

# CHAPTER 14

## SAFETY AND SECURITY ISSUES

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“THAT WAS INCREDIBLE,” thought Trisha Sangus. She collapsed in her office chair, truly exhausted after a 15-hour day at the hotel. Lance Dani sat in the chair opposite hers on the other side of her desk. Between the fire itself, the media, guest telephone calls, and numerous meetings with the hotel’s employees and department heads, Trisha barely had time to take a five-minute break. She had been awakened in the middle of the night by Lance, the hotel manager on duty, when the fire broke out in a guestroom on the second floor.

As Lance had explained it, the guests in room 232 had been burning an open-flame candle on the wooden nightstand when they fell asleep. They were awakened by the smoke alarm in their room, and shortly thereafter, the entire hotel was awakened by the hotel’s fire alarm system.

“We were lucky,” said Lance.

“Lucky? You mean that the fire didn’t spread, and that no one was injured?” asked Trisha.

“Well, yes, that,” said Lance, “but more than that. I mean, the fire department got here so quickly, and the evacuation plan worked without a hitch. I remember you meeting with the chief just last month to review the department’s response plan.”

“Yes,” replied Trisha, “the firefighters did a great job.”

“They sure did,” said Lance, “and you did a great job letting the media know we had everything under control. And your idea of having a manager visit each guestroom afterward to ensure everyone was all right. Wow. What could have been a real disaster turned out just fine. That’s what I mean, we were lucky.”

*No, thought Trisha, they had not really been lucky. What they had been was rewarded for hours of planning for just such a time as this.* The fire department had not responded quickly due merely to luck, and Trisha made a mental note to call her good friend Fire Chief Stanley to thank him. Her relationship with the chief had always been a top priority for Trisha, and she was sure he had taken every measure to ensure that his group responded quickly when the hotel’s alarm system activated.

The evacuation plan that had been so painstakingly prepared and revised by Trisha was also not a piece of luck. Trisha had spent many hours with her corporate director of safety and security preparing a

total emergency response plan they both hoped would never be used, but knew would be critical if it were.

Many of the hotel’s department heads had also worked hard on the plan. The hard work was apparent today when everyone knew what to do, and for the most part, were able to do it quickly and efficiently. The monthly safety and security inspections had helped, too. In addition to providing a regular self-inspection check, they kept safety in the forefront of the hotel’s department heads’ and staff’s minds. It had paid off.

Trisha had expected the media to show up. Fires were news; the news media monitored the police and fire stations’ activities, and she knew she would be expected to address the press. She had been prepared.

The “idea” of visiting each guestroom was not, she knew, her own. She picked it up when reading an article in her trade association magazine that emphasized the importance of both checking for injured guests and calming any potential fears caused by the incident. It had worked well, and she was pleased. She spent many hours a month keeping current by reading her trade magazine and by attending continuing education seminars. These activities had paid off.

“We weren’t lucky, Lance, we were ready,” said Trisha. But she knew that being ready was not a static condition. Rather, it was a state maintained only by the constant process of observing, coaching, and training both herself and the staff.

As she reflected on the excellent performance of her coworkers, the telephone rang. Trisha’s secretary told her that the corporate office was on the phone. It was a call Trisha had been anticipating since she notified her boss’s office of the fire earlier in the day. She was ready. The company president was on the line.

“Trisha, I understand your team performed like clockwork! Great job!” Trisha smiled and replied, “Yes, they did. And I have some ideas for how we could do even better in the future. Let me tell you about today, and what I have planned for tomorrow.”

“Great, I’m anxious to hear all about it. Then I want you to let me tell you about the regional vice president’s job in your area that just became vacant. Supervising 25 hotels in five states, Trisha. It’s a big responsibility, and a big raise. You’re perfect for it. Let me tell you why. . . .”

## IN THIS CHAPTER, YOU WILL LEARN:

1. To recognize the responsibility hospitality managers have to protect the safety and security of guests and employees in hospitality operations.
2. To carry out the procedures needed to limit the potential liability of safety risks and security risks.
3. To minimize the risk of crimes against your own business operation.
4. To recognize the need for and benefit of implementing an effective crisis management plan.

## 14.1 THE IMPORTANCE OF A PROTECTED ENVIRONMENT

As you have seen in previous chapters, you are responsible for taking reasonable care that people are not hurt when they enter or stay in your establishment, and for ensuring that their possessions are safe during their stay. In Chapter 10, “Your Responsibilities as a Hospitality Operator to Guests,” we used examples of recreational facilities, such as pools and fitness facilities, to show you one way that hospitality operations can demonstrate reasonable care for the safety of their guests. Of course, safety extends beyond guests to include management, staff, and the general public.

The courts will not expect you to protect everyone who comes into contact with your operation against all possible calamities. They will, however, expect you to use good judgment in carrying out the procedures necessary to show you care about the well-being of your guests, employees, and visitors, as well as the security of their property. In this chapter, we will examine some procedures used to protect people and assets in the hospitality environment; as well as the procedures used before, during, and after a period of potentially devastating circumstances, such as a fire, storm, criminal activity, or other threatening activity.

### Safety and Security Management

As the manager of your facility, you will be responsible for a large number of activities designed to protect people and property. All of these activities can be grouped under the commonly used terms of *safety programs* and *security programs*. In order for a safety and security program to be effective, hospitality managers must make sure that the program covers every component of a guest's visit and every aspect of their facility's operation. Effective managers may implement several different policies, procedures, and training programs that together make up a comprehensive safety and security program.

#### LEGALESE

**Safety program:** Those procedures and activities designed to ensure the physical protection and good health of guests and employees.

#### » ANALYZE THE SITUATION 14.1

MR. AND MRS. ANGELO were frequent diners at the Buffet World restaurant, a moderately priced operation that featured an all-you-can-eat lunch and dinner buffet. Jessie Carroll was the manager of the restaurant. On a busy Sunday, Mr. and Mrs. Angelo entered the restaurant, paid for their meal, and were directed to their table by the dining room greeter. As Mrs. Angelo sat down, the wooden dining room chair snapped under her weight. Her neck was injured as she fell on the restaurant's tile floor.

The Angelos sued Buffet World, charging negligence in the operation of the restaurant. Their attorney argued that the normal wear and tear of chairs was a foreseeable event, and thus an inspection program should have been in place. No such program could be shown by the restaurant to have existed.

The attorney for the restaurant countered that Mrs. Angelo was “larger” than the average guest, and therefore Buffet World could not have foreseen that she would be seated in a chair that was not capable of holding her weight. The restaurant's attorney also noted that Buffet World had never experienced a problem like this before.

1. Is Mrs. Angelo's weight a relevant issue in her case against the restaurant?
2. What evidence could the restaurant have provided to its attorney to demonstrate reasonable care in the inspection of its dining room furniture?
3. If it were independently owned, who would be responsible for designing and implementing an effective furniture inspection program for Buffet World?

Large restaurant and hotel companies generally employ directors of safety or directors of safety and security. It is the job of these individuals to design safety and security programs, and then to encourage on-site managers to implement and maintain them. In smaller or independent hospitality operations, you may be the individual responsible for developing and maintaining your own safety and security programs. In later portions of this chapter, we will show you how to implement and evaluate a safety program.

## Crisis Management

### LEGALESE

**Crisis:** An occurrence that holds the potential to jeopardize the health of individuals and or the business.

Hospitality managers face a myriad of routine, but generally minor, challenges and problems in the day-to-day operation of their facilities. In some situations, however, the challenges are anything but minor. Many types of circumstances have the potential to cause devastating damage to a hospitality operation. These are called *crisis* situations. Examples include:

- Power outages
- Vandalism
- Arson/fire
- Bomb threats
- Robbery
- Looting

Severe storms, including:

- Hurricanes
- Tornadoes
- Earthquakes
- Floods

- Snow and Ice
- Accident/injury
- Drug overdose
- Medical emergency
- Need for rescue breathing/cardiopulmonary resuscitation (CPR)
- Death/suicide of guest or employee
- Intense media scrutiny
- Adversarial governmental agency investigation
- Civil disturbance

Although it is reasonable to assume that you might not have much control during a crisis such as a snowstorm, it is also reasonable to assume that, prior to the storm, you would have preplanned for the difficulties your operation might face during such

## » ANALYZE THE SITUATION 14.2

WAYNE DOBINION WAS THE district manager for a franchised quick-service Mexican-style restaurant in a large city. On a Friday night at 11:30 P.M., just after the restaurant locked its front doors to the general public, three masked men entered the store through the unlocked back kitchen door. They demanded that the assistant manager on duty at the time turn over all the restaurant's cash. Nervously, the 19-year-old assistant manager explained that all the cash had been deposited in a safe in the manager's office and that he had no ability to open it.

Angry at their inability to rob the restaurant, the gunmen shot two of the restaurant workers, including the assistant manager, as they fled the restaurant. The assistant manager later died from his wounds. The attempted robbery and shooting make that night's local television news.

A lawsuit filed by the assistant manager's parents charged that the restaurant lacked proper alarms and locks on the back door. In addition, they charged that the restaurant owners and the franchise company failed to provide any training to its staff regarding the proper response to an armed robbery. The lawsuit was reported in a front-page article in the local paper.

An investigative reporter from another television station in the city called the restaurant's manager to request an on-air interview regarding the training the restaurant's employees receive related to robberies. The manager referred the call to Mr. Dobinion.

1. What issues will the courts and jury likely consider as they evaluate the legitimacy of the parents' lawsuit?
2. What legal position might the franchisor take if it had provided training materials to the local franchisee, but the franchisee had never utilized those materials?
3. What is the likely outcome if Mr. Dobinion refuses to meet with the investigative reporter? What if Mr. Dobinion has not been trained to do so?

a storm. Crisis management consists of (1) preplanning before a crisis, (2) responding properly during a crisis, and (3) assessing your operation's performance after the crisis to see how your response could be improved for the next time.

