put quality standards in place. There will be an increase of such P&Ps in future because of the growth of the company, but there will still not be any on-the-job policies and procedures. The reward systems for employees differ from hotel to hotel; it is very dependent on the local legislation and culture. But to achieve rewards, the company philosophy must be understood. The company values are shared with employees by telling example best practice stories from other employees. Nevertheless, legends and myths are not used. Kempinski prefers being a straightforward company, telling people the truth and make them remember the reality. The DNA values also influence the recruitment of new employees. They should fit the company and need to correspond with the DNA values as well. For employees, certain behaviours of managers which suggest what is valued are



empowerment and charismatic leadership. Also, the promotion of employees takes place in a very democratic manner, where the GM suggests 2 to 3 "number twos" in his management structure and sets the requirements needed for the position. Internally the requirements and suggested employees are matched.

The focus to develop an appropriate organizational culture lies on a few different crucial factors, the experts explain. Individuality, sharing knowledge and being ambassadors are essential. Furthermore, training in policies and procedures is certainly important, but even more important is to select the right talents and conduct follow-up trainings. What, unfortunately, is often forgotten in the field is to celebrate success. It is important to recognise someone's achievement and rejoice it accordingly. Also, empowerment and enabling people to make their own decisions is central. Further approaches to implement organizational culture successfully are: training, management retreats, staff parties and celebrating birthdays. These actions bond people close together, give them a feeling of belongingness and make them happy to work for the company. Principal to everything however are the Kempinski DNA values. The DNA values need to be adapted to each property and location so that they make sense anywhere in the world.

#### 4.2.6.2 The Point of View from Hotel Level

In order to get the people pull on the same string, Kempinski Hotel Das Tirol was implementing strategies and goals, which were shared with the team, discussed upon and eventually understood. There was no specific time to develop an organizational culture explicitly during the preopening phase, but it all came out from the intangible force that organizational culture embodies. Also, common sense, people knowing each other very well and teambuilding conducted during operations were facilitating factors. All management team members agreed however, that the 5 values that are outlined in Kempinski's DNA, they are central but need to be adapted to each individual property, which was done at Kempinski Hotel Das Tirol as well. Then they have to be trained and understood by every staff member of the hotel. This was done in an on-boarding session of the team, where the DNA values were discussed. Furthermore, the HODs were taken on a weekend DNA session by the GM in order to make them able to live up to the culture, be an ambassador and a good role model. Also, the GM's role is crucial when organizational culture needs to be



implemented: he is the major example model upon which everyone orientates himself in how to behave in certain situations.

Tools used to enable the organizational culture to work were hiring the best talents for each position available. The recruitment of staff does not only depend on the information gathered from CVs and interviews, but it is about the attitude of the candidate, about his will to learn, being motivated, having an understanding of the European service culture and Kempinski's clientele and their needs and wants. If a person is "Kempinski-like" he or she gets a chance. The most important factors are the will to learn and the personal connection with the candidate, everything else can be trained. In Austria, the process to attract high quality people is still in its beginning phase because big chain hotels are not very popular and the brand still has to enhance its reputation in the new market. Also, an open culture towards partners and suppliers is understood in different ways in the hotel. The opinion about talking about partners and suppliers in the same way as about the employees polarises the management team however. What everyone agreed upon is that relationships with partners need to be based on partnerships where both partners contribute: then it becomes a key important partnership. And the same counts for employees. In both cases, professionalism is key important as well as good prices, quality and product. Additionally, the innovation culture has an increasingly important role in the hotel. There was a Kempinski-wide GM innovation workshop and at the hotel level there is now an innovation committee. The hotel has to come up with new ideas and strategies and be innovative in order to adapt to and form the future hospitality business. Innovation in hospitality is difficult topic, the management team says. Also, a preopening setting is the wrong place for innovation because there the focus needs to be on the main tasks. The team at the Kempinski Hotel Das Tirol is a very young one, spirited and motivated. Everyone is very openminded, has an open-door policy and the communication has been open, trustworthy and transparent from the beginning. Everyone pulled on the same string from the beginning, without actually implementing anything, the team worked perfectly together. For the preopening phase such effectively working teams are key important. Also, when giving away responsibilities, the supervisors need to trust their subordinates who have to be transparent and trustworthy, because the supervisor can simply on control everything. A basis to form this trust-relationship



between the team, a strong vision is central, the management team says. It serves as a guideline for behaviour and direction. A clear vision enables everyone to understand and join the collateral goals. Furthermore, it is a must to develop a strong culture, which is only possible when there is a focus on the mission and vision of the hotel, the hoteliers say. For Kempinski Hotel Das Tirol there is the clearly defined vision "to be the first property on the market". And all interviewees emphasized that everyone aims ambitiously for this goal. The focus of the hotel is however inwards on the own competency as well as outwards by observing the market. Kempinski as a company is a pioneer when introducing hospitality to places where not many have heard of before, the hoteliers say. The Kitzbühel property is focusing inwards because they want to have an individual style, the offer which was created independently from the external factors and the specified clientele which is adding to the area's portfolio. Externally, the property has to check prices of the local competitors, listen to the local experts who are used to seasonality and be open to adapt new ways of conduction if they are superior to the existing ones. The only thing during the development of the property which was based on an external analysis is the Pan-Asian à-la-carte restaurant Sra Bua which is unique to the region. Focusing on the leader's position in the department, the management team says that both kinds of leaders are needed in a hotel, the old-fashioned leaders and the modern leaders who are more consultants. It depends very much on the people who have to be guided. Young managers, as the ones in Kempinski Hotel Das Tirol, often prefer to use a team and coaching approach and therefore the hierarchy and organization chart in the hotel is very flat and of secondary importance. The freedom to structure one's own processes individually is granted by Kempinski. However, everything has to happen within the frame that the DNA values form. They have become formal statements two years ago, along with company policies and procedures, and LQA standards. To convey the DNA values to employees and make them understand its importance, each value is delivered through a best practice story. Stories are used because people tend to remember stories more than facts and figures. The communication between employees is not based on a special "Kempinski language" even though it is perceived by some management team members as having a greater leisure aspect to it than in other companies. Only a few terms are special to Kempinski like the DNA values and the change of the term HR to



People Services. To motivate people, some departments offer a reward system or incentive scheme. It is individually organised by the departments. Most of the goals are based on performance and figures and the objectives are set through financial, quality and performance goals. Some organizational procedures used for developing organizational culture are the fundamentals and essentials trainings with Training Masters, the Pathfinder system for people development, Kempinski standards and LQA standards and the *Teaming* platform for employees to portray stories, to chat and to discuss. Recruitment was addressed in earlier chapters already, but the major criterion for hiring is the big picture, attitude and passion of the candidate. The questions in interviews are based on the DNA values, but the important thing is who the person is – and he or she can fit to the company by style, quality or personality. When promoting people, one of the tools used to assess if the person is ready for promotion is TTTT (Time To Talk Together), which is a face-to-face meeting with the supervisor to talk about every aspect of the professional career, the goals and personal issues. Other indicators for promotion are quality delivered, broader business knowledge, flexibility, leadership skills, interaction with colleagues and guests and handling difficult situations, criticism and defects. How the managers at the hotel show what behaviours are valued are to reward and recognise team effort and achievement, thank the team, assign people more tasks and responsibilities, appreciate input and ideas, look into the future, be a team player and be pro-active. The physical design of the hotel is intended to convey a certain atmosphere and vibe to the employees as well, and connect their internationalities with the local region. And when focusing on the physical design of the hotel, the management team says that the hotel wants to create a European-Tyrolean atmosphere, and display a European traditional-modern Tyrolean property with an alpine-chic style. It is a modern leisure destination, which is open and easy with a mixture of luxury and leisure. The design of Kempinski Hotel Das Tirol sticks with the typical Kempinski design of including local attributes and the international European influence.



# 4.2.7 Change of Behaviour during Preopening and Development of Organizational Culture

#### 4.2.7.1 The Point of View from Corporate Level

During preopening, there is a significant individualistic culture. People are working together at the same time, going out together for a drink, basically being like a family. When the hotel eventually opens, the socializing is reduced because of the shift work, but the closest relationships and friendships between employees have already been formed by then. This culture goes, unfortunately but naturally, away after some time and this reduces the camaraderie between people. However, the implemented organizational culture from Kempinski intervenes here.

#### 4.2.7.2 The Point of view from Hotel Level

The preopening phase is a very intense time, the management team describes, where everyone gets to know each other very well and works strongly together as a team. In the beginning, there was a very social culture where people were spending time together, but when the busy time of the preopening and the season arrived, the social component decreased. Now, after the busy time of the season, this aspect rises again. Organizational culture is a teamwork exercise they say, and staff accommodation is a major proof of culture a working: when people are able to live under one roof and behave in private time as well, then a well-functioning culture and communication is in place. Culture does not start and end at the entry doors of the hotel. The management team of the hotel is a very strong unit now and this is also represented throughout the hotel. The actual development of organizational culture depends on the departments, the GM and the regional setting, the management team says. They all have to live up to the values and be role models in order to encourage the organizational culture in the whole team. The major challenge during the preopening was communication because the core factors were not in place yet and the HODs had to concentrate on operations first. This however also developed and improved over time. When the whole the staff team for the hotel arrived close to the opening day of the hotel, it was naturally harder to implement the five DNA values. However, there were not many pro-active efforts to insist on a culture, it was more driven by having role models and ambassadors to represent the culture. Because the management team is young and ambitious and



many of them worked with Kempinski before, they already understand the culture and have common goals and therefore the organizational culture was very strong from the beginning on already. Over time, the organizational culture grew and got stronger as well as the spirit and motivation.

## 4.2.8 Differences: Preopening Hotel and Established Hotel

#### 4.2.8.1 The Point of View from Corporate Level

It is easier to implement an organizational structure into a new hotel than into a take-over hotel, the Kempinski experts say. Employees from the take-over hotel are mostly kept, sometimes even the GMs are retained. Changing the old organizational culture is a graduate process over several years. It is particularly difficult in Europe and with Europeans – and generally people from developed countries – they are very opinionated. They get into a conflict zone of how things were running in the past and how Kempinski intends to change them. Over time, employees themselves realize that they do not yet understand the new culture fully and want to adapt themselves to it. Conducting organizational change, however, is a different approach to the one to implement an organizational culture into a newly opening hotel. In opening hotels, everyone is new at the property. Implementing new values is easier in such a group of people with several tools commented on by the experts earlier in this chapter.

#### 4.2.8.2 The Point of View from Hotel Level

In Kempinski Hotel Das Tirol, the implementation of the organizational culture was quite easy and it also developed in some ways by itself. There was no force to get through with all the trainings as soon as possible, but the major factors were being good role models, living the values and for Kempinski experienced people being good ambassadors. Compared to the Kempinski Hotel Ajman, the rigid and stiff structure makes it very hard to change any aspect of the local organizational culture, because it can have a major impact on people's comfort zone. Furthermore, another challenge is that in some environments certain European values such as straightforwardness might cause cultural issues, such as impoliteness.



