"Introduction to Hospitality Management".

: Welcome To The Hospitality Industry

Topic Objective:

- Describe the characteristics of the hospitality industry.
- Explain corporate philosophy.
- Discuss why service has become such an important facet of the hospitality industry.
- Suggest ways to improve service.

Definition/Overview:

Hospitality refers to the relationship process between a guest and a host, and it also refers to the act or practice of being hospitable, that is, the reception and entertainment of guests, visitors, or strangers, with liberality and goodwill. Hospitality frequently refers to the hospitality industry jobs for hotels, restaurants, casinos, catering, resorts, clubs and any other service position that deals with tourists.

Key Points:

1. Hospitality and Tourism

The hospitality and tourism industry is the largest and fastest growing industry in the world. From a global perspective hospitality and tourism make up 11% of gross domestic product, 200 million jobs, 8% of total employment, and 5.5 million new jobs annually until 2010.

2. Characteristics of the Hospitality Industry

Hospitality businesses are open 365 days a year and 24 hours a day. Those on their way to senior positions in the hospitality industry often work 10 hours per day. However, there is a growing trend of working managers 50 hours a week in order to attract and retain generation Xers. Due to

the industry running 24 hours per day, it relies heavily on shift work, which often involves 8-hour shifts including 11 p.m. to 7 a.m., also known as the graveyard shift. One essential difference between the hospitality business and other business sectors is that we produce guest satisfactionan ephemeral product or, as they say in the services literature, an intangible. The guest cannot test drive a nights stay, kick the tires prior to boarding a shuttle, or taste the steak before dining. Our product is for the guests use not for possession. Even more unique, for us to produce this product we must get the guests input.

3. Corporate Philosophy

We have seen a change in current philosophy from one of managers planning, organizing, implementing, and measuring performance to that of managers counseling associates, giving them resources, and helping them to develop and think for themselves. The outcome is a more participative management style, which results in associate empowerment, increased productivity, and guest and employee satisfaction. Corporate philosophy has strong links to quality leadership and the total quality management (TQM) process. Corporate philosophy embraces the values of the organization, including ethics, morals, fairness, and equality. The new paradigm in corporate American hospitality is the shift in emphasis from the production aspect of our business to the focus on guest-related services. The philosophy of Whatever it takes is winning over Its not my job. Successful organizations are those that are able to impart corporate philosophies to employees and guests alike. Spirit to serve comes from deep-rooted values. Service should be a commitment to continuous improvement and overcoming adversity. The corporate culture is the overall style or feel of a company. A companys culture governs how people relate to one another and their jobs. It can be summed up with the phrase This is how we do things around here. It is a good idea to align you with a corporation that blends with your personal culture, values, and style. A goal is a broad statement of what a company or department wishes to accomplish. A goal is a quantification of the mission in measurable terms. Goals can be written for each department on a variety of topics from alcohol training to reduction of employee turnover. Today, most corporations involve their employees in goal setting. This not only ties in total quality management, but also encourages employees to buy into the process and increases the likelihood that goals may even be exceeded.

The Focus on Service Giving good service is a difficult task; our educational system does not seem to teach service and few businesses give enough priority to education and training in service. Service providers are often not motivated to give good service. The seven deadly sins of service are:

- Apathy
- Brush-off
- Coldness
- Condescension
- Robotics
- Rule book
- Runaround Review

Money magazines article entitled The Six Rudest Restaurants in America. The author of this article also identifies the most common insults to guests. Examine some of the various service examples and philosophies of successful companies such as Ritz-Carlton and Disney.

4. Success in Service

To achieve success exceptional service is required. The satisfaction of external customers ultimately measures a companys success since they are the people who are willing to pay for its services. To ensure success, one must also ensure guest loyalty.

5. Moments of Truth

Every hospitality organization encounters hundreds of moments of truth every day. This challenges employees to maintain their quality service. Service commitment is a total organizational approach that makes the quality of service as perceived by the customer, the number one driving force for the operation of the business.

The Educational Foundation of the National Restaurant Association (NRA) developed programs to enhance hospitality students professional development. One of their courses is foodservice leadership.

6. Service and Total Quality Management

In the area of service, TQM is a participatory process that empowers all levels of employees to work in groups to establish guest service expectations and determine the best way to meet or exceed those expectations. TQM is very effective if everyone gets involved. The Malcolm Baldrige National Quality Award is the highest level of national recognition for quality that a U.S. company can receive. The award promotes an understanding of quality excellence, greater awareness of quality as a critical competitive element, and the sharing of quality information and strategies. The Ritz-Carlton Hotel Company, winner of the 1992 and 1999 Malcolm Baldrige National Quality Award, was founded on principles of groundbreaking levels of customer service. The essence of this philosophy was refined into a set of core values collectively called the Gold Standards.

7. The Disney Approach to Guest Service

When Walt Disney conceived the idea to build Disneyland, he established a simple philosophical approach to this theme park business, based on the tenants of quality, service, and show. To reinforce the service concept, Disney has guests not customers, and cast members not employees. Theses terms set the expectations for how guests will be served and cared for while at the park or resort.

This commitment to service means:

- Disney clearly understands its product and the meaning of its brand
- It looks at the business from the guests perspective
- Cast members consider it their personal responsibility to create an exceptional experience for every individual who enters their gates.

Disney cast members are also empowered to make changes to improve service. These measures are supplemented by financial controls and mystery chops that allow Disney to focus resources on increasing guest satisfaction. Disneys ability to create a special brand of magic requires the talents of thousands of people fulfilling many different roles. Disney Service Model: It begins

with Smile. Make Eye contact. Respect and welcome all guests. Value the magic. Initiate guest contact. Create service solutions. End with a thank you

Topic Objective:

At the end of this topic student would be able to:

- Identify some of the possible career paths available in the hospitality industry.
- Establish career goals.
- Assess your own strengths and weaknesses.
- Describe some of the potential careers in the hospitality and tourism industry.
- Discuss aspects of professionalism.
- Write a rsum.
- Prepare for an interview.

Definition/Overview:

The concept of career paths describes the career progression available in each segment of the hospitality industry. In the hospitality industry one needs to have experience in several areas before becoming a general manager, director of human resources, catering manager, meeting planner, or director of marketing. For example, the career path to general manager may go through food and beverage, rooms division, marketing, human resources, or more likely, a combination of these, because it is better to have experience in several areas (cross training). This same practice is true for restaurants.

A graduate with service experience will need to spend a few years in the kitchen learning each station, then bartend for a few months, before becoming an opening or closing assistant manager, or a general manager, regional manager, vice president, or president. Be prepared and be ready for your opportunity!

The hospitality industry is an exciting and dynamic industry with tremendous growth potential, especially when the economy is strong. Ensuring that guests receive outstanding service is a goal of hospitality corporations. This is a business that gets in your blood! It is fun and exciting, and seldom dull, and almost everyone can succeed in the hospitality industry.

Key Points:

1. Personal characteristics for success in the hospitality industry
Honesty Willingness to work long hours in varied shifts Willingness to work hard Ability to cope with stress Team player Good decision-making skills Good communication skills Dedicated to exceptional service Desire to succeed Leadership Ambitious Desire to exceed guest expectations Recruiters look for service-oriented people with good work experience, involvement in on-campus and professional organizations, positive attitude, and a good grade point average (GPA).

2. Self Assessment
The purpose of doing a self-assessment is to assess our strengths and weaknesses and determine what we need to improve in order to reach our goals. Self-assessment helps by establishing where we are now and the links to where we want to go. In a self-assessment we make a list of those things that are positive attributes about ourselves. We also make a list of areas where we might want to make improvements. Your personal philosophy is your beliefs and the way you treat others and your work. It will determine who you are and what you stand for.

3. Professional Norms & Manners
Every profession has its norms. In our profession being on time is critical because guests do not want to wait for services. Several companies, including Marriott International, have a policy of requiring associates to clock in 10 minutes before or clock out 10minutes after their shift. We need to be professional in our appearance, specifically our dress and attire. You may have noticed that several hospitality and tourism associates wear a uniform; this is a part of their

profession. Female managers wear a business suit (pants or skirt) with a blouse and polished dress shoes. Male managers wear a business suit with a shirt and tie and polished dress shoes. When going for an interview, you should dress in a business suit. Men should wear powerful color ties (i.e., red or blue is bestnever yellow). Be discrete; limit rings, no body piercing, and no heavy cologne. Women should not wear too much makeup or jewelry. Etiquette is about how we behave in a given setting. In the hospitality business setting ware expected to abide by certain norms. For example, it is important to send a personal, handwritten note of thanks to the person who interviewed you. Not only does it make a good impression; it says that you are courteous. How we behave among others at business lunch or dinner says a lot about our preparedness for a successful career. Do you have good table manners? Or do you behave inappropriately? Do you treat others with dignity and respect? It is important to get involved with on-campus and professional hospitality and tourism organizations. Becoming involved will show your commitment to your chosen career and lead you to meet interesting peers and industry professionals who can potentially help you along the career path you have decided to take. In addition, you will develop leadership and organizational skills that will help you in your career.

William Fishers advice to hospitality students who want to progress in a career in the Hospitality industry:

- Know yourself.
- Know your immediate objectives.
- Establish a time frame.
- Remember names.
- Be an inside volunteer.
- Be an outside volunteer.
- Follow up.
- Develop a reputation for getting results.
- Maintain a sense of humor.

4. Ethics

Ethics is a set of moral principles and values that people use to answer questions about right and wrong. Ethics and morals have become an integral part of hospitality decisions, from

employment (equal opportunity and affirmative action) to truth in menus. Many corporations and businesses have developed a code of ethics that all employees use to make decisions. This became necessary because too many managers were making decisions without regard to the impact of such decisions on others.

Ethics are about living our lives with honesty and integrity, starting with personal knowledge of ourselves. Integrity is often developed over time by the decisions and13choices we make, which should be in line with our fundamental beliefs. We cannot do this unless we know what our fundamental beliefs are. This takes reflection and honesty. Career planning is personal and requires self-knowledge. Planning implies action. Wean look at ourselves, look at the various companies, and make a good match. Ethical dilemmas are not always simply choosing between right and wrong. Three key categories of questions need to be answered when making decisions: Is it legal? Will I be violating civil law or company policy? Also, will I get fired if accept it, allow it, or do it? Is it balanced? Is it fair to all concerned in both the short term and the long term? Does it promote win-win relationships? How will it make me feel about myself? Will it make me proud? Would I feel good if my family knew about it?

Ethics is broadly concerned with how persons or organizations act, or should act, in relations to others. The breakdown of socially acceptable behavior appears to be universal problem. Whatever the cause, this has Several issues are related to social responsibility in business. They range from truth in menu, nutrition, and obesity to the Atkins diet, recycling, and Ronald McDonald House. Social responsibility goes beyond doing away with no biodegradable fast food containers to becoming involved in the community in which a company or one of its hospitality or tourism operations is located. This is known as giving back to the communitys affected business, government, and society.

5. Careers in Travel and Tourism

Travel includes air, sea, rail, and automobile. In addition, tourism also includes the attractions and places that people visit. The airline industry has a number of career opportunities for college

graduates. From flight deck to operations, from marketing to accounting and finance to flight attendant, there are plenty of career opportunities.

The cruise industry has a limited number of onboard positions, such as cruise director and hotel manager. Most ships have foreign crews because they can avoid American laws on things like overtime.

The restaurant industry employs over 12 million people in 878,000 locations and continues to grow. It is projected that in the year 2010 the industry will have one million locations and employs 13 million people. Due to the number of restaurants, careers are readily available. The key is determining which aspect of the restaurant is most favorable to you. The typical restaurant career leads to kitchen manager, bar manager, restaurant manager, general manager, vice president, president, and owner. During the college years, it is best to gain experience in as many areas of the restaurant as possible. Because most food and beverage service jobs are part time, it is easy to fit them around your school schedule.

One may start out as a food runner, primarily delivering meals to guests, or a bus person, cleaning tables of used dishes; sticking with the job can result in advancement to a food server Another aspect of the restaurant industry that appeals to many is the career of kitchen manager of chef. Since the food served in a restaurant is the primary reason guests continue to patronize the restaurant, it is up to the chef to be sure that the guests receive a meal that meets or exceeds their expectations. Most chefs start out as prep cooks to gain experience.

The salary of a chef greatly depends on the location and type of restaurant he or she works in. Chefs in high-end restaurant can make as much as $58,000 with executive chefs in very famous restaurants earning much more up to and over $100,000 if they are in the top group of superstars. Some chefs go on to own their own restaurants. Restaurant managers have a variety of tasks to perform. Not only do they oversee the daily activities in the restaurant, but they must also be proficient in all areas of the establishment, from the kitchen to the host stand to visiting tables. One of a managers toughest tasks is employee retention as turnover in the industry is incredibly high. Restaurant managers and general managers can earn from about $55,000 to $150,000depending on the size, volume, and amount of bonus. Managed services are a $25

billion industry that serves more than 19,500 sites nationwide. Managed services focus not only on pleasing a guest, but because they are usually housed in a facility where the main business is not foodservice, it is also important to please the owner of the establishment, also known as the client. Managed services consist of many different arenas. They include airlines; military, elementary, and secondary schools; colleges and universities; health care facilities; business and industry; and leisure, recreation, and assisted living communities. Each avenue requires different types of managed services, but the overall service provided is similar. Two of the biggest companies in the managed services industry are Sodexho and ARAMARK. Currently Sodexho is the largest managed services company in North America and the world.

6. Careers in Lodging

There are about 3.5 million hotel rooms in thousands of hotels in North America, and more abroad, so one can imagine the career paths in the lodging sector of the hospitality and tourism industry. Gaining valuable experience in a variety of hotel departments during college will enable you to join a management-training program with a major hotel company after graduation. The salary levels for the trainee management program start at about $34,000. Assistant department managers make about $38,000, department managers range between $38,000 and $54,000, food and beverage managers earn $44,000 to $55,000, and food and beverage directors range from $65,000 to $90,000, depending on the size and location of the hotel. The salary levels for the rooms division have a wide range: A reservations manager makes about $35,000 to $40,000, a front office manager $40,000 to $55,000, an executive housekeeper $45,000 to $70,000, and a director of rooms division $70,000 to $90,000, depending on the size and location of the hotel.

7. Careers in Club Management

Club managers share many of the same responsibilities as hotel managers. They are in charge of preparing budgets and forecasting future sales, as well as monitoring restaurants on the property and the various internal departments such as human resources and making sure maintenance work is done properly. The club manager is responsible for the overall well-being of the club. The Club Managers Association, www.cmaa.org, is the professional association that grants club managers certification and other membership benefits, such as development and networking.

Club management is different from hotel management in that the guests at a club are members and typically pay for their memberships. Because of this, many feel a much stronger tie to the club and therefore expect a higher level of service. Of the many types of clubs within the club management industry, the most predominant are golf, country, city, athletic, and yacht clubs. Country clubs are the most common.