### Advantages of Preplanning

By preplanning for certain types of accidents and events, you will be able to minimize the possibility of injury or loss, demonstrate reasonable care, and show a jury that you were able to foresee a potentially dangerous situation, as well as take appropriate steps to prevent the harm from occurring or to mitigate the consequences. (Recall the importance of "foreseeability" in personal injury lawsuits, as discussed in Chapter 9, "Your Responsibilities as a Hospitality Operator.") There are also at least 11 other

advantages for considering ahead of time how your operation could be made safer and what types of actions you and your staff can take on a daily basis to keep it safe:

1. *Improved employee morale.* When employees see you implementing safety and security programs, they know that there is a direct benefit to them. In an age of increasing workplace violence, employees have a legitimate concern for their own security.
2. *Improved management image.* Often, managers are accused, directly or indirectly, of putting the needs of the business ahead of those of the individual worker. Regardless of the legitimacy of such criticism, the implementation of safety and security programs demonstrates management's concern for staff and guests in a way that is both visible and undeniable.
3. *Improved employee recruiting effectiveness.* For prospective employees, the mention of effective safety and security programs can often mean the difference between accepting or rejecting a position. Consider the parents of a teenage worker helping to counsel their son or daughter to look for an after-school job. Having a safety-oriented workplace will clearly be important in the decision-making process of the potential employee and his or her parents.
4. *Reduced insurance rates.* In many cases, your insurance company will reward your safety and security efforts with reduced insurance premiums. It simply makes sense for them to do so. Just as auto insurance companies provide lower rates for safe drivers, business insurers look at the potential for loss when establishing rates for providing coverage.
5. *Reduced employee costs.* Employees who avoid injury are more productive and reliable than those who do not. Because that is true, it is up to you as a manager to help employees avert accidents. Workers' compensation claims are lower in a safe work environment, and lost productivity due to injury-related absence is reduced. No one wins when workers are injured on the job.
6. *Improved operating ratios.* When theft by guests or employees is reduced, profitability increases. Restaurants and hotels particularly have inventory items that many employees and guests find desirable, because they can be used or consumed in their own homes. Well-conceived programs that reduce theft or raise awareness about security measures result in lower operating costs, and thus enhance gross operating profits.
7. *Reduced penalty costs for violations.* Hospitality establishments are visited by federal and state inspectors from a variety of agencies to ensure compliance with the different laws that regulate the industry. Often the inspections are unannounced, and the fines for violating the law, as we have shown you, can be severe. The best way to avoid expensive fines and penalties is by operating safely and legally at all times. An effective safety and security program can help ensure your compliance with the law.
8. *Support in the event of an accident.* When accidents happen, attorneys and upper management will look to the hospitality manager to provide documented evidence that safety and training programs were in place to reduce the chance of a mishap. This evidence is crucial because, as we have seen, juries will be interested in whether or not the manager exercised reasonable care in the operation of his or her facility. If the manager cannot do so, the chances of successfully defending the operation in court are greatly reduced.

9. *Increased guest satisfaction.* Today's traveling public is sophisticated. Guests have come to expect that their personal safety and the safety of their possessions will be protected to the greatest degree possible by hospitality managers who care about their repeat business. The hotel that does not provide adequate locks on its guestrooms, for example, neglects to do so at its own peril. Potential guests will simply find other, safer, lodging options. The restaurant that does not protect its inventory from employee theft, and then runs out of a needed ingredient on a busy Saturday night, faces the same probability of guest dissatisfaction. Dissatisfied customers seldom return.
10. *Marketing advantages.* All hospitality facilities, even those in the nonprofit sector, compete for customers or resources. When an operation can legitimately represent itself as one that takes a genuine and documented proactive stance in the area of safety and security, it becomes easier to market that facility to the general public. For example, the tour bus operator selecting a hotel for a tour group's overnight accommodations will, all other things being equal, select the hotel that raises the least risk to the group's safety, and thus the least likelihood of adverse guest experiences. To do so is merely good business judgment on the part of the tour operator.
11. *Reduced likelihood of negative press.* Few events can have as adverse an impact on the success of a business as sustained negative press. Although such press is often undeserved, the reality is that today's media will sensationalize some misfortunes in a way that casts the business owner in the least favorable light. As we will see later in this chapter, your ability to deal honestly with the media in a time of turmoil is very important, but it is always easier to avoid accidents than to defend yourself in the press. Many managers have the attitude, "It can't happen to me." It can, and the results can be crippling to your business.

## 14.2 SAFETY AND SECURITY PROGRAMS: FOUR-STEP SAFETY AND SECURITY MANAGEMENT METHOD

Because the safety and security needs of hospitality organizations vary so widely, it is difficult to provide one all-purpose, step-by-step, list of activities that should be implemented to minimize the chances of accident, injury, or loss. That said, from a legal perspective, your basic obligation is to act responsibly in the face of threats to people and property. One way to analyze and respond to those responsibilities is illustrated by a four-step safety and security management method presented in Figure 14.1.

### Four-Step Safety and Security Management Method

1. Recognition of threat
2. Program development (response to threat)
3. Program implementation
4. Monitoring of program results

**Figure 14.1** Four-step safety and security management method.

<b>Areas of Safety and Security Concern</b>	
<p><b>Guests</b></p> <ul style="list-style-type: none"> <li>Parking lots</li> <li>Guestrooms</li> <li>Public areas</li> <li>Dining rooms</li> <li>Bars and lounges</li> </ul>	<p><b>Guest Property In</b></p> <ul style="list-style-type: none"> <li>Coatrooms</li> <li>Guestrooms</li> <li>In-room safes</li> <li>Parking lots</li> <li>Safety deposit boxes</li> </ul>
<p><b>Employees</b></p> <ul style="list-style-type: none"> <li>Work site safety</li> <li>Workplace violence</li> <li>Worker accidents</li> <li>Employee locker rooms</li> </ul>	<p><b>Facility Assets</b></p> <ul style="list-style-type: none"> <li>Cash and cash equivalents</li> <li>Operating supplies</li> <li>Food inventories</li> <li>Beverage/mini-bar inventories</li> <li>Vending income/equipment</li> <li>Telephone access</li> </ul>
<p><b>All People and Property</b></p> <ul style="list-style-type: none"> <li>Medical emergency</li> <li>Criminal activity</li> <li>Natural disaster</li> <li>Utility outages</li> </ul>	

**Figure 14.2** Areas of safety and security concern.

## Recognition of Threat

Safety and security programs generally start with the recognition of a need, that is, a realization that a threat to people or property exists. Consider the case of Garth Rivers. Garth is the manager of a popular pizza parlor that also serves beer and wine. Over the past six months, Garth has had four guests and two employees complain of vandalism to their cars. The damage ranged from scratched paint to broken windows, and in at least one case, it appeared that the vandals attempted to break into the car. Before these six incidents, Garth never had a problem. Now, however, he realizes that he must act responsibly to serve the interests of his guests and employees, and protect their property. A need for security has surfaced.

Figure 14.2 lists the most common areas of security concern in the hospitality industry. The list is not intended to be exhaustive, but it does give some indication of the vast number of areas within a facility that must be considered when developing an overall safety and security program. Note the five major areas into which this list is divided: guests, employees, property, facility assets, and crisis situations.

## Program Development

Once a threat to safety or security has been identified, managers and security personnel can develop an appropriate response to address that threat. Figure 14.3 details the many different components of an effective hotel safety and security program, which would have to be addressed by management. Responses, or programs, can take a variety of forms, as follows.

### *Training for Threat Prevention*

In many cases, the proper response to a safety and security threat is proper training for employees. If, for example, employee safety is threatened by a large number of back injuries caused by the use of improper lifting techniques, training employees in proper lifting techniques could reduce or eliminate that threat.

**Significant Elements of a Hotel Security Program**

- ▶ Key controls
- ▶ Effective guestroom lock system
- ▶ Proper and adequate training of security staff
- ▶ Guestroom doors with one-way viewers and chain/latch bars
- ▶ Adequate lighting and ongoing maintenance
- ▶ Perimeter controls
- ▶ Employee background checks
- ▶ Employee education
- ▶ Guest safety education (safety videos on TV, safety literature in guest directory, recommended hiking/jogging paths, recommended vendors)
- ▶ Written security policies and procedures
- ▶ Established responses to incidents and corrective action
- ▶ Liaison with local authorities

**Figure 14.3** Elements of a hotel security program.

Other examples include training room attendants in the proper manner for disposing of bloody items found in rooms, teaching cooks the proper way to use a meat slicer, or instructing employees and guests in what should be done in the event of a fire emergency.

### ***Increased Surveillance and/or Patrol***

In some cases, the best response to a threat simply involves monitoring the activities in a particular area with greater frequency; and, as mentioned in Chapter 9, you can even be found negligent for not doing so. In the parking lot problem just described, one of Garth's best responses could be to increase surveillance of the parking lot of his pizza parlor. Routine patrols carried out by management, employees, an outside security firm, or the police may serve as a significant deterrent to vandals.

Other safety and security threats can be addressed by installing video cameras in public areas to record activity. Stairwells, halls, and storerooms are appropriate areas for the installation of these devices. In many cases, the presence of the camera itself can help deter crime. Video camera systems can either record action to tape or simply display the activity of a specific area in real time, with no recording of the events. In all cases, however, if a camera is installed to view a specific problem area in a hospitality organization, then that camera must be adequately monitored. Many organizations have actually chosen to forgo the use of video cameras as a guest-safety tool if they cannot be monitored, because the presence of the camera could give the guest a false sense of security.

It is important to understand that an owner's right to unlimited monitoring and surveillance, even on his or her own property, is not absolute. In today's computer age, illegally monitoring the behavior of guests, and especially that of employees, can dramatically increase an employer's liability.

### ***Systematic Inspections***

In some cases, holding a routine and comprehensive inspection of facilities can help identify possible threats to safety and security. As a professional hospitality manager, you will be expected to carefully monitor your facility's compliance with accepted standards of a safe and secure operation. It is important that you not only regularly monitor your facility for compliance but also document your efforts.

Figure 14.4 is an example of a checklist that can be used to do both: monitor compliance and document the effort. Many sophisticated travel agency companies concerned about the safety of their clients, as well as corporations concerned about the safety of their employees, have developed their own safety and security checklists.

### Hospitality Facilities Safety and Security Checklist

Operation \_\_\_\_\_ Manager \_\_\_\_\_

Month/Year Inspected \_\_\_\_\_ Inspected by \_\_\_\_\_

Mark "OK" by any item that is in compliance. For those items not in compliance, assign an individual to correct the problem, along with a target date for its completion. For any item appearing two months in a row, attach a sheet explaining progress toward the problem's solution.

OK	Not OK	Facility Section	Correction Assigned to	Target Correction Date
<b>Outside/Parking Areas</b>				
_____	_____	Paved areas free of cracks, uneven surfaces	_____	_____
_____	_____	Walkways uncluttered, unobstructed	_____	_____
_____	_____	Lighting adequate in working condition	_____	_____
_____	_____	Required warning, caution signage in place	_____	_____
_____	_____	Landscape void of hiding areas	_____	_____
_____	_____	Fences in good repair	_____	_____
<b>Transportation/Valet</b>				
_____	_____	Driving records of drivers on file	_____	_____
_____	_____	Daily vehicle inspection on file	_____	_____
_____	_____	Vehicle maintenance records on file	_____	_____
<b>Lobby/Entrance Areas</b>				
_____	_____	Steps/stairways marked, in good repair	_____	_____
_____	_____	Handrails installed	_____	_____
_____	_____	Floors, carpets in good condition	_____	_____
_____	_____	Lighting levels adequate	_____	_____
<b>Fire and Safety</b>				
_____	_____	Fire alarm system tested, documented	_____	_____
_____	_____	Sprinkler system tested, documented	_____	_____
_____	_____	Fire extinguisher tests current	_____	_____
_____	_____	Kitchen hood ANSUL system tested, documented	_____	_____
_____	_____	All Exit signs illuminated	_____	_____
_____	_____	Smoke alarms tested, documented	_____	_____
_____	_____	Meeting with local fire officials held, documented	_____	_____

Figure 14.4 Safety and security checklist.