## 4.3 Organizational Citizenship Behaviour

The shorter topic commented on by corporate experts was organizational citizenship behaviour. Information about how important it is, what forms appear, how it is influenced by employees and how it influences employees from the corporate view point is provided. How it actually was embodied and how it was displayed in a real hotel opening example is described by the management team from Kempinski Hotel Das Tirol.

## 4.3.1 Forms of Organizational Citizenship Behaviour

#### 4.3.1.1 The Point of View from Corporate Level

Forms of engagement in OCB observed within company are pointed out by Kempinski as the following ones: especially during preopening, the peer-to-peer (OCB-I) actions are particularly important. Everyone is running against time whereas in an established hotel the main concern is the satisfaction of the guest. People have to help each other to be able to complete all tasks on time, staying longer, coming in earlier and taking over somebody else's work are some behaviours which are observed in this setting. Such behaviour is needed in preopening because issues which have to be overcome appear constantly, such as an incident which happened at the Siam Kempinski Hotel Bangkok where the carpet in the lobby was still covered in plastic and dirt, only two days before opening. Eventually it had to be cleaned by people from all departments, as the ones responsible for it didn't make it. These incidents can happen anywhere to anyone, and people have to act as a team. Managers need to be an example, the experts say, and this is what Kempinski employees value. Using the previous example again, senior managers were playing pop music in the hotel and bringing pizza to keep the workforce happy for the last two days of preparation before the opening of the hotel. Kempinski emphasizes that if not managers are engaging in OCB, who else will. And employees' OCB is triggered by the managerial example behaviour. However, it also has to be considered that such behaviour can only happen in an environment where everyone feels like a family and has a certain emotional belongingness to the company. This environment is particularly encouraged in a preopening setting as described in the chapter before.



Furthermore, people who embrace the organizational culture, the entrepreneurial aspect of Kempinski and empowerment, are the people who are more likely to engage in OCB. The reasons are numerous: they are company focused, team focused, hotel focused, make sure that their departments are safe and the guests are satisfied, and that they go beyond expectations of guests and colleagues. All these are characteristics which enable the best OCB development towards individuals as well as the organization. OCB towards guests is taking place when employees are going the extra mile. It is a highly valued element where innovation and entrepreneurial thinking are applied by employees. People tend to arrive early, take initiatives on the spot, share ideas, and don't only go by the quality standards, but also add their own personal inputs.

## 4.3.1.2 The Point of View from Hotel Level

In Kempinski Hotel Das Tirol, OCB is displayed in different ways. The most prominent one is overtime of working hours: nobody leaves until the job is done. Furthermore, helping colleagues, taking time to answer questions, strong partner behaviour, going the extra mile, loyalty to the company, the way employees behave with guests and colleagues, and creating the "WOW" effect are other organizational citizenship behaviours observed at the hotel. Any type of organizational citizenship behaviour is perceived as a normal behaviour in the hospitality business, the management team says, it is something normal in the industry and also required in a way. However, engaging in it is based on a voluntary basis. As long as the right people are on board, such positive behaviours happen automatically.

## 4.3.2 Importance of Organizational Citizenship Behaviour

## 4.3.2.1 The Point of View from Corporate Level

OCB is a very important element in the conduction of business. It is a key element for Kempinski as the experts agree. Kempinski values OCB highly: spoon-feeding people is not an option at the company; people are encouraged to operate freely and take their own decisions. And these decisions include organizational citizenship behaviour. If the right culture and the right people are in place, this will naturally evolve.



## 4.3.2.2 The Point of View from Hotel Level

Organizational citizenship behaviour is essential in any hospitality business, the management team explains, and it is a life saver for the whole industry. It is important to differentiate yourself, and with employees engaging in OCB this is possible. Furthermore, positive behaviour like spreading positive word of mouth is essential, because the company is growing very fast and needs to attract competent people for the future. OCB is an important element which shapes how culture is lived in the hotel. OCB is perceived as being something European: it is an element of the European culture to be polite, friendly, welcoming and courteous. And this European hospitality is a major part of the Kempinski culture. Furthermore, OCB is something that is seen from outside, guests recognise it and appreciate it very much. And employees also understand that it is not about getting something out for oneself, but it is about doing something positive for someone else.

#### 4.3.3 Encouraging Organizational Citizenship Behaviour

#### 4.3.3.1 The Point of View from Corporate Level

As mentioned before, one factor is that managers need to be an example. An encouraging environment for organizational citizenship behaviour is formed by the development of organizational culture, development of shared values and the feeling of belongingness. The stories that truly happened to employees are portrayed on the staff news and on the *Teaming* DNA website, and they inspire all other Kempinski people.

#### 4.3.3.2 The Point of View from Hotel Level

OCB is based on a voluntary basis and it occurs when people like what they are doing. With organizational culture, employees understand immediately the cause why the hotel wants to go into a certain direction, and adapt to it. However, for OCB to occur, the management team thinks that the right team is a prerequisite. How the hotel actively encourages OCB is leading by example, being a role model, living up to the rules and values, having the DNA as a guideline and best practice model, impersonal talks to establish a strong relationship between employees and changing the conduct of certain tasks if necessary. Furthermore, OCB is a peer issue as well: if all other colleagues are doing the extra step, there is a kind of peer pressure to follow the example of their colleagues. OCB is one of the reasons why Kempinski has



one of the best concierges of the world among their work force. For the hotel people, on one hand it is a kind of behaviour that is normal for the hotel business and on the other hand it is also a European core value, and therefore also a Kempinski value.

## 4.3.4 Cultural Background and Organizational Citizenship Behaviour

## 4.3.4.1 The Point of View from Corporate Level

National cultural backgrounds do have an impact on organizational citizenship behaviour, the experts believe. However, people working at Kempinski are different; it is people that believe in the company culture and through that, engagements in OCB happen automatically. The way how OCB is executed can vary according to cultural backgrounds, but this behaviour comes from within the people on a voluntary basis. The experts believe that on a global level, there is no difference in engaging in OCB. Kempinski embraces all cultures and nationalities and deals with them in an appropriate manner.

## 4.3.4.2 The Point of View from Hotel Level

The management team agreed that there are indeed differences of engagement in OCB regarding cultural background. However, what makes the biggest impact is a person's personality. It is important to have a good mix of cultures in the hotel, because then people can learn from each other's cultures and adapt values that are relevant for one's professional life. The European behaviour to engage in OCB is due to the fact that Europeans are used to have only one job at a time, it is their profession and passion and they do everything to become better in it. The management team furthermore says that behaviours based on the cultural background cannot be changed from one day to the other. First, the managers have to understand why people behave in a certain way and then assess if it fits the company or not and if it should be changed. The nationality influences when and how people engage in OCB and how deep the interaction with the person opposite is. Different cultural backgrounds are a challenge on one hand, but on the other hand also an opportunity. For the management team it is this factor that makes hospitality interesting: catering to different cultural levels, backgrounds and needs.



## 4.3.5 Employee's Contribution to a Hotel's Direction

#### 4.3.5.1 The Point of View from Corporate Level

Employees can contribute to the direction of the hotel in different ways and they are also encouraged to do so. Values that are lived by Kempinski people present the importance of everyone in the company. Empowerment enables people to make their own decisions, individuality enables them to add their personal factor, the innovation approach and the value of entrepreneurial behaviour encourages them to be flexible, creative and have own ideas. It is very important for Kempinski that everyone contributes to the direction the hotel is moving to. The employees are part of the company and their ideas are appreciated as well.

#### 4.3.5.2 The Point of View from Hotel Level

In Kempinski Hotel Das Tirol, employees are perceived to have significant impact on the hotel and how the hotel develops. However, employees first need to understand the vision, product, customers and goals of the hotel in order to pull on the same string together. Then, ideas are developed and it is the HODs duty to acknowledge them and bring them forward. There is a huge think tank in each company, but people sometimes need to be stimulated to share their ideas, the hoteliers explain. There is never a wrong or right when it comes to ideas, each idea and opinion is valued and taken into consideration. Everyone at the company has the feeling to be allowed to speak, and this is what enables an active and positive communication. Everybody has the possibility to put the hotel into the right direction and contribute, they say. The employee is perceived to be the face of the company, and when the company culture is understood and incorporated within the employees, they live up to the values and create a special intangible atmosphere which is immediately recognised by guests and differentiates the hotel from others. By that, quality level, service level and friendliness are present automatically. Everyone is responsible for this atmosphere. Therefore, the GM, for example, dines every day in the staff restaurant to see, hear and get a feeling for the people working for Kempinski Hotel Das Tirol and mix with them. When the teams are working together efficiently and positively into the same direction and this special, earlier described atmosphere is present, then an image of a destination within the guests can be changed and enhanced dramatically.



# 5 Discussion

In this chapter, the results captured from the nine in-depth interviews with Kempinski employees are discussed and compared to previous research and literature. Prior to this study, little research has been conducted, which connects the organizational behaviour sciences with the preopening setting in the hospitality industry. Specifically for a high-class hotel management company as a case study, no research has explored the interdependencies of the areas yet. In this section of the study, these interdependencies of the three fields will be examined.

#### • Preopening Management

First, this study found that some tools described in literature to guide the preopening team through the preopening phase of a hotel are used in the case of Kempinski as well. Kempinski uses a program called *Project Insight* for the critical path management, central design guidelines, fundamental and essential trainings and preopening budgets as guidelines for the preopening process. These tools are consistent with the briefing document, blueprints, staff plan and preopening budget described by O'Fallon & Rutherford (2011) and Ransley & Ingram (2004). Though, the preopening budget is handled in a different way as proposed by the literature: it is based on a strong vision in order to identify the goals and tasks to be taken. Furthermore, tools used to pass the preopening phase successfully, named by the corporate office and team from Kempinski Hotel Das Tirol, are professional input from a corporate based team and from task forces. Further tools specified were implementing Kempinski standards, policies and procedures and LQA standards, relying on teamwork and counting on local knowledge from local employees. The management team of the hotel in Kitzbühel, which was part of the case study, experienced that through the guidelines and policies and procedures supplied by the Kempinski corporate office a certain framework to work within was defined. Nevertheless, the operations inside these borders are flexible, creative and shaped by personal ideas, talents, expertise and knowledge. Also, this framework can be adapted to any property of Kempinski, so that the guidelines are applicable on a global level, because they can be stretched out and customized for each individual property as well.