8. Careers in Conventions and Expositions

Convention planners coordinate meetings, conventions, and special events for very large groups of people. They are similar to event planners in the types of organization and skills they require; yet the activities are on a much larger scale. Convention managers are in constant communication with all aspects of the event. From the catering staff to the speakers bureau to the trade staff, such as the electricians and laborers who set up and take down equipment, convention managers must be keenly aware of everything happening around them. They are also usually responsible for hiring outside sources to come in and do various tasks, such as sound, lighting, and equipment setup where necessary, as well as catering if needed.

The job title of meeting planner can go under many headings, including event planner, meeting manager, conference coordinator, and convention planner. The meeting planners duties may include establishing a site for an event; making travel, hotel and food arrangements; and planning the program and overseeing registration. Events can range from negotiation and coordinating of a worldwide event to a small, in-house meeting in which few people are involved. While some professional companies have employees on staff that serves as meeting planners, many organizations hire from outside the company and call on firms that specialize in meeting planning. The meeting planning profession was recognized as a career only a few years ago. As companies began to expand, the need for meeting planning became evident.

9. Event Management

Many different careers fall under the category of event management. Two of the most popular and well known are wedding planning and party planning. More and more brides are hiring wedding consultants, or bridal consultants, to help them plan their big day. Wedding planners need most of the business skills acquired by students in colleges and universities. In recent years,

many operations have developed certification and training programs. An example of one such program is the Association of Bridal Consultants, or ABC. The program consists of a variety of courses that can be taken individually or all atone time. The courses lead to professional designations such as Professional Bridal Consultant, Accredited Bridal Consultant, and Master Bridal Consultant. It takes at least six years to reach the senior level.

10. Catering

Catering offers a career choice for the entrepreneur. Catering is like the restaurant business; it is relatively easy to get into, but it is not easy to make a profit. Students should work for catering companies during college to gain as much experience as possible in setting up the functions and serving or prepping cooking.

About 230,000 recreation workers are employed in the United States. In comparison toothier jobs, the field of recreation has a very high number of part-time, seasonal, and volunteer jobs. However, excellent careers can be developed through hard work and dedication.

11. Amusement and Theme Parks

The theme park industry provides a wide variety of jobs to employees with varying skill levels. Regardless of your position, it is important to remember that patrons to a theme park are at the establishment to have a good time, and they expect friendly, fun-loving workers to be on staff. There are over 350,000 workers in the theme park industry. These employees come to work every day because they enjoy being surrounded by people who are enjoying a fun and exciting experience.

12. The Gaming Industry

In the past 25 years, the gaming industry in the United States has seen huge growth. Gambling, once considered illegal in almost every state, is now accessible throughout the country. Eleven states have commercial casino gambling and 29 states authorize Native American casino-style gaming. Gaming is now also available worldwide, even further expanding the opportunities for employment in the industry.

13. Job Interviews

No matter how many interviews we do, most people still get butterflies in the stomach when faced with another one. These feelings are natural because we are on edge about a face-to-face meeting that could have a major impact on our career and lives:

- Taking on the butterflies or controlling nervousness are all natural aspects of interviewing.
- Basic things to know and prepare for revolve around answering the question, Why should the company hire you?
- Identify personal skills with those associated with the job.
- Do your homework on the company, its size, location, and structure. From this, come up with a few questions of your own.22
- Other points to consider include dress code, punctuality, and common courtesy.

14. How to Interview

Follow the 10-step approach to polish your interviewing skills:

- Ask yourself how well you fit the jobs for which you're interviewing.
- A good way to begin is to match your skills and qualifications to those required for that position.
- Once you have completed your list, you will probably be surprised at how many items there are.
- Do your homework on the company.
- Be ready to ask questions of the interviewer.
- Stage a number of dress rehearsals with someone else.
- Dress in a businesslike manner.
- Arrive early; if possible, go to the locations once before the interview to be certain you know where it is.
- At the close of the interview, thank the interviewer for the opportunity to discuss your qualifications.
- Write a thank you note to the interviewer, reinforcing the reasons why you feel you could perform well on that job

Topic Objective:

At the end of this topic student would be able to:

- Define tourism.
- Outline the important international and domestic tourism organizations.
- Describe the economic impact of tourism.
- Identify promoters of tourism.
- List reasons why people travel.
- Describe the socio cultural impact of tourism.
- Describe ecotourism

Definition/Overview:

The WTOs definition of tourism is Tourism comprises the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business, and other purposes.

Tourism means different things to different people. To simplify tourism, it is sometimes categorized in terms of the following factors:

- Geography: International, regional, national, state, provincial, country, city.
- Ownership: Government, quasi-government, private.
- Function: Regulators, suppliers, marketers, developers, consultants, researchers, educators, publishers, professional associations, trade organizations, consumer organizations.
- Industry: Transportation (air, bus, rail, auto, cruise), travel agents, tour wholesalers, lodging, attractions, recreation.

Key Points:

1. The Largest Industry of the World

Tourism is a dynamic, evolving, consumer-driven force and is the worlds largest industry when all its interrelated components are placed under one umbrella: travel; lodging; conventions, expositions, meetings, events; restaurants, managed services; and recreation. Tourism plays a foundational role in framing the various services that hospitality companies perform. The leading international organization in the field of travel and tourism, the World Tourism Organization (WTO), is vested by the United Nations with a central and decisive role in promoting the development of responsible, sustainable, and universally accessible tourism, with the aim of contributing to economic development, international understanding, peace, prosperity, and universal respect for, and observance of, human rights and fundamental freedom. At the start of the new millennium, tourism is firmly established as the number one industry in many countries and the fastest growing economic sector in terms of foreign exchange earnings and job creation. Tourism has become one of the worlds most important sources of employment. It stimulates enormous investment in infrastructure most of which helps to improve the living conditions of residents as well as tourists. The WTO encourages governments, in partnership with the private sector, local authorities, and nongovernmental organizations, to play a vital role in tourism. The WTO helps countries to maximize the positive impacts of tourism, while minimizing its possible negative consequences on the environment and societies. Tourism, the worlds largest industry, offers the greatest global employment prospects. This trend is caused by the following factors:

- The opening of borders: Despite security concerns, we can travel to more countries now than 10 years ago. The United States has a visa waiver program with 28 European countries
- An increase in disposable income and vacations.
- Reasonably priced airfares.
- An increase in the number of people with more time and money.
- More people with the urge to travel.

Despite terrorism attacks and a weak economic recovery, the long-term prospects for tourism appear to be good. Tourism 2020 Vision is the World Tourism Organizations (WTOs) long-term forecast and assessment of the development of tourism for the first 20years of the new millennium. WTOs Tourism 2020 Vision forecasts that international arrivals are expected to

reach over 1.56 billion by the year 2020. Of these, 1.2 billion will be intraregional and 0.4 billion will be long-hauled travelers. The total tourist arrivals by region show that by 2020 the top three receiving regions will be Europe (717 million tourists), East Asia and the Pacific (297 million), and the Americas (282 million), followed by Africa, the Middle East, and South Asia.

2. Air Travel

Over the past few yearswith the exception of Southwest, Airtran, and Jet Bluemajor U.S. airlines have lost billions of dollars. One reason is competition from low-cost domestic and international airlines. Since September 11, 2001, business travelers continue to spend less, and airlines pension, fuel, and security costs have risen. The major airlines are laying off employees, delaying delivery of new jets, and closing some hubs, reservations, and maintenance centers in efforts to reduce costs. The major U.S. airlines have formed strategic alliances with partner airlines to provide passengers with easier ticket purchases and transportation to destinations in countries not served by U.S. airlines. Some examples are Tampa Florida to Hong Kong; American Airlines to Los Angeles; and Cathay Pacific to Hong Kong. Alliances of this nature will allow airlines access to each others feeder markets and to resources that will enable them to flourish in what will ultimately be a worldwide deregulation. To remain efficient and cost effective, major U.S. airlines have adopted a hub-and-spoke system, which enables passengers to travel from one smaller city to another smaller city via a hub or even two hubs. The two main benefits of the hub-and-spoke system are: 1) airlines can serve more cities at lower costs; and 2) airlines can maximize passenger loads from small cities, thereby saving fuel.

3. Cruise Ships

More than 200 cruise lines offer a variety of wonderful vacations, from a Carnival cruise to freighters that carry only a few passengers. Travelers associate a certain romance with cruising to exotic locations and being pampered all day. Being on a cruise ship is like being on a floating resort. Various types of entertainment from exercise classes to cabarets to charm classes to shuffle board tournaments and all night dancing are available; thus, there is plenty for travelers to do. The nationality of the ships crew contributes to its ambiance. The cruise market has increased dramatically in recent years. About 9 million Americans cruise each year. Rates vary from a starting point of $85 per person per day on Carnival Cruise Lines to $700 on the Radisson

Diamond. Rates are typically quoted27per Diem (per day) and are cruise-only figures, based on double occupancy. No two ships are alike. Each has its own personality and character. The nationality of the ships officers and staff contributes greatly to the ships ambiance. In 2005 alone, about 8.4 million passengers vacationed on a ship. Many passengers are remarkably loyal to their particular vessel; as many as half of the passengers on a cruise may be repeat guests. Most cruise ships sail under foreign flag because they were built for the following reasons:

- U.S. labor costs for ships, officer, and crew, in addition to maritime unions, are too high to compete in world market.

- U.S. ships are not permitted to operate casino-type gambling.

- Many foreign shipyards are government-subsidized to keep workers employed, thereby lowering construction costs.

- Segmenting the Cruise Market

Generally people with incomes in the $30,000 to $60,000 range, interested in an average cost per person of $85 to $175 per day, depending on the location and size of the cabin. Middle market: Generally people with incomes in the $60,000 to $80,000 range, interested in an average cost per person of $175 to $350 per day. These ships are capable of accommodating 750 to 1,000 passengers. Among the cruise lines in the middle market are Princess Cruises, Norwegian Cruise Lines, Royal Caribbean, Holland America Lines,Windstar Cruises, Cunard Lines, and Celebrity Cruises. Luxury market: Generally people with incomes higher than $80,000, interested in an average costs per person of more than $350 per day. In the market, the ships tend to be smaller, averaging about 700 passengers, with superior appointments and service. Currently, the ships considered to be in the top 2% are the Seabourn Spirit, SeabournLegend, Seabourn Pride, Crystal Cruises, Crystal Harmony, Radisson Diamond, and Silversea Silver Wind. These six-star vessels have sophisticated cuisine, excellent service, far-reaching and imaginative itineraries, and highly satisfying overall cruise experiences.

In addition, cruise ships sail under foreign flags (called flags of convenience) because registering these ships in countries such as Panama, the Bahamas, and Liberia means fewer and more lax regulations and little or no taxation. About 4 million people took cruises in 1993. Employment positions for Americans are mainly confined to shore-based activities such as sales and marketing.

4. Tourism Organizations

Governments are involved in tourism decisions because tourism involves travel across international boundaries. Governments regulate the entrance and exit of foreign nationals. They become involved in the decision surrounding national parks, heritage, preservation, and environmental protection, as well as the cultural and social aspects of tourism. Tourism is to some extent an international ambassador, fostering goodwill and closer intercultural understanding among the peoples of the world.

5. International Organizations

The World Tourism Organization (WTO) is the most widely recognized organization in Tourism today. The WTO is the only organization that represents all national and official tourism interest among its allied members. The International Air Transportation Association (IATA) is a global organization that regulates almost all international airlines. The purpose of the IATA is to facilitate the movement of people and goods, regulate waybills and baggage checks, permit rapid booking and connections, and maintain fares and rates. The International Civil Aviation Organization (ICAO) is made up of more than 80 governments. It coordinates the development of all aspects of civil aviation, specifically with regard to the formulation of international standards and practices. The World Bank (WB) lends substantial sums of money for tourism development. The International Bank Reconstruction and Development serves a purpose similar to the WB. The United Nations Development Program (UNDP) assists countries with variety of development activities.

The Organization for Economic Cooperation and Development (OECD) was established in 1960. Its purpose is to: 1) achieve economic growth and employment in member countries while maintaining financial stability; 2) contribute to sound economic expansion in member and nonmember countries; and 3) contribute to the expansion of world trade on a multilateral, nondiscrimination basis. The OECD studies various aspects of tourism and makes recommendations to governments through an annual report entitled Tourism Policy and International Tourism in OECD Member Countries. Other Organizations Other organizations with similar interests include the Asian Development Bank, the Overseas Private Investment

Corporation, the Inter-American Development Bank, and the Agency for International Development. The Pacific Area Travel Association (PATA) unites its 34 member countries toward the goal of excellence in travel and tourism growth. Concentrated successful efforts have focused on research, development, education, and marketing. Many countries have a minister of tourism, which is a cabinet-level position that can advocate tourism development, marketing, and management through the National Tourism Organization (NTO).

Unfortunately, the United States does not even have senior-level government official for tourism. Instead, an organization known as the Travel Industry of America (TIA) is the main body for the promotion and development of tourism in the United States. TIA addresses common interests and concerns of all components of the U.S. travel industry. It focuses on unifying the goals of the industry, coordinating private sector efforts, monitoring government policies that affect travel and tourism, and supporting research and analysis. The TIA was founded in 1941. A study commissioned by the World Travel and Tourism Council determined that the total demand for travel and tourism will be $ 2,571 billion by 2010, or more than 10% of the worlds gross national product (GNP).International arrivals, according to the WTO, will reach 1 billion in 2010 and 1.6 billion by 2020, more than triple the 475 million people who traveled abroad in 1992. In 2004,an estimated 46.1 million overseas residents visited the United States and spent nearly$74.5 billion. Nearly every state publishes its tourism economic impact study; for example, New York is $38.5 billion, Florida $51.7 billion, Texas $33 billion, California just over $53 billion, and Hawaii $23 billion (its largest industry).Tourism employs one out of every 10 workers; travel and tourism is the worlds largest employer and industry. A travel agent serves as a middleperson who acts as a travel counselor and sells on behalf of airlines, cruises lines, bus and rail transportation, hotels, and auto rentals companies. Agents may sell individual parts of the overall system or several elements, such as air and cruise tickets. The agent acts as a broker, bringing together the client (buyer) and the supplier (seller). An agent has quick access to schedules, fares, and advice for clients information about various destinations. The American Society of Travel Agents (ASTA) is the worlds largest travel trade association, with over 20,000 members in more than 165 countries.

