PREPARING YOUR HOSPITALITY EXECUTIVES & STAFF FOR EFFECTIVE CORPORATE COMMUNICATION: PREPAREDNESS VERSUS DAMAGE CONTROL

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Effective Corporate Communication

This article aims to investigate how corporate communication in the hospitality industry should be utilized effectively. Section I focuses on how to ensure effective communication from your CEOs and corporate executives by reviewing case studies and recommendations on how to speak to both internal and external groups. Section II reviews company-wide communications in the digital age, and recommends protocol for adopting and enforcing social media standards for all employees, not just executives. Section III concludes by considering unique aspects of companies in the hospitality industry and evaluates the importance of these recommendations for hotels.

SECTION ONE: VIEW FROM THE TOP

AOL’s CEO Tim Armstrong recently earned notoriety when he inappropriately and tactlessly referred to two employees and their personal situations during a company global Town Hall as the reason why the firm needed to redesign its 401K and healthcare benefits. During the meeting with employees to clarify the planned changes to those 401(k) contributions Mr. Armstrong declared,

“Two things that happened in 2012... We had two AOL-ers that had distressed babies that were born... that we paid a million dollars each to make sure those babies were OK in general. And those are the things that add up into our benefits cost....”

That comment hurts. Despite any accuracy or validity, from a leader’s standpoint he shouldn’t have said it. It’s painful to those individuals identified, and it’s just as hurtful to fellow associates.

But, he didn’t end it there. As Dan Munro wrote in his Forbes article, AOL’s Armstrong appeared on CNBC, and “in an attempt to explain recent changes to AOL's 401(K) employee matching contributions” – Mr. Armstrong said the following:

“We have to look at our benefits programs very seriously. As a CEO and as a management team we had to decide, do we pass the $7.1 million of Obamacare costs to our employees? Or do we try to eat as much of that as possible and cut other benefits?”

This is an example of a CEO is politicizing a situation, another risqué move. These remarks lower the respect level of that figure of leadership and immediately spread an aura of mistrust and toxicity. Why would any employee want to work for leadership that takes personal situations and recklessly and inappropriately shares it – proving insensitive and offensive?

Communication Priorities

One can read hundreds of volumes of articles to prepare oneself for public speaking engagements, but there are some true fundamentals from which we can benefit with a refresher course. As referenced on SkillStudio’s website, there are key objectives for any speaker when he or she strives for an effective presentation:
1. To establish credibility with your audience
2. To communicate information clearly to your audience
3. To persuade or influence your audience

These three points hit home in the unfortunate tale of Mr. Armstrong. By publicly shaming employees, he proved himself distrustful and therefore not persuasive or credible.

Effective accomplishment of these goals requires savvy and sensibility, common sense and the ability to be able to relate to one’s audience. The speaker cannot be out of touch. Effective communication also includes:

- The ability to create clear messages. Remember, less is more. One to three points is important. One would be ideal, and have up to three supporting examples. Have a strong opening, and a strong conclusion.
- The ability to deliver the message effectively. This also means speaking slowing and not slurring words. Are you speaking to a closed room? A telephone conference call? A webinar series? The vehicle determines how slowly you speak and the language you use.
- The ability to positively engage your audience. This means knowing your audience. Is your audience in the room with you? Overseas connected via Skype or conference call? Who is in the audience? Which employees and from which office? Or are they from all over the world? Know your audience, be sensitive to who they are and their cultures. Determine in advance how they might react to what you have to say.

- The ability to remain authentic. This means not trying to imitate another person’s a) style, b) stories, c) expertise when you don’t have it. Inauthenticity leads to inability to persuade or influence an audience. If a CEO tries to present something for which he or she isn’t an expert, (and another employee is), consider passing on that responsibility/opportunity to them.

Does Practice Make Perfect?
As fellow PRSA (Public Relations Society of America) and SATW (Society of American Travel Writers) colleague Peggy Bendel reminds, it is imperative to rehearse the presentation, and with a recording device. Using a smartphone and securing it to a tripod for stability helps a speaker review how they look on camera. Are you appearing poised and confident? Are you smiling and focusing with your eyes – not looking shifty or untrustworthy? Are you speaking appropriate jargon and sharing proper stories to make your point?