		<b>Elevators</b>		
_____	_____	Lights operational	_____	_____
_____	_____	Telephones operational	_____	_____
_____	_____	Elevator inspection current, posted	_____	_____
_____	_____	Signage includes Braille	_____	_____
		<b>Restaurant</b>		
_____	_____	Floor covering in good repair	_____	_____
_____	_____	Adequate lighting	_____	_____
_____	_____	Seating inspected	_____	_____
_____	_____	Tables inspected	_____	_____
_____	_____	Signage appropriate	_____	_____
_____	_____	Evaluation plan posted (if required)	_____	_____
_____	_____	Room capacity posted (if required)	_____	_____
_____	_____	Wiring on public space equipment inspected	_____	_____
		<b>Kitchen</b>		
_____	_____	Floor tile in good repair	_____	_____
_____	_____	Chemicals stored away from food	_____	_____
_____	_____	Safe food storage practices	_____	_____
_____	_____	GFI installed on outlets	_____	_____
_____	_____	Hood ducts and filters cleaned, documented	_____	_____
_____	_____	ANSUL system inspection posted	_____	_____
_____	_____	Kitchen inspection scores reviewed with manager	_____	_____
_____	_____	Fire extinguisher training held/documentated	_____	_____
_____	_____	MSDS in place	_____	_____
		<b>Laundry</b>		
_____	_____	Dryer vents cleaned/documentated	_____	_____
_____	_____	Chemicals stored properly	_____	_____
_____	_____	MSDS in place	_____	_____
		<b>Swimming Pools/Spas</b>		
_____	_____	Floor nonslip, no cracks	_____	_____
_____	_____	Self-closing gate	_____	_____
_____	_____	Depth markings in feet and meters	_____	_____
_____	_____	Lifesaving equipment in place	_____	_____
_____	_____	Appropriate signage	_____	_____
_____	_____	Lights installed and operable	_____	_____
_____	_____	Hot tub thermometer in place	_____	_____

Figure 14.4 (Continued)

<b>Private Meeting Rooms/Ballrooms</b>			
_____	_____	Floor covering in good condition	_____
_____	_____	Entrance doors open/close properly	_____
_____	_____	Kitchen doors open/close properly	_____
_____	_____	Evaluation procedures posted	_____
_____	_____	Appropriate signage	_____
_____	_____	Lights installed and operable	_____
<b>Back of House</b>			
_____	_____	Floor covering in good condition	_____
_____	_____	Proper storage techniques used	_____
_____	_____	Hot water temperature tested	_____
_____	_____	Power shut-off identified/labeled	_____
_____	_____	Gas shut-off identified/labeled	_____
_____	_____	Appropriate signage	_____
_____	_____	Lights installed and operable	_____
General/Additional Comments		_____	
_____		_____	
_____		_____	
_____		_____	
_____		_____	
Inspected filed on _____		_____	
Reviewed By _____		Title _____	

Figure 14.4 (Continued)

As a manager, these can be very instructive because they let you know what travel agents think is important in a facility they would recommend to their clients.

***Modification of Facilities***

When the facility itself contributes to a threatening situation, that facility may require modification. For example, worn carpets should be replaced before a guest falls; sidewalk curbs should be painted if they are not visible to pedestrians; and extra lighting might have to be added in specific areas to increase safety and security. It is important to remember that facility defects that have been recognized or should have been foreseen by management, but not corrected, can be very damaging in the event of a lawsuit.

***Establishing Standard Procedures***

Routine policies and procedures can also serve as an effective response to threats to safety and security. Consider the case of the hotel that offers guests the use of a safety deposit box. Obviously, procedures should be in place to ensure the security of the items placed on deposit with the hotel. In a similar way, a restaurant must have

appropriate procedures in place for counting and depositing the cash it takes in on a daily basis. Periodic product inventories, plate counts on buffet meals, and signing in and out of management keys are all examples of standard operating procedures that directly impact the safety and security of an operation.

### » ANALYZE THE SITUATION 14.3

THE COMMODORE HOTEL WAS owned by the First Community Insurance Company, and managed by Fieldstone Hospitality Management. After two separate guest assaults occurred inside the hotel rooms, Fieldstone Management approached First Community Insurance with the idea of either installing a closed circuit video camera (CCVC) system in all hallways or increasing the lighting levels of the hotel's corridors. First Community Insurance authorized Fieldstone Management to purchase a video surveillance system consisting of six cameras and a central location to view them. The events shown by the cameras were not committed to tape.

Late on the evening of February 6, Mrs. Cynthia Larson checked into the Commodore and was assigned a room at the end of one of the hotel's corridors. As she attempted to insert her electronic key into the door lock, she was assaulted.

Mrs. Larson sued both Fieldstone Management and First Community Insurance, claiming that both companies' failure to monitor their cameras was a direct cause of her assault. In addition, she claimed that the cameras' use was deceptive, in that it gave her a false sense of security. As she stated, "The cameras showed me the hotel cared about my security, and I wanted to stay in a safe location." According to timesheets provided under subpoena by the hotel, an employee was assigned to view the cameras in the central location for an average of two hours per night between the hours of 8:00 P.M. and 6:00 A.M. The assault occurred at a time when no employee was monitoring the cameras.

The attorney for First Community Insurance stated that the company was merely the owner of the hotel and not responsible for day-to-day management; thus, it should not be held responsible for Mrs. Larson's injuries. Fieldstone Management maintained that it too should not be held responsible just because the cameras installed were not monitored at all times. The presence of the cameras themselves and electronic locks on their doors demonstrated that the company used reasonable care in the protection of its guests.

1. Will First Community Insurance be held partially responsible for the actions of Fieldstone Management?
2. Did Fieldstone Management use reasonable care in the installation and operation of the camera system? Would it matter if the cameras were recording to tape?
3. What could the hotel owners do in the future to help avoid a similar situation with a guest?

## Program Implementation

Once a hospitality firm has identified the threats to its operation, and designed a safety and security program that addresses those threats, it must put the program into action. Large hospitality facilities may have individuals specifically designated for these tasks, while in smaller properties every employee may have implementation responsibilities. Both large and small properties may find the need for temporary or longer-term security assistance, which may be provided by a security guard company. In all cases, local law enforcement officials should be a vital component of a property's safety and security program.

### *Safety and Security Departments*

In a large hospitality facility, a safety and security department may exist. The department head would ordinarily report to the general manager of the facility. Staff members in the department would be responsible for routine duties such as patrolling the facility for unauthorized people or suspicious activity, performing inspections, assisting the police with crime reports, and serving as a liaison with insurance carriers. In addition, the department might advise the general manager on topics related to safety and security. The Educational Institute of the American Hotel and Motel Association offers an excellent certification program for members of a safety and security department.

### *Safety and Security Guards*

If yours is a small facility, you may decide that it makes sense to contract with a security guard company to hire a guard to implement all or a portion of your safety and security program. Consider the case of Teddy Ross. Teddy manages a resort that includes lodging, foodservice, and entertainment facilities. Teddy decides to renovate his 200 hotel rooms. All of the furniture for the renovation is to be delivered to Teddy's facility at the same time, but it will be stored in tractor-trailers in his parking lot until the building contractor finishes the room renovation. The process is expected to take 10 weeks, with 20 rooms per week being furnished from the items in the trailers. Because Teddy does not have the extra staff required to guard the trailers at night, it might make good economic sense for him to contract with a security company that could provide such a guard.

Generally it is the role of the security guard to:

1. Monitor the facility.
2. Report observations to management or the police if needed.
3. Intervene only if it can be done safely or to protect the life of a guest or employee.
4. Record activities and findings.

Security guards are an excellent choice when additional help is needed—for example, in the event of a large party or whenever management expects that additional safety or security protection is warranted. They are not, however, a substitute for a comprehensive and ongoing safety and security program. If such guards are to be used, it is a good idea to insist that the security guard company:

- Provide an acceptable indemnity/hold-harmless agreement.
- Supply proof of liability insurance that names your operation as an additional insured.
- Demonstrate proof that it carries workers' compensation insurance.
- Supply a copy of its hiring standards/procedures.
- Draw up a written agreement detailing the specific services it will provide.

## ***Safety Committees***

Many managers find that property safety committees can play a valuable role in the identification and correction of safety and security problem areas. Ideally, a safety committee should consist of members from each of a property's departments. For example, a large restaurant might have members from the preproduction, production, and clean-up areas in the back of the house, and bartenders, servers, and hosts in the front of the house. A hotel's safety committee might have one or more members from housekeeping, laundry, maintenance, food and beverage, front desk, guest services, and the administrative offices.

Once a committee is established, regular meetings should be scheduled on a weekly, biweekly, or monthly basis. The meetings need not be long; typically, one hour is sufficient. An agenda for a property-level safety and security committee meeting might include:

- *Safety or security instruction:* Training videos, new policies and procedures, and related instruction can be presented. It is critical that the committee members see their role as that of a teacher, not just a police officer, because a worker's peers can often best reinforce the dissemination of important safety and security information.
- *Review of safety concerns:* Members should be informed of the actions that were taken in response to safety and security concerns raised in prior meetings. If, for example, a member of the dishwashing crew expressed concern in a previous meeting that the chemical sanitizer in the automatic dispenser was not working properly, he or she should be informed of the actions that have been taken to correct the problem. In addition, any new concerns of the group should be discussed at this time, with each department having an opportunity to contribute. Suggestions, corrections, and improvements to the property's safety and security programs should all be encouraged.
- *Effectiveness report by manager:* If accidents have decreased, committee members should be made aware of that fact. If accidents have increased, that too should be shared. The meeting is also a good time to let committee members know how important you consider their contribution to the overall success of your facility.

The most significant resource you have for reducing safety and security liability is the commitment of your staff. Safety committees are an exemplary way to demonstrate your own safety and security commitment, and an excellent way to utilize your staff's eyes, ears, and ideas for the betterment of your operation.

## ***Law Enforcement Relationships***

In addition to your own staff, local law enforcement officials are an important part of any safety and security effort. Establishing and maintaining a good working relationship with them is an integral part of your job. Law enforcement organizations can interact with your business in five key ways:

1. *Regularly scheduled meetings.* It is a good idea to meet on a regular basis with the chief law enforcement official in your area. This can be a time of sharing mutual concerns and ideas for support. If the time comes that you need the help of your local law enforcement officials, a personal working relationship with them is a tremendous asset in resolving any difficulties quickly and efficiently.
2. *Neighborhood business watch programs.* These programs involve business owners who report any suspicious individuals or activities encountered within their place of business.

**LEGALESE**

**Interdiction program:** An arrangement whereby citizens contact police to report suspected criminal activity before a crime is committed.

3. *Property safety and security reviews.* Many law enforcement officials will conduct a courtesy “walk-through” of your property to help detect possible security threats or problems, and offer suggestions for improvement. Because the police are familiar with the difficulties encountered by other businesses, they are in a unique position to point out problems you may have but might not easily recognize. In most cases, law enforcement officials are quite willing to identify areas for improvement.
4. *Interdiction programs.* These special programs involve law enforcement officers who are assigned to a specific area of crime prevention. In many communities, drug enforcement and other officials create *interdiction programs* that allow hospitality managers and employees to inform members of the interdiction team in the event that they observe specific behaviors previously identified by the interdiction team. When you make a call to an interdiction program, you are calling as a concerned citizen, not as a police agent. By working together, hospitality organizations and police officials can help prevent crimes and look out for the safety interests of their customers and their business.
5. *Training programs.* Some police departments offer training programs for crime detection and deterrence. These classes are usually offered free of charge or at very little cost, and can be attended by management and staff employees alike. Many police departments have a variety of training programs that cover topics such as personal safety, preventing employee theft, credit card fraud, identifying counterfeit money, and detecting drug trafficking.

