



innovation, and do not boost organizational learning. Innovation happens also as result of constant job improvement from bottom line employees. In hotel operations it should also happen the same way. A hotel business that limits innovation to the top level of management or does not consider work improvement to be a responsibility also assumed by service workers together with their managers, is certainly limiting its organizational learning and knowledge base and therefore, is getting closer to business obsolescence.

CHAPTER 3:

To the origins: What is Management and the purpose of Management

Above all, management is neither a science nor a profession, it is a practice. This proposition means that management is first rooted in experience. We can surely study management and leadership, techniques or tools, but in the end, what matters most is the context in which management is applied. That is, the specific situation a manager will encounter managing in everyday work with his or her team.

Peter Drucker pointed out long time ago that manager's first resource is people. And the human being is a unique resource requiring peculiar qualities in whoever –manager- attempts to work with it. Working with the “human being” always means developing him or her. Indeed, a main objective of a manager is to lead, enhancing workers' strengths and making their weakness irrelevant. Though, every manager no matter in what position, should be experienced enough to accomplish this purpose -among

other managerial objectives.

I do agree with Mintzberg's thesis, as my experience has shown me, that leadership and management should be totally blended. We can conceptually divided leadership and management but in the practice, we cannot separate them. To do so, would be simply mismanaging.

We can see a lot hotel managers and department managers planning, organizing, coordinating, even delegating or setting business objectives, but I'm not sure how well they are mentoring and coaching their people, or how well are they enhancing the bottom line operational knowledge in order to make constant work improvements.

To this study purpose I would like to show how innovation could happen in operations. Management have not only financial performance objectives, but also the task of developing people and enhancing workers' capabilities. It should be a cause/effect situation: the more we focus on our fellow workers, in their attitudes and competences, the more we would be able to approach a sort of competitive advantage, such as in operational know-how, service or to better innovative solutions.

Why is innovation an advantage and how could innovation happen in Hospitality Management?

“Work improvement requires innovators and continuous improvement requires continuous innovators everywhere all the time”, wrote Jeffrey Liker in his book *The Toyota Way*. Innovation happens also as a cause of constant job improvement. In hotel operations it should also happen the same



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I would like to bring to hotel operations a kind more accessible innovation, an incremental innovation or continual work improvement, which is done not only by managers but also by service employees. Our knowledge service workers! Continual work improvement and incremental innovation is done through a repeating process called PDCA –Plan-do-check-act, first developed by Deming and very successfully implemented in the Toyota Production System. This PDCA process should be also a Mantra in our hospitality working system. Service workers must be trained and used to question every working process, and be capable of bringing problems to the surface; they should be able to carefully define them. Every service worker, together with his or her manager, has to search for the root cause of a problem. He or she has to be able to

develop countermeasures or a provisional plan, prove it (experiment it) and closely, monitor and analyse results.

We may bring thus a simple example: we could have a problem in our food & beverage department. After an inventory analysis we found a deviation: costs have increased in the replacement –purchasing- of broken glassware. We then analysed the root cause of the problem: by asking “why” several times; why is this happening? We came up to the root of the problem: some waiters, especially temporary agency workers, in hotel banqueting services, are not following the correct procedure. So we would plan a countermeasure and implement it, in order to correct the problem. However, just by planning and putting the plan into action is not enough, we will have to closely monitor it. OK. This is a basic example of job improvement. But imagine that someone from your team, maybe a very capable worker, brings a brilliant idea. He says: “OK. Why don’t we re-think the whole process, and make the waiters not to walk that much, when bringing all the material to washing. We may create back-office service stations on their way and make them place glasses into their specific box, this time not in the kitchen but somewhere else in between”. So we implement it, and then we would again closely monitor it. The good thing is that we may discover after six months that we have saved, maybe, 5.000€ in glass damage and its replacement. Now, imagine we share this best practice to other hotels in a group or hotel chain. How much money could this simple job improvement save to the company as a whole, if they share this simple best practise?

Before than anything, innovation is first a process. To obtain any result innovating, we must first organize ourselves for that



purpose. Then, we may or may not succeed in our innovative objectives, but if the process of innovation is well established as a core value, we could have a hospitality organization, in with most of their workers are improving internal processes and services for the purpose to offer more value to customers or improve work standards.

Innovation, as a result of a previous process, could succeed or fail in many forms. Having an innovative willingness doesn't guarantee we will make more revenue, reduce significantly our costs and provide value to our guests. However, the purpose of innovation in hospitality management is to seek an advantage in knowledge and know-how. This hotel, as we will see, learns continually from its operations and workers.

Innovation, therefore, will bring us an important advantage in hospitality if it provides our company the following results: (1) higher revenues by providing more value to guests. Or (2) costs reduction -or at least, better costs optimization. We could accomplish the first objective –increasing revenues- buy increasing also our costs but still being profitable. Or we could obtain innovative results in operations by reducing our costs; by improving a job process. Therefore, the best innovative solution –and more complex- may be obtained by accomplishing both objectives at the same time: increase revenues and value to guests, yet reducing even more, operational costs.

1. To be innovative in obtaining more revenue.

It means to earn income from other sources; products or services other than the traditional ones. Is there a way of satisfying guest's demands by providing other services or product in rooms, food & beverage or other hotel services? Do we really provide

value to guests or just income for the property?

For example, charging for the Wi-Fi service may increase our revenue, but never provide value to our guests not along to be an innovative solution.

2. To be innovative by reducing costs.

It is possible if the worker is not only an expert and knows very well his or her job, but if he or she analyses and focuses on improving the working process with a sort of a flexible mind. As Deming pointed out long time ago, employees should ask themselves everyday: what have I done in order to reduce costs when working? The tricky thing in reducing operational costs is that when doing it, we should not affect our level of quality or our guests' satisfaction.