The Airlines Reporting Corporation (ARC) reports that a travel agencys weekly sales are about$38,989. According to Travel Weekly Magazine, the top 50 travel agencies in terms of sales generated (approximately $25 million in revenue) represent 30% of total agency sales. Agents use computer reservations systems (CRS) to access availability and make bookings. In the United States the main vendors are Sabre, Apollo, World-span, System One, and Galileo. Sabre owns a 70% share of Travelocity, the online site. Cendant Corporation owns Galileo, which forms the hub of Cendants travel related business of hotels, car rental, and vacation ownership. World span is jointly owned by Delta, Northwest, and American Airlines; World-span manages50% of all online bookings worldwide.

According to ASTA, a travel agent is more than a ticket seller. Agents serve their clients in the following ways:

- Arranging transportation by air, sea, bus, car rental, etc. Preparing individual itineraries, personally escorted tours, group tours, and prepared package tours.
- Arranging for hotel, motel, and resort accommodations; meals; sightseeing tours; transfers of passengers and luggage between terminals and hotels; and special features such as tickets for music festivals, theater, etc.
- Handling and advising on many details involved with travel, such as insurance, travelers checks, foreign currency exchange, documentary requirements, and immunizations and other inoculations.
- Using professional know-how and experience (e.g., schedules of air, train, and bus connections, rates of hotels, quality of accommodations, etc.).
- Arranging reservations for special-interest activities, such as group tours, conventions, business travel, gourmet tours, sporting trips, etc.

Travel agents once gained most of their income from airline and cruise line commissions. However, travel agencies have seen air travel commissions, their primary source of income, decline since commission caps were first imposed. The airlines have now eliminated commissions, so agencies are charging a fee for their services to offset the costs involved in providing those services. Out of necessity, travel agents have become more specialized to make up for the loss of commission revenue from the airlines. Some have specialized in the booking of

cruises because they still are paying between 10 and 15% of the price of the cabin booked. Others have expanded their product offerings by including meeting and event planning and management.

There are a number of large and successful travel corporations, the largest being American Express (AMEX) is a corporation that has a travel services division with locations worldwide. Each location is licensed and bonded with the International Air Transportation Association (IATA), which provides travel services and tickets through the corporation. The travel service division provides other services, including foreign currencies, AMEX travelers checks in different currencies, and gift checks. The majority of American Express Travel Services revenues is generated in business travel through corporate accounts. The airlines give the travel agency an override to portion with the corporate clients. The business contract is individually set up, based on annual travel expenses. AMEX chooses their airline vendors according to who gives the largest override percentage and whose negotiated rates are most appealing. The same policy applies to other vendors in the industry, such as cruise lines.

6. Corporate Travel Management

A corporate travel manager is a type of entrepreneur working within the framework of a large corporation. Interested agencies are invited to submit bids to the corporate travel manager for consideration by the corporation. An interesting trend in corporate travel is agent less booking via electronic mail (e-mail).Travel is initiated at the keyboard, not at the switchboard. Increasingly, technologically savvy corporations are making travel bookings via e-mail. Travelers often have culturally based expectations for the travel experience that may or may not be met by international travel. Current research is focusing on the impact of the travelers culture on expectations for service, as well as ways to assess customer expectations and evaluate customer satisfaction. Service providers in destination locations are making efforts to meet the needs of diverse populations of travelers. Satisfaction, or dissatisfaction, with the travel experience, of course, depends on how it is viewed by the traveler.

Travel is an experience, not a tangible object the general economic climate, terrorism, SARS, and businesses reducing their travel budgets have negatively affected business travel. From a

social and cultural perspective, tourism can have both positive and negative impacts on communities. Travel has contributed to international understanding. Provided that the number of tourists is manageable and that they respect the host communities, socio-cultural norms, and values, tourism provides opportunity for a number of social interactions. However, socio-cultural problems can arise from tourism. Tourism can dilute the culture of a country by the introduction of mass cultural norms. In many cases, there is little meaningful social interaction between the tourist and the native culture. Often nonnative hold the senior and management level positions in the hotel, while lower level positions are open to the native population.

7. Tourism Pollution

The term tourism pollution refers to the negative impact of tourism. Tourism brings new revenue to the area and creates/maintains higher levels of employment. It is not likely to have a significant impact in developed countries where economy is well established. In developing countries, tourism is a major contributor to the GNP. The increasing numbers of tourists visiting destinations has heightened concern for the environment, physical resources, and socio-cultural degradation. The response of tourism officials has been to propose that all tourism be sustainable. The concept of sustainable tourism places a broad based obligation on societyespecially those involved with tourism policy, planning, and development. Federal, state, and local governments need to harmonize tourism and tourism development by improving the quality of its environment and resourcesphysical and socio-cultural. Ecotourism is focused more on individual values; it is tourism with a conscience, sharing many of the same aspirations of sustainable tourism. The International Ecotourism Society (TIES) defines ecotourism as responsible travel to natural areas that conserves the environment and improves the well-being of local people. Those who implement and participate in ecotourism activities should follow the following principles:

- Minimize impact
- Build environmental and cultural awareness and respect.
- Provide positive experiences for both visitors and hosts.
- Provide direct financial benefits for conservation.
- Provide financial benefits and empowerment for local people.
- Raise sensitivity to host countries political, environmental, and social climate.

8. **Trends in Tourism and Travel**

Trends in tourism and travel include: the continued growth of ecotourism, sustainable and heritage tourism, and number of tourists; importance of tourism as both an economic and social-cultural force; promotion and development of tourism; franchising of travel agencies; technology; Internet bookings; boutique airlines and low-cost, no-frills airlines; the cruise industry; and concern for the health and safety of travelers. Answers will vary. The CVBs are largely funded by the transient occupancy tax (TOT) that is charged to hotel guests. In most cities, the TOT ranges from 8 to 18%.

The balance of the funding comes from membership dues and promotional activities. You need to collect information regarding the current TOT percentage being charged to hotel guests and then determine whether increasing the current TOT would still be within the range of 8 to 18%. In addition, you will have to assess the resistance of the increased TOT if any, will be from guests traveling to your city. Show portions of the movie A Room with a View or another movie depicting the custom of the Grande Tour of Europe to finish the education of a young lady or gentleman. Have students discuss how the style of travel and the conduct and motivation of tourists have changed or have not changed over the years. An alternative method for this exercise would be to have students watch various movies (by choice or assigned) revolving around travel and tourism. Ask them to report what they have observed with regard to style of travel and how the conduct and motivation of tourists have changed or have not changed over the years.

Topic Objective:

At the end of this topic student would be able to:

- U.S. labor costs for ships, officer, and crew, in addition to maritime unions, are too high to compete in world market.
- U.S. ships are not permitted to operate casino-type gambling.
- Many foreign shipyards are government-subsidized to keep workers employed, thereby lowering construction costs.

- Segmenting the Cruise Market

Definition/Overview:

A hotel is an establishment that provides paid lodging on a short-term basis. The provision of basic accommodation, in times past, consisting only of a room with a bed, a cupboard, a small table and a washstand has largely been replaced by rooms with modern facilities, including en-suite bathrooms and air conditioning or climate control.

Franchising and management contract are the two main driving forces in the development and operation of the hotel business. Hotels in North America began as inns or taverns. Taverns were common in all of the colonies and were a focal point of the community. They were common in both towns and along communication routes and were known as turnpikes. Many early hotels were lavishly furnished. The first hotel to open in the United States was the City Hotel (70 rooms) in New York City. The Tremont Hotel (170rooms) in Boston, Massachusetts, was the first hotel to have bell persons, front desk employees, locks on rooms, and free soap for guests. Perhaps because there was no royalty in the New World, hotels emerged as people palaces.

Key Points:

1. **Traveling and Modern Hotel Industry**

Transportation changed the nature of the hotel industry. With the advent of increasing mobility, most hotels were partnerships and franchise businesses. The first motel was opened in California in 1925.During the Depression (1930s), many hotel owners defaulted on mortgages. This led banks to be wary of lending money for hotel developers. As a result, few downtown hotels were built after World War II. The increased use of automobiles stimulated a wave of hotel and motel

construction during the 1940s, 1950s, and 1960s. Similarly, air travel served to create the need for development and redevelopment of city hotels and destination resorts. The economic upturn of the 1950s meant that there was more disposable income for travel and tourism. This increase in consumption led to the industry moving from small, independently owned properties to the concept of development by franchising, partnerships, leasing, and management contracts.

2. **Franchising**

Franchising in the hospitality industry is a concept that allows a company to expand more quickly by using other peoples money, than if it had to acquire its own financing. The company or franchisor grants certain rights, for example, to use its trademark, signs, proven operating systems, operating procedures and possibly reservations system, marketing know-how, purchasing discounts, etc., for a fee in return. In return, the franchisee agrees by signing the franchise agreement to operate the restaurant and hotel in accordance with the guidelines set by the franchisor. Franchising hotels in the United States began in 1907, when the Ritz Development Company franchised the Ritz-Carlton name in New York City. Howard Johnson began franchising his hotels in 1927.

This allowed for rapid expansion first on the East Coastland later in the Midwest and finally in the mid-1960s into California. Holiday Inns (now a part of Intercontinental Hotel Corporations), one of the largest lodging enterprises in the world, also grew by the strategy of franchising. Challenges to the franchise arrangement include the maintenance of quality standards and the financial stability of the franchisee. Franchise fees can vary tremendously and are often negotiated between the franchiser and the franchisee. The average agreement is 3%to 4% of room revenue. North America is host to more than 180 hotel brand extensions and franchised brands. Franchising remains a mostly North American activity, with limited opportunities in international markets. This is because the capital needed to drive hotel franchising that was once plentiful is now less accessible. Referral associations offer similar benefits to properties as franchises, but for a lowermost. Hotels and motels with a referral association share a centralized reservation system and a common image, logo or advertising slogan. In addition, referrals may offer group buying discounts to members, as well as management training and continuing education programs. Each independent hotel refers guests to each of the other member hotels.

Hotels and motels pay an initial fee to join a referral association. Size and appearance standards are less stringent than a franchise agreement; hence, guests may find more variation between the facilities than with a franchise member. Management contracts have been responsible for the hotel industrys rapid growth since the 1970s.

They became popular among hotel corporations because little or no up-front financing or equity is involved. Even if the hotel corporation is involved in the construction of the hotel, ownership generally reverts to a large insurance company. The management contact usually allows for the hotel company to manage the property for a period of 5, 10, or 20 years. In return, the company receives a management fee determined as a percentage of gross or net operating profits usually about 2 to 4.5% of gross revenues. Lower fees in the 2% range are more prevalent today, with an increase in the incentive fee based on profitability. Resort hotels developed initially with the growth of rail travel, which enabled the city dwellers to travel to vacation areas conveniently and at a reasonable expense. Many resorts began as seasonal ventures, but, with the increase of air and automobile travel, many resorts have become year-round destinations. Today, there are numerous resort hotel properties that cater to the needs of many segments of the population. Some resorts are family friendly whereas others seek to create a quiet get-away for the adult. Many resorts actively work to attract conventions and conferences to increase occupancy, especially in the off-season. Vacation ownership is the fastest growing segment of the U.S. travel and tourism industry, increasing in popularity at the rate of about 15% each year. Vacation ownership is a politically correct term for the time-share. Essentially vacation ownership means a person purchases the use of a unit similar to a condominium for blocks of times, usually in weeks. Resort Condominium International (RCI) defines a time-share as a two-bedroom suite that is owned, rather than a hotel room that is rented for a transient night. A vacation club, on the other hand, is a travel and use product. Consumers earn points toward vacation benefits. Flexibility is a key advantage of this type of program. Hotel companies have found this segment of the industry to be extremely lucrative. As a result, many leading hoteliers are entering into it. Fees such as yearly maintenance fees are required in addition to vacation ownership charges. Time-share programs are usually divided into weekly intervals.

Fixed unit, fixed-week deeded and right to use plans are two ways scheduling can be arranged. Vacation clubs provide more flexibility to consumers as they allow members to use multiple resorts. The World Tourism Organizations (ETO) has called time-shares one of the fastest growing sectors of the travel and tourism industry. Roughly 3% of all U.S. households own vacation ownership. RCI estimates that the figure could rise to 10% within the next decade for households with incomes of more than $50,000. Reno, Nevada, and Atlantic City, New Jersey, are now expanding. Legalized gambling has now expanded into 16 states, in part because of legislative changes and in part because of operations on Native American reservations. Recreation and entertainment have provided the biggest boost to consumer spending and have in turn led to an upswing in the industry. Factors influencing this development include the need for increased revenue, jobs economic development, and stimulation of tourism. Casinos attract guests with low room rates, subsidized food and beverage, and major entertainment stars. The main hotel-casino companies are: the Promus Group, Hilton Hotels, ITT Sheraton (Caesars Palace), the Mirage, MGM Grand, Luxor, etc. To combat loss of market share due to competition, Las Vegas has positioned itself as a family entertainment destination, highlighted by theme properties.

3. Boutique Hotels

Boutique hotels offer a different lodging experience compared to mid-size chain hotels.
Boutique hotels have a unique architecture, style, dcor, and size.

4. Extended-Stay Hotels

These hotels provide accommodations to guest staying longer than five days. Rates are usually decreased based on the length of the stay. Guests are usually a mix of guests: Professionals, business people, and families who are relocating. Extended-stay hotels offer full-kitchen facilities and shopping services or a convenience store on the premises.

5. All-Suite Extended-Stay Hotels

All-suite extended-stay hotels usually offer more space per room for the same rate as a regular hotel in the same price range. The additional space is usually dedicated as a lounge or

kitchenette, or both, within the room. These hotels are attractive to guests who may be relocating, attending training seminars, or are on work-related projects.

6. Bed and Breakfast Inns

Bed and breakfast operations offer variety in accommodation and in cost. Although not all B&Bs are owner occupied, they provide an alternative to the traditional lodging experience.

7. Hotel Integration

Vertical integration is a relatively new trend. Companies realized that guests have needs at various levels. By offering more than one type of accommodation, hotel companies can serve guests within various segments.

8. Best, Biggest, and Most Unusual Hotels and Chains

The Oriental Hotel in Bangkok, Thailand, has been rated number one in the world; so too has the Regent of Hong Kong, the Mandarin Oriental of Hong Kong, and the Connaught of London. The largest hotel in the world was the 5,505-room MGM Grand in Las Vegas. This, however, has been surpassed by the new Venetian Hotel, also in Las Vegas, with its 6,172 rooms.

9. The Best Hotel Chains: The Ritz-Carlton and the Canadian-owned and operated Four Seasons are generally rated the highest quality chain hotels.

10. The Most Unusual Hotels: Among the worlds most unusual hotels are ones like The Treetops Hotel in one of Kenyas wild animal parks. The uniqueness of the hotel is that it is built on tops of tress overlooking a wild animal watering hole in the park. Another magnificent spectacle is the Ice Hotel, situated on the shores of the Torne River in the old village of Jukkasjsvi in Swedish Lapland.