**LEGALLY MANAGING AT WORK:****Establishing an Effective Guestroom Lock Policy**

The following steps outline an effective policy to protect the security of hotel guests by controlling the distribution of room keys and to ensure the effectiveness of guestroom locks. It also serves as a good example of how a safety program should be implemented. Notice the number of different components of a hotel’s operation that contribute to the effectiveness of this policy, from the use of technology (by installing electronic locking systems) to staff training (following procedures such as never announcing room numbers out loud) to management functions (performing a lock audit).

**1. Install an electronic locking system.**

Essentially, an electronic locking system uses a computer to generate a room key for each guest. At the conclusion of the guest’s stay, the key “expires,” or is made inoperable. In addition, the key system computer records the number of times a key is used to enter each room, as well as to whom the key used for entry was issued. For example, if a room attendant is issued a submaster key to all rooms on the first floor of a hotel, each time the room attendant uses the key, the time of use, as well as the identification number of the key, will be recorded in the computer’s memory, where it may be retrieved if needed.

Traditional mechanical locking devices do not help ensure guest safety, nor do they allow you to monitor the use of the key. Guest

safety is compromised because any guest could make a copy of his or her room key, and return after he or she has checked out of the hotel to gain access to his or her old room. Employees could also make duplicate keys. Management cannot monitor key usage in any way because a mechanical lock does not record the identification number of the key used to open the door.

**2. Train all new employees on the procedures used to ensure key security.**

Every new hotel employee needs to understand the importance of guest safety and key control. Housekeepers, maintenance staff, front desk staff, and even food and beverage staff should all be trained prior to beginning work. Excellent key control and guest privacy training materials can be secured from the Educational Institute of the American Hotel and Lodging Association at a very reasonable cost. And, remember, it is important to document your training efforts.

**3. Never announce guestroom numbers out loud.**

When guests check into a hotel, it is never appropriate to say their room number out loud. The number should be written on the envelope or key cardholder containing the guest's room key. Also, it is important never to give a guest's room number to a caller or other guests in the hotel, regardless of their relationship to the original guest.

**4. Never mark the room number directly on the key.**

Guestroom keys should never be imprinted with the guestroom number.

**5. Do not identify the hotel with the key.**

Despite the widespread practice of customizing electronic key cards, it is never a good idea to "market" the hotel by printing property-specific information on the key card itself. If lost or stolen, potential thieves should not be able to determine where the key originated. It may be good marketing to custom print key cards, but it makes for poor security. Avoid the practice.

**6. Do not reissue keys to guests without a positive ID check.**

When guests lock themselves out of a room, or lose their keys, they must be required to positively identify themselves before they are issued a duplicate key. This rule simply cannot be broken. If a guest maintains that he or she has left his or her identification in the guestroom and thus cannot produce it, the guest should be escorted by management to the room, where the proper identification can be secured. Employee violations of this rule should lead to immediate disciplinary action, because requesting and receiving an unauthorized key to a room is the primary way a thief can foil an electronic locking system.

**7. Do not issue duplicate keys to anyone except the registered guest.**

The registered guest, and only the guest, should be able to request and receive a duplicate or replacement room key. Keys should not be issued to either spouses or children. Remember that it is the guest,

not the hotel, who has the right to determine who is to be allowed access to his or her room.

**8. Minimize the number of master keys.**

Electronic locking systems preclude the making of master keys. In addition, master keys with restrictions can be created. That is, a housekeeping supervisor may be issued a submaster key that opens all guestroom doors on the first floor, but not the electronic lock to the liquor storeroom, which is also on the first floor. A master key should be available to the manager on duty, in case of emergency.

**9. Keep a log of all existing masters and submasters.**

All master and submaster keys that are issued should be recorded. The key identification number, the individual receiving the key, and the key's expiration date should be noted. In all cases, the number of master and submaster keys should be limited and accounted for on a regular basis. In addition, all such keys should be voided and reissued on a regular basis. The regulation of these key types should be well documented.

**10. Train all managers on duty (MODs) on the procedures to conduct a lock audit. Record the results of any audits performed.**

When it is necessary to determine who has gained access to a room, an audit of all keys used to open a guestroom door should be performed. Possible instances that could necessitate an audit include a guest report of theft from a room, reports of poor service to a room, and so on. In all cases, a record should be kept of who performed the audit and the results of the audit, including any subsequent action taken by management. Every MOD should be trained in how to perform the lock audit and how to record the results.

## Monitoring Program Results

If a safety program is not working—that is, if it is not reducing or eliminating the threats to people or property you have identified—then the program must be reviewed for modification. Consider the case of Dave Berger. Dave is a regional manager for a chain of 30 delicatessens. The restaurants serve sandwiches and homemade soups. While reviewing his stores' performance, Dave noticed that each store averaged three critical sanitation violations per health inspector visit. In response to this, Dave purchased a food safety video and required each store manager to view it. Six months later, the number of sanitation violations reported per store remained unchanged. From this information, Dave learns that he will have to do more than show a video to ensure food safety in his stores.

Legally, you are in a much stronger position if you can document not only that you have a safety and security program, but also that the program has proven effective. There are a variety of ways to measure your program's effectiveness. Some tangible measurements include:

- Number of inspections performed
- Inspection or quality scores
- Number of incidents reported
- Dollar amount of losses sustained
- Number of insurance claims filed

- Number of lawsuits filed
- Number of serious or minor accidents
- Number of lost workdays by employees
- Insurance premium increases
- Number of drills or training exercises correctly performed

Less tangible measures include guest satisfaction scores, improved employee morale, and enhanced product marketability. The important point to remember is that a program has been successfully designed for implementation only after an appropriate evaluation component has been developed. Unless you know a program has made a measurable difference, you may be lured into a false sense of security about the program's effectiveness.

## » ANALYZE THE SITUATION 14.4

PEGGI SHULKEY MANAGED A commissary for a large cafeteria company. Her facility prepared food products for 75 company restaurants. Although her operation did not have a tremendous number of work-related accidents, Peggi believed the number of accidents could be reduced. To that end, she formed a safety committee made up of employees and management, and charged them with the task of developing a model program to reduce employee injuries. The committee proposed the six-step plan presented here, along with their rationale for each step.

### 1. Proper selection of employees.

An employee with a drug problem is dangerous; therefore, applicants should be required to take a drug test before being hired. The applicant must also execute a continuous authorization for drug testing, which permits the employer to administer a drug test in the event of an accident.

### 2. Designation of a safety/injury coordinator.

The safety/injury coordinator will review past accident records and implement programs to reduce situations that may result in accidents. The safety coordinator will maintain a logbook of incidents, which each department supervisor can review for incident trends.

### 3. Implementation of mandatory safety training.

Each employee will be trained in safety related to his or her job.

### 4. Increased awareness of safety.

Through the implementation of programs, games, and posters, employees will be reminded to think intelligently and safely.

### 5. Implementation of incentive programs for safety.

To further encourage safety, rewards and incentives will be given to employees who practice such behavior.

### 6. Measurement of results.

To be determined by the general manager.

1. What specific measurements might Peggi use to gauge the effectiveness of the group's plan?
2. How effective is training likely to be in reducing this particular threat to safety?
3. Analyze the committee's plan for thoroughness. Are there potential liabilities that still need to be addressed?

## » ANALYZE THE SITUATION 14.5

KARIN PELLELY WAS EMPLOYED as a district manager by Ron's Roast Beef, a regional chain of 150 quick-service restaurants serving sandwiches, soups, and soft drinks. Most of the stores were located in shopping mall food courts or strip malls. Ms. Pelley worked out of her home office, traveling to visit her 12 assigned stores on a regular basis.

Ms. Pelley communicated with the corporate office via telephone, fax machine, and modem, all of which were installed in her home by Advance Technology, a telecommunications company selected by Ron's Roast Beef to supply telecommunications equipment and services to employees. As part of its contract with Ron's Roast Beef, Advance Technology serviced the machines used by Ms. Pelley in her daily work.

When Ms. Pelley's modem stopped working one day, she contacted her home office, which then called Advance Technology to request that a service technician be dispatched to Ms. Pelley's home. In the course of his visit, the technician assaulted Ms. Pelley. The technician was later apprehended by the police and convicted of felony assault, his third such conviction in three years.

Ms. Pelley sued Advanced Technology, claiming negligent hiring. In addition, her attorney submitted a demand letter to Ron's Roast Beef, requesting a \$400,000 settlement from the company for negligence in contracting its telecommunications services from Advance Technology. The attorney for Ron's Roast Beef refused to pay the claim stating that:

- Ron's had no control over the hiring practices of Advance Technology.
- Ms. Pelley was prohibited by law from pursuing any injury claim against her employer other than workers' compensation, because the assault occurred in Ms. Pelley's "office."

1. What responsibility did Ron's Roast Beef have for providing a safe home working environment for Ms. Pelley?
2. Will Ron's Roast Beef be held liable for the damages suffered by Ms. Pelley? Will Advance Technology be held liable?
3. What should Ron's do in the future to avoid potential liability in situations such as this?

## 14.3 CRIMES AGAINST HOSPITALITY BUSINESSES

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Most of our discussion so far has centered on the protection of guests and employees from outside threats, but hospitality managers also need to be aware of threats and criminal activities aimed directly at their own operation. The three most common threats are as follows:

1. Consumer theft of services, which involves a guest who leaves without paying a bill, or one who refuses to pay it
2. Fraudulent payment of a bill through the use of an unauthorized credit card (stolen, canceled, or revoked), a bad check, or counterfeit money
3. Internal theft of assets, committed by your own staff

Undoubtedly, your safety and security plan has provisions to protect your business from some types of property theft; often, however, additional measures for preventing theft of services, fraudulent payment, and internal theft will be required. These measures may involve a different set of procedures and extra vigilance on the part of you and your employees. It's also important to be aware of legislation that addresses these types of criminal behavior.

The federal government has passed a law prohibiting the fraudulent use of credit cards. Individuals who fraudulently use credit cards in interstate commerce to obtain goods or services of \$1,000 or more in any given year could be subject to fines of up to \$10,000 and prison terms of up to 15 years. Recently, technology has advanced in the prevention and detection of credit card fraud. New technologies, such as PCI DSS, are making it easier for merchants to proactively protect consumer account data. PCI DSS, or Payment Card Industry Data Security Standard, is a multifaceted security standard that includes requirements for security management, policies, procedures, network architecture, software design and other critical protective measures. More specifically, PCI DSS helps protect guest's privacy by creating an additional level of protection for card issuers, like Visa, MasterCard, and Discover, by ensuring that merchants meet minimum levels of security when they store, process, and transmit credit card data. For more information on PCI DSS, visit the Payment Card Industries Security Standard Council website (the organization that administers PCI DSS) at [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org).

In addition, every state has passed laws prohibiting individuals from taking advantage of hospitality services without paying for them. These laws are strict and often carry large fines or prison terms for those found guilty. As in many areas of the law, the specific provisions of these state statutes vary widely, so check with your attorney to learn the specifics of your state's law. Interestingly, many of these laws favor the hospitality operation by requiring an accused defendant to prove that he or she did not intentionally try to avoid payment of a bill. The responsibility for security in these three important areas, however, still falls on you and your staff, and thus is examined in detail next.