Various authors (O'Fallon & Rutherford 2011; Ransley & Ingram 2004; Laventhol & Horvath 1984) mentioned in the section "Guidelines to Preopening" numerous tasks and key items that have to be completed in order to achieve a successful opening of the hotel. All these tasks however are subjects to issues which can come up during preopening phase of a hotel. In the case study, the company found itself challenged by two main issues: time and money. Deadlines, delays, cash issues and financing issues in general are connected. Any delay costs time, and time costs money. The preopening budget therefore needs to be adapted. Recruitment also depends on time and money regarding the draw of talents and dates of employment. The company relies heavily on the talent of employees, and therefore it is essential to have enough time for recruitment. Furthermore, issues that have to be dealt with during preopening are: political issues, quality of construction, approval on quotations, contracting outsourced partners and checking and quantifying operational supplies and equipment. To deal with those issues, there are three to five years of time for a greenfield project to pass through the whole 5-phase process of hospitality and facilities development proposed by Baker (2000) and for a hotel take-over about 9 months, like for the Kempinski Hotel Das Tirol. However, the first three steps can be skipped in that case. Highlighted challenges which the case of Kempinski Hotel Das Tirol had to deal with are the fact that it is a whole new product on a new market by being the first Kempinski hotel in Austria. Furthermore, the mountain village setting brought some logistical problems with it. In the property, the prominent preopening issues of time pressure, setting up systems correctly, choosing the right suppliers, employees' experience on certain systems and time for training appeared. Also recruitment posed its challenges with quality of staff and their expertise for international hotel chains. And finally, sales, marketing and PR's challenging task was to convince guests to book the hotel in order to succeed with the property.

Trends in the tourism industry impacting the case of Kempinski were named as trends in increase in leisure time, importance of IT and infrastructure, adapting to current culinary, design and wellness trends and growing importance of innovation. Furthermore, designing understandable and individual offers are inevitable to cater to today's specific and individualistic clientele of Kempinski, because nowadays, the real differentiation of hotels lies in its service and not only product. Also, booking



patterns are changing constantly, today's guests are more knowledgeable and experienced, they compare offers and book at increasingly shorter notice. Bardi (2000) highlights some of these trends in detail.

It is clear, that a new hotel development has impacts and influences on the social and natural environment, and Kempinski understands that they have a certain duty to address these issues. To deal with the social impact, Kempinski engages in charity and involves the local community into the hotel development. Furthermore, establishing good relationships with neighbours is highly valued in Kempinski. In order to protect and maintain the local natural environment, Kempinski engages in sustainable construction practices wherever possible, because Kempinski is convinced that prevention is better than curing. Kempinski's practices are in line with the points which Huffadine (1993) and Gee (1988) make. They state that community relations are highly important because the two parties (hotel and host community) are interdependent and conservation of the natural environment is essential in order to maintain the location's attractors, preserve ecological systems and position oneself as a caring company. People nowadays are increasingly aware of the environmental issues and value such practices highly. With each hotel development, Gee (1988) explains, social and environmental costs and benefits arise. If benefits outweigh costs, the project is worth developing. The Kempinski Hotel Das Tirol engages in many different areas in order to increase benefits and decrease costs.

### • Development of Organizational Culture

Second, the study examined the organizational culture development in Kempinski's preopening setting and specifically in Kempinski Hotel Das Tirol from corporate and hotel level perspective. Kempinski perceives organizational culture as one of the major drivers for the corporate strategy, for the hotel studied in the case study and for the conduct of a preopening phase. In the past years, Kempinski was growing fast and due to this fact, the company had to analyse its organizational culture because it was found that employees were not sure about what the brand stands for, what the origin is and what the goals of the company are. In order to have committed employees and to be successful, Kempinski employees need to understand what the company is about which they work for. Therefore, the five DNA values were



developed out of the employee satisfaction survey. The origin of the DNA values corresponds with Greenberg's (2011) suggestion that organizational culture is formed out of shared values of members of an organization. Furthermore, the survey reflects how employees perceive the reactions of the company to its external influences, by which a dominant orientation and specific value set is developed, in Kempinski's case the DNA values (Cameron 2004; Schein 1996; Sathe 1983). The five company values are people oriented, straightforwardness, entrepreneurial performance, creating traditions and passion for European luxury. Recruitment is also conducted within the DNA framework, and a candidate has to correspond to the values in some ways in order to fit into the company. The five DNA values are perceived to be the core which connects all the individual Kempinski hotels and international employees together and enables one common communication level among all. They are the base for organizational culture and a guideline for behavioural norms, although implemented in individual ways in each hotel. This developed culture however lives and dies with the people working in management. Experienced Kempinski people acted efficiently as ambassadors during the preopening of Kempinski Hotel Das Tirol, and the GM generally has a central role in embodying the five values and representing the cultural environment. In the case of the hotel in Kitzbühel, building an effective team was essential due to the yearly turnover of nearly 200% as a result of the high seasonality impact in the region and the closing of the hotel twice a year. Organizational culture has a further impact on employer branding, which is crucial for the draw of talents and future hospitality business. Kempinski's organizational culture therefore fulfils the three proposed roles by Greenberg (2011) of organizational culture: associating with values, encouraging commitment and setting behavioural norms. The latter one will be emphasized later in the chapter and supported by Smircich's (1983) suggestion to find the driving factor which encourages people to go beyond guests' expectations and enhance the company experience by adding value to the service.

The goals which Kempinski tries to achieve with its culture are making employees recognize what the company stands for in order to understand what is expected from them, making them understand where Kempinski comes from, where the company wants to go and what has to be achieved. Furthermore, organizational culture serves as a tool to convey a sense of belonging to the employees. It also



represents certain values not only internally, but also externally visible to everybody. As Greenberg (2011) proposed, organizational culture sets guidelines for behaviours and connects people, in the case of Kempinski even properties, with one another. Managers understand that having an organizational culture is not a necessity, but a luxury provided by Kempinski and results are increased loyalty, performance and turnover.

The findings of the study confirm Greenberg's (2011) and Schein's (1983) statement that an organizational culture begins life in the company founder's head. For Kempinski, those historical values were named as passion for European luxury as the most common one, and also service, high-class hospitality, traditions, individuality and appreciation of culinary delights. Berthold Kempinski introduced these values originally which survived over more than a century, even though the company adapted constantly to the modern times. Furthermore, the basic idea of Kempinski, around which everything else is built, similar to the idea of fantasy used for the Taj Mahal Casino and Resort and Disney (Brownell 1990), was named as European luxury, European service culture and individuality. Nowadays, the DNA values define the organizational culture. However, there are some other values that are perceived to be important for the culture as mentioned before: individuality, passion, service and identification with the local region. Also, every management member has personal values which are implemented by them, such as trust, respect, punctuality, transparency, honesty, being a role model and taking time to talk to people.

To define the culture type of an organizational culture, Greenberg (2011) and Cameron & Quinn (2011) propose the *Competing Values Framework* and which was also applied to Kempinski. Even though some characteristics of hierarchy and market culture were identified on hotel level in some departments, the most named culture types were clan culture and adhocracy culture. For Kempinski, clan culture is identified because it is describing the company's organizational culture best because they draw emphasis on their people and their talents, perceiving that the success lies in the people, valuing teamwork and individuality, their defined DNA values, being people oriented, being open-minded and straightforward and valuing individual approaches highly. The adhocracy culture type was named because of the company's flexibility, adaptability, innovativeness, empowerment, being future



oriented and having own ideas. Certainly, these two culture types are the goals of every other individual Kempinski hotel as well, however, depending on the location of the property and the background of people working in it, characteristics from hierarchy culture and market culture will intervene as well. For Kempinski Hotel Das Tirol, the culture type is not definitely set yet, but according to the management team, one can say that probably some hierarchical culture type characteristics will be prevalent because of the high turnover of staff and seasonal impact.

The cultural approach to management however works, according to Kempinski. It is linked to the DNA values and GMs' have to be the ambassadors for the organizational culture. Dawson et al. (2011) and Bowen & Ford (2004) found that people working in the hospitality industry need to be different. For Kempinski, their employees are even more different than from other hospitality professionals. For Kempinski, everything depends on their people, and there is enough space for everyone to find himself within the company. According to the experts interviewed, there are no limitations for one's personality, nationality and culture. However, the cultural background of every employee needs to be understood and levelled out by managers in order to work together efficiently. Furthermore, training is an essential part to make everybody understand the corporate culture. Luckily, the DNA values can be stretched out in order to be applicable everywhere in the world and be understood by everyone. Likewise, management styles can be adapted to local factors.

Schein (1983) describes the development of organizational culture as a complex process which starts as soon as a group of people is formed together. In the case of Kempinski Hotel Das Tirol this event will happen twice a year because of the high seasonality impact. Greenberg (2011), Sinha (2010) and Schein (1983) proposed different tools to implement organizational culture in a new group of employees. All these tools are applied in some or the other way, consciously or unconsciously, by Kempinski managers to develop the organizational culture within the team, based on the DNA values. Some of these tools, among others, were a high quality team, a culture of teamwork, trust and transparency, creating a strong vision, a reward system, telling stories, legends and myths, and criteria used for recruitment or promotion. Kempinski, for example, uses a talent management tools to develop a



high quality team, values empowerment and charismatic leadership highly, uses a democratic approach to promotion which is based on indicators such as the *TTTT* (*Time To Talk Together*) tool, quality delivered, leadership skills and handling of difficult situations. Then, other tools are formal statements of the DNA values, Kempinski standards and LQA standards, customized fundamentals and essentials trainings, and the recruitment criterion of a person being "Kempinski-like". What, however, is not applied in Kempinski to develop organizational structure are myths and legends as proposed by Schein (1983), although stories are told within the DNA framework. Furthermore, a special jargon (Greenberg 2011) is also not applicable in Kempinski, it is the standard hotel language, however, some special terms have been changed and some employees perceive that the language used has a greater leisure aspect to it than in other hotels.

Overall, it is obvious that, drawing from what is valued by the employees, central characteristics of Kempinski's organizational structure, such as individuality and entrepreneurship, have already been deeply implemented within the employees. Furthermore, the focus of organizational development for Kempinski lies in a few different factors: individuality, sharing knowledge, being ambassadors, training, conduction of follow-up trainings, selecting the right talents, celebrating success, empowerment, enabling people to take own decisions, management retreats and staff parties. All these factors bond the Kempinski community close together and evoke a feeling of belongingness. Both outcomes are essential to make people happy to work for the company. And still, every action and every thought is built upon the DNA values.