11. International Perspective

The global economy is segmented into large trading blocks such as the European Economic Community (EEC) and the North American Free Trade Agreement (NAFTA). Such agreements reduce limitations on the transfer of goods and labor. This can lead to increased travel, tourism,

commerce, and industry. Growth is expected to continue under the EEC and NAFTA. The Pacific Rim is also growing dramatically in the realm of tourism. For many nations, once political stability has been established and maintained, hotel and tourism development follows closely.

12. Trends

Trends in hotel development include capacity control; safety and security; assets and

Capital; technology; new management; globalization; consolidation; diversification within segments of the lodging industry; rapid growth in vacation ownership; increase in the number of spas and treatments offered; gaming; and multiuse hotels such as with residences, spas, and recreational facilities.

- In Section 2 of this course you will cover these topics:
  - Rooms Division Operations
  - Food And Beverage Operations
  - The Restaurant Business
  - Restaurant Operations

- You may take as much time as you want to complete the topic coverd in section 2. There is no time limit to finish any Section, However you must finish All Sections before semester end date.

- If you want to continue remaining courses later, you may save the course and leave. You can continue later as per your convenience and this course will be avalible in your area to save and continue later

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Topic Objective:

At the end of this topic student would be able to:

- Outline the duties and responsibilities of key executives and department heads.
- Draw an organizational chart of the rooms division of a hotel and identify the extra committee members.

- Describe the main functions of the room divisions, front desk, and night auditor.
- Describe property management systems and discuss yield management.
- Calculate occupancy percentages, average daily rates, and actual percentage of potential rooms revenue.
- Outline the importance of the reservations and guest service functions.
- List the complexities and challenges of the housekeeping and security/loss prevention departments.

Definition/Overview:

The primary function of a hotel is to provide lodging accommodations. A hotel is comprised of several business or revenue centers. Each business center must be committed to quality and cooperation throughout the hotel operation. Hotels exist to provide service and to generate a profit for the owners. Hotels sell thousands of products, and services are sold every day.

Key Points:

1. Hotels

Hotels are people places. They are intended to provide althea comforts of a home away from home. The hotel general manager has a multitude of responsibilities. He or she must ensure reasonable return on investment, keep guests satisfied, and employees happy. General mangers with a democratic, situational, and participative leadership style are most likely to be successful. Sometimes, however, it is necessary to be autocratic. GMs should have strong abilities in the areas of leadership, attention to detail, follow-through, people skills, patience, and delegation. Effective GMs surround themselves with excellent employees who are dedicated to the industry, the guest, and the company. Management functions are generally forecasting, planning,

organizing, communicating, and evaluating. GMs must also be familiar with the cultures of guests staying in the hotel and the employees working in the hotel. Cesar Ritz began at the bottom and quickly brought himself to the top of the hotel industry by learning the tricks of the trade at an early age. By age 38, Ritz was manager of one of the most famous and luxurious hotels in the world. After starting his own hotel, the Ritz name became synonymous with refined, elegant hotels and service.

2. Management Structure

The management structure varies among all types and sizes of hotel properties. In larger operations, the key functions of the hotel management, such as human resources, will be the responsibility of an entire department, whereas a smaller property would allow each department head to manage day-to-day human resource functions at the department level. The general manager using input from the executive committee makes all the major decision affecting the hotel. The executive committee is comprised of key managers of the hotel. Typical members of the executive committee would be directors of the following departments: human resources, food and beverage, rooms division, marketing and sales, engineering, and accounting. Executive committee meetings usually last one to two hours, once a week. Typical topics of discussion will focus on occupancy percentages, total quality management, forecasts, guest and employee satisfaction, training, etc. These senior executives determine the character of the property and determine the goals and objectives for the hotel. If the hotel is a chain property, these goals and objectives must support the corporate mission.

The Rooms Division is comprised of the front office, reservations, housekeeping, concierge, guest service, security, and communications. Main concerns of the department are financial performance, employee satisfaction, guest satisfaction, guest services, guest relations, security, and gift shop. The main duty of the front office manager is to enhance guest service by developing53services to meet guests needs. He or she supervises guest service associates (GSAs), who interact directly with the guest during check-in, check-out, etc. Often, the front office is described as the hub or nerve center of the hotel. The guest relies on the desk for information and services throughout his or her stay. The main functions of the front office are to: 1) to sell rooms; 2) to maintain balanced accounts; and 3) to offer services such as handling mail,

faxes, messages and local and hotel information. In selling rooms, the front office attempts to achieve 100% occupancy and to achieve the maximum average daily rate (ADR). Adding up the rate charged for each room and dividing the total by the number of rooms sold calculate the ADR. Selling and yield management can help increase the ADM. The interaction of supply and demand also impacts the ADR. Maintaining balanced guest accounts begins with advanced deposits and opening the guest account, called a folio. As appropriate, charges from the various departments of the hotel are posted to the guest folio.

Payment is either received on guest check-out or transferred to the city ledger (a special account for a company that has established credit with the hotel).Credit cards speed up the payment to hotels, control cash flow, and allow accounts to be kept receivable. Property management systems (PMS) and point-of-sales systems (POS) make this process easier. Because the front office is staffed 24 hours a day, it is the logical center to handle guest information needs such as mail, faxes, messages, and local and hotel information. Main duties of the early shift include checking the logbook, conducting a house count, completing room assignments, checking-out guests, attending to guest inquiries, issuing/controlling keys, and communicating with housekeeping and room service. The desk clerk must be able to work under pressure. The evening shifts responsibilities include checking the logbook, checking of room status, handling guest check-ins, and reservation functions once the reservation office closes for the day. Property management systems (PMS) greatly enhance a hotels ability to accept, store, and retrieve guest information, guest history, requests, and billing arrangements. A property management system (PMS) is a computer-based lodging information system that relates to both the front and back office activities. PMSs are used to help complete many tasks within a short period of time. The PMS can interface with many other modules or applications. One application of the PMS in the front office is the room management module, which keeps the front office and housekeeping informed about the status of rooms. The hotel room master in the PMS contains data on each room, such as room number, room type, room features, room rates, locations, and the status of each room. Another front office module is a guest accounting module. A guest accounting module increases the hotels control over guest accounts, makes them easily available at any time, and significantly shortens the night audit procedure. Other functions of the PMS are electronic locking systems, energy management systems, and call accounting systems. There are many

potential users of a PMS. Any manager making strategic decisions could utilize the information provide by a PMS. Some property management systems even offer microcomputer interfaces so that the information from the PMS can be downloaded onto personal computer to be utilized by a number of business applications. Some hotels use an express check-in process that allows guests to conveniently check inland out via a touch screen that interfaces with the hotels property management system without associate assistance.

The PMS interfaces with the Internet to allow guests the capability to book rooms online. Hotels are now attempting to drive bookings to their websites rather than pay commissions to companies like hotels. COM, Travelocity, and Expedia. Perhaps the ultimate in guest convenience is the wireless curbside guest check-in made possible by the Vanguard system. This recent technological advance allows guests to go right to their rooms from curbside. The system is capable of interfacing with existing property management systems (PMS) to fully integrate property management, reservations, and guest service functions. With a portable keycard encoder andirons OPERA Palm, a wireless handheld device with real-time database access, the system works seamlessly to provide the ultimate guest convenience. Some property management systems use Microsoft Windows to move data between applications and to share information, a process called information sharing. Information sharing permits menu-driven interface with other systems, such as advanced reservations, room inventory, self-check-in/out, night audit, guest accounting, city ledger, group handling, travel agency accounting. All of these systems are designed to improve guest service.

Hotel guests expect their rooms to be a home away from home, office, retreat, and even playroom. High-speed Internet is a given, but it is a challenge for hotel operators to selecta service provider. Some of the older hotels have selected to go totally wireless usingwww.roomlinx.com, www.lodgenet.com, or www.cox.com; any of these provide guests high-speed Internet access not just from their rooms but also throughout the hotel, including meeting rooms. Web-enabled PDAs allow companies like Hyatt Hotels to offer its Gold Passport guests aPDA-based program from portable Internet (www.portableinternet.com) to deliver driving directions, shopping, restaurants, and entertainment information. High-speed Internet Access (HSIA) is becoming a necessity. Hotels and restaurants that dont offer HSIA lose guests.

3. Technology

Technology is used to extend guest in-room comfort by means of an energy management system. Passive infrared motion sensors and door switches can reduce energy consumption by 30% or more by automatically switching off lights and air conditioning, thus saving energy when the guests are out of the room. Additional features include: Room occupancy status reporting Automatic lighting control Minibar access reporting Smoke detector alarm reporting Central electronic lock control Guests control amenities Due to increase energy costs, some operators are installing software programs that will turn off nonessential equipment during the peak billing times of day. Call accounting systems (CAS) track guest phone charges. Software packages can be used to monitor where calls are being made and from what phones on the property. Totrack this information, the CAS must work in conjunction with the PBX (telephone) and the PMS. Call accounting systems today can be used to offer different rates for local guests calls and long-distance guest calls.

The CAS can even be used to offer discounted calling during off-peak hours at the hotel. Global distribution systems (GDS) are electronic markets for travel, hotel, car rental, and attraction bookings. A central reservation system (CRS) houses the electronic database in the central reservation office (CRO). Hotels provide rates and availability information to the CRO usually by data communication lines. This automatically updates the CRS so that guests get the best available rate when they book through the central reservation office. Guests instantly receive confirmation of their reservation or cancellation. The hotel benefits from using a central reservations system; with such a system, hotels can avoid overselling rooms by too large a margin. The CRS database can also be used as a chain or individual property-marketing tool because guest information can easily bestrode. A CRS can also provide yield management information for a hotel. Hotels can use other forms of technology to facilitate reservation systems. Several companies offer an application service provider (ASP) environment that can deliver complete booking system tied to the hotels inventory in real time via the Web.

Hospitality businesses today seek to obtain the most high-speed and reliable computer systems they can afford that allow them to bill their guests without delay. Fast access to guests accounts

is required by large hotels due to their high priority for guest satisfaction. Billing guests has become much easier with the aid of computers. Billing guests can be a long process if information technologies are not used to complete transactions. Property management systems (PMS) aid large hotels to make faster transactions and provide a more efficient service to their guests. Security is one of the highest concerns of guests who visit hospitality businesses. Hospitality information technology systems include surveillance systems in which cameras are installed in many different areas of the property to monitor the grounds and help ensure guest safety. These cameras are linked directly to computers, televisions, and digital recorders, enabling security teams keep an eye on the whole property. Recent technological advances have produced electronic door locking systems, some of which even offer custom configurations of security and safety. Guest room locks are now capable of managing information from both magistrate and smart cards simultaneously.

From the hotels point of view, a main advantage of this kind of key is that the hotel knows who has entered the room and at what time because the system can trace anyone entering the room. In-room safes can now be operated by key cards. Both systems are an improvement on the old metal keys. Even smarter safes use biometric technology that includes the use of thumbprints or retina scans to verify a users identity. Hotels provide guest comfort and convenience in order to maintain a home-away-from home feeling for their guests. Hotels will receive recognition because they provide many additional in-room services and amenities for their guests. Hotels communicate with many entities to provide services for their guest. Some companies offer creative solutions to hotels for enhanced in-room service for guests. Sprint In Site with Kool Connect Interactive Media has created a product that provides many services to the guest from just one supplier. Services include Internet access and e-mail, movies, music, and games on demand; hotel and concierge services; special promotions; advertising; travel planning; feedback from guests; and customer support. All of these services aid hotels in fulfilling guests demands and building loyalty. Revenue management is used to maximize hotel room revenue. It is based on economics of supply and demand, which means that prices rise when demand is strong and drop when demand is weak.

Thus, the purpose of yield management is to increase profitability. Although management would like to sell every room at the highest rack rate, this is not possible because of conventions, and group rates and other promotional discounts that are necessary to stimulate demand. What yield management does is to allocate the right type of room to the right guest at the right price so as to maximize revenue per available room. Group reservations tend to be made months in advance, whereas individual reservations are usually made a few days before arrival. Yield management will monitor reservations and based on previous trends and current demand will determine the number and type of rooms to sell at what price to obtain the maximum possible. In general, reservations made far in advance will be charged a lower room rate than reservations made close to the date of arrival. Yield management has been refined with Profit Analysis by Segment (PABS). This system uses a combination of marketing information and cost analysis.

The yield percentage is calculated by multiplying the occupancy percentage by the rate achievement factor. Some disadvantages to yield management are that it fails to consider multiple-day stays through various demand periods and the impact of sticker shockwhen a guest may call for a reservation a few days in advance of a stay and the rate quoted (to maximize revenues) is higher than the guest is willing to pay.59Revenue per available room, or rev par, is calculated by dividing room revenue by the number of rooms available. This shows owners how they are doing compared to competitors. This method is helpful in gauging how owners want to run their hotels

Topic Objective:

At the end of this topic student would be able to:

- Describe the duties and responsibilities of the food and beverage director and other key department heads.
- Describe a typical food and beverage directors day.
- State the functions and responsibilities of the food and beverage departments.
- Perform computations using key food and beverage operating ratios.

Definition/Overview:

In the hospitality industry, the food and beverage division is led by the director of food and beverage. He or she is responsible for the efficient and effective operation of the following departments:

- Kitchen
- Catering
- Banquet
- Restaurants
- room service
- mini-bars/bars
- lounges
- stewarding

Among the skills needed by food and beverage managers are: leadership, identifying trends, finding and keeping outstanding employees, training, motivation, budgeting, cost control, finding profit from all outlets and having a detailed working knowledge of the front-of-the-house operations. These challenges set against a background of stagnant or declining occupancy and the consequent drop in room sales. Therefore, greater emphasis has been placed on making food and beverage sales profitable. Traditionally, only about 20% of the hotels operating profit comes from the food and beverage divisions. In contrast, an acceptable profit margin from a hotels food and beverage division is generally considered to be 25 to30%.

Key Points:

1. Routine Operations Performed by the Beverage Directors

Food and beverage directors usually start their day at 8:00 a.m., and the workweek is usually Monday through Saturday, unless special events/functions are scheduled. The F&B director stays in close contact with the sales department. Also, it is important for the director to attend staff meetings, executive committee meetings, and profit and loss statement meetings. The executive chef who reports to the F&B manager manages the hotel kitchen. The executive chef is responsible for efficient kitchen operations, exceeding guest expectations for quality and quantity of food, temperature, presentation, and portion size. The chef must maintain company standards and achieve desired financial results. In many smaller and even in some larger streamlined hotel properties, the executive chef may also serve as the food and beverage director. Cooperation of kitchen staff is important to maintain operational controls. Software that costs out standard recipes, establishes perpetual inventories, and calculates potential food cost per outlet can assist in this process. Chefs not only examine the food cost of particular items, but also examine the contribution margin of food items. The contribution margin is the difference between the cost and the sale price of an item. Labor costs are also important and must be carefully monitored. Financial performance of the F&B department is often measured by performance ratios. Food cost percentagefood cost dollars divided by salesaverages about 30% for hotels. Labor cost percentagelabor dollars divided by sales dollarsvaries significantly by operation. One significant influence is the amount of food made from scratch. The executive chef has one or more sous (under) chefs reporting to him or her. The sous chef is responsible for the day-to-day operations of the kitchen. Depending on the size of69the operations, there may be several chefs tour ant who rotate through the various stations in the kitchen to relieve the station chefs, who in turn report to the sous chef, all of whom have definite position responsibilities. In a nutshell, this process or concept is known as the brigade system. The brigade system was developed by the great Escoffier, and in a kitchen includes sous, banquet, fish, roast, vegetable, soup, sauce, and pantry chefs.