### Consumer Theft of Services

When guests are legitimately unhappy with the level of service they have received during a meal or an overnight stay, they may become angry and protest all or a portion of their bill. As a manager, you must help calm the customer and fashion a solution that is fair to both the customer and the business. But when unprincipled and deviant individuals consume services with no intention of paying for them, the action you take will be entirely different. In the foodservice industry, these customers are said to have "skipped," meaning that they have evaded the process of paying the cashier; in the lodging industry, a guest of this type is said to have "walked" his or her bill, because he or she has left the hotel without paying.

In either case, the loss of revenue to your business can be substantial if you do not take the necessary steps to reduce this type of theft. Unfortunately, in a busy restaurant or hotel, it can sometimes be relatively easy for a guest or an entire party to leave without settling their bill, unless everyone on the staff is extremely vigilant. The following Legally Managing at Work feature details some of the steps you should implement to help reduce the instance of food and beverage skips.

Hotel room “walks” are best addressed at check-in, because it is impossible to know when hotel guests are leaving their rooms for a legitimate reason, as opposed to intending to walk their bill. Because this is so, employee intervention techniques are less successful in hotels than in a food and beverage situation. The best way to limit the possibility of a guest walking the bill is to verify the guest’s payment information and identity at check-in. If the guest intends to pay by credit card, the card should be authorized for an appropriate amount. If a cash payment will be used, it should be taken in advance. If the guest writes a check, the check should be authorized using the facility’s established policy. Some facilities also require a verifiable form of positive identification when a guest pays with cash or check (usually a copy of a driver’s license or some other generally accepted form of identification). When guests know that the hotel is aware of their true identity and can contact them after their stay, the likelihood of walking an entire folio (charge) is greatly reduced.

## LEGALLY MANAGING AT WORK:

### Procedures to Reduce the Incidence of Skipping

1. If the custom of the restaurant is to allow the ordering of food prior to receiving payment, present the bill for the food promptly when the guests have finished eating.
2. If the facility has a cashier in a central location in the dining area, make sure that person is available and visible at all times.
3. If the facility operates in such a manner that each server collects for his or her own guests’ charges, instruct the servers to return to the table promptly after presenting each guest’s bill to secure a form of payment.
4. Be observant of exit doors near restrooms or other areas of the facility that may give an unscrupulous guest an easy “out.”
5. In a hotel dining situation, if it is the custom of the restaurant to allow food and beverage purchases to be charged to a room or master bill, verify the identity of the guest with both a printed and signed name. Guest identity verification may take a variety of forms, but in all cases should firmly establish that the guest requesting credit privileges is indeed authorized to do so.
6. If an employee sees a guest leave without paying the bill, he or she should notify management immediately.
7. Upon approaching a guest who has left without paying the bill, the manager should ask if the guest has inadvertently “forgotten” to pay. In most cases, the guest will then pay the bill.

8. Should a guest refuse to pay or flee the scene, the manager should note the following on an incident report:
  - a. Number of guests involved
  - b. Amount of the bill
  - c. Physical description of the guest(s)
  - d. Vehicle description, if the guests flee in a car, as well as the license plate number, if possible
  - e. Time and date of the incident
  - f. Name of the server(s) who waited on the guest
  - g. Name of the server who notified management of the skip

If the guest is successful in fleeing the scene, the police should be notified. In no case should staff members or managers be instructed to attempt to physically detain the guest. The liability that could be involved should an employee be hurt in such an attempt is far greater than the value of a food and beverage bill.

## Fraudulent Payment

In the United States, credit cards, cash, and personal checks are the most common forms of payment for hospitality services. Unfortunately, all three can be used fraudulently by deceitful guests.

### *Credit Cards*

Credit card security has come a long way since the cards' introduction. Today, credit cards are issued with holographic images, magnetic strips, encoded numbers, or other features that reduce the chance of consumer fraud. In addition, today's electronic credit card verification systems are fast, accurate, and designed to reduce the chances of loss by businesses.

Hospitality operations should use a credit card verification service, even if credit cards are used infrequently for payment. These verification services charge a fee, but they guarantee that the business will receive its money for a legitimate credit card charge, even if the cardholder does not pay the bank that issues the monthly statement. In many cases, businesses face challenges with credit card holders who pay the full bill using their card but later voice dissatisfaction and protest all or part of that bill. Unless the guest can be placated, the business may well face the prospect of defending its procedures.

Each major credit card issuer has its own procedures, and hospitality managers should become familiar with those of each card they accept. It is also important that managers realize that credit card companies have a responsibility to both the hospitality business and the cardholder. To be fair to both, the card issuer will require a business to follow its procedures for accepting cards and billing for services. This is to ensure both that when a guest has a legitimate complaint, he or she is treated fairly, and that any fraudulent intent on a guest's part is resolved in a way that protects the business.

The next Legally Managing at Work details ten general procedures that should be followed by employees when accepting any type of credit card.

**LEGALLY MANAGING AT WORK:****Guidelines for Handling Credit Cards**

1. Confirm that the name on the card is the same as that of the individual presenting the card for payment. Use a driver's license or other acceptable form of identification for this purpose.
2. Examine the card for any obvious signs of alteration.
3. Confirm that the card is valid; that is, that the card has not expired and is in effect.
4. Compare the signature on the back of the card with the one produced by the guest paying with the card.
5. Initial the credit card receipt. This should be done by the employee processing the charge.
6. Destroy carbon paper, if used.
7. Keep credit card charges that have not yet been processed in a secure place, to limit the possibility that they could be stolen.
8. Do not issue cash in exchange for credit card charges.
9. Do not write in tip amounts for the guest. These should be supplied by the guest only, unless the tip is mandatory and that fact has been communicated in advance to the guest.
10. Tally credit card charges on a daily basis, making sure to check that the preceding procedures have been followed. If they have not, take immediate corrective action to ensure compliance.

***Cash***

Guests who use cash to defraud a business usually fall into two categories. The first is the so-called quick-change artist, an individual who intentionally tries to confuse or distract the cashier when tendering payment for a bill. The best defense against such an attempt is to instruct cashiers to take their time and make change carefully. Handling cash is confusing only when cashiers do so too quickly or carelessly. It is this type of cashier that the quick-change artist seeks out.

The second type is one who attempts to use counterfeit money to pay his or her bills. Fortunately, as with credit cards, great strides have been made by the issuer—in this case the federal government—to reduce the likelihood of creating passable counterfeit U.S. currency. Redesigned bills printed by the federal government began to be circulated in the late 1990s, and they have made the counterfeiter's task much more difficult. Even so, managers should enroll in one of the counterfeit-detection training programs generally offered by local law enforcement officials. And, if possible, those staff members who routinely accept cash for payment should also attend such instructional programs.

***Personal Checks***

In many hospitality businesses, personal checks are a popular form of payment, but their use raises a number of risks. Guests may either deliberately or through an oversight write checks that they guests do not have sufficient funds to cover.

Also, fraudulent customers may attempt to write checks on closed accounts, on accounts at nonexistent banks, or on a legitimate checking account owned by another individual.

Although there are services that can be used to preauthorize the validity of personal checks, similarly to credit cards, these services do not generally agree to reimburse the business for the value of the check should it be returned as unpayable by a bank. To minimize the number of such occurrences at your business, implement the procedures in the next Legally Managing at Work feature.

If a check is returned to you because the account either does not exist or has insufficient funds to cover the amount, contact your local law enforcement officials for help in collection. Accepting partial payment of the check's original amount in exchange for not prosecuting the check writer is usually not a good idea. Doing so indicates your acceptance of treating the check amount as a "loan" that is to be paid back, rather than as a debt that must be paid at once. Local laws vary in this area, so take the time to become familiar with them.

## LEGALLY MANAGING AT WORK:

### Personal Check Verification

1. Ask for a form of identity verification, to ensure that the name on the check is the same as that of the individual presenting the check for payment.
2. Make a notation on the check of the identification source and identifier used to verify the individual presenting the check as payment (e.g., driver's license number, student identification number, etc.)
3. Establish a maximum on the amount for which the check can be written without preauthorization directly from the bank named on the check.
4. Ensure that the check has:
  - Correct name of your business
  - Correct date
  - Correct dollar amount
  - The same numerical dollar amount and written dollar amount
  - A clearly identifiable issuing bank address
  - A signature that matches the name on the check
5. Examine the check carefully for any obvious signs of alteration.
6. Deposit all checks you receive promptly with your own bank.
7. Keep a list of individuals who have passed uncollectable checks to you previously, and require cashiers to refer to this list each time they accept a check.
8. Insist that all checks include a local telephone number and address.
9. Accept out-of-town checks with caution or not at all, as these checks may be more difficult to collect upon.
10. Instruct all employees accepting checks for payment to initial and date them.

## Internal Theft of Assets

The internal theft of assets by employees generally takes one of two forms: the theft of financial assets, a crime known as embezzlement, or the theft of company property.

### *Embezzlement*

Guarding your business against embezzlement consists of implementing and maintaining financial controls that will verify the following:

- Product sales receipts
- Services sales receipts
- Deposits
- Accounts receivable
- Accounts payable

For a detailed discussion of the procedures involved in income control, consult your accountant, or one of the many cost control or income control books on the market today.<sup>1</sup> One procedure many hospitality operators employ to protect themselves against embezzlement is to *bond* employees whose tasks include the handling of financial assets.

In addition to theft of a business's financial assets, the hospitality industry presents opportunities for employees to defraud guests as well. Some common techniques in this regard include the following:

- Charging guests for items not purchased, then keeping the overcharge
- Changing the totals on credit card charges after the guest has left, or imprinting additional credit card charges and pocketing the cash difference
- Overcharging, with the intent of keeping the excess
- Purposely shortchanging guests when giving back change, and then keeping the extra change
- Charging higher-than-authorized prices for products or services, recording the proper price, and then keeping the overcharge

### *Theft of Company Property*

The potential for theft of company property in the hospitality industry is high for the simple reason that employees can easily use so many typical hospitality-related items in their own homes. Food, trash bags, and guestroom supplies are common targets of employee theft. It is impossible to prevent every instance of employee theft, but best-practice preventative measures will reduce the number. These measures fall into three main categories:

1. Screening employees at the hiring stage
2. Creating an environment that discourages theft
3. Eliminating the opportunity to commit theft

Figure 14.5 details some of the activities that can be undertaken in each of these areas.

Theft, whether by guests or employees, greatly impacts your ability to operate a profitable business. Although there are laws in place to help you protect your operation against theft, and perhaps even recover damages, it is important to understand that being the plaintiff in a lawsuit you initiate can be just as costly and disruptive as defending your business against one brought against it. Thus, the best way to protect your operation is by establishing safeguards and procedures that prevent

#### LEGALESE

**Bond(ing):** An insurance agreement in which the insurer guarantees payment to an employer in the event of financial loss caused by the actions of a specific employee.

<sup>1</sup>One helpful book in this area, which you might have used in another course, is *Food and Beverage Cost Control*, by Lea R. Dopson and David K. Hayes (Hoboken, NJ: John Wiley & Sons, Inc., 2011).

Employee Theft Prevention	Activities
Screen employees.	Do preemployment reference checks. Do criminal background checks. Consider psychological prescreening tests.
Create an antitheft atmosphere.	Enforce all theft-related policies fairly and consistently. Let employees know the real cost of theft and how it relates to them personally. Reward employees for their efforts to reduce theft.
Eliminate the opportunities to steal.	Do not let "off-the-clock" employees loiter around the property. Allow employee purchases of products only by a manager. Consider a policy to eliminate the opportunity to enter with or leave with unexamined packages, bags, knapsacks and the like. Implement effective inventory controls.