The preopening phase was an intense time for Kempinski Hotel Das Tirol, however, a very social culture prevailed during this time, where people were sharing time together, got to know each other very well and worked strongly together. These conditions are very advantageous to implement the organizational culture deeply within the team. When the busy time of the preopening phase arrived and the hotel eventually opened, this social component decreased. At this point, the organizational culture cuts in to hold the whole team together despite this intervening factor. This is a proof of Cameron's (2004) assumption that organizational culture binds people together and represents the ideology of an organization. Organizational culture is executed in the hotel as a teamwork exercise



which does not end at the hotel's entry doors. Therefore, the hotel's management team became a very strong unit. It has to be mentioned however, that the team is young and very ambitious, and most of them worked with Kempinski before. Hence, the implementation of organizational culture was facilitated, common goals were established fast and the organizational culture was very strong from the beginning. The major challenge in the beginning was communication, as everyone had to concentrate on their main tasks. Changes in processes and in members and their behaviours however can be initiated and turned over fundamentally, Cameron (2004) explains. Through the development of organizational culture, the communication component improved over time. The organizational culture in Kempinski Hotel Das Tirol grew continuously, it got stronger and therefore also the spirit and motivation of the organization's members increased.

Comparing different settings for realizing organizational culture, implementation of culture in a newly opening hotel is easier than in a take-over hotel. In a take-over hotel, such as the Kempinski Hotel Das Tirol, changing the old organizational culture and breaking up the old structure is a graduate process and challenging. People can get into a conflict zone of how things have been conducted, and how the conduct of them is intended to change. However, it is important to note that the approaches to implement an organizational culture in a hotel and change an old organizational culture are two different approaches, even though they overlap in some points. Nevertheless, in the hotel of the case study, the implementation of culture was fortunately not complicated, due to the young and motivated team with some Kempinski experience as mentioned before and furthermore, there was no force to implement it in a certain way. Role models were the focus as well as living up to the values and having good ambassadors in order to enable the organizational culture to develop by itself. The development of organizational culture in the hotel corresponds with findings in the literature saying that development of organizational culture stems from leadership and reversely, development of leadership is affected by organizational culture (Simosi & Xenikou 2010; Bass & Avolio 1993). Through the young and motivated management team in the hotel these characteristics also became part of the hotel's organizational culture. The effect of organizational culture on the hotel team's motivation confirms Mahal's (2009) findings that organizational culture has a significant effect on motivation and performance.



Furthermore, Mahal (2009) says that people need to be enabled to talk about the culture in order to incorporate it completely. Kempinski offers opportunities for that in the DNA trainings and during *TTTT*. One of the crucial things to consider at the very beginning of the development process of a new property is the strategy formulation. And the strategy formulation depends highly on organizational culture as well (Aldehayyat 2011). Therefore, Kempinski founds its strategies on the framework of its organizational culture and its basis is the Kempinski DNA.

#### • Development of Organizational Citizenship Behaviour

The third task of the study was to examine organizational citizenship behaviour (OCB) within Kempinski and the example hotel in Kitzbühel. Engagement in OCB is determined by certain conditions (Raub 2008; Bienstock et al. 2003; Graham, 1991) and for Kempinski the following prerequisites were named in order for employees to engage in OCB: the employees must feel an emotional belongingness to the company, embrace its organizational culture and develop shared values and the entrepreneurial aspect of the company. Greenberg (2011) suggests further characteristics of the environment that need to be in place in order to encourage engagement in OCB: being a role model, demonstrating courtesy, make voluntary functions worth attending, don't complain, demonstrate conscientiousness and treat employees fairly. Employees who operate within these conditions understand that OCB is founded on a voluntary basis and it is not about getting something out for oneself, but it is about doing something positive for someone else. Through organizational culture, Kempinski employees understand immediately the cause of actions of the hotel and through that, are encouraged to engage in OCB. OCB was identified to be a tool for rapid guest satisfaction (Raub 2008; Van Dyne et al. 1994) and therefore worth encouraging and supporting employee's engagement in it (Greenberg 2011). Kempinski applies a basic and simple organization structure and enables employees to operate freely. This approach helps to avoid the findings of Adler & Borys (1996) who say that bureaucracy negatively impacts organizational commitment and job satisfaction and limits innovation. Raub (2008) found that centralization (a personal form of control) as well has a negative impact on organizational citizenship behaviour. The counterpart of centralization in an organization is formalization (an impersonal form of control), which can be identified as the approach applied in Kempinski because of the flat hierarchy structure.



Furthermore, empowerment is a crucial element in Kempinski as mentioned before, which is another approach to avoid the fact that if the margin of control of employees is restricted, it negatively impacts on OCB (Raub 2008). Drawing the attention from prevention of negative impacts on OCB to encouraging and motivating people to engage in OCB, positive social exchanges were found to be motivating employees to go beyond the formal requirements of their positions (Ma & Qu 2011). It is emphasized throughout the results section that Kempinski perceives supervisors leading by example to be the most important motivational approach, even though OCB needs to come from within the employees. Other active efforts to encourage OCB in Kempinski are: being a role model, living up to the rules and values, having the DNA implemented as a guideline, best practice models and impersonal talks to establish strong interpersonal relationships.

Greenberg (2011) defines that there are five major categories of OCB, namely *Altruism, Conscientiousness, Civic Virtue, Sportsmanship* and *Courtesy*. The main categories in which employees of Kempinski engage are *Altruism* (helping colleagues, partner behaviour, taking time to answer questions), *Sportsmanship* (taking over somebody else's work, not leaving until the job is done) and *Conscientiousness* (overtime, coming in earlier). Furthermore, OCB is mainly targeted towards individuals, OCB-I as Greenberg (2011) defines it, that is guests and colleagues. These observed forms of behaviour are very industry specific, as going the extra mile for other people, either guests or colleagues, is something normal for the hospitality industry. And Kempinski perceives that as long as the right people are on board, such behaviour happens automatically. Therefore, they also invest so much time and money in their talent management and finding the right person for the right job.

All disciplines from organizational sciences have an effect on organizational functioning (Greenberg 2011). Likewise, OCB effects organizational functioning. In Kempinski, it is considered to be a key element, and for the whole hospitality industry it is a life saver. OCB is furthermore highly valued, because Kempinski does not want to have robots in the company who function upon strict policies and procedures. Therefore, spoon-feeding is not an option, but employees are encouraged to operate freely and take their own decisions. Kempinski has a very



diverse and multicultural workforce all around the world, and there certainly are differences of engagements in OCB from people with different cultural backgrounds in their way of execution and how deep the interaction is. However, on a global level cultural backgrounds do not have impacts on OCB, because what makes the biggest difference is the person's personality and not nationality. It is important to have a good mix of cultures in the company in order to learn from each other and adapt the best possible ways of doing things. Kempinski's way of dealing with different cultural values and using leadership for encouraging OCB is consistent with Wang & Wong's (2011) findings that cultural values and leader-member exchange are both positively related with OCB. Different cultural backgrounds are recognised as a challenge, but Kempinski appreciates the diversity and perceives it as being an opportunity. This is a very valuable fact, because, as mentioned earlier in the chapter, companies differentiate themselves nowadays by their service, and not only product. OCB of employees is one of the major approaches how Kempinski differentiates itself from others. OCB is also perceived to be a European characteristic of behaviour, a European core value, and is therefore deeply implemented and highly treasured in Kempinski. This is due to the fact that Europeans usually have only one job, which is their profession and passion and they strive for the best results possible. According to the interviewees, guests recognise that something is different about Kempinski and appreciate it. OCB can also have an influence on recruitment, Greenberg (2011) says. Positive word of mouth spread by the company's employees is fundamental to attract competent people to the company for Kempinski's future hotels. Although OCB is nowadays still an informal and unofficial way of behaviour, it makes life more pleasant for everybody (Greenberg 2011) and Kempinski considers such engagements in terms of career development for employees.

The employees do not only have an impact on the company internally, but also externally, as they are perceived to be the face of the company. And when the company culture and goals are understood and everyone lives up to the values, a special atmosphere is created. This atmosphere differentiates the hotel from others, as it is nearly tangible and recognised and appreciated by guests. When the teams work together efficiently and create this special vibe in the hotel, a guest's perception about a destination can be changed fundamentally. Everyone in the organization has the possibility to contribute to the hotel's direction and Kempinski



also encourages employees to do so. It is important that all employees contribute because employees have a significant impact. Each idea and opinion is valued and taken into consideration, however, the vision, product and goals first need to be understood.

# 6 Conclusion

In this chapter, the main results found through the case study of Kempinski will be summarized and in the following, some concluding remarks will be made. Later in the chapter, some limitations of the study and recommendations for further research will be discussed.

For a better overview, the study was structured into three main parts, the preopening management, organizational culture and organizational citizenship behaviour. First, the study examined the three areas and their development independently, and secondly, the three fields were linked and interdependencies were explored.

For the first field of preopening management, the study found that in the case of Kempinski, most of the suggested tools in literature to conduct a successful opening were applied in some or the other way. Also, Kempinski has some customized tools to navigate through the preopening phase. The main aspect of the company is to set a framework for the preopening project, and then let the people operate freely, creatively and individually. The framework is determined through the organizational culture and the DNA values, policies and procedures, Kempinski standards and LQA (Leading Quality Assurance) standards. The hotels to be opened receive the different tools from the corporate office in Geneva, but the tools are very flexible so that they can be adapted to any Kempinski property anywhere in the world. There are certain tasks to be completed during preopening as several authors explained in literature, but these tasks can be challenging to fulfil. For Kempinski, the main challenges which are frequently faced in preopening are time and money issues, political issues, quality of construction, and checking and quantifying operational supplies and equipment. For the examined hotel Kempinski Hotel Das Tirol, the main challenges were the fact that it was a new product on a market where Kempinski hasn't been



before, time pressure and quality and experience of staff. Furthermore, trends are also shaping the operation of preopening through the change of booking patterns of guests, the requested design of offers and the increased leisure time of guests. Nowadays, hotels have to deal with bookings made at an increasingly shorter notice and highly individual guests and their requests. Positively, on the other hand, is that the increases of leisure time of guests drove more business into hotels and people therefore became more productive. Then, the case study also confirmed that an opening of a hotel has impacts on its social and natural environment, that there are interdependencies of the hotel and the host community and that there is an increasing awareness of the public for environmental issues. Kempinski participates in social engagement and preservation practices in order to address these issues.

In the second area of research exploring the development of organizational culture, it was found that organizational culture is used as one of the main drivers of the overall corporate strategy, for the case hotel's strategy and as a guide for the conduct of the preopening phase. Due to the fast growth of the company in the past years, an analysis of its culture was conducted in order to define the company values, or so-called DNA values, throughout their employees and their shared values. The DNA values are the core which connects all Kempinski properties together although they are all individual and independent. The DNA values are designed in a flexible way so that they can be applied globally to any of the individual properties and their locations. The goals of the organizational culture, which is based on the DNA values, are to make employees understand the company and its goals, deliver a sense of belongingness to them, represent the company and its values internally and externally, set guidelines for behaviour and connect Kempinski's workforce with one another. Kempinski's organizational culture therefore fulfils the three roles suggested by Greenberg (2011): association with the values, encouraging commitment and setting behavioural norms. Some of the other values that determine the culture are of historical origin, some developed over the century through adaption to the modern times. A few of these values are: passion for European luxury, high-class hospitality, individuality, appreciation of culinary delights and adaption to the local region. The whole construct of Kempinski and its culture is based around one central value, upon which the whole idea of the company is built. This value was named as individual European luxury and service



culture. In order to categorize the Kempinski culture and make it comparable, the *Competing Values Framework* proposed by Baker (2000) was applied. It was found that Kempinski's culture corresponds with the clan and adhocracy culture because of the people orientation, innovativeness, flexibility and adaption.