Have another individual review the video rehearsal with you for a more objective look and constructive critique. Did Michael Bay do this before he spoke on behalf of Samsung at the Consumer Electronics Show (CES) 2014? He relied on the teleprompter to execute his industry-
wide presentation, which subsequently malfunctioned. Instead of having practice to fall back on, he was speechless and fumbled his way off stage. The Hollywood director is not the typical corporate executive, but was engaged to provide public outreach for Samsung. Unfortunately his blunder received far more negative attention than support for the product he was advocating.

Providing Opportunities for Communication

Effective corporate communication can be perceived from multiple angles. Starbucks’ CEO Howard Schultz is one executive who is notorious for effective communication within his company and with the public. For one thing, Schultz’s contact information is easily accessible to the public on the internet, which gives him a transparency that most CEOs (and companies) lack. Directly related to being an effective leader and communicator is providing an opportunity to connect with your audience in the first place. When Starbucks was in jeopardy, Schultz knew that this course of action would help.

During the national downturn in 2007 and subsequent recession, when Starbucks profits nationwide were plummeting, Schultz recognized the need for intervention. He flew over 10,000 managers to a meeting in which he spoke directly about his inspiration for founding the company and his continued passion to lead it. That meeting conveyed enough inspiration to attendees that they returned to their stores and instead of leaving or resenting the company, continued to work and eventually reversed the losses the company was experiencing. Today, as is evident worldwide, the company thrives.

Knowing how to communicate with your audience is only successful when executives have opportunities to connect with employees; this is especially important at critical times. Annual or quarterly meetings don’t always include the majority of staff, and knowing when employees need direct guidance is often as important as knowing how to craft, and what to include in, your message.

SECTION TWO: GRASSROOTS ENGAGEMENT FROM THE BOTTOM UP

Brand Ambassadors: Who are They?

As the utilization of social media evolved into an integral component of the more traditional public relations and marketing communications, organizations began to assemble general guidelines for the use of social sites projecting the voice of the firm. When HVS put together our original Guidelines several years ago, only one individual, the public relations contact for the organization, was authorized to share the messages of the organization. It didn’t take very long for social media to strengthen in marketing significance, and for
guidelines to evolve simultaneously. HVS then modified our Guidelines and expanded “the voice” of the firm to a handful of global executives. These executives, some more comfortable than others with the new concept of social media marketing, established their own twitter accounts and represented the firm with their respective areas of expertise. Today, HVS’s social media team is comprised of a number of associates representing multiple services and world-wide locations in order to speak the global voice, share the global messages and industry observations, and do so in multiple languages. It is clear that in 2014’s business world, all employees, not just at HVS, but at so many companies across the globe, have become the firm’s “brand ambassadors.”

Despite these official ambassadors of social media engagement, each employee of HVS is assumed an “unofficial ambassador” and as such, required to adhere to company-wide social media guidelines. Through HVS’s Marketing & Communications consultancy, we have conducted trainings for hotel sales managers covering “The Brand of You: the Convergence of Your Personal and Professional Brand.” In other words, whether or not your employees serve on your social media team, all your employees who prolifically speak through social need to be trained on how to engage and respond to guests, customers, clients appropriately -- to prevent mishaps and limit liability for simply stating the wrong thing. Are your employees skilled at speaking appropriate business speak? Can they connect and engage professionally, yet

with sensitivity, enthusiasm, positivity, and willingness to resolve (potential) client questions and issues?

Standards both Precautionary and Profitable Precautionary...

While some may not believe it’s necessary to have company-wide guidelines for employees’ social media accounts, we firmly stand by our notion that precautionary education is a better policy than damage control. Training employees to utilize their personal accounts in a professional (or at least prudent) manner can benefit the company but also prevent negative press. Additionally, providing employees with an initial set of guidelines ensures the employer that, if a violation occurs, the employee had undeniably been educated about company policy. One scandal that comes to mind is the Domino’s Pizza blunder, where two employees who uploaded a video in which they tampered with food were fired and eventually arrested. Domino-gate took place in 2009, yet five years later a Google search of Domino’s Pizza still produces the video website on Page 1 of results.

Another, more serious, blunder took place in 2011 in the US Department of State. While not a corporation, the federal department had no consistent
social media standards for its 200+ embassies abroad. When the Arab Spring erupted in Cairo, Egypt, US embassy officials acted on their own accord in tweeting messages – messages that were not consistent with US Foreign Policy. Such messages came again in September 2012 during the protests in North Africa. Messages contained biased, offensive, and undiplomatic observations and comments. In both cases, after the harmful tweets were catapulted into the internet, damage control had to be done on a wide variety of government fronts. A final conclusion determined that the US Ambassador to Cairo held ultimate responsibility for his staff and their unprofessional demeanor.