**Figure 14.5** Activities to reduce employee theft.

these types of activities from happening in the first place. Some police departments offer training sessions that demonstrate how to recognize forgeries, bad checks, counterfeit money, and stolen credit cards, as well as how to identify threats to internal assets. Services such as these, along with your own vigilance and effective antitheft procedures, can be of tremendous assistance as you train employees in the proper procedures required to avoid and prevent problems of consumer theft of services, fraudulent payment, and internal theft problems.

## 14.4 CRISIS MANAGEMENT PROGRAMS

Just as the safety and security needs of hospitality organizations vary widely, so too do their crisis management needs. Hotels, for example, would more likely face challenges associated with evacuating guests during a weather-related crisis than would the manager of a take-out restaurant. A property's physical location is another factor in crisis preparations. Hospitality managers in the midwestern part of the United States, for example, might not have to worry about preparing for a hurricane, but they would have to be ready for snow and ice storms that can be just as disruptive and threatening. And there are certain circumstances that could cause a crisis situation no matter where your property is located, such as power failures, criminal acts, fires, and workplace violence. If any of these should occur, it is up to you, as the manager, to be ready.

Essentially, crisis management consists of these distinct activities:

- Precrisis planning
- Crisis response
- Postcrisis assessment

### Precrisis Planning

Obviously, it's too late to prepare for a crisis when you are experiencing one. If you are unprepared, not only will you respond poorly, but you may also be held legally responsible for your lack of planning. Consider the case of Roland Naimo. While eating dinner at a steakhouse, a piece of steak became lodged in his throat, and he began to choke. No one on the restaurant staff had been trained to deal with such an emergency, and had it not been for a fellow diner who administered the Heimlich maneuver, Mr. Naimo might have died. Had that been the case, no doubt the restaurant would have faced a lawsuit, along with the associated expenses and negative

**LEGALESE****Emergency plan:**

A procedure or series of procedures to be implemented in response to a crisis.

publicity. Everyone involved would have asked: Why wasn't the restaurant prepared for such an occurrence? Why wasn't someone employed by the restaurant trying to help?

To prepare for a crisis effectively, a hospitality manager should develop and practice an *emergency plan*. An emergency plan, simply, identifies likely crisis situations, and then details how the operation will respond to them. Finally, that plan must be practiced, so that should it be necessary, everyone on the site will know what to do, and when.

## Emergency Plan Development

Needless to say, no one can prepare for every crisis that could occur in a hospitality facility. But it is possible to be ready for those you can foresee. Moreover, many crises will require similar responses. For example, training employees in the proper procedures for handling general medical emergencies will prepare them for responding to slips and falls, employee accidents, guest injuries, and other threats to safety that could require medical attention. Similarly, preparing a facility evacuation plan will be helpful not only in case of a fire, but also during a weather-related disaster or power outage. The point is, you will find that by developing responses to a relatively small number of circumstances, you and your staff will be well equipped to address a wide variety of potential crises, because all crises have some characteristics in common:

- Urgency
- Halt in normal operations
- Human suffering and/or financial loss
- Potential scrutiny by the media
- Threat to the reputation or health of the business

You must commit your emergency plan to writing. This is important for two reasons: First, a written plan will clarify precisely what is expected of management and employees in times of crisis; second, if you are involved in a lawsuit, the written emergency plan can serve as evidence to support your defense. A judge or jury would readily acknowledge that a policy was in place, indicating reasonable care on the part of your operation.

That said, an emergency plan need not be complicated. In fact, it is best if it is not. A crisis is a stressful time, during which confusion itself is a real threat. Thus, any planned response to an emergency should be clear and simple, regardless of the number of steps required. In its simplest form, a written emergency plan should address:

- The nature of the crisis
- Who is to be informed when the crisis occurs
- What is to be done in response to the crisis
- When is it to be done
- Who is to do it
- Who will communicate to whom regarding the crisis

Though the specific threats that you may encounter will vary widely based on the type of facility you operate, and where, the following should be covered in any effective emergency plan:

- Emergency telephone numbers
- Fire procedures
- Storms
  - Hurricanes
  - Tornadoes
  - Earthquakes
  - Snow and ice storms

- Power failure
- Injury/accident
- Illness of guest or employee
- Death of guest or employee
- Evacuation of nonworking elevator
- Robbery
- Bomb threat
- Media relations

After the emergency plan has been finalized, each manager and affected employee should be given a copy of it or have immediate access to it. Subsequently, it is important to review, revise, and practice the emergency plan on a regular basis. Figure 14.6 is an example of the type of information required in an emergency telephone list, one component of a comprehensive emergency plan.

<b>EMERGENCY TELEPHONE NUMBERS</b>	
Property Manager	_____
<b>Emergency Services</b>	
Fire Department	_____
Fire Alarm Service Provider	_____
Police Department	_____
Ambulance	_____
Paramedics	_____
Elevator Service Company	_____
Insurance Company Representative	_____
Telephone Repair Service	_____
<b>Utility Services</b>	
Gas	_____
Electric	_____
Water	_____
<b>Property-Specific Numbers</b>	
District Manager	_____
Owner (with approval)	_____
Other	_____
Other	_____
Other	_____

**Figure 14.6** Emergency telephone list.

## Emergency Plan Practice

Once your emergency plan has been developed, the next step is to practice the procedures you have included in it. Obviously, it is not possible to create, for example, a snowstorm in order to practice your staff's response to it. But you can practice your response to such a storm. Practicing your emergency plan might include verbal plan review to an actual run-through. Figure 14.7 shows a section of an emergency plan related to a fire crisis. Here, the emergency plan itself becomes a blueprint for practice sessions.

### FIRE ALARM PROCEDURES

1. When an alarm sounds: All nonemergency committee personnel will go out the first available exit that is safe and then to the parking lot.
2. Room attendants will push their carts into the nearest vacant room before exiting to clear hallways.
3. Front office manager/supervisor will examine the fire panel to determine location of the smoke/fire.
4. Front desk will call fire department (after receiving signal from manager on duty) and notify them of alarm and approximate location of fire (if the fire department is not wired directly to the hotel).

### FIRE RESPONSE INSTRUCTIONS

1. Without endangering yourself, notify any employees or guests in immediate danger of smoke, heat, or fire.
2. Close all doors to prevent the spread of the fire.
3. If possible, and trained to do so, help extinguish the fire by using one of the public/department fire extinguishers.
4. Never permit the fire and or smoke to come between you and your route of escape.
5. Via telephone or direct council, advise all guests/employees of the nearest safe fire exit.
6. Immediately notify all disabled guests in rooms marked with a red marker on the bucket registration cards). If a guest does not answer by phone, direct someone to make an attempt to physically assist the guest out of the room, if it can be done safely. If unable to reach guest, notify firefighters when they arrive.
7. Do not attempt to use the elevator under any circumstances.
8. If you or a guest are inside a room with smoke/fire, *do not open* the door. Stuff wet towels under the door and call for help. Place wet towels over your head and shoulders and stay low until help arrives.
9. If you encounter smoke in a hallway, stairwell, anywhere, *stop*; go back to a safe area and look for another means of escape.
10. Keep doors and windows in the area of the fire closed. To minimize further fire spreading.

### EVACUATION

Evacuation of the building should be done quickly and calmly. Safety of guests should be the primary concern. Each department will appoint one of its staff to oversee fellow staff members' evacuation from the building. This employee will be responsible for needed supplies and the general safety of the department's staff members.

Time permitting, the manager in the following departments will be responsible for:

#### Food and Beverage

1. Secure food, storage, and liquor rooms.
2. Place cash in a sealed envelope and drop into safe.
3. Take kitchen keys.

**Figure 14.7** Fire crisis emergency plan.

**Accounting**

1. Back up computer programs onto disks.
2. Take current payroll register.
3. Take all master keys.

**Sales**

1. Take banquet event book and group/function book binder.

**Engineering**

1. Take master key log.
2. Deactivate all gas-operated equipment.
3. Shut down elevators.

**Front Office**

1. Take bucket (guest registration files).
2. Take blankets from the supply cabinet.
3. Pull off current guest list by PBX.
4. Seal up cash in envelopes; drop in safe.

**Housekeeping**

1. Take all time cards for roll call.
2. Take all master keys and floor keys.
3. Fill laundry cart with blankets.

**General Manager (GM)/Manager on Duty (MOD)**

1. Meet the department outside and advise them of the current situation.
2. Assist police/fire personnel to secure exit and entrance to the hotel.

**Figure 14.7** *(Continued)*

Of course, the question of which sections of the emergency plan to practice, and how often, can only be answered by management. The objective in developing a schedule for practicing your emergency plan should be to emphasize the most likely and serious threats, and to allow each staff member with responsibilities during the crisis to fully understand his or her role. The aftermath of a crisis, especially one that results in injury or loss of life, will inevitably lead to finger-pointing and intense scrutiny of you and your staff's actions. As a manager concerned with the safety and security of your staff and guests, and the potential liability resulting from poor execution of an emergency plan, you must always ensure that your operation knows how to perform in a crisis.

## **Crisis Response**

No matter how well prepared you and your staff are, when a crisis does occur, you will nevertheless be faced with an overwhelming number of reactions and responses, from your staff, your guests, and perhaps even the media. Your ability to properly manage and control these responses will, in great part, determine the ultimate impact of the crisis on the reputation, potential legal liability, and financial health of your business.

### ***Management Response***

During a crisis, events unfold at an extremely rapid pace. Managers who have done their homework, by preparing and practicing an emergency plan, are more likely to behave professionally than those who have not. That said, a manager's particular

**LEGALLY MANAGING AT WORK:****The Manager's Responsibilities in a Crisis**

1. Take the immediate action required to ensure the safety of guests and employees.
2. Contact the appropriate source of assistance; for example, the fire department, police, or a medical professional.
3. Implement the relevant portion of your emergency plan.
4. Contact those within the organization who need to be informed of the crisis. This might include your supervisor, the owners, insurance companies, and company safety and security professionals.
5. Assume the leadership role expected of management during a crisis. Demonstrate your competence and professionalism by showing a genuine concern for the well-being of those affected by the crisis.
6. Communicate with your employees about the crisis.
7. Inform those guests who need to know what is being done and what will be done to deal with the crisis.
8. Secure organizational property, but only if it can be done without risking injury to guests or employees.
9. Prepare for and make yourself available to the media.
10. Using an incident report form or a narrative style document in writing your efforts and activities during the crisis.

response will depend, of course, on the nature of the crisis. The specific steps you would take to investigate a guest's claim of a coat stolen from your dining room would be very different from those you would take if the National Weather Service issued a warning that a hurricane was bearing down on the city in which your hospitality operation is located.

The checklist in the next Legally Managing at Work feature is a helpful guide for recalling the major duties of management during a crisis. These steps can be modified as needed to apply more specifically to your own hospitality operation, and they should become a part of each manager and supervisor's orientation training program.