Kempinski uses its company experienced people and GMs as ambassadors and role models to encourage and develop organizational culture in order to build effective teams. Organizational culture development is a graduate and complex process (Schein 1983). It is facilitated by various tools proposed in literature, which are also applied by the examined company Kempinski in one or the other way. The study found, that the focus of organizational culture development for Kempinski is set on individuality, sharing knowledge, being ambassadors, training, selecting the right talents, recognising success, empowerment, and enabling people to take their own decisions. By that, Kempinski bonds its workforce strongly together and delivers a sense of belongingness to the company. In Kempinski, the study found, the culture does not end when the shift is over. Therefore, strong and effective teams develop. This is also the case during a preopening, such as at the Kempinski Hotel Das Tirol. The culture there grew stronger over time and the motivation and spirit of employees grew as well. It was recognised in the study, that implementing culture in a greenfield project is easier than in a take-over hotel; however, it actually stronger depends on the leadership. Therefore, the development of culture in Kempinski Hotel Das Tirol was not complicated and a strong workforce unit within the hotel was developed.

The third explored field in the study was organizational citizenship behaviour (OCB), which was found to be a tool for rapid guest satisfaction (Raub 2008; Van Dyne et al. 1994) through employees going beyond the formal requirements of their job descriptions. In the study, it was found that Kempinski considers certain conditions necessary in order to make the employees understand that such behaviour is founded on a voluntary basis, make them understand that it is about doing something positive for someone else and eventually motivate them to engage in OCB. Such conditions include the feeling of belongingness to the company, developing shared values and embracing the organizational culture. The study found different approaches used by Kempinski in order to avoid negative impact and support positive impact on OCB engagement. These approaches include a simple



and flat organizational structure, using a formalization approach to business, empowering employees, support positive social exchanges, leading by example, being a role model, living up to the DNA values and using best practice models as examples. The result of these approaches is engagement of OCB in the hotel of the case study, which were mainly actions in forms of *Altruism*, *Conscientiousness* and *Sportsmanship* directed mainly to individuals, either colleagues or guests. As in organizational culture, Kempinski does not recognise any national cultural differences to have an impact on a global level on the engagement and execution of OCB, it is more personality dependent. Diversity is seen as an opportunity to learn from each other. Dealing appropriately with cultural backgrounds and using appropriate leadership styles are encouraging actions for OCB.

Furthermore, the study found that OCB is a key element for Kempinski and is said to be a life saver for the whole industry. It is highly valued in Kempinski because the company emphasizes that people embracing individuality, flexibility and entrepreneurship and adding the personal factor are "Kempinski-like", there is no spoon-feeding accepted. Additionally, if was found that OCB is perceived to be something natural in the hospitality industry. On the other hand, it is also perceived to be a European characteristic, and therefore it is deeply implemented in Kempinski. The company differentiates itself through service, of which OCB is a major part. Employees are the face of the company for Kempinski, and have an immense impact on the business externally and internally. By incorporating organizational culture, engaging in OCB and working positively and effectively as a team, a special atmosphere or vibe can be created in the hotel, which is recognisable to guests and could make the property stand out. According to the experts interviewed, every Kempinski employee has the possibility to contribute to the direction a hotel takes, and every opinion and idea is taken into consideration and valued.

In accordance with the literature, Kempinski sets a best practice model with its highly developed organizational culture and way of levelling policies and procedures against flexibility granted to employees and thereby linking the three areas of research. Through adaption of such best practice models, companies in the hospitality industry provide opportunities for a smoother operational conduct, fulfilment and motivation of employees, building high quality teams, building loyalty



to the company and ultimately encouragement to voluntarily engage in positive, non-required actions for the company. The following implications for practice in the field and concluding remarks need be taken into consideration:

It is essential to understand that the unique setting of a preopening phase in a hotel has a specific influence on the development of organizational culture and organizational citizenship behaviour. The analysis of the company and its culture is essential in order to develop values that shape the company's basic framework. The results of the study support the importance of implementing a reasonable, understandable and company-fitting organizational culture during the preopening phase, in order to develop high quality teams and a successful property. Organizational culture has a company-wide influence on many operational and social areas. Thus, the most important issue to tackle when opening a hotel is to make employees understand the company's vision, product and goals. If this is achieved, an effective workforce can be developed which communicates on one common level and represents the company appropriately to the external environment. Especially in preopening, organizational culture and organizational citizenship behaviour play a vital role to enable efficient handling of challenges, a successful preopening phase and hotel opening, an encouraging atmosphere, as well as an appropriate representation of the company values. Additionally, for an international company, it is important to have a core which connects all properties worldwide and furthermore, this core needs to be applicable globally to any local setting. The core is the major and central value, assumption or idea of the company upon which everything else is based, like values, ideas, behaviours and norms. It is the basis for each action, development and thought conducted by every member of the organization.

# 6.1 Limitations of the Study

There are several potential limitations of this study regarding methodology. First, the study was about one particular case, one hotel of the Kempinski group. Therefore, the findings might not be applicable to other hotels or even to properties within the same group of Kempinski hotels. Second, the two groups of respondents (corporate and hotel level) had in some cases very divergent opinions about the same topic, which had to be levelled out. Last, the study confines itself to a



qualitative research method with in-depth interviews and relies on the interviewees' self-reported information. Therefore, there is enough space for speculations about the connection between and dependencies of factors in the three fields.

# 6.2 Recommendations for further Research

Further research could target other Kempinski hotels at different locations to give insights whether preopening challenges are similar within the Kempinski group. Additionally, to build a broader base for the research, examination of properties of other companies is recommended. The results of the study may be considered as incomplete because of the impact of the personal data collection method. Future research should therefore continue to examine the interdependencies of specific factors of the three research fields, possibly through quantitative methods. To extend the findings of the study, the following proposed areas of research should be explored in more details. First, as the impact of organizational behaviour on the success of a property and its team was identified, the increasing importance of organizational culture in developing projects and organizations should be explored in more detail. Second, a more detailed guideline based upon best practice models for the use of organizational behaviour sciences in preopening hotels should be constructed in order to benefit the practitioners in the field. Last, the importance of organizational culture and organizational citizenship behaviour for the success of an opening and operation of a property needs to be emphasized. Therefore, the interdependencies of organizational behaviour and success need to be measured and compared with companies not engaging in the development of organizational behaviour of their employees.

87



# 7 Acknowledgements

The author wishes to thank my thesis supervisor Dr. Ulrike Bauernfeind for her invaluable support, comments and research guidance. Furthermore, the author would like to gratefully acknowledge the dedicated support for this thesis from the Kempinski corporate office in Geneva, Switzerland, and the Kempinski Hotel Das Tirol in Kitzbühel, Austria. Finally, the author is indebted to the anonymous reviewers for providing helpful and constructive comments on earlier drafts of this paper.



# **Bibliography**

Adler, P.S. & Borys, B. 1996, 'Two types of bureaucracy. Enabling and coercive.', *Administrative Science Quarterly*, vol. 41, no.1, pp. 61-89.

Aldehayyat, J.S. 2011, 'Organisational characteristics and the practice of strategic planning in Jordanian hotels', *International Journal of Hospitality Management*, vol. 30, no.1, pp. 192-99.

Baker, K. 2000, *Project Evaluation and Feasibility Analysis in Hospitality Operations*, Pearson Education Australia.

Bardi, J.A. 2011, *Hotel Front Office Management*, 5<sup>th</sup> edn, John Wiley & Sons Inc., Hoboken, New Jersey.

Bass, B. & Avolio, B. 1993, 'Transformational Leadership and the Organizational Culture', *Public Administration Quarterly*, vol. 17, no. 1, pp. 112-22.

Bienstock, C.C., DeMoranville, C.W. & Smith, R.K. 2003, 'Organizational citizenship behaviour and service quality', *Journal of Services Marketing*, vol. 17, no. 4, pp. 357-78.

Black, B. 1999, 'National Culture and High Commitment Management', *Employee Relations Journal*, vol. 21, no.4.

Bowen, J. and Ford, R. 2004, 'What experts say about managing hospitality service delivery systems', *International Journal of Contemporary Hospitality Management*, vol. 16, no. 7, pp. 394-401.

Brownell, J. 1990, 'Opening the "Taj": The Culture of Fantasy', The Cornell Hotel and Restaurant Administration Quarterly, vol. 31, no. 2, pp. 19-23.

Cameron, K. 2004, *A Process for Changing Organizational Culture*, University of Michigan Business School, Ann Arbor, Michigan, viewed 17<sup>th</sup> March 2012, < <a href="http://competingvalues.com/competingvalues.com/wp-">http://competingvalues.com/competingvalues.com/wp-</a>

content/uploads/2009/07/A-Process-for-Changing-Organizational-Culture.pdf



Cameron, K.S. & Quinn, R.E. 2011, *Diagnosing and changing organisational culture: based on the competing values framework*, 3<sup>rd</sup> edn, John Wiley & Sons, San Francisco, California.

Dawson, M., Abbot, J. and Shoemaker, S. 2011, 'The Hospitality Culture Scale: A measure organizational culture and personal attributes', *International Journal of Hospitality Management*, vol. 30, no. 2, pp. 290-300.

Deshpande, R., Farley, J.U. & Webster, F.E. Jr 1993, 'Corporate culture, customer orientation, and innovativeness in Japanese firms: a quadrad analysis', *Journal of Marketing*, vol. 57, no. 1, pp. 23-37.

Gee, C.Y. 1988, *Resort Development and Management*, 2<sup>nd</sup> edn, Educational Institute of the American Hotel and Motel Association, East Lansing, Michigan.

Graham, J.W. 1991, 'An essay on organizational citizenship behavior', *Employee Responsibilities and Rights Journal*, vol. 4, no. 4, pp. 249-70.

Greenberg J. 2011, *Behaviour in Organizations*, 10<sup>th</sup> edn, Pearson Education Limited, Essex, England.

Huffadine, M. 1993, *Project Management in Hotel and Resort Development*, McGraw-Hill Inc., New York.

Jamieson, D.W. 1985, 'Organizational Culture Is Our Business', *Training & Development Journal*, vol. 39, no. 10, pp. 22.

Jones, T.J.A. 2008, *Professional Management of Housekeeping Operations*, 5<sup>th</sup> edn, John Wiley & Sons Inc., Hoboken, New Jersey.