...And Profitable
A Forbes article from October 2012 highlighted companies that “are creating social media training programs to avoid these types of social media crises, but also, just as importantly, to show employees how using social media can be a valuable business tool which can increase their performance.” The companies mentioned in the article are listed in Figure 1. The flip side of having socially-savvy employees is a positive one. Social media standards prevent blunders, and also bring positive accolades.

In their recent white paper titled Social Media Education for Employees, Charlene Li and Ed Terpening claim that with social media education, companies can reduce social media risk and properly train employees for client engagement and advocacy. More importantly, if the engagement is truly sincere and can be trusted as a resource for pertinent information, whether or not it benefits their own firm (think of the Miracle on 34th Street philosophy), then that brand ambassador can be a trusted and credible advisor, respected for integrity and authenticity. In effect, employees who act effectively and professionally in their online personal lives can provide positive marketing, reputation building, and press for a company, at essentially zero cost.

One company who encourages their employees’ potential is Zappos. In addition to having on-site “goal coaches” to motivate employees, CEO Tony Hsieh reportedly offers social media courses to any interested

![FIGURE 1: FORBES FEATURED COMPANIES, CORRESPONDING REVENUES TO DATE](image)

<table>
<thead>
<tr>
<th>Company</th>
<th>Revenue</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dell</td>
<td>$56,900</td>
<td>YE 2013</td>
</tr>
<tr>
<td>Intel</td>
<td>72,700</td>
<td>YE 2013</td>
</tr>
<tr>
<td>IBM</td>
<td>99,800</td>
<td>YE 2013</td>
</tr>
<tr>
<td>Unisys</td>
<td>3,460</td>
<td>YE 2013</td>
</tr>
<tr>
<td>PepsiCo</td>
<td>66,415</td>
<td>YE 2013</td>
</tr>
<tr>
<td>Adidas</td>
<td>11,013</td>
<td>Q3 2013</td>
</tr>
<tr>
<td>HP</td>
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<td>FY 2013</td>
</tr>
<tr>
<td>Sprint</td>
<td>26,600</td>
<td>YE 2013</td>
</tr>
</tbody>
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Source: HVS
staff. The corporate encouragement of being a brand ambassador reaps positive rewards. As Shel Holtz, founder of Holtz Communication & Technology, notes, “Employees can surface complaints or issues raised by members of the online communities in which they participate. They can hear ideas and gather intelligence that will enable the company to solve problems, improve customer satisfaction and adapt nimbly to changing customer needs and desires."

Creating a Standard: What to Include

As mentioned in Social Media Education for Employees, a majority of companies (out of 130 surveyed) have no social media education policy, yet consider internal training a top priority (see Figure 2). Cory Edwards, in his digital marketing blog, shared that companies need to be training their employees for social media conversation for two fundamental and specific reasons:  

- 85% of social media users believe a company should not only be present but also interact with customers.
- Edelman’s Trust Barometer revealed that the average employee is trusted significantly more than a company’s CEO. The public wants to engage with your employees, not just your executive’s social media managers.

In other words, the desire and the need for policy clearly exist. The next, and harder, step is putting a policy into action that is tailor-made to fit your company, yet takes into account experts’ advice on where attention should be paid. Experts here are many, and their advice is bountiful. While creating guidelines for your company may seem like a daunting task, most experts agree on the basics of what an effective and feasible policy addresses. We’ve included what we believe to be the most relevant and comprehensive steps to consider below.

In the same Forbes article of October 2012, Jeanne Meister highlights 5 corporate social media educational steps:

1. Incorporate social media awareness, personal and professional branding, and the concept of the voice of the firm during your employees’ orientation program.
2. Create a training program – branded specifically for you and incorporating the nuances and buzz words important to you, your customers, and employees.
3. Be specific about what you expect of your employees and their social media communication for the firm.
4. Engage and reward employees for the participation and contributions; engage those in particular who are active in social media as well as those who are industry and niche experts – so that proper information is communicated.
5. Continuously improve your program, goals, and social engagement strategies with your team.
In the Cornell Center for Hospitality Research’s report following their 2010 Research Summit, the topic of social media training was discussed. There, Gregg Gilman, co-chair, labor and employment practice group, Davis & Gilbert, recommended keeping in mind the following points, which still hold true today:

1. Remind employees about the public nature of social media (there is NO privacy);
2. Regulate social networking on company time and property;
3. Define acceptable use of company email and equipment;
4. Notify employees that the right to monitor extends to personal activity on company equipment;
5. Detail who will monitor and how monitoring of social networking will occur;
6. Create a document that outlines the company’s social media policy, in conjunction with IT, HR, and marketing, recognizing that this will always be a working document;
7. Protect trade secrets, conference information, and customer and guest lists;
8. Enforce the standards and guidelines you have created.
SECTION THREE: CORPORATE COMMUNICATIONS IN THE HOTEL INDUSTRY

What does this mean for hotel companies, both for their corporate offices and properties? Hotel companies are no different than others. Like any professional corporation, all hotel executives must be able to communicate with their staff and with the public in an effective manner. Moreover, in many cases hotel companies employ far more staff than other industries, due to the very nature of hotels and restaurants providing personal service for guests. Thus the interaction between guests and employees is greater in hotel companies, and the need for education on proper online behavior arguably more necessary. The potential benefit from a physical interaction between guests and staff, translated into personalized guest engagement via social media pages, is invaluable; having staff that know how to identify opportunities in which this is appropriate, and then take the initiative to engage the guest online, personify the modern age of hospitality and exceeding guest expectations.

In this mindset, online reputation management companies (ORMs) are reportedly developing new technologies that can track guest’s social media presence and provide properties with information regarding that guest’s preferences before their arrival. This goes beyond feather or down pillows, though: ORMs like Digital Alchemy are prioritizing ways to understand guests like never before. With this additional knowledge, and the previously nonexistent ability to interact with guests via social media, hotels and employees can use social media to their advantage. According to the study by Li and Terpening, half of all companies surveyed (not limited to hotels) had only one full-time employee managing social media education. One employee may be enough for a smaller company with less client interaction, but hotel companies operate on a more direct level. The ability to maximize knowledge about guests supplements the

![Figure 3: Resources Dedicated to Social Media Education](image)
limited resources applied to this role.

Properties’ revenues are more and more linked with guest experiences, as user-generated content becomes a larger part of how guests choose hotels and how hotels market themselves (see our earlier article on Earned Content Management). By encouraging more public interaction through both executive communications and employee social media engagement, the appeal of a property to potential guests is augmented. This is basic logic, and the presence of guest reviews on hotels’ websites is nothing new. But re-hashing TripAdvisor reviews is only the beginning.

Our Pick: Industry Best Practices

There is a gap in the research that has been done to-date on hotel companies and how they train their employees of all levels. No data exists yet regarding how many hotel companies implement corporate communication trainings, and if they are executed in-house or through a third party. It is unknown how many provide social media policies to their employees, and the levels of rigidity these policies reach. With such a unique business model compared to the average corporation, we note that hotel companies should have this information at their disposal so they may see who is an industry leader and work from their example. HVS plans to conduct further research into this grey area and provide future statistics which will be useful to companies in the hospitality industry. In the meantime, we’ve highlighted some of our favorite anecdotes of innovative communications, from CEOs to servers, below.

- **Bill Marriott**, the Executive Chairman and Chairman of the Board of Marriott International, maintains a blog where he shares both professional and personal anecdotes – top-down communication is effective, and companies that blog reportedly have 97% more inbound links to their websites.

- **Kimpton** executives travel annually to all properties as a part of the Kimpton Road Show, which brings corporate executives into direct contact with all employees; executives encourage employees to engage with guests, and direct communication between hotel staff and corporate executives is established company-wide. This seems to be working well for all employees of Kimpton, which was ranked as one of Forbes’ 2013 Top 100 Companies to work for.

- The **Roger Smith Hotel** in New York City is recognized as a leader in maximizing ROI from social media. The hotel even goes so far as to occasionally present content from guests – surpassing the oft-considered “risk” of allowing mere employees to represent the property. The hotel’s social media education policy is a part of the general employee handbook, and provides a general “code of conduct.” Adam Wallace, the hotel’s Director of Digital Marketing, believes
Placing faith in employees is a better approach to social media than implementing strict guidelines. Their small-scale operation allows for easy communication between executives and staff, and according to VP of Marketing Phoebe Knowles, trust is strong regarding how media managers coordinate with each other and the public.