***Staff Response***

Your staff's response to a crisis is just as important as yours. Essentially, the role of your staff in a crisis is to help you protect people and property without risking danger to themselves. In a fire, for example, staff can play a crucial role in notifying guests, helping to evacuate a building, securing assets if time permits, and helping to calm distraught and shaken guests. Remember, you, as a manager, simply cannot be everywhere during a time of crisis. In the case of a robbery or suicide attempt in your facility, you may not even be aware of the crisis until it has essentially passed. The

crisis preparedness of your employees in such a case, therefore, will determine how your entire property responds.

It is also vital in a crisis that employees do nothing to further endanger guests or the business. Consider the case of the restaurant employee who refuses to immediately summon medical help for an injured guest because he or she fears that by doing so, the restaurant will be admitting responsibility for the guest's injury and might be held liable. But, if the guest dies, and it can be shown that the actions of the employee contributed directly to that death, the operation will face far greater exposure to liability and cost than if the employee had called an ambulance in the first place. Remember that the courts will hold you and your employees to the standard of reasonable care. Reasonable people do not value money above life. No piece of property or amount of money is worth risking personal harm to employees or other individuals on the property. An important concept to teach employees is this: Protect people before property.

Unfortunately, workers themselves can become victims in a crisis. The threat of harm from robbery, vandalism, and even other coworkers is very real. Good employees will not stay long with an organization that does not actively demonstrate concern for their safety. Effective managers take the training and security steps needed to help protect employees while on the job.

If a crisis of any type does occur, it is important that you keep employees informed about the status of the situation. In a serious situation, daily briefings may be required. Employees will want to know how the crisis will affect them and their

#### Search the Web 14.1

Go online to [www.cdc.gov/niosh/topics/violence/](http://www.cdc.gov/niosh/topics/violence/). You will arrive at a website developed and operated by the National Institute for Occupational Safety and Health (NIOSH). NIOSH is operated by the federal government's Centers for Disease Control (CDC).

At the site, scroll down, locate, and read NIOSH Publication No. 93-109, then do the following:

1. Currently, only the operation of motor vehicles and machinery caused more workplace deaths than homicides. List five explanations you believe can be used to help understand the proliferation of homicides taking place in the workplace.
2. Identify the ten occupations that most put workers at risk of serious workplace violence.
3. List five actions suggested by NIOSH to reduce life-threatening situations at work.
4. Address the question of how a serious incident of workplace violence would impact:
  - a. Other employees
  - b. Guests
  - c. The business itself

For additional information on preventing workplace violence, visit the NIOSH home page.

**LEGALESE**

**Post-traumatic stress disorder (PTSD):** A severe reaction to an event that threatened an individual's physical or emotional health.

families. If the business will close for a time, will they continue to be paid? If not, what alternative assistance might be available? Will additional hours be required of staff? If so, of whom?

Realize that a crisis will affect your employees both in the short and long run. Experiencing a crisis, especially one that entails injury or loss of life, can be very stressful. Negative effects on employees can include anxiety, depression, nightmares, flashbacks, and even physical effects such as insomnia, loss of appetite, and headaches. Collectively, these and related symptoms are known as *post-traumatic stress disorder (PTSD)*. Increasingly, employers have been called on to recognize and respond to the post-traumatic stress disorder symptoms of employees following their exposure to a crisis.

**Guest Response**

When a crisis occurs, guests may be involved in a variety of ways. They might be witnesses to crimes or accidents, they themselves might be victims, or they might simply be innocent and concerned bystanders. You cannot control a guest's reaction to a crisis situation; what you can control is your response to the guest, and that can have a major impact on the ultimate reaction of the guest.

Never forget that a guest in a crisis situation will, in all probability, be upset, scared, angry, and sometimes all three. Consider, for example, Mr. and Mrs. Rahshad, two elderly hotel guests who were awakened in the middle of the night when a fire alarm went off. Though it was a false alarm, understandably, they were agitated by the interruption of their sleep, concerned whether there was an actual fire, and somewhat angry at both the hotel and the travel agency that had arranged for their stay. Most likely they would demand to speak with a manager, and perhaps even threaten a lawsuit. And if the hotel is full of guests who feel just like Mr. and Mrs. Rahshad, it will be your job, as the manager, to calm them and diffuse a difficult situation. If you find yourself in this position, remember the points in the following Legally Managing at Work feature. Your objective is to show genuine concern, treat the guests fairly, and avoid any needless legal fallout.

**LEGALLY MANAGING AT WORK:****Guest Relations in a Crisis Situation**

1. Recognize that the guest may be agitated and feel confused, scared, or angry. Accept these feelings as legitimate, and take them into consideration when speaking to the guest.
2. Introduce yourself, and state your position title. Immediately ask for the guest's name, and repeat it to make sure you say it correctly. Use the guest's name in your conversation with him or her.
3. Give the guest your undivided attention, maintain eye contact, and avoid interrupting the guest. Listen more than you talk.
4. Stay calm. Do not lose your temper, regardless of the guest's comments.
5. Apologize for the inconvenience suffered by the guest. Be genuine. Put yourself in the guest's position, and treat the guest as you would want someone you care for very much to be treated.

6. Tell the guest what is currently being done or what will be done to alleviate the crisis.
7. Arrange for medical treatment if needed. This can be done without accepting blame for the accident, because the responsibility for the problem may be unclear at the time of your conversation. What can be made clear, however, is your real concern for the safety of the guest.
8. Offer alternative solutions to the problem, if possible, and seek a solution that satisfies the needs of the guest to whom you are talking.
9. Let the guest know that you will follow up to ensure that all you have promised will be done.
10. Thank the guest for talking with you; afterward, make notes of the conversation if you feel they are needed.

Often, plaintiffs in lawsuits state that they would not have sued an establishment if they had received an expression of sincere concern from the establishment about their inconvenience. Even in a crisis caused by severe weather, which is completely beyond the control of management, it is likely that some guests will become upset, and they may, from fear or anger, blame management. Let those guests know that you are genuinely concerned about their plight and that you are doing everything possible to ease the difficulties of the situation.

## Media Relations

When a crisis occurs at your property, it, and your business, may become the news story of the day. When, for example, a restaurant is robbed at gunpoint, newspaper, radio, and television reporters may call or descend on the property to find out what happened. Although most reporters are fair and even-handed in their coverage of a story, some are not. And, remember, a poorly prepared management statement or *press release* can magnify a crisis rather than help diffuse it.

Unfortunately, even the best preparation cannot turn bad news into good. During a crisis, you can, however, help ensure that you are allowed to tell your side of the story on behalf of the company and the property, and in so doing preserve your image as an organization that is professional, caring, and concerned. If you do not achieve this goal, not only might your liability for the crisis increase, but you might also face litigation simply because you did not express an appropriate amount of concern for the victims of the crisis. The guidelines in the next Legally Managing at Work feature can be helpful if you are called on to serve as the spokesperson for your organization during a crisis.

Some managers feel that they and their operations are treated unfairly by reporters during a crisis. Certainly, when a crisis occurs, the potential for negative publicity is great, and it is natural not to want to see yourself or your operation cast in a negative light. It is important, however, that you not do anything to make a difficult situation worse by attacking the media. You cannot control the actions of reporters; you can only conduct yourself in a positive, professional manner while expressing genuine concern for crisis victims. As a professional manager, it is your responsibility to do so.

### LEGALESE

**Press release:** An announcement made by an organization or individual distributed for use by the media.

**LEGALLY MANAGING AT WORK:****Guidelines for Dealing with the Media during a Crisis**

1. Be professional. And remember that your picture may be taken or you may appear on television, so dress appropriately.
2. Update the press regularly. Be proactive. If you prepare a press release, distribute copies to all interested reporters.
3. Clearly identify yourself and your position prior to any exchange with the media.
4. Speak calmly and clearly. Project the image that you are a professional who knows how to deal properly with a difficult situation.
5. Avoid speculating as to the causes or outcomes of the crisis. Speak only to those items about which you have factual knowledge.
6. Express genuine concern for the suffering of the victims.
7. Avoid graphic descriptions of events or injuries.
8. Do not release the names of victims or suspects. Refer these questions to the appropriate party, such as the police or medical facilities.
9. Never reply to a question with “no comment.” If you truly cannot comment, give the honest reason why you cannot. Legitimate reasons not to respond to a specific question include:
  - a. Pending legal investigation
  - b. Incomplete information
  - c. Responsibility to respond falls to another (give that person’s name)
10. Remember that your primary responsibility to the media during a crisis is to provide factual information and to express genuine concern for any crisis victims. But you also have an opportunity to emphasize the positives of your organization even in the face of the crisis. Mention, for example, safety and security efforts in place, training programs implemented that relate to the crisis, and your commitment to cooperate fully with all investigating authorities.
11. Expect tough questions, and practice your answers to them. Do not become belligerent or hostile to reporters.
12. Never demand to see or review a reporter’s story before it is printed. Never agree to speak *off the record*.
13. If you feel that you or your organization has been unfairly depicted in the reporting of the crisis, contact the reporter to calmly retell the factual side of the story.
14. Temporarily suspend advertising for a period of time appropriate for the crisis endured.
15. Consider creating a publicity campaign to counteract any negative impact caused by the crisis.

**LEGALESE**

**Off the record:** An oral agreement between a reporter and an interviewee wherein the reporter promises not to quote the interviewee’s comments for publication.

## Postcrisis Assessment

As stated previously, evaluating your emergency plan should be an ongoing process, but in the aftermath of a crisis, it is imperative to do so. At this time you will be able to review your performance and that of your staff and guests, as well as your effectiveness in dealing with the media.

A variety of approaches may be used to do a postcrisis analysis of performance. The STEM model introduced in Chapter 1, “Prevention Philosophy,” is a good place to start. Consider the case of Brenda Mendez. Brenda managed a 64-room limited-service hotel near the airport. Her largest customer, Northeast Airlines, housed its crew members in her hotel during their layovers. One night, as her van driver was returning from the airport with a crew, a serious accident occurred, severely injuring four crew members and the driver. Although the cause of the accident was not initially apparent, negative publicity ensued and threatened to damage the safety reputation of the hotel, and, of course, relations with Northeast Airlines were strained. Fortunately, Brenda had a plan in place to deal with the crash. Afterward, however, she felt that certain elements of the plan could be improved, so she decided to undertake a postcrisis assessment. Using the STEM approach, Brenda reviewed:

- **Selecting:** Were procedures in place to ensure that the drivers were qualified for the job? Had background checks on licenses been performed? Were vision tests required as a part of the selection process, and corrective glasses mandated if needed? If an opposing attorney sued the hotel for negligence, the answers to these questions and others would be required. It might be too late to correct any deficiencies related to a current crisis, but it certainly is not too late to prepare for, and attempt to prevent, a second occurrence.
- **Teaching:** Part of the STEM approach involves teaching employees properly, which includes using feedback devices such as competency testing to ensure that the training was effective. In the van accident just described, the number of employees who would have required training in anticipation of such a crisis is large indeed. Certainly, the van drivers would need to be trained in administering first aid. Additionally, front desk and night audit staff would need to be trained in how to field possible calls from the media, the airline, and families of the victims. Those involved in sales would certainly be called on to reassure customers of the hotel’s safety. When employees know what to expect, and have been trained how to react, the chance of their making a mistake that would exacerbate the crisis is greatly reduced.
- **Educating:** Remember that managers too must continuously educate themselves. If a lawsuit results from a crisis, a plaintiff’s attorney will want to know the competency level of management. Employee selection and employee training are ultimately a management responsibility. Therefore, an effective postcrisis assessment also includes an examination of management’s competency. Proof of continuing education, certification, and expertise in the specific safety and security area involved in the crisis can be crucial in reducing legal liability. In addition, management’s performance in handling the press should be reviewed. Were employees told who would serve as the media spokesperson in the event of a crisis? Was the spokesperson/manager well studied and prepared? Was anything said by management or the staff that could increase the operation’s potential liability?
- **Managing:** Management is a process. It includes the actions of the manager as well as the processes and procedures established and enforced by management. A postcrisis assessment necessarily involves reviewing those

processes and procedures for improvement. For the van accident, a review would involve an examination of all hiring and training practices related to van drivers, training of employees affected by the crisis, and the processes and procedures related to management's emergency response. In addition, an analysis of diverse areas such as the availability of first-aid supplies, insurance coverage, and the property's relationships with law enforcement agencies would be undertaken. The goal, of course, is to use what is learned in one crisis to help prevent future crises, and to utilize your knowledge of the law to respond in a more effective manner should a similar crisis arise in the future.