Joo, B. & Shim, J.H. 2010, 'Psychological empowerment and organizational commitment: the moderating effect of organizational learning culture', *Human Resource Development International*, vol. 13, no. 4, pp. 425-41.

Laventhol & Horwath 1984, *Hotel/Motel Development*, ULI – the Urban Land Institute, Washington, D.C.



Lok, P., Westwood, R. & Crawford, J. 2005, 'Perceptions of Organizational Subculture and their Significance for Organizational Commitment', *Applied Psychology: An International Review*, vol. 54, no. 4, pp. 490-514.

Lund, D.B. 2003, 'Organizational Culture and Job Satisfaction', *Journal of Business* and *Industrial Marketing*, vol. 18, no. 3, pp. 219-236.

Ma, E. & Qu, H. 2011, 'Social exchanges as motivators of hotel employees organizational citizenship behavior: The proposition and application of a new threedimensional framework', *International Journal of Hospitality Management*, vol. 30, no. 4, pp. 680-88.

Mack, N., Woodsong, C., MacQueen, K.M., Guest, G. and Namey, E. 2005, *Qualitative Research Methods: A Data Collector's Field Guide*, Family Health International, North Carolina, USA.

Mahal, P.K. 2009, 'Organizational Culture and Organizational Climate as a Determinant of Motivation', *The IUP Journal of Management Research*, vol. 8, no. 10, pp. 38-51.

Martins, N. & Martins, E. 2003, 'Organisational Behaviour: Global and Southern African Perspective, Doctoral Thesis for Cape Town: Pearson Education, South Africa.

Mill, R. C. 2008, *Resorts Management and Operation*, 2<sup>nd</sup> edn, John Wiley & Sons Inc., Hoboken, New Jersey.

Nystrom, P.C. 1993, 'Organizational cultures, strategies, and commitments in healthcare organizations', *Health Care Management Review*, vol. 18, no. 1, pp. 43-9.

O'Fallon, M.J.& Rutherford, D.G. 2011, *Hotel Management and Operations*, 5<sup>th</sup> edn, John Wiley & Sons Inc., Hoboken, New Jersey.

O'Reilly, C. 1989, 'Corporations, Culture and Commitment: Motivation and Social Control in Organization', *California Management Review*, vol. 31, no.4, pp. 9-25.



Padma, R.N. & Nair, V.S. 2009, 'Organizational Culture and its Impact on Organizational Commitment in Public and Private Organizations', *Global Management Review*, vol. 4, no. 1, pp. 32-9.

Ransley, J. & Ingram, H. 2004, *Developing Hospitality Properties & Facilities*, 2<sup>nd</sup> edn, Elsevier Butterworth-Heinemann, Burlington, MA.

Raub, S. 2008, 'Does bureaucracy kill individual initiative? The impact of structure on organizational citizenship behaviour in the hospitality industry', *International Journal of Hospitality Management*, vol. 27, no. 2, pp. 179-86.

Saeed, M. & Hassan, M. 2000, 'Organizational Culture and Work Outcomes: Evidence from Some Malaysian Organizations', *Malaysian Management Review*, vol. 35, no.2, pp. 66-76.

Sathe, V. 1983, 'Implications of corporate culture: A manager's guide to action', *Organizational Dynamics*, vol. 12, no. 2, pp. 4-23.

Schein, E.H. 2010, *Organizational Culture and Leadership*, 4<sup>th</sup> edn, John Wiley & Sons, San Francisco, California.

Schein, E. H. 1996, 'Culture: The missing concept in organizational studies', *Administrative Science Quarterly*, vol. 41, no.2, pp. 229-240.

Schein, E. 1983, 'The Role of the Founder in Creating Organizational Culture', *Organizational Dynamics*, vol. 12, no. 1, pp. 13-28.

Sinha, G 2010, Designing a Winning Organizational Culture, *Siliconindia*, vol. 13, no. 8, pp. 42-43.

Simosi, M. and Xenikou, A. 2010, The role of organizational culture in the relationship between leadership and organizational commitment: an empirical study in a Greek organization, *International Journal of Human Resource Management*, vol. 21, no. 10, pp.1598 – 1616.

Smircich, L. 1983, 'Concepts of Culture and Organizational Analysis', *Administrative Science Quarterly*, vol. 28, pp.339-58.



Tang, T.-W. & Tang, Y.-Y. 2012, 'Promoting service-oriented organizational citizenship behaviors in hotels: The role of high-performance human resource practices and organizational social climates', *International Journal of Hospitality Management*, vol.31, no.3, pp. 885-95.

Van Dyne, L., Graham, J.W. & Dienesch, R.M. 1994, 'Organizational citizenship behavior: construct redefinition, operationalization, and validation', *Academy of Management Journal*, vol. 37, no. 4, pp. 765-802.

Wang, J. & Wong, C. 2011, 'Understanding organizational citizenship behavior from a cultural perspective: An empirical study within the context of hotels in Mainland China', *International Journal of Hospitality Management*, vol. 30, no. 4, pp. 845-54.

Wilkins, A.L. & Ouchi, W.G. 1983, 'Efficient Cultures: Exploring the Relationship between Culture and Organizational Performance', *Administrative Science Quarterly*, vol. 28, no.3, pp. 468-81.



# **Appendices**

# Appendix A

# Interview Guideline 1 – General Interview Guideline

1. Question

Do you consent freely to participate in this tape-recorded interview?

2. Question

What is your exact position at Kempinski SA and since when are you working for the company?

3. Question

What are your main responsibilities and tasks regarding the organizational behaviour in your team?

4. Question

What kind of people are in your team? (Kempinski experienced people, nationalities, young team members)

5. Question

What was your strategy to build the team?

# Preopening a Hotel

6. Question

How is a preopening processed? Are there any guidelines used for preparing, planning and executing the preopening of a hotel?

7. Question

What are the main challenges during a hotel preopening?

# 7.1 Question

And regarding staff?

8. Question

How did the idea of the Kempinski Hotel Das Tirol come about?



Are there any trends in tourism which impact the preopening or operation of new hotels?

### Organizational Culture

10. Question

What role does organizational culture play in Kempinski hotels? Is organizational culture considered as being a "driver" for the organizational strategy?

11. Question

Are there still some of the values around which the founder of Kempinski, Berthold Kempinski, brought with him into the company?

12. Question

What is the basic idea of Kempinski's culture? (E.g. for Donald Trump's Taj Mahal in New Jersey and for Walt Disney it was "Fantasy")

13. Question

An approach to define different types of organizational structures is the competing values framework, which model is shown below. Into which of the four types does the Kempinski culture fit in and why? Are there subcultures? *Flexibility and Discretion* 

#### Clan Culture

The core values of clan culture are teamwork, employee involvement programs and the company's commitment to employees. People feel as being one, individuality, solidarity, participation and shared values and goals are typical characteristics of a clan culture. Also, a development of a humane work environment, empowerment of employees, facilitation of employee's participation, commitment and loyalty are the main tasks of the organization's management (Cameron & Quinn, 2011).

Internal Focus

#### **Hierarchy Culture**

This type of organizational culture is based on the internal focus and stability, order and control. Organizations with such a culture have leaders which are good coordinators, strive for smooth-running workflow and count on formal rules and policies. Cameron & Quinn (2011) explain that there are standardization, control and clear guidelines that are highly important for the success of this type of organizational structure.

#### Adhocracy Culture

This culture type is characterized by flexibility and orientation on the external environment. There is a clear absence of hierarchy and cuts across normal bureaucratic boundaries are typical. This enables companies with such a culture to make rapid changes in their operational ways. Adhocracy culture is future oriented, innovative and assesses what the future requires (Greenberg, 2011).

External Focus

#### **Market Culture**

Cameron & Quinn (2011) suggest that the term market serves in this case as the organization being a market itself. For this form of culture the external environment is the main focus as well as the transactions with external parties like suppliers, customers, regulators and contractors. This is done to create competitive advantage for the company. Competitiveness and productivity are the main goals for market culture.

Int



How did you implement organizational culture? (Proposed ways by Kempinski and own practices)

15. Question

Research has shown that in a preopening setting, conditions are significantly different than in an already established hotel. The organizational culture has to be developed from the ground. Are any of the following tools used to form a strong culture and to develop shared goals and values among employees? How are they used and executed?

a. Question

High quality team? "Hiring the best team for the job."

b. Question

Open culture: embrace partners and suppliers?

c. Question

Continuous innovation culture? (Innovation = competency, process, continued effort)

d. Question

Culture of teamwork, trust and transparency?

e. Question

Creating a strong vision and preserving in its pursuit?

f. Question

Focus on your own competency, not competition? Is the focus inwards?

g. Question

Managers as coaches? (Encourage a certain environment)

h. Question

Formal statements of organizational philosophy?



Reward and status system?

j. Question

Stories, legends, myths?

k. Question

Organizational systems and procedures?

I. Question

Organization's design and structure?

m. Question

Criteria used for recruitment or promotion?

n. Question

Is there any special jargon used in the company, so to say a "Kempinski language"?

o. Question

Are there any rituals or ceremonies which suggest certain values and beliefs to be reinforced?

p. Question

The behaviour of managers like treatment of employees and selection for people being chosen for promotion send signals of what is important and valued. What are these?

q. Question

The physical design of the hotel and workplace conveys is often used to present a certain picture of the hotel. What is Kempinski Hotel Das Tirol trying to suggest?

15.1 Question

Are there any other practices?

16. Question



What developments of the organizational culture did you recognise during the preopening phase and the early months?

17. Question

How were these developments shown in employees' behaviours?

18. Question

On what components do you focus when trying to develop a strong organizational culture?

19. Question

What are the goals from implementing organizational culture?

20. Question

How did the preopening setting impact the organizational culture development?

21. Question

Do national cultural differences affect the development and acceptance of organizational culture?

22. Question

How did you implement your own values into the team?

23. Question

What is the power structure at Kempinski's hotels like?

24. Question

Why does Kempinski's approach to its culture work?

# Organizational Citizenship Behaviour

25. Question

What form of organizational citizenship behaviour is mostly observed?

26. Question

How important is organizational citizenship behaviour for Kempinski?



How do you think organizational citizenship behaviour is encouraged at Kempinski?

28. Question

Are national cultural values affecting organizational citizenship behaviour?

29. Question

How can employees contribute to the direction a hotel takes?

# **Appendix B**

## Interview Guideline 2 – People Services Manager

1. Question

Do you consent freely to participate in this tape-recorded interview?

2. Question

What is your exact position at Kempinski SA and since when are you working for the company?

3. Question

What are the main responsibilities and tasks of the people services manager at Kempinski Hotel Das Tirol?

4. Question

What is the responsibility of the HR manager regarding organizational culture?

5. Question

Employees are affected by internal forces (desire for achievement, recognition, responsibility, advancement, satisfying work) and external forces (economic, social, legal, environmental, technical). One of HR's responsibilities is to react accordingly to them. What are the tools?