2. Restaurants

A hotel may have several restaurants or none at all. A major hotel chain generally has two restaurants: a signature or upscale restaurant and a casual coffee shop restaurant. Guests expect

more and more from these operations. Restaurant managers are responsible for quality guest service, hiring, training, and developing employees, setting and maintaining quality standards, marketing, banquets, coffee service, in-room dining, mini-bars and the cocktail lounge, and presenting annual, monthly, and weekly forecasts and budgets to the food and beverage directors. Forecasting the number of guests at hotel restaurants is difficult because hotel guests are unpredictable. They may prefer to eat outside of the hotel, rather than dining in one of the property's restaurants. Careful records should be kept to determine the projected number of guests who might eat at the restaurants on a given day. Other factors to consider would be functions scheduled for a convention group and any special needs/desires they might have. The number of guests staying in the hotel who dine in the hotels restaurant is referred to as the capture rate. In order to increase profitability, many hotel restaurants create incentives for guests to dine in their restaurants, such as meal discounts for people staying in the hotel and promoting the restaurant and menu at check-in, as well as having cooking demonstrations. Still other properties make restaurants responsible for their own profit and loss statements. In any event, it is difficult for hotel restaurants to generate a profit.

3. Hotel Bars

Hotel bars allow guests to relax and socialize for business or pleasure. Bars can also generate important profits for the hotel operation and for the hotel. Bars are run by bar managers. The cycle of beverages is complex. It involves the following steps: ordering, receiving, storing, issuing, bar stocking, serving, and guest billing. Beverages are not perishable; they may be held over if not sold. Bar efficiency is measured by the pour/cost percentage. The pour cost is determined by dividing the cost of the depleted inventory by the sales over a period of time. A pour cost of 16 to 24% is considered appropriate for most operations. If sophisticated control systems are employed, pour costs are likely to be closer to 16%.Automated control systems are expensive. They can, however, provide greater accuracy and protect companies from losses due to over pouring, pilferage, and other problems. Operators must ensure responsible alcohol service. If the guest becomes intoxicated and is involved in an accident, the server of the beverage, the bar person, and the manager may be held liable. Typical bar types in hotels are lobby bars, restaurant bars (used as a holding area), the service bar (backstage bar), the catering

and banquet bar (for functions), pool bars, mini-bars (in the guests room), nightclubs, sports bars, and casino bars.

4. Banquets

Banquets and functions bring people together to celebrate and honor various events. Events may center on anniversaries, weddings, political events, conventions, state72dinners, etc. Groups that commonly arrange functions are social, military, education, religious, and fraternal organizations (SMERF organizations).The term banquet refers to a group of people who eat together at one time and in one place. Catering includes a variety of occasions when people may eat at various times. Catering may be subdivided into on-premises and off-premises. The director of catering reports to the F&B director and is responsible for selling and serving, catering, banquets, meetings, and exhibitions. These events must exceed guest expectations for quality and produce are as on able profit. A close relationship must be maintained with the executive chef to ensure that the menus are suitable for the client and practical for service. The director of catering must be able to sell functions, lead a team of employees, set and maintain department sales and cost budgets, set service standards, be creative, and be knowledgeable of the likes and dislikes of various ethnic groups. Over the years, the director of catering builds a list of clients and a wealth of experience with various events. The main sales function of the department is conducted by the director of catering (DOC) and the catering sales managers (CSMs). They obtain business leads from convention and visitors bureaus, corporate office sales departments, hotels directors of sales, general managers, competitive hotels, rollovers (groups rebooking at the same properties), and cold calls. Typical flow for function booking includes inquiry, check for space available in bible, confirm availability, contract and proposal completed, and modifications made; client confirms event arrangements by signing the contract. The catering event order (CEO), or banquet event order (BEO), is prepared and completed for each function to inform the client and the hotel personnel. It communicates essential information about the function: what needs to happen and when. The CEO or BEO is based on correspondence with the client and notes taken during meetings. It specifies the room layout and decor, time of arrival, VIPs, special attention required, bar times, cash or credit bar, time of meal service, menu, and service details. A final number is usually required anywhere from 7 days to 72 hours before the function. This ensures that the hotel will have prepped sufficiently and that the client will not end up paying for a large number

of no-shows. Some hotels have a policy of preparing percentage (usually 3 to 5%) over the guaranteed number of guests. The director of catering holds weekly meetings with key individuals who will be responsible for upcoming events.

5. Role of Catering Service Manager

The catering service manager (CSM) is responsible for delivering service that exceeds the expectations of guests and the client. The CSM is responsible for directing the service of all functions, supervising catering house persons who set up the room, cooperating with the banquet chef, checking that the client is satisfied, making out client bills immediately after the function, calculating and distributing gratuities and service charges, and coordinating special requirements. The catering coordinator is responsible for managing the office and controlling the function diary. The function diary is often referred to as the bible. Today, many hotels use a brand name computer program such as Delphi. A 1992 survey by the AH & MA revealed that 56% of all properties offer room service and 75% of airport hotel properties offer room service. Economy and many mid-priced hotel properties offer vending machines or food deliveries from local pizza or Chinese restaurants. This allows them to provide a desired service to the guest without additional expense to the operation.

: The Restaurant Business

Topic Objective:

At the end of this topic student would be able to:

- Describe the different characteristics of chain and independent restaurants.
- Identify some of the top chain and independent restaurants.
- List the classifications of restaurants.
- Differentiate characteristics of chain and independent restaurants

Definition/Overview:

A restaurant prepares and serves food and drink to customers. Meals are generally served and eaten on premises, but many restaurants also offer take-out and food delivery services. Restaurants vary greatly in appearance and offerings, including a wide variety of cuisines and service models. Restaurants may include wait staff, others provide counter service, and some are buffet style.

Key Points:

1. Culinary Arts

North America gained most of its culinary legacy from France. Mari-Antoine Careme and Auguste Escoffier are credited as the founders of classical cuisine. One of the main foundations of classical French cooking is the five mother sauces: bechamel, velout, espagnole, tomato, and hollandaise. Nouvelle cuisine, which became popular in the late 1960s and early 1970s, is a lighter cuisine than French and is based on simpler preparations. Instead of thickening a sauce with roux, a pure of vegetables is used instead. Nouvelle cuisine combines classical techniques and principles with modern technology and scientific research.

2. Cooking

Employability traits are those skills that focus on attitude, passion, initiative, dedication, sense of urgency, and dependability. Each person in an operation has to work together in order to be successful. You cant do it alone.

3. Classifications of Restaurants

There is not a single definition of restaurant classification. However, most experts agree there are two main categories: independent and chain restaurants. Other categories include quick service, ethnic, dinner house, occasion, casual, etc. Some restaurants may fall into more than one category. Americans are spending an increasing amount of food dollars away from home. The

most popular meal to eat away from home is lunch. Individual restaurants are typically one or more owners who are usually involved in the day-to-day operation of the business.

4. Fine Dining Restaurant

A fine dining restaurant is one where a good selection of menu items is offered, that is, at least 15 or more different entrees cooked to order and nearly all the food being made on the premises from scratch or fresh ingredients. Most fine dining restaurants are independently owned and operated by an entrepreneur or partnership. There are no national fine dining, luxury restaurant chains due to high labor cost and the small percentage of the population that can actually afford the high prices. It is increasingly difficult to make a profit in this segment of the business because of competition from other restaurants. The level of service in fine dining restaurants is generally high. A host or hostess will seat, a captain and food servers will describe specials, and a separate sommelier may take the wine order. Tableside cooking may be performed. There is no national fine dining chain restaurant chain because of the factors unique to this type of operation: Operations are labor-intensive, there are a limited number of the population that can afford the high prices, it is difficult to maintain high standards, and there is limited market appeal.

5. Theme Restaurants

These restaurants usually offer a limited menu, but create a complete experience for the guest. Some offer all-American food, such as meatloaf served by wait staff in character. Others specialize in creating a lively atmosphere and offering a diverse menu (e.g.,TGI Fridays, Bennigans, Outback Steakhouses).

6. Celebrity Restaurants

Celebrities who may or may not have F&B backgrounds own these operations. The operations are designed to be entertaining, drawing heavily on the notoriety of their owners (e.g., Wolfgang Puck, and Naomi Campbell, Claudia Schiffer and Elle Macpherson of the Fashion Caf).

7. Casual Dining and Dinner House Restaurants

Causal dining is relaxed and may cross several classifications. There are a variety of restaurant chains that call themselves dinner house restaurants; some could even fit into the theme category.

Many dinner houses have a casual, eclectic decor that may promote a theme. Many fine dining chains are moving toward high-end casual, which is a segment that retains the informality of casual dining, but with prices and food quality resembling that of fine dining. However, whatever is called high-end casual dining is usually uncreative.

8. Quick Service (QSR)/Fast Food Restaurants

Quick service offer limited menus. It is this sector that really drives the industry. Quick service restaurants include hamburger, pizza, chicken etc.

9. Trends in Restaurant Development

Demographics, branding, alternative outlets, globalization, continued diversification within the various dining segments, multiple locations, more points of service, more hyper theme restaurants, and chain versus independent establishments are recent trends.

10. Food Trends and Practices

Back-to-basic cooking has been redefined to mean taking classical cooking methods and infusing modern technology and science to create healthy and flavorful dishes. Some examples include: thickening soups and sauces by processing and using the foods natural starches; redefining the basic mother sauces to omit the bchamel and egg-based sauces and add or replace with coulis and salsas or chutneys; pursing more cultural culinary infusion to develop bold and aggressive flavors; experimenting with sweet and hot flavors; taking advantage of the shrinking globe and disappearing of national borders to bring new ideas and flavors to restaurants; and re-evaluating recipes and substituting ingredients for better flavor (flavored liquid instead of water, substituting herbs and

spices for salt, and returning to one-pot cooking to capture flavors).

Restaurant Operations

Topic Objective:

At the end of this topic student would be able to:

- Describe restaurant operations for the front of the house.
- Explain how restaurants forecast their business.
- Outline back of the house operations.
- Identify key elements of an income statement.
- Name the key restaurant operating ratios.
- Outline the functional areas and tasks of a restaurant managers job.

Definition/Overview:

Operations are divided into two sections: the front of the house and the back of the house. Depending on the size and volume of the restaurant, there may be a few managers with broad responsibilities or many managers with focused responsibilities. In the front of the house, restaurant operations begins with creating and maintaining what is called curbside appeal, or keeping the restaurant looking attractive and welcome.

Key Points:

1. Restaurant Forecasting

Most businesses, including restaurants, operate by forecasting a budget of estimates sales and costs for a year. These expenses are broken down in a weekly and monthly basis.
Sales budgets are forecasts of expected business.

The two components used in forecasting are guest counts (covers) and the average guest check. The guest count reveals the number of guests patronizing the restaurant over a period of time. The number of guests will vary during the week. Mondays are usually the slowest. Friday, Saturday, and Sunday usually provide up to 50% of the operations revenue. Day of the week, meal period, previous forecast materializations, and special holidays are all factors of forecasting. The average guest check is calculated by dividing the total sales by dividing the number of guests. Most restaurants keep such figures for each meal. The number of guests forecast for each day is multiplied by the amount of the average food and beverage check for each meal to calculate the total forecast sales.

The year is divided into twelve 28-day and one 29-day accounting periods. Weekly forecasted sales are combined to form on an accounting period.

The 13 accounting periods, when totaled, become the annual total. Beyond using forecasts for estimating sales, managers also use them to predict staffing levels and labor cost percentages. Once sales figures are determined, all expenditures, fixed and variable, must be deducted from sales. The money remaining becomes the operations profit.

2. Service

Today, the quality of service has become very important to American diners. The quality of the service can often set a restaurant apart. The industrys response to this desire is evident by its increase in service training. Servers are not merely order takers. They are salespeople of the restaurant. Servers who are not familiar with the menu will have very negative affects on the restaurant. They must know the ins and outs of the menu and means of preparation.

3. Suggestive Selling

Suggestive selling can be an exceptional tool to increase food and beverage sales. Through training and practice, servers can hone their skills so that they become sales people. Developing effective suggestive selling skills calls for managers to take action. Some suggestions to achieve a high level of effectiveness include providing incentive and feedback, providing training on

food and wine, incorporating role-playing, promoting up selling, and training servers as commissioned sales people. An example of suggestive selling is, Would you prefer to try a glass of our Mondavi Pinot Noir? or May I suggest a glass of our Kendall Jackson Chardonnay or the Kendau?

- In Section 3 of this course you will cover these topics:
  - Managed Services
  - Beverages
  - Recreation, Theme Parks, And Clubs
  - Gaming Entertainment

- You may take as much time as you want to complete the topic coverd in section 3. There is no time limit to finish any Section, However you must finish All Sections before semester end date.

- If you want to continue remaining courses later, you may save the course and leave. You can continue later as per your convenience and this course will be avalible in your area to save and continue later

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: Managed Services

Topic Objective:

At the end of this topic student would be able to:

- Outline the different managed service segments.

- Describe the five factors that distinguish managed foodservice operations from commercial ones.

- Explain the need for and trends in elementary and secondary school foodservice.

- Describe the complexities in college and university foodservice.

- Identify characteristics and trends in health care, business and industry, and leisure and recreation foodservices.

Definition/Overview:

Managed services include foodservice operations in the following segments: airlines, military, elementary and secondary schools, colleges and universities, health care facilities, business and industry, leisure and recreation conference centers, airports, and travel plazas.

Managed services are different from commercial operations in several ways:

- Managed service operators must meet the needs of the guest and the client.
- Often, they have captive audiences.
- Many managed service operations are housed in host organizations that do not have foodservice as their primary business.
- Managed service operations prepare food in large quantities to be served during specific hours. This is called batch cooking.
- The volume of business is more consistent and easier to forecast.

Organizations may choose managed services because of these reasons: financial, quality of program, recruitment of staff, expertise in management, resources available, labor relations, and outsourcing of administrative functions.