## » ANALYZE THE SITUATION 14.6

IRVING NASH MANAGED A 24-hour table-service restaurant that specialized in breakfast items. Lendal Ketchar, a customer, arrived at the restaurant at approximately 2:00 A.M. one morning. Upon entering the restaurant, Mr. Ketchar tripped over the curb alongside the sidewalk and broke his hip. Because Mr. Ketchar was a city councilman, the incident was reported in the local paper.

Mr. Nash was interviewed extensively about the cause of the accident. He specifically mentioned to reporters that the curb had not been painted bright yellow as a warning to guests, nor were lighting levels very high at the entrance area where Mr. Ketchar fell. Mr. Nash later read the interviews and shared them with his two assistant managers. Both suggested that the restaurant paint the curb area, install additional lighting, and inform the media that these actions were undertaken. Mr. Nash's boss vetoed this idea, however, stating that any action such as painting the curb and installing better lighting could imply previous negligence on the part of the organization and thus could increase the organization's potential legal liability.

1. Which factors would influence the potential liability of Mr. Nash's restaurant for the accident?
2. Is the future liability of the restaurant greater under the proposed actions of Mr. Nash's assistant managers or those of his boss?
3. What effective safety and security programs could be undertaken to limit legal liability if Mr. Nash is required to follow the advice of his boss?
4. As a professional hospitality manager, is Mr. Nash ethically obligated to take action to prevent a further occurrence of this type?

## WHAT WOULD YOU DO?

You are the manager of a 150-room limited-service, all-suite hotel located off the interstate highway near a large metropolitan area.

Kate Roessler is your executive housekeeper. Ms. Roessler asks you to go with her to inspect room 415, which is occupied by a guest, Mr. Barney.

Ms. Roessler explains that the guest has been checked in for ten days and has had a “Do Not Disturb” sign on the door for all but two of those days. She asks you to view the room before it is cleaned, because she says she is concerned for the safety of her housekeepers in their routine cleaning tasks.

Upon entering the room, you observe several ripped plastic baggies, money wrappers, large quantities of empty fast-food containers, a scale,

and a pistol holster partially hidden under a mattress. You recall that this is the same man who arrived by cab to the hotel and paid cash up front for a two-week stay.

1. Write a memo to your executive housekeeper outlining the steps she is to take for servicing Mr. Barney’s room.
2. Assuming a drug interdiction program is in place in your city, would you contact that program to report Mr. Barney?
3. Regardless of your decision in regard to question 2, if the police asked to use the room next to that of Mr. Barney for an undercover operation, would you allow them to do so?
4. Write a memo to the chief of police stating your position in question 3, along with your rationale for the decision.

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To understand the sometimes difficult line drawn between workers’ compensation and negligence in a failure to provide adequate security, read the case of *Holshouser v. Shaner Hotel Group*, 518 S.E.2d 17 (N.C. Ct. App. 1999).

### FACTUAL SUMMARY

Fredericka Holshouser (Holshouser) worked as a waitress at a Holiday Inn Select Hotel in Winston-Salem, North Carolina, owned by Shaner Hotel Group (the Hotel). Holshouser arrived at the hotel for work around 4:40 A.M. on October 23, 1996. She parked in the employee parking lot at the rear of the Hotel. Just before she reached the back door of the Hotel, an unknown attacker grabbed her from behind, forced her into an area overgrown with trees and shrubs, and then raped her. She brought suit against the Hotel for failure to keep the shrubbery and trees properly cut back, and for failure to provide adequate lighting and security behind the Hotel. She also sued Loss Prevention Services (LPS), the security firm hired by the Hotel to provide security for the premises for failure to do so adequately.

### QUESTION FOR THE COURT

There were two questions for the court in this particular case. The first was whether LPS had a duty to provide security for Holshouser, an employee of the Hotel. Holshouser argued that LPS had a duty to protect her from criminal attacks under the terms of the contract negotiated between the Hotel and LPS. LPS argued there was no specific promise within the contract to protect hotel employees from harm. The court held the terms of the contract were ambiguous and that outside evidence could be used to determine whether LPS was required to protect hotel employees under the contract. Under the “Rules and Regulations Governing Loss Prevention Services Security Officers,” security guards were required to “. . . at all times preserve the peace, protect life and property, prevent crime, apprehend violators, and enforce all Loss Prevention Services rules. . . .”

## THE HOSPITALITY INDUSTRY IN COURT

The second question for the court was whether Holshouser was limited to the damages allowed under a Workers' Compensation Act claim against the Hotel. The Hotel argued Holshouser's injury was: (1) an accident, (2) arose out of her employment at the Hotel, and (3) was within the course of her employment. According to the Hotel, she could only collect damages under the Workers' Compensation Act (WCA) and could not sue for negligence against the Hotel. Holshouser argued her injury did not arise out of her employment so her claim was not eligible under the WCA, giving her the option to sue the Hotel for negligence.

### DECISION

On the first question, the court found there was sufficient evidence to create a duty on the part of LPS to protect Holshouser. The ambiguous nature of the contract and the clause in the Rules and Regulations manual was enough to impose a duty to on LPS protect hotel employees.

On the second question, the court held in favor of Holshouser, finding the assault on her was not a "natural and probable consequence of the nature of her employment." She was therefore not eligible under the WCA but could instead sue the Hotel for negligence.

### MESSAGE TO MANAGEMENT

Frequent inspections for safety and security concerns are a must. Adequate lighting and clear lines of sight help prevent circumstances like this from happening.

To familiarize yourself with the types of arguments a complaining customer might make in a failure to respond adequately to a crisis case, read the case of *Mauro v. GNLV Corp.*, 982 S. W. 2d 530 (Tex. App.—Texarkana 1998).

### FACTUAL SUMMARY

Joseph and Maria Mauro (Mauros) were playing the slot machines in the Golden Nugget (GNLV) casino when a man approached them and stole two rolls of coins. The Mauros both gave chase and apprehended the man. In the process of apprehending the thief, the Mauros were both injured. They then sued the casino for negligence in failing to provide adequate security.

### QUESTION FOR THE COURT

The question for the court was whether GNLV was negligent by failing to provide adequate security on the casino floor. More specifically, the court examined whether the GNLV had a duty to provide security. In general, the owner of a business or the party in control has no duty to protect patrons from the criminal act of another. The owner owes a duty to the patron only if the owner knows or should have known of an unreasonable and foreseeable risk. For risks such as injury from criminal activity, the plaintiff must show evidence of previous crimes near the premises. The Mauros argued robberies and thefts are common occurrences at casinos so GNLV knew or should have known of the risk. GNLV argued the Mauros had no evidence of specific previous crimes at the Golden Nugget. Without evidence of specific previous crimes, the Mauros could not show GNLV had a duty to provide security.

### DECISION

The court ruled in favor of GNLV, finding no evidence of prior specific crimes. Absent such evidence, the Mauros could not prove GNLV had a duty to provide adequate security.

## MESSAGE TO MANAGEMENT

Liability for the intentional acts (criminal in nature) is an evolving area of the law. The best practice is to be vigilant in your exercise of safety and security procedures. And if criminal activity becomes foreseeable, then specifically address that area of concern.

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This chapter emphasized the need to prevent liabilities from occurring and to be prepared for events that give rise to liabilities. A four-step safety and security management method was introduced:

1. Recognize the threat.
2. Develop the response to particular threats.
3. Implement the program.
4. Monitor the program results.

It is crucial to develop emergency plans so that you and your staff are prepared in the event of a crisis, and to practice those plans regularly. During a crisis you have a responsibility to respond to the community at large via the media, to your staff, and to your guests. The way you respond can have a major impact on your future reputation once the crisis has subsided. It is always important to assess your performance in any situation, and an assessment following a crisis is vital.

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After you have studied this chapter, you should be prepared to:

1. Describe three threats to safety and three threats to security in the hospitality organization with which you are most familiar. Explain how management currently addresses (manages) these threats.
2. Assume that you are the foodservice manager of a college dormitory. You are asked to address parents regarding the impact your facility will make on the overall educational experience of their children. Compose a five-minute presentation that addresses your safety and security philosophy and its relation to the well-being and educational experience of your residents.
3. Analyze the four-step safety and security management method. Select one of the steps and prepare a three-minute presentation that could be delivered to members of your safety committee, in which you emphasize the importance of this step.
4. Assume that you have implemented a safety program designed to reduce employee accidents resulting from improper lifting techniques. Identify at least three different measurable outcomes that could be used to evaluate the program's effectiveness. Explain which of these three you would use, and why.
5. Contact your local law enforcement officials to determine what training programs are offered to businesses for the purpose of assisting those businesses in their safety and security efforts. Determine the cost, if any, of the programs and the frequency with which they will be offered in the coming 12 months.
6. The Educational Institute of the American Hotel and Lodging Association (EI) certifies hospitality security guards. Log on to its Web site at [www.ei-ahla.org](http://www.ei-ahla.org) and identify the methods of qualifying for the designation of Certified Lodging Security Director (CLSD). Assume that your property is considering such a program for the head of your safety and security department. Prepare a memo for your immediate supervisor detailing the advantages and disadvantages of using the EI program, as opposed to one you would develop yourself.

WHAT DID YOU  
LEARN IN THIS  
CHAPTER?

RAPID REVIEW

7. Assume that a bomb threat has forced you to evacuate your restaurant. The police have arrived; no one has been hurt, but the press is at your property. Create an outline of a one-page press release that would address the items about which the media would be most interested.
  8. An employee who burned himself while working did not seek medical treatment. The employee missed five days of work, then later filed, and won, a workers' compensation claim, because the burn became infected. Draft a memo outlining the criteria your managers should use in the future for determining which employee accidents will result in mandatory medical treatment.
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## TEAM ACTIVITY

The director of risk management has asked your team to evaluate the number of lawsuits and workers' compensation claims that have occurred at your three-hotel chain in the last year and to create an action plan to reduce the number by 75 percent. Your analysis shows more than 50 lawsuits and comp claims. The reasons for the lawsuits vary from slips and falls to alcohol-related injuries to theft of guest property and assaults in the parking lot. The comp claims are primarily due to back injuries suffered by employees in the kitchen and housekeeping and those working banquets. How can you meet your goal? Does it matter if one of your properties is in a high-crime area? Be prepared to present your recommendations at the next executive council meeting.