### Preopening a Hotel

6. Question



How is a preopening processed? Are there any guidelines used for preparing, planning and executing the preopening of a hotel?

### 7. Question

What are the main challenges during a hotel preopening?

## 7.1 Question

And regarding staff?

### 8. Question

What kind of employees did start their jobs with Kempinski Hotel Das Tirol? ("Old Kempinski people", "outsiders" working the first time for Kempinski, nationalities)

## 9. Question

How did the idea of the Kempinski Hotel Das Tirol come about?

### 10. Question

Are there any trends in tourism which impact the preopening or operation of new hotels?

# Organizational Culture

# 11. Question

What role does organizational culture play in Kempinski hotels? Is organizational culture considered as being a "driver" for the organizational strategy?

### 12. Question

Are there still some of the values around which the founder of Kempinski, Berthold Kempinski, brought with him into the company?

# 13. Question

What is the basic idea of Kempinski's culture? (E.g. for Donald Trump's Taj Mahal in New Jersey and for Walt Disney it was "Fantasy")

14. Question



An approach to define different types of organizational structures is the competing values framework, which model is shown below. Into which of the four types does the Kempinski culture fit in and why? Are there subcultures?

Flexibility and Discretion

#### Clan Culture

The core values of clan culture are teamwork, employee involvement programs and the company's commitment to employees. People feel as being one, individuality, solidarity, participation and shared values and goals are typical characteristics of a clan culture. Also, a development of a humane work environment, empowerment of employees, facilitation of employee's participation, commitment and loyalty are the main tasks of the organization's management (Cameron & Quinn, 2011).

Internal Focus

#### **Hierarchy Culture**

This type of organizational culture is based on the internal focus and stability, order and control. Organizations with such a culture have leaders which are good coordinators, strive for smooth-running workflow and count on formal rules and policies. Cameron & Quinn (2011) explain that there are standardization, control and clear guidelines that are highly important for the success of this type of organizational structure.

#### Adhocracy Culture

This culture type is characterized by flexibility and orientation on the external environment. There is a clear absence of hierarchy and cuts across normal bureaucratic boundaries are typical. This enables companies with such a culture to make rapid changes in their operational ways. Adhocracy culture is future oriented, innovative and assesses what the future requires (Greenberg, 2011).

External Focus

#### Market Culture

Cameron & Quinn (2011) suggest that the term market serves in this case as the organization being a market itself. For this form of culture the external environment is the main focus as well as the transactions with external parties like suppliers, customers, regulators and contractors. This is done to create competitive advantage for the company. Competitiveness and productivity are the main goals for market culture.

Stability and Control

#### 15. Question

Does Kempinski use the cultural approach of management? (Is organizational culture integrated in the management principles)

16. Question

Research has shown that in a preopening setting, conditions are significantly different than in an already established hotel. The organizational culture has to be developed from the ground. Are any of the following tools used to form a strong culture and to develop shared goals and values among employees? How are they used and executed?

a. Question

High quality team? "Hiring the best team for the job."



Open culture: embrace partners and suppliers?

c. Question

Continuous innovation culture? (Innovation = competency, process, continued effort)

d. Question

Culture of teamwork, trust and transparency?

e. Question

Creating a strong vision and preserving in its pursuit?

f. Question

Focus on your own competency, not competition? Is the focus inwards?

g. Question

Managers as coaches? (Encourage a certain environment)

h. Question

Formal statements of organizational philosophy?

i. Question

Reward and status system?

- j. Question Stories, legends, myths?
- k. Question

Organizational systems and procedures?

- I. QuestionOrganization's design and structure?
- m. Question



# Criteria used for recruitment or promotion?

n. Question

Is there any special jargon used in the company, so to say a "Kempinski language"?

o. Question

Are there any rituals or ceremonies which suggest certain values and beliefs to be reinforced?

p. Question

The behaviour of managers like treatment of employees and selection for people being chosen for promotion send signals of what is important and valued. What are these?

q. Question

The physical design of the hotel and workplace conveys is often used to present a certain picture of the hotel. What is Kempinski Hotel Das Tirol trying to suggest?

# 16.1 Question

Are there any other practices?

### 17. Question

What developments of the organizational culture did you recognise during the preopening phase and the early months?

18. Question

How were these developments shown in employees' behaviours?

19. Question

On what components do you focus when trying to develop a strong organizational culture? What are the practices used by HR to implement organizational culture?

20. Question

What are the goals from implementing organizational culture?



What do you think of organizational culture being used as a soft control? (Shaping norms, values, symbols, beliefs)

22. Question

Do national cultural differences affect the development and acceptance of organizational culture?

23. Question

What is the crucial difference when organizational culture needs to be implemented into a new hotel compared with changing an existing organizational culture at an already established hotel?

24. Question

Why does Kempinski's approach to its culture work?

## Organizational Citizenship Behaviour

25. Question

What form of organizational citizenship behaviour is mostly observed?

26. Question

How important is organizational citizenship behaviour for Kempinski?

27. Question

How do you think organizational citizenship behaviour is encouraged at Kempinski?

28. Question

Are national cultural values affecting organizational citizenship behaviour?

29. Question

How can employees contribute to the direction a hotel takes?

# Appendix C

# Interview Guideline 3 – Vice President Projects



Do you consent freely to participate in this tape-recorded interview?

2. Question

What is your exact position at Kempinski SA and since when are you working for the company?

3. Question

What are the main responsibilities and tasks of the vice president for projects at Kempinski?

4. Question

What are "projects"? (Referring to preopening, other projects, etc.)

# Preopening a Hotel

5. Question

How is a preopening processed? Are there any guidelines used for preparing, planning and executing the preopening of a hotel?

6. Question

What are the main challenges during a hotel preopening?

6.1 Question

And regarding staff?

7. Question

How long did it take to go through the 5-Phase-Process of Hospitality Facility Development (1. Concept and Initial Consideration, 2. Site Appraisal and Feasibility Study, 3. Detailed Design and Evaluation, 4. Contract and Construction, 5. Marketing and Preopening) to arrive at the preopening stage? And what were the main challenges?

8. Question

What kind of employees did start their jobs with Kempinski Hotel Das Tirol? ("Old Kempinski people", "outsiders" working the first time for Kempinski, nationalities)



How did the idea of the Kempinski Hotel Das Tirol come about?

10. Question

Are there any trends in tourism which impact the preopening or operation of new hotels?

# Organizational Culture

11. Question

What role does organizational culture play in Kempinski hotels? Is organizational culture considered as being a "driver" for the organizational strategy?

12. Question

Are there still some of the values around which the founder of Kempinski, Berthold Kempinski, brought with him into the company?

13. Question

What is the basic idea of Kempinski's culture? (E.g. for Donald Trump's Taj Mahal in New Jersey and for Walt Disney it was "Fantasy")

14. Question



An approach to define different types of organizational structures is the competing values framework, which model is shown below. Into which of the four types does the Kempinski culture fit in and why? Are there subcultures?

Flexibility and Discretion

## <u>Clan Culture</u>

The core values of clan culture are teamwork, employee involvement programs and the company's commitment to employees. People feel as being one, individuality, solidarity, participation and shared values and goals are typical characteristics of a clan culture. Also, a development of a humane work environment, empowerment of employees, facilitation of employee's participation, commitment and loyalty are the main tasks of the organization's management (Cameron & Quinn, 2011).

Internal Focus

#### **Hierarchy Culture**

This type of organizational culture is based on the internal focus and stability, order and control. Organizations with such a culture have leaders which are good coordinators, strive for smooth-running workflow and count on formal rules and policies. Cameron & Quinn (2011) explain that there are standardization, control and clear guidelines that are highly important for the success of this type of organizational structure.

#### Adhocracy Culture

This culture type is characterized by flexibility and orientation on the external environment. There is a clear absence of hierarchy and cuts across normal bureaucratic boundaries are typical. This enables companies with such a culture to make rapid changes in their operational ways. Adhocracy culture is future oriented, innovative and assesses what the future requires (Greenberg, 2011).

External Focus

#### Market Culture

Cameron & Quinn (2011) suggest that the term market serves in this case as the organization being a market itself. For this form of culture the external environment is the main focus as well as the transactions with external parties like suppliers, customers, regulators and contractors. This is done to create competitive advantage for the company. Competitiveness and productivity are the main goals for market culture.

Stability and Control

15. Question

Does Kempinski use the cultural approach of management? (Is organizational culture integrated in the management principles)

#### 16. Question

In a preopening setting, conditions for organizational structure development are significantly different than in an already established hotel. The organizational culture has to be developed from the ground. Are any of the following tools used to form a strong culture and to develop shared goals and values among employees? How are they used and executed?

a. Question



High quality team? "Hiring the best team for the job."

b. Question

Open culture: embrace partners and suppliers?

c. Question

Continuous innovation culture? (Innovation = competency, process, continued effort)

d. Question

Culture of teamwork, trust and transparency?

e. Question

Creating a strong vision and preserving in its pursuit?

f. Question

Focus on your own competency, not competition? Is the focus inwards?

g. Question

Managers as coaches? (Encourage a certain environment)

h. Question

Formal statements of organizational philosophy?

i. Question

Reward and status system?

- j. Question Stories, legends, myths?
- k. Question

Organizational systems and procedures?

- I. QuestionOrganization's design and structure?
- m. Question



# Criteria used for recruitment or promotion?

n. Question

Is there any special jargon used in the company, so to say a "Kempinski language"?

o. Question

Are there any rituals or ceremonies which suggest certain values and beliefs to be reinforced?

p. Question

The behaviour of managers like treatment of employees and selection for people being chosen for promotion send signals of what is important and valued. What are these?

q. Question

The physical design of the hotel and workplace conveys is often used to present a certain picture of the hotel. What is Kempinski Hotel Das Tirol trying to suggest?

## 16.1. Question

Are there any other practices?

## 17. Question

How does the development of organizational culture influence the change of behaviour of employees? Any observations?

18. Question

On what components do you focus when trying to develop a strong organizational culture?

19. Question

What are the goals from implementing organizational culture?



What is the crucial difference when organizational culture needs to be implemented into a new hotel compared with changing an existing organizational culture at an already established hotel?

## Organizational Citizenship Behaviour

21. Question

What form of organizational citizenship behaviour is mostly observed?

22. Question

How important is organizational citizenship behaviour for Kempinski?

23. Question

How do you think organizational citizenship behaviour is encouraged at Kempinski?

24. Question

Are national cultural values affecting organizational citizenship behaviour?

25. Question

How can employees contribute to the direction a hotel takes?

# Appendix D

## Interview Guideline 4 – Preopening Manager

1. Question

Do you consent freely to participate in this tape-recorded interview?

2. Question

What is your exact position at Kempinski SA and since when are you working for the company?