Key Points:

1. In-Flight and Airport Food Service

Food has become a major competitive factor among airlines. Airlines may provide meals from their own in-flight business or have the food provided by a contractor.

In-flight foodservice is a complex process. All airlines have a limited menu. The food must be able to withstand transportation conditions and extended holding times (hot or cold). The meal

must also be appealing and able to fit in the limited passenger eating space. Gate Gourmet International is the largest in-flight caterer in terms of sales.

Sky Chef and Cater Air are other companies in the field.

In-flight foodservice management operators plan the menus, develop the product specifications, and arrange the purchasing contracts. Many airlines place a high priority on controlling meal costs. Some limit the cost for an in-flight meal to $6; some limit the menu choices, while others offer snacks rather than meals on many flights. International flights tend to have better food and beverage service. As airlines have decreased their in-flight foodservice, many chain restaurants have opened at airports.

2. Military

Military foodservice is a large and important component of managed foodservice. Even with military downsizing, military foodservice sales are estimated at over $6 million. Services and concepts are being redesigned to better serve the needs of personnel. Efforts are being made to address problems with service delays, inferior products, and inventory controls. In many cases, officers clubs have been contracted out to management companies. The clubs have moved emphasis from fine dining to a more casual atmosphere. Menu management strategies have also been implemented.

Another trend is the testing of prepared foods that can be reheated and served without much labor. MREs (meals ready to eat) are standard fair for troops in the field. Today, a mobile kitchen can be run by only two people. One problem of privatization of military foodservice operations may arise in the need to provide foodservice in combat situations. In such cases, the military must be able to provide its own foodservice.

3. Elementary and Secondary Schools

In 1946, the United States Government enacted the National School Lunch Act in response to concerns about malnourishment in military recruits. The program also allowed for the use of

surplus food products. Today, millions of children are fed breakfast, lunch, or both each day, in approximately 98,000 schools. A major challenge for the program is to balance nutrition with foods the students like. Many are concerned about the food that young students are eating. Studies shows that the food served in many cafeterias exceeds recommended dietary guidelines for fat content.

Some schools have onsite kitchens, where the food is prepared, and dining rooms, where the food is served. Large food districts may prepare foods in a central commissary and then distribute them to schools in the area. Alternatively, some schools purchase ready to- serve meals that are assembled at the meal site. The government National School Lunch Program is a huge market for fast food chains.

Although entering this market does mean a decrease in contribution margin on items offered, future benefits, such as building brand loyalty, can be extremely valuable. There has been much debate over the suitability of allowing chain foodservice operations in the school lunch programs. Professional chefs are working with the Department of Agriculture's Food and Consumer Service to develop healthful recipes and menus with increased appeal and without increased costs.

4. Nutrition Education Programs

Nutrition education is now required in the nations school lunch program. The food pyramid was developed as a part of this effort.

5. Colleges and Universities

College and university foodservice operations are complex and diverse. Residence halls, cafeterias, student unions, faculty clubs, convenience stores, administrative catering, and outside catering are the major components of this segment of noncommercial foodservice. On-campus dining can be a challenge because the clientele lives on campus and eats all of its meals at the campus facilities. Students, faculty, and staff often become bored with the surroundings and the

menu offerings. Budgeting, in such operations, is simplified because the on-campus students have already paid for their meals and, therefore, numbers are easier to forecast.

Operations tend to offer students a variety of meal plans, rather than the old board plan, where students paid one fee for all mealswhether they ate them or not. Many schools have adopted a prepaid credit plan, where students pay a dollar amount up front, and as they eat meals over the course of the term or school year, the dollar amount of each meal is subtracted from the students account. Driving forces of change on campuses are the growth of branded concepts, privatization, campus cards, and computer use.

6. Student Unions

The student union offers a variety of food and services to cater to the needs of a diverse student body. It is often the place to be, a place where students gather to socialize, as well as to eat and drink. Many campuses have opted to allow restaurant chains to open on campus. The restaurant pays fees, either to the contract food company directly or to the college. Offering take-out service is another trend developing in college foodservice.

From a college perspective, the advantages of contract foodservices are:

- Experience in size and types of operations.
- Use contracted department as a model for the rest of the institution.
- Variety of services.
- Resource and support available.
- Hold contractor to a higher level of performance.

The disadvantages are:

- Some segments perceived as institutionalized.
- Potential for lost customers.

7. Responsibilities in Managed Services

Foodservice managers responsibilities in a small or midsize operation are more extensive than those of managers of larger operations. In addition to foodservice, key areas of responsibility include employee relations, human resource management, financial/budgeting, safety administration, safety budgeting, food production service, sanitation/food-borne illness prevention, purchasing, recruiting, and staff training and development.

8. Managed Services Career Paths

A typical career path in managed services includes the following:

- Assistant foodservice director
- Foodservice director
- General manager
- District manager

9. Health Care Facilities

Health care foodservice operations are very complex because they must meet the needs of clientele with special needs. Service is provided by tray, in the cafeteria, dining room, coffee shop, catering, and vending. The needs and desires of both the patients and the health care workers must be provided for. Meals must be consumed in a short period of time (30 minutes usually) and must have a varied menu. The main focus of a hospital foodservice operation is the tray line. In the tray line, meals are assembled through a color-coding system to meet requirements specified by the dietitian. These trays must be carefully checked to be sure each patient gets his or her correct meal.

Health care foodservice is very labor intensive. Labor accounts for 55 to 66% of operating dollars. Hospital foodservice has evolved to the point where the need for new revenue sources has changed the traditional patient and non patient meal-service ratios at many institutions.

Often, the cafeteria is the greatest revenue generated for the health care foodservice operation. Cash sales to patients, their families, and staff have become important contributors to the bottom line in many operations. Some operations have branched out into retail bakeries and catering.

Innovations in preparation, such as sous vide and cook-chill, have allowed for labor savings. Additional savings can be realized through the quantity purchasing, menu management, and the use of operating systems to reduce food and labor costs. Contract specialists such as Sodexho, Compass, and ARAMARK will increase their margins. Restaurant chains have also entered this segment of the industry. These chains benefit from long-term leases at very attractive rates compared with a restaurant site. Some hospitals offer pizza service to rooms and comfort foods.

10. Business and Industry

Important terms to understand in regard to this segment are: contractors (companies that operate foodservice for the client on a contractual basis), self-operators (companies that operate their own foodservice operations), and liaison personnel (people responsible for translating corporate philosophy to the contractor and overseeing the contractor).

Contractors have about 80% of the B&I market. The remainder is self-operated. A new trend is for one operator to serve several tenants in a building through a central facility. B&I operators have begun to offer more diverse menu options. By offering more healthful meal options, operators are meeting the evolving needs of their clients. The resources largely determine the type of service offered by B&I operators: money, time, space, and expertise.

Typical manners of service include: 1) full-service cafeterias with straight, scatter, or mobile systems: and 2) limited-service cafeterias offering fast food service, cart, and mobile service, fewer dining rooms and executive dining rooms.

11. Managed Services Other Than Food

Many companies have expanded their service beyond food to include other areas of facilities management including:

- Housekeeping/custodial/environment services
- Maintenance and engineering
- Grounds and materials management
- Office and mail service
- Concierge services
- Patient transportation services for hospitals

12. Leisure and Recreation

Leisure and recreation is probably the most fun area of the foodservice industry to work in: stadiums, arenas, theme parks, national parks, state parks, zoos, aquariums, and other venues where food and beverage are provided for large numbers of people are leisure and recreation operations

13. Stadium Points of Service

Points of service include vendors, concession stands, and restaurants. A major point of service is the food and beverage offered in the premium seating areas known as super boxes, suites, and skyboxes. It is possible for all of these points of service to go on all at once and serving upwards 60,000 to 70,000 fans. To feed all these people many foodservice companies have contracts with the stadiums and arenas.

14. Other Facilities

The same food companies that serve the stadiums and arenas contract most U.S national parks. These parks have hotels, restaurants, snack bars, gift shops, and myriad other service outlets. Another venue that requires foodservice is tournaments.

15. Advantages and Disadvantages

Advantages of careers in this area include the unique opportunity to see professional and amateur sporting events as much as you please, to be in rural, scenic areas and enjoy the great outdoors, to provide a diverse set of services for the guests or fans, and to have a set work schedule. With recent growth in this segment, many new career openings are now being offered. Disadvantages include large amounts of people to serve in short periods of time; a work schedule of weekends, holidays, nights; impersonal service, less creativity with food, seasonal employees; and an on/off season work schedule.

16. Trends in Managed Services

College and university foodservice managers face increasing challenges. There is an ever-present problem of trying to balance rising costs with decreased revenues. Some of the challenges have come directly from changes like ending blanket board charges in favor of pay as you go systems. Food and utilities costs have continued to rise. Employing students has helped to reduce labor costs. The use of food-to-go, campus cards, 24-hour service, business in health care and nursing homes, and carts at vantage points has increased.

: Beverages

Topic Objective:

At the end of this topic student would be able to:

- List and describe the main grape varieties.

- Suggest appropriate pairings of wine with foods.
- Identify the various types of beer.
- List the types of spirits and their main ingredients.
- Explain a restaurants liability in terms of serving alcoholic beverages.

Definition/Overview:

A drink, or beverage, is a liquid specifically prepared for human consumption. In addition to basic needs, beverages form part of the culture of human society. Beverages can be subcategorized into two major classes i.e. alcoholic and non alcoholic. An alcoholic beverage is a drink containing ethanol, commonly known as alcohol, although in chemistry the definition of an alcohol includes many other compounds. Alcoholic beverages, such as wine, beer, and liquor have been part of human culture and development for 8,000 years. While non-alcoholic beverages are drinks that would normally contain alcohol, such as beer and wine but are made with less than .5 percent alcohol by volume. The category includes drinks that have undergone an alcohol removal process such as non-alcoholic beers and de-alcoholized wines.

Key Points:

1. Wines

Wine is the fermented juice of ripe grapes or fruit such as blackberries, cherries, etc. Wine may be classified by color (red, white, or rose) or by type (light beverage wines, sparkling wines, fortified wines, and aromatic wines).

1.1. Light Beverage Wines

These wines are also referred to as still table wines. In the United States, premium wines are named after the grape variety (chardonnay and cabernet sauvignon). In Europe, they are primarily named after the region of origin (Pouilly Fuisse, Chablis).

1.2. Sparkling Wines

These are wines that contain carbon dioxide and include Champagne, sparkling rose, and sparkling white. The carbon dioxide may be naturally produced or mechanically infused. Only sparkling wine from the Champagne region of France can properly (by law) be referred to as Champagne. The wine owes its unique sparkling quality to a second fermentation in the bottle itself called methode champenoise.

1.3. Fortified Wines

Sherries, ports, Madeira, and marsalas are fortified wines. This means that they have had brandy or wine alcohol added. This increases the alcohol content to about 20%. They are usually sweeter than regular wines.

1.4. Aromatic Wines

Vermouths and aperitifs are aromatic wines. They have been flavored with herbs, roots, flowers, and/or barks. The wines may be sweet or dry and are reputed to serve as digestive stimulants when sipped before a meal.

2. The History of Wine

Wine has been produced for centuries. The first records of wine-making date back about 7,000 years. Because the wines were often young and very acidic, they were often flavored with spices

and honey. The ancient Egyptians and the Babylonians were the first ones to record the fermentation process. The quality of the wine depends upon the quality of the grape variety, the type of soil, the climate, the skill of the wine-maker, the vineyard, and the method of wine-making.

2.1. The Making of Wine

Wine is made in six steps: crushing, fermenting, racking, maturing, filtering, and bottling. Grapes are harvested in autumn, after they have been scientifically tested for maturity, acidity, and sugar concentration. First the grapes are destemmed and crushed. This forms the must. Then the must is fermented. The fermentation is caused by yeast that naturally occurs on the outside of the grape. The yeast converts the grape sugar to ethyl alcohol. The sweetness or dryness of the wine is controlled at the end of fermentation by adding alcohol, removing the yeast by filtration, or by adding sulfur dioxide.

Red, blush, and rose wines obtain their color by the addition of grape skins. After fermentation, the wine is put into racking containers to settle before being transferred into oak barrels or stainless steel containers to mature. After maturing the wine is filtered to stabilize it and to remove particles from the wine. This process is called fining. Next the wine is clarified by adding egg whites or bentonite and bottled. Fine vintage wines are best drunk at their peak, which may be a few years or decades.

2.2. Matching Wine with Food

Traditions have been developed to govern the combination of food and wine. In general, the following traditions apply: White wine is served with white meat, whereas red wines are best with red meats. The heavier the meal, the more robust the wine should be. Champagne can be served throughout the meal. Regional wines are best with food of the region. Sweet wines should be served with foods that are not too sweet. Port and red

wines go well with cheese. Food and wine are described by texture and flavor. However, the most important factors to consider are the richness and lightness of the meal and the wine.

3. Major Wine-Growing Regions of Europe and North America

Germany, Italy, Spain, Portugal, and France are the main European wine-producing countries. France is the most notable of the European countries. not only for wine, but also for cognac and Champagne. Wines are named for the village in which the wine is produced and are an important part of the French culture and heritage**.** In the United States, California is the major wine-producing region. There are three principal regions in which wine-makers produce wine in California: north and central coastal region, great central valley region, and southern California region. The Napa and Sonoma Valleys are the two major centers. New York, Oregon, and Washington are other major wine-producing states, as well as are some Canadian provinces. Australia, New Zealand, Chile, Argentina, and South Africa are other parts of the world that produce wines.

Some studies indicate that there may be a relationship between moderate wine consumption and good health.

4. Beer

Beer is a brewed and fermented beverage made from malted barley and other starchy cereals. Beer is brewed from water, malt, yeast, and hops. The first ingredient is water. Water accounts for up to 85 to 89% of the finished beer. Next malt (coarsely ground barley) is added. The grain is germinated to produce an enzyme that converts the grain to sugar. Yeast is used to ferment the grain. The grain is then ground and screened to remove dirt in a process called mashing. Next the mixture is placed into a hopper and heated while being mixed. This mixture, now called wort, is filtered and then placed in a brewing kettle. In the brewing kettle, hops are added and the mixture is brewed for several hours. It is then cooled and then fermented again using pure culture yeast. The brew is then aged for a few days and then placed flavored with hops.

The term beer embraces all brewed malt beverages with an alcohol content of 3 to 16%. It includes lagers (light-bodied), ales (more bitter and heavier body), stouts (dark ale with strong malt flavor), and pilsners (made in the style of beer brewed in Pilsen, Czech Republic). Pilsner is not really a beer.

5. Spirits

A spirit or liquor is made from liquid that has been fermented and distilled and has a high level of alcohol. The level of alcohol is gauged by the proof. The proof is equal to twice the amount of alcohol in the beverage. Spirits are usually consumed before or after the meal rather than with the meal. They are served straight, neat, or mixed with water, soda water, juice, or cocktail mixes. Fermentation of spirits takes place by the action of yeast on sugar-containing substances such as grain and fruit.