- Like most hotels, the Wynn Las Vegas maintains and engages with guests through Facebook, Twitter, Instagram, and more. However, the Wynn additionally “requires employees to tweet on the job to promote great weather, celebrity sightings, and drink specials.” By providing official and unofficial social media engagement through the hotel brand as well as staff personal accounts, the property is able to capture a wider audience and portray a diverse number of voices.

- A simple but important means of effectively communicating within a corporate structure is illustrated by the IHG Owners Association. The concept began in the 1950s when the founder of Holiday Inns, Kemmons Wilson, established an association of franchisees with which his company could have direct communication. Today his idea remains, and at each summit, IHG executives travel to meet with owners and operators and ensure that IHG’s priorities are communicated to all properties. This model has been replicated through the industry, but provides a reminder that hotel companies need to ensure communication channels with all their affiliations outside their company, including franchisees, management companies, landowners, and more.

- Highgate Hotels, a management company with both independent and branded properties in their portfolio, takes a somewhat “hands off” approach to ensure that social media reflects the unique qualities of their properties. The company has no specific guidelines regarding social media policy or corporate communication, and all standards are covered in the employees’ basic codes of conduct. At Highgate hotels, each property has one to two brand ambassadors, who add social media responsibilities to their normal roles. Highgate is unique, according to VP of Revenue Management Kerry Mack, in that they ensure successful media managers by allowing general managers to determine who the appropriate ambassadors are. A front office manager could be a brand ambassador, but so could a hostess or a housekeeping supervisor. “Highgate wants those who are passionate about social media to portray our properties, since they understand effective techniques and enjoy the role. We don’t force social media on any one position,” Mack explained. Highgate’s
independent properties are on board and their branded properties reportedly love the initiative each property takes, which they can utilize to promote their brand in the market.

The hospitality industry typically lags behind when it comes to marketing technology or communications sensibility. Furthermore, the lack of data regarding hotel companies’ implementation of training and education is scarce. We need to drive our hospitality industry executives to learn from those in other industries, and prepare their executives and staff for serving as an appropriate brand ambassador. For more information, or support with your corporate communications, please contact Leora Lanz at llanz@hvs.com; 516-680-8529 or Erin Bagley at ebagley@hvs.com; 516-248-8828.
About HVS

HVS is the world’s leading consulting and services organization focused on the hotel, mixed-use, shared ownership, gaming, and leisure industries. Established in 1980, the company performs 4500+ assignments each year for hotel and real estate owners, operators, and developers worldwide. HVS principals are regarded as the leading experts in their respective regions of the globe. Through a network of more than 30 offices and 450 professionals, HVS provides an unparalleled range of complementary services for the hospitality industry. www.hvs.com

HVS Marketing & Communications assists hotels and hospitality organizations with strategic branding and communications advisory, to include: digital marketing and social media content and branding; development of internal and external position statements; content creation and storytelling for audience engagement and connections; press relations; “branding” and “solutions” sales training.

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About the Authors

Erin Bagley is an Associate with HVS’s New York office, specializing in hotel valuation and consultancy. She joined HVS in 2012 and worked with HVS Caribbean on consulting assignments and the HVS Caribbean Investment Conference in conjunction with her post-graduate studies. After completing a Master of Arts in Public International Management at Sciences Po (Institut d’Etudes Politiques de Paris) she joined HVS as a full-time analyst. Since then she has conducted valuations, feasibility studies, and other consultancy assignments across the United States, and continues to work closely with HVS Caribbean as a conference coordinator. Erin also has a Bachelor of Arts in International Affairs from Boston University.

Leora Halpern Lanz has served as HVS’s Director of Marketing since 1999 and is responsible for coordinating the global marketing, external promotion, public relations, and social media efforts of HVS’ worldwide office network and comprehensive hospitality services, global conferences and exclusive data and research. Additionally, she coordinates the internal communications for the firm and contributes to the production of the firm’s weekly e-newsletter, website and intranet. Her efforts have earned her awards and accolades from the prestigious Hospitality Sales & Marketing Association International (HSMAI) including being named as Hospitality Sales & Marketing Executive of the Year in 2010, and awards from HVS itself. Additionally, excerpts of her articles will be included in the American Hotel & Lodging Educational Institute’s Sales & Marketing textbook, 6th edition, scheduled to be released in March 2014. Leora also directs HVS’s Marketing & Communications which provided branding, marketing communications, public relations and digital/social media advisory. Her specialties include media training, position statement development, press relations and alliance/relationship strategies.
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