3. Question

What are the main responsibilities and tasks of the preopening manager at Kempinski?

## <u>Preopening a Hotel</u>



4. Question

How is a preopening processed? Are there any guidelines used for preparing, planning and executing the preopening of a hotel?

5. Question

What are the main challenges during a hotel preopening?

5.1 Question

And regarding staff?

6. Question

What kind of employees did start their jobs with Kempinski Hotel Das Tirol? ("Old Kempinski people", "outsiders" working the first time for Kempinski, nationalities)

7. Question

How long did it take to go through the 5-Phase-Process of Hospitality Facility Development (1. Concept and Initial Consideration, 2. Site Appraisal and Feasibility Study, 3. Detailed Design and Evaluation, 4. Contract and Construction, 5. Marketing and Preopening) to arrive at the preopening stage? And what were the main challenges?

8. Question

How did the idea of the Kempinski Hotel Das Tirol come about?

9. Question

Were any social, environmental or economic impacts noted during the preopening phase and the early months of operation of Kempinski Hotel Das Tirol?

10. Question

Are there any trends in tourism which impact the preopening or operation of new hotels?

# Organizational Culture



What role does organizational culture play in Kempinski hotels? Is organizational culture considered as being a "driver" for the organizational strategy?

### 12. Question

Are there still some of the values around which the founder of Kempinski, Berthold Kempinski, brought with him into the company?

13. Question

What is the basic idea of Kempinski's culture? (E.g. for Donald Trump's Taj Mahal in New Jersey and for Walt Disney it was "Fantasy")

14. Question

An approach to define different types of organizational structures is the competing values framework, which model is shown below. Into which of the four types does the Kempinski culture fit in and why? Are there subcultures?

Flexibility and Discretion

**Clan Culture** The core values of clan culture are teamwork, employee involvement programs and the company's commitment to employees. People feel as being one, individuality, solidarity, participation and shared values and goals are typical characteristics of a clan culture. Also, a development of a humane work environment, encouraget of amployees facilitation of employee's **Adhocracy Culture** This culture type is characterized by flexibility and orientation on the external environment. There is a clear absence of hierarchy and cuts across normal bureaucratic boundaries are typical. This enables companies with such a culture to make rapid changes in their operational ways. empowerment of employees, facilitation of employee's participation, commitment and loyalty are the main tasks of the organization's management (Cameron & Quinn, 2011). Adhocracy culture is future oriented, innovative and assesses what the future requires (Greenberg, 2011). **External Focus Hierarchy Culture** Market Culture This type of organizational culture is based on the internal serves in this case as the organization being a market itself. For this form of culture the external environment is the main focus as well as the transactions with external parties like suppliers, customers, regulators and contractors. This is done to create competitive advantage for the company. Competitiveness and productivity are the main goals for market culture. focus and stability, order and control. Organizations with such a culture have leaders which are good coordinators, strive for smooth-running workflow and count on formal rules and policies. Cameron & Quinn (2011) explain that there are standardization, control and clear guidelines that are highly important for the success of this type of

Stability and Control



Does Kempinski use the cultural approach of management? (Is organizational culture integrated in the management principles)

### 16. Question

Research has shown that in a preopening setting, conditions are significantly different than in an already established hotel. The organizational culture has to be developed from the ground. Are any of the following tools used to form a strong culture and to develop shared goals and values among employees? How are they used and executed?

a. Question

High quality team? "Hiring the best team for the job."

b. Question

Open culture: embrace partners and suppliers?

c. Question

Continuous innovation culture? (Innovation = competency, process, continued effort)

d. Question

Culture of teamwork, trust and transparency?

e. Question

Creating a strong vision and preserving in its pursuit?

f. Question

Focus on your own competency, not competition? Is the focus inwards?

g. Question

Managers as coaches? (Encourage a certain environment)

h. Question

Formal statements of organizational philosophy?



# Reward and status system?

- j. Question Stories, legends, myths?
- k. Question

Organizational systems and procedures?

I. Question

Organization's design and structure?

m. Question

Criteria used for recruitment or promotion?

n. Question

Is there any special jargon used in the company, so to say a "Kempinski language"?

o. Question

Are there any rituals or ceremonies which suggest certain values and beliefs to be reinforced?

p. Question

The behaviour of managers like treatment of employees and selection for people being chosen for promotion send signals of what is important and valued. What are these?

q. Question

The physical design of the hotel and workplace conveys is often used to present a certain picture of the hotel. What is Kempinski Hotel Das Tirol trying to suggest?

16.1 Question

Are there any other practices?



How does the development of organizational culture influence the change of behaviour? Any observations?

18. Question

On what components do you focus when trying to develop a strong organizational culture?

19. Question

What are the goals from implementing organizational culture?

20. Question

How did the values, beliefs and assumptions which are comprised in Kempinski's organizational culture develop over time in employees' minds?

21. Question

What is the crucial difference when organizational culture needs to be implemented into a new hotel compared with changing an existing organizational culture at an already established hotel?

## Organizational Citizenship Behaviour

22. Question

What form of organizational citizenship behaviour is mostly observed?

23. Question

How important is organizational citizenship behaviour for Kempinski?

24. Question

How do you think organizational citizenship behaviour is encouraged at Kempinski?

25. Question

Are national cultural values affecting organizational citizenship behaviour?

26. Question

How can employees contribute to the direction a hotel takes?



# Appendix E

## Interview Guideline 5 – Corporate Director of Essential Training Programs

1. Question

Do you consent freely to participate in this tape-recorded interview?

2. Question

What is your exact position at Kempinski SA and since when are you working for the company?

3. Question

What are the main responsibilities and tasks of the training manager at Kempinski?

4. Question

How are the trainings different from department to department?

5. Question

What is the major concern of a training manager?

6. Question

Who conducts these trainings?

## Preopening a Hotel

7. Question

How is a preopening processed? Are there any guidelines used for preparing, planning and executing the preopening of a hotel?

8. Question

What are the main challenges during a hotel preopening?

8.1 Question

And regarding staff?



What kind of employees did start their jobs with Kempinski Hotel Das Tirol? ("Old Kempinski people", "outsiders" working the first time for Kempinski, nationalities)

10. Question

Are there any trends in tourism which impact the preopening or operation of new hotels?

11. Question

How did the idea of the Kempinski Hotel Das Tirol come about?

## Organizational Culture

12. Question

What role does organizational culture play in Kempinski hotels? Is organizational culture considered as being a "driver" for the organizational strategy?

13. Question

Are there still some of the values around which the founder of Kempinski, Berthold Kempinski, brought with him into the company?

14. Question

What is the basic idea of Kempinski's culture? (E.g. for Donald Trump's Taj Mahal in New Jersey and for Walt Disney it was "Fantasy")



An approach to define different types of organizational structures is the competing values framework, which model is shown below. Into which of the four types does the Kempinski culture fit in and why? Are there subcultures?

Flexibility and Discretion

#### Clan Culture

The core values of clan culture are teamwork, employee involvement programs and the company's commitment to employees. People feel as being one, individuality, solidarity, participation and shared values and goals are typical characteristics of a clan culture. Also, a development of a humane work environment, empowerment of employees, facilitation of employee's participation, commitment and loyalty are the main tasks of the organization's management (Cameron & Quinn, 2011).

Internal Focus

#### **Hierarchy Culture**

This type of organizational culture is based on the internal focus and stability, order and control. Organizations with such a culture have leaders which are good coordinators, strive for smooth-running workflow and count on formal rules and policies. Cameron & Quinn (2011) explain that there are standardization, control and clear guidelines that are highly important for the success of this type of organizational structure.

### Adhocracy Culture

This culture type is characterized by flexibility and orientation on the external environment. There is a clear absence of hierarchy and cuts across normal bureaucratic boundaries are typical. This enables companies with such a culture to make rapid changes in their operational ways. Adhocracy culture is future oriented, innovative and assesses what the future requires (Greenberg, 2011).

External Focus

#### **Market Culture**

Cameron & Quinn (2011) suggest that the term market serves in this case as the organization being a market itself. For this form of culture the external environment is the main focus as well as the transactions with external parties like suppliers, customers, regulators and contractors. This is done to create competitive advantage for the company. Competitiveness and productivity are the main goals for market culture.

Stability and Control

### 16. Question

To implement organizational culture and Kempinski's values in a newly opening hotel, what training techniques are you using?

17. Question

Research has shown that in a preopening setting, conditions for organizational culture are significantly different than in an already established hotel. The organizational culture has to be developed from the ground. Are any of the following tools used to form a strong culture and to develop shared goals and values among employees? How are they used and executed?

a. Question

High quality team? "Hiring the best team for the job."



b. Question

Open culture: embrace partners and suppliers?

c. Question

Continuous innovation culture? (Innovation = competency, process, continued effort)

d. Question

Culture of teamwork, trust and transparency?

e. Question

Creating a strong vision and preserving in its pursuit?

f. Question

Focus on your own competency, not competition? Is the focus inwards?

g. Question

Managers as coaches? (Encourage a certain environment)

h. Question

Formal statements of organizational philosophy?

i. Question

Reward and status system?

j. Question

Stories, legends, myths?

k. Question

Organizational systems and procedures?

I. Question

Organization's design and structure?

m. Question

Criteria used for recruitment or promotion?



n. Question

Is there any special jargon used in the company, so to say a "Kempinski language"?

o. Question

Are there any rituals or ceremonies which suggest certain values and beliefs to be reinforced?

p. Question

The behaviour of managers like treatment of employees and selection for people being chosen for promotion send signals of what is important and valued. What are these?

q. Question

The physical design of the hotel and workplace conveys is often used to present a certain picture of the hotel. What is Kempinski Hotel Das Tirol trying to suggest?

17.1 Question

Are there any other practices?

### 18. Question

What are the developments which can be seen from accepting these values and acting after them?

### 19. Question

On what components do you focus on in training when you try to bring across all values which are compromised in one training program?

### 20. Question

What are the goals from implementing organizational culture?

### 21. Question

How do essential trainings get developed theoretically?

### 21.1 Question

# What about the Kempinski DNA training? How did it come



## about? What are the core values?

## 22. Question

How does the development of organizational culture influence the change of behaviour? Any observations?

23. Question

Why does Kempinski's approach to its culture work?

24. Question

How is training in a preopening hotel different to training in an already established hotel?

25. Question

What is the crucial difference when organizational culture needs to be implemented into a new hotel compared with changing an existing organizational culture at an already established hotel?

# Organizational Citizenship Behaviour

26. Question

What form of organizational citizenship behaviour is mostly observed?

27. Question

How important is organizational citizenship behaviour for Kempinski?

28. Question

How do you think organizational citizenship behaviour is encouraged at Kempinski?

29. Question

Are national cultural values affecting organizational citizenship behaviour?

30. Question

How can employees contribute to the direction a hotel takes?