6. Whiskies

Whisky is a generic name for the spirit that was originally brewed in Scotland and Ireland. It is made from a fermented mash of grain to which malt (barley) is added. Spirits are naturally white or pale in color. Whiskys color comes from the charred oak barrel in which it is stored. It is stored for a maximum of 12 to 15 years. Many whiskies are aged only 3 to 5 years. To achieve a quality and distinctive taste, whiskies are blended according to the secret recipe of the distillery.

7. White Spirits

Gin, vodka, rum, and tequila are the most common types of white sprits. Gin is made from juniper berries. It was widely produced in the United States during Prohibition and forms the base of many cocktails. Rum can be light or dark in color. It is distilled from the fermented juice of sugarcane (light rum) or molasses (dark rum). It comes primarily from the Caribbean Islands of Barbados, Puerto Rico, and Jamaica. Tequila is distilled from the agave tequilana (a cactus). Mexican regulations require that tequila be made in the area around the town of Tequila. Tequila

may be white, silver, or gold in color. Vodka can be made from many sources including barley, corn, wheat, rye, or potatoes. It lacks color, odor, and flavor and is usually mixed with juices or other mixes.

8. Other Spirits

Brandy is distilled from wine, is sweet and fruity, and served mostly as an after-dinner drink. Cognac is considered to be the best brandy in the world. It is made only in the Cognac region in France. Blending brandies of various ages makes Cognac.

9. Cocktails

Cocktails were first developed in England in the Victorian Era. They became popular during the 1920s. Cocktails are intended to stimulate the appetite or provide the perfect ending to a meal. Cocktails are divided into two categories according to volume: short drinks (up to 3.5 ounces) and tall drinks (up to 8.5 ounces). Several factors account for a good cocktail; these include the balance of ingredients, quality of ingredients, and the skill of the bartender.

10. Nonalcoholic Beverages

Nonalcoholic beverages have increased in popularity. Lifestyles have become more healthful, and organizations like MADD (Mothers Against Drunk Driving) have raised awareness.

11. Nonalcoholic Beer

Guinness, Anheuser-Busch, and Miller, along with many other brewers, have developed beer products that have the same appearance as regular beer, but have lower calorie content and 95% to 99% alcohol removed.

12. Coffee

Coffee is increasing in popularity. Sales of specialty coffees exceed $4 billion. Coffee originally came from Ethiopia and what is now the Yemen Republic. Coffee made its way to Europe through Turkey. Eventually coffee became the social beverage of Europes middle and upper classes. The Dutch introduced coffee to the United States. Brazil produces more than 30% of the worlds coffee. Coffee may be roasted from light to dark according to preference. Light roasts are usually used in canned or institution roasts. Most people prefer medium roasts, generally considered to be all-purpose. Specialty stores prefer full, high, or Vienna roast. Dark roasts have a rich flavor. Espresso is the darkest of all roasts. Decaffeinated coffee has had the caffeine removed by either water or solvents.

13. Tea

Steeping the leaves of the tea plant in boiling water makes tea. It is consumed hot or cold and is second to coffee in terms of commercial importance. Tea leaves have more than twice the caffeine of coffee beans. Popular types of tea are Oolong, Darjeeling, Dooars, Orange Pekoe, Sumatra, and Java.

14. Carbonated Soft Drinks

Coca-Cola and Pepsi are the dominant brands in the soft drink market. In the early 1970s, diet colas were introduced and soon took command of 10% of the market. Companies are expanding internationally to increase sales as the domestic market has virtually been saturated. As much as 66% of Coca-Colas profits came from international sales.

15. Juices

Popular cocktails of nonalcoholic (virgin cocktails) have been popular for years. Juice bars are a relatively new development. They specialize in quick, healthful drinks. Some offer smart drinks that are supposed to boost energy and concentration.

16. Bottled Water

Bottled water was popular in Europe when water was not safe to drink. It has gained popularity in the United States and other developing countries.

17. Bar and Beverage Management

Bar and beverage management requires the same sequence of steps as foodservice management.

17.1. Bar Setup

The physical setup of a bar is critical to its overall success. The area must be designed to be pleasing to the customer as well as efficient and smooth in operation.

17.2. Inventory Control

A program of inventory control accomplishes the following: safeguarding the companys assets, providing reliable accounting records, promoting operational efficiency, and adhering to company policies. Training is an important element in implementing inventory control. Theft may occur in many waysgiving away drinks, over pouring, mischarging for drinks, selling a call liquor at a well price, and stealing of bar beverages by employees. A good control process will have systems to detect these problems.

18. Personnel Procedures

A key component of internal control is having procedures in place for screening and hiring bar personnel. Bar managers must implement several other procedures to control inventory and reduce the likelihood of employee theft. Spotters are one method often used by managers. Spotters are hired to act like normal bar customers but are actually observing the bartender. Another method is a bank switch in the middle of a shift.

19. Restaurant and Hotel Bars

The bar in restaurants is often used as a holding area to manage the flow of guests into the dining room. This prevents the kitchen from getting backed up with too many orders at one time and can generate substantial profits. Beverages generally account for 25 to 30% of total sales of the restaurant. Bars carry a range of each spirit. The well package is the least expensive pouring brand used at the bar. The call package is the group of spirits that the bar offers to guests who ask for a particular brand name. These spirits are more expensive.

20. Nightclubs

There are several types of nightclubs. Some offer one type of music while others offer several different types of music. Clubs charge an entrance fee and a higher fee for drinks than do restaurants. The nightclub business tends to fluctuate with trends. What is in this year may be out next year.

21. Microbreweries

Microbreweries brew their own beer onsite to meet the taste of local customers. These craft breweries produce up to 15,000 barrels of beer a year. One reason for success is the wide variety of styles and flavors of beer they produce. Microbreweries can produce a wide variety of ales,

lagers, and other beers, the quality of which depends largely on the quality of the raw materials and the skill of the brewer.

22. Sports Bars

Sports bars have always been popular and have become more so in recent years. Satellite television coverage of top sports events has helped to draw large numbers of guests.

23. Coffee Shops

Coffeehouses were originally based on the Italian bars, which were deeply rooted in the Italian espresso tradition. This concept was recreated in the United States. The original concept, however, was modified to include a wider variety of beverages and styles of coffee to meet customer taste. Cyber cafes, a new coffeehouse trend, offer the use of computers, with Internet capabilities, for about $6 an hour.

24. Liquor Liability and the Law

Owners, managers, bartenders, and servers may be liable under the law if they serve alcohol to minors and/or to people who are intoxicated. Dram shop laws govern the sale of alcoholic beverages. These laws were enacted in the 1850s and specify that owners and operators of drinking establishments are liable for injuries caused by intoxicated customers.

Underage drinking has become a major issue for operators of bars. To combat underage drinking, tools like booklets showing the authentic design of each states driver's licenses and training programs have been developed. Other prevention programs include designated drivers. Some operations provide free nonalcoholic beverages to guests who refrain from alcoholic beverages in order to be sure that their friends get home safely. Many operations have benefited from lower insurance premiums and legal fees. The National Highway Traffic Safety Administration has

instituted many campaigns to reduce the number of alcohol-related accidents and fatalities. Underage drinking poses a high risk and is more likely to kill adolescents than all illegal drugs combined. Motor vehicle crashes are the leading cause of death for teens. Alcohol also increases the likelihood for emotional illness and unsafe sex practices. Bars are cracking down on underage drinking.

25. Trends in the Beverage Industry

Some trends include the comeback of cocktails, designer bottled water, microbreweries, more wine consumption, an increase in coffeehouses and coffee intake, and increased awareness and action to avoid irresponsible alcoholic beverage consumption

: Recreation, Theme Parks, And Clubs

Topic Objective:

At the end of this topic student would be able to:

- Discuss the relationship of recreation and leisure to wellness.
- Explain the origins and extent of government-sponsored recreation.
- Distinguish between commercial and noncommercial recreation.
- Name and describe various types of recreation clubs.
- Identify the major U.S. theme parks.
- Describe the operations of a country club.

Definition/Overview:

Recreation activities include all kinds of sports, both team and individual. They are an integral part of the nations total social, economic, natural resource, and urban environment.

Key Points:

1. Recreation in Life

Life has become more complex, and as a result people have become more stressed. Recreation can provide balance and a harmony in life that will lead to wellness and wholeness. Recreation includes any activity that a person chooses to participate in during his or her free time for enjoyment or relaxation. History shows a direct link between leisure and the advancement of civilization. Passive recreational activities include reading, fishing, playing and listening to music, gardening, playing computer games, and watching television and movies.

2. Government-Sponsored Recreation

Various levels of government maintain parks and recreation and leisure services. The general welfare clause of the Constitution has become a legal basis for federal action affecting leisure pursuits. The government raises revenues from income taxes, sales taxes, and special-use taxes to support the operation of the parks. Transient occupancy taxes (TOT) also provide support.

Funding is distributed to various recreation and leisure organizations at the federal, state, city, and town levels. These organizations may range from cultural pursuits to outdoor recreation. Perceptions and attitudes influence whether or not individuals participate in recreation. Demographics also impact these decisions. Recreation professionals face a number of political and legal challenges. Comprehensive planning, land classification systems, land-use planning, funding, and differences in purpose are among the factors to be considered.

3. National Parks in the United States

The National Parks Service was founded in 1916 by Congress to conserve park resources and to provide for their use by the public. The Parks Service also manages many other heritage/historical attractions. There are 367 national parks in the United States. These parks have more than 272 million visitors per year. The Parks Service also works toward understanding and preserving the environment.

4. Public Recreation and Park Agencies

During the early part of the 19th century the parks movement expanded rapidly as a responsibility of government and voluntary organizations. The New England Association of Park Superintendents was established to bring together park superintendents and promote their professional concerns. More and more, city governments are providing recreation facilities, programs, and services. Government recreation facilities include golf courses, swimming pools, bathing beaches, picnic areas, winter sport facilities, game fields, and playgrounds.

5. Commercial Recreation

Recreation management came of age in the 1920s and 1930s when recreation and social programs were offered as a community service. College degrees began to be offered in recreation management. Both public and private sector recreation management has grown rapidly since 1950. Commercial recreation has been defined as recreation that the consumer pays for and the supplier expects a profit from.

6. Theme Parks

Theme parks create an atmosphere of different places and times and usually concentrate on a dominant theme. Architecture, landscaping, shows, and merchandise are all focused on the

theme. An example of theme parks is Sea World. Disney resorts include Walt Disney World (including the Magic Kingdom, Epcot, and DisneyMGM Studios) and Disney Land.

7. Clubs

Private clubs are places where members gather for social, recreational, professional, or fraternal reasons. Club management is similar in many ways to hotel management. Managers are responsible for forecasting, planning, budgeting, human resource development, food and beverage facility management, and maintenance. However, club members are emotionally attached to the organization and often are, or behave like, the owners of the club. Club members pay a fee for membership and annual dues. The Club Managers Association of America (CMAA) is the professional organization that many club managers belong to. There are approximately 6,000 private country clubs in the United States. The CMAA publishes professional guidelines that managers have set for themselves.

7.1 Club Management Structure

The internal management structure of a club is governed by a constitution and bylaws. The members elect the officers and directors of the club. The officers establish policies by which the club will operate. Committees also play an important part in the clubs activities. The role of the club manager has changed due to increasing expectations and now involves a leadership role in the vision and tradition of the club.

7.2 Country Clubs

Country clubs offers recreational facilities; the focus generally is on golf, but tennis and swimming are frequently included. Country clubs usually have one or more lounges and restaurants, and most have banquet facilities. Country clubs have two types of memberships: full and social. Full members are able to use all of the facilities at all times. Social members are only able to attend social facilities.

7.3 City Clubs

City clubs are business oriented. They exist to cater to the wants and needs of members. City clubs fall into the following categories: professional, social, athletic, dining, university, military, yachting, fraternal, and proprietary. An example of a City Club is The National Press Club.

Professional clubs are for people in the same profession. Social clubs concentrate on serving the social needs of members who are from similar socioeconomic backgrounds. Athletic clubs provide an outlet for working out, dining, and meeting. Some have sleeping quarters.

Dining clubs are usually located in large office buildings. University clubs are reserved for alumni. Military clubs cater to both noncommissioned officers (NCOs) and enlisted officers. Fraternal clubs include many special organizations such as the Veterans of Foreign Wars, Elks, and the Shriners. Yacht clubs are based on a sailing theme and have slips to house boats. Proprietary clubs are operated on a for-profit basis. They may be operated by corporations or individuals. People wanting to become members purchase a membership not a share in the club.

8. Noncommercial Recreation: Voluntary Organizations

Voluntary organizations are nongovernmental, nonprofit agencies, serving the public-atlarge or selected elements with multiservice programs that often include a substantial element of recreational opportunities. Examples include Boys Scouts, Girl Scouts, YMCA, and YWCA. A multipurpose club has more exclusive recreation programs than a health club. Some clubs offer automatic bank tellers, laundry and dry cleaning services, and other services. Revenues come

from membership fees, food and beverage sales, facility rentals, etc. Human resources account for 66% of expenses at most clubs.

9. Campus, Armed Forces, and Employee Recreation

Colleges and universities provide a major setting for organized leisure and recreational programs with services involving millions of participants each year. Recreational activities help in maintaining student morale and are often used as a means of gaining alumni support.

The Department of Defense has an official policy regarding the obligation of maintaining well-rounded morale, welfare, and recreational programs for the physical, social, and mental well-being of its personnel. These services are provided under the auspices of the Morale, Welfare, and Recreation Program (MWR). Recreation is seen as an important part of the employee benefit package for military personnel, along with the G.I. bill, medical service, commissaries, and exchanges. Businesses and industry have realized the importance of promoting employees efficiency. Experts have found that workers who spend time in constructive recreational activities have reduced absenteeism. Many leading corporations have recreation and wellness programs.

10. Recreation for Special Populations

Recreation for special population involves professionals and organizations that have a responsibility for serving groups such as the mentally ill, mentally retarded, or the physically disabled. The Special Olympics is an international program of physical fitness, sports training, and athletic competition for children and adults with mental disabilities. The program accommodates competitors at all ability levels. The National Recreation and Parks Services, as well as state and local agencies, work closely with Special Olympics.

11. Trends in Recreation and Leisure

Trends include the following: an increase in all fitness activities, increase in personal leisure time devoted to computer activities, a surge in travel and tourism, special programs targeted to at-risk youths, additional products in the commercial sector, and opportunities for the elderly.

: Gaming Entertainment

Topic Objective:

At the end of this topic student would be able to:

- Outline the history of the gaming industry.
- Describe the various activities related to gaming entertainment.
- Explain how gaming entertainment is converging with other aspects the hospitality business.
- Discuss the controversies surrounding the gaming entertainment industry.

Definition/Overview:

The gaming industry includes a range of activities including casinos, card rooms, charitable games, lotteries, and wagering. The term handle refers to the amount wagered. Win or gross gambling revenue is the total revenue minus the amount paid out as winnings. More than 70 billion dollars are wagered per year, whereas only about 48 billion dollars per year is actually won by customers. There is a difference between gambling and gaming. Gambling refers to the playing of games of risk for the action or thrill. Gaming, however, includes not only the thrill aspects, but also includes other facets, such as hotel operations, entertainment offerings, retail shopping, and recreation activities.

Gaming entertainment operations have the casino gaming floor as the main focus. High quality food and beverage is a critical element. Other key components include hotel operations,

entertainment offerings, retail shopping, recreational activities, convention services, and health spas. The gaming entertainment industry differs from the casino industry in the diversity and broadening of the revenue sources. Nongaming revenues can account for as much as 30% of the propertys total revenue. Gaming is popular as an entertainment option: 26% of U.S. households gamble in casinos; more than 90% of U.S. adults say casino entertainment is acceptable for themselves or others. Casino players tend to have high levels of income and education. Operators appreciate the need to know the customers preferences and to tailor their properties to meet those preferences.

Key Points:

1. Historical Review of Gaming Entertainment

Las Vegasthe name alone summons images of millions of neon lights, elaborate shows, outrageous performers, and bustling casinos, where millions are won and lost every night. The gaming entertainment business has its roots in Las Vegas. From the early 1940s until 1976, Las Vegas had a monopoly on the casino business, not the gaming entertainment business. Casinos had no hotel rooms, entertainment, or other amenities. The hotels that existed were just a place to sleep when a guest was not on the casino floor. Casino gambling, seen as a desperate remedy for Atlantic Citys severe economic situation at the time, was approved by a voter referendum in a statewide ballot in November 1976.

The development of centralized gaming control by powerful regulatory agencies, such as the Gaming Control Board and the Nevada Gaming Commission**,** was an important development during those early days. In the mid-1970s, a Federal Commission on the Review of the National Policy toward Gambling issued a report stating it was each states government jurisdiction to determine the issue of gambling. Gambling is a general term used for different types of games involving the risk of money or valuables on the outcomes of a game, contest, or other event.

2. Native American Gaming

In California v. Cabazon Band of Mission Indians et al. (1987), the Supreme Court decided 63 that once a state has legalized any form of gambling, the Native Americans in that state have the right to offer and self-regulate the same games, without government restrictions.

Congress, which some observers say was alarmed by the prospect of tribal gaming going out of control, responded to these court decisions by passing the Indian Gaming Regulatory Act of 1988 (IGRA). The IGRA provides a framework by which games are conducted to protect both the tribes and the general public.

The three objectives of the IGRA was to provide a statutory basis for operation, provide a statutory basis for regulation, and establish an independent regulatory authority, the National Indian Gaming Commission. There are now 281 Native American gaming facilities in 32 states.

3. Size and Scope of Gaming Entertainment

Recently, a merging frenzy has occurred in the gaming industry. There are four large casino operators: Caesars Entertainment, MGM Grand Inc., Harrahs Entertainment, Inc., and Mandalay Resort Group. These four hold all the cards in the gaming industry, so to speak!

The gaming entertainment industry pays billions of dollars per year in taxes. Gambling pays taxes to state governments. Casino gaming companies pay an average of 12% of total revenues in taxes. Since the early 1970s, the ownership of casinos has shifted predominately to publicly held companies whose shares are traded on the major stock exchanges.

4. Key Players in the Industry

Today, there are four giants in the gaming entertainment business: Caesars Entertainment, MGM, Harrahs, and Mandalay, all well-respected and well-run businesses. The text discusses the more notable achievements of the corporations with regard to gaming entertainment.

5. Exciting Gaming Entertainment Projects

The Mirage distinguishes itself by its large erupting volcano and tropical rainforests. The pool is a paradise of waterfalls and connecting lagoons. Station Casino Kansas City creates an elegant Victorian theme, including cobblestone streets, antiques, and hand painted sky.

New York New York Casino, located in Las Vegas, is an incredible replica of the real city of New York, including skyscrapers, Little Italy, the Statue of Liberty, the Brooklyn Bridge, and much more. The Luxor Las Vegas was constructed as a 30-story pyramid and houses the worlds largest atrium. It also features a beam of light so intense it can be seen from Los Angeles, California. The dockside Grand Casino Tunica is located in Tunica County, Mississippi. The casino offers guests a variety of atmospheres, including the San Francisco Gold Rush, the New Orleans Mardi Gras, the great American West, or a Mississippi riverboat town.

The Monte Carlo Pub & Brewery is one of the largest brew pubs in the United States. The pub offers an extensive variety of beer, including six different styles of Monte Carlo labeled beer. Treasure Islands theme is shown through its wooden bridge entrance, pirate battles, and gunfire. The resort also features a very unusual circus act that does not actually involve animals. The Forum Shops at Caesars Palace draw an estimated 50,000 people a day. One main feature is the fountain and light show incorporated with animatronic statues of the Roman gods. Freemont Street Experience is brought to life with a four-block-long pedestrian mall light and sound show. A giant video-quality animation screen provides a canopy over the entire area. Foxwoods Resort Casino is located in Connecticut and is one of the largest gaming operations in the world. It is owned and managed by the Mashantucket Pequot Tribal Nation.

6. Positions in Gaming Entertainment

The possibilities for careers in the gaming entertainment industry are endless. The five initial career tracks are hotel operations, food and beverage operations, casino operations, retail, and entertainment operations

7. Hotel Operations

The rooms and guest services departments offer the most opportunity for students of hospitality management. Reservations, housekeeping, valet parking, and guest services can all be very large departments with many employees.

8. Food and Beverage Operations

The gaming industry holds some of the best foodservice operations. As with hotels, the gaming industry is very large and contains many food and beverage outlets.

9. Casino Operations

Casino operations jobs fall into five functional areas, including gaming operations staff, casino service staff, marketing staff, human resources, and finance and administration staff. Game dealers must be skilled in a variety of games, including blackjack, craps, roulette, poker, and baccarat.

10. Retail Operations

Retail operations often support the overall theme of the property and are usually a major source of revenue. However, retail is often overlooked as a career path in the gaming industry.

11. Entertainment Operations

Due to constant competition, gaming entertainment companies are creating bigger and better production shows to turn their properties into destination attractions. Because of this, careers in stage and theater production, lighting and box office management, and talent management and booking are more available.

12. Trends in the Gaming Entertainment Industry

Some trends in the industry include less dependence on the casinos revenue alone and more on the other departments, a convergence of entertainment industry and lodging, and an increase in competitiveness.

- In Section 4 of this course you will cover these topics:
  - Meetings, Incentive Travel, Conventions, Expositions (Mice), And Event Management
  - Leadership And Management
  - Planning
  - Organizing

- You may take as much time as you want to complete the topic coverd in section 4.
There is no time limit to finish any Section, However you must finish All Sections before semester end date.

- If you want to continue remaining courses later, you may save the course and leave.
You can continue later as per your convenience and this course will be avalible in your area to save and continue later.

Meetings, Incentive Travel, Conventions, Expositions (Mice), And Event Management

Topic Objective:

At the end of this topic student would be able to:

- Name the main hospitality industry associations.
- Describe the various types of meetings.
- Explain the differences among meetings, expositions, and conventions.
- Describe the role of the meeting planner.
- Explain the primary responsibility of a convention and visitors bureau or authority.
- List the steps in event management.

Definition/Overview:

Meetings can be conferences, workshops, seminars, or other events designed to bring people together in order to exchange information. There are various forms that meetings can take, including clinic, forum, seminar, symposium, or workshop.

Meetings are mostly organized by corporations, associations, social, military, educational, religious, and fraternal groups (SMERFs). The purpose of meetings is to affect behavior. A successful meeting requires careful planning and organization as well as attention to the wishes of the client. The three main types of meeting setups are theater style, classroom style, and boardroom style. Expositions are events designed to bring together purveyors of products, equipment, and services in an environment in which they can demonstrate their products and services to attendees at a convention or trade show. The intent of the exhibitors is to generate sales. Conventions are meetings combined with expositions. They are generally larger meetings with some form of trade show included. The majority of conventions are held in large hotels over a three- to five-day period, rather than in a convention center.

Meetings, incentive travel, conventions, and exhibitions (MICE) represent a growing segment of the tourism industry. The MICE tourist spends about twice the amount of money that other tourists spend. Meeting planners are under pressure to show a strong return on investment (ROI).

The primary sources of revenue are attendee registration fees, exhibit space rentals, sponsorship fees, and conference program advertising fees. Considerations when determining the site include facility location and service level, accessibility, hotel room availability, conference room availability, price, city, restaurant service and quality, personal safety, local attractions and geographic locations, and hospitality.

Key Points:

1. Meetings

Meetings are held for the purposes of education, decision making, research, change, sales, team building, new product introduction, problem solving, strategy, or reorganization. Meetings are a revenue source for associations. The average lead time for organizing a meeting is three to six months.

Goals for meetings include:

- Increase awareness of the organization.
- Raise money.
- Provide information.

About half of all meeting planners are involved in incentive travel for corporate executives to reward them for reaching specific targets. Conventions are annual gatherings of a group of individuals who meet for a common interest.

Exhibitions frequently include live demonstrations and seminars in addition to exhibit booths. Convention centers compete to host the largest exhibitions, which can add several million dollars in revenue to the local economy. Exhibitions are either consumer shows or trade shows. The advent of technology has affected tourism. The demand for information has driven the increase in meetings, conventions, and exhibitions. The nature of delivering meetings has been impacted by technology. Meeting planners use technology to produce meetings more efficiently.

2. Special Events and Off-Premise Catering

Special events is the business of conceiving, designing, developing and producing ideas. Special events include sporting events, festivals, corporate events, conventions, and social events. A special event incorporates the services of many vendors and suppliers. The off-premise catering consultant conceives, develops, and expedites a vision. Catering is central to the success of a special event.

3. Know Your Client

Information needed includes:

- Group demographics
- Conference/convention purpose
- Event date
- Dietary preferences
- Meal and menu program
- Past events held by the group
- Expected attendance

- Event budget

4. The Special Event Job Market

Being a special event consultant requires many skills. A typical experience includes learning the food and beverage aspect, gaining knowledge from a culinary arts program, gaining banquet experience, being a guest service agent at a hotel. Then you can become a banquet manager, next obtain a sales position. Then you can become a convention service manager within a hotel or move into off-premise catering.

5. Key Players in the Industry

The need to hold face-to-face meetings and attend conventions has grown into a multibillion dollar industry. Major players in the convention industry are convention and visitors bureaus (CVBs), meeting planners and their clients, the conventions centers, specialized services, and exhibitions.

6. Meeting Planners

Meeting planners may be independent contractors who contract out their services to both associations and corporations as the need arises, or they may be full-time employees of corporations or associations. The professional meeting planner not only makes hotel and meeting bookings but also plans the meeting down to the last detail. The meeting planner must remember to ensure that the services contracted for have been delivered. The meeting planners role varies from meeting to meeting. Typical responsibilities include meeting with the client before the event occurs, meeting onsite during the event, and conducting a post-meeting debriefing. During the site inspection, the meeting planner is shown all aspects of the hotel and any special facilities that may interest the planner or the client.

7. Convention and Visitors Bureaus

Convention and visitors bureaus (CVBs) are major players in the meetings, convention, and expositions markets. Among the industry sectors represented by CVBs are transportation, hotels and motels, restaurants, attractions, and suppliers. The primary responsibilities of a CVB are to encourage groups to hold meetings, conventions, and trade shows in the area; to assist groups with meeting preparation and support; to encourage tourists to visit the historical, cultural, and recreational opportunities the city or area has to offer; and to promote the image of the community it represents.

The outcome of the CVBs activities should be increased tourist revenues for the area. Bureaus generate leads from a variety of sources. They will often make cold calls on potential prospects such as major associations, corporations, and incentive houses. The sales manager will invite the meeting, convention, or exposition organizer to make a familiarization (FAM) trip to a site inspection.

7.1 Convention Centers

Convention centers are huge facilities where meetings and expositions are held. Usually convention centers are corporations owned by county, city, or state governments and operated by a board of appointed representatives from various groups having a vested interested in the successful operation of the center. Convention centers have a variety of exposition and meeting rooms to accommodate both large and small events. The centers generate revenue from the rental of space. Additional revenue is generated by the sale of food and beverages. Many centers use subcontractors to handle staffing, construction, lighting, audiovisual, electrical, and communications.

8. Event Management

Larger convention center events are planned years in advance. It is important that the CVB and the convention center marketing and sales teams work closely together. Once the booking becomes definite, the senior event manager assigns an event manager to work with the client during the sequence of pre-event, event, and post-event. The booking manger is critical to the success of the event by booking the correct space and working with the organizers to help them save money by allocating only the space really needed and allowing the client to set up on time.

The contract must be carefully prepared because it is a legal document. After the contract has been signed and returned by the client, the event manager will make follow-up calls until about six months before the event, when arrangements will be finalized. The event manager is the key contact between the center and the client. Two weeks prior to the event an event document is distributed to department heads. This document contains detailed information needed to ensure that things run smoothly. Approximately 10 days before the event a Week at a Glance meeting is held (WAG meeting). This is a very important meeting as it often provides an opportunity to troubleshoot in advance. At about the same time as the WAG meeting, a pre-convention or pre-expo meeting is held with various support contractors such as shuttle bus mangers, registration operators, etc.

8. Specialized Services

A number of companies offer specialized services such as transportation, entertainment, audiovisual, escorts, and tour guides.

9. Trends in Conventions, Meetings, and Expositions

Trends include globalization, cloning of shows, competition, and technology, growth of shows, more attendees at regional conventions, and a boom in the number of convention centers.

: Leadership And Management

Topic Objective:

At the end of this topic student would be able to:

- Identify the characteristics and practices of leaders and managers.
- Define leadership and management.
- Describe the key management functions.
- Differentiate between leadership and management.

Definition/Overview:

In terms of hospitality leadership, the following definition is appropriate:

Leading is the process by which a person with vision is able to influence the activities and outcomes of others in a desired way.

Key Points:

Characteristics and practices of leaders: Challenge the process, inspire a shared vision, enable others to act, model the way, and encourage the heart.

1. Transactional Leadership

Transactional leadership is viewed as a process by which a leader is able to bring about desired actions from others by using certain behaviors, rewards, or incentives. An example of a transactional leader is a hotel general manager who pressures the food and beverage director to achieve certain goals in exchange for a bonus.

2. Transformational Leadership

Transformational leadership describes the process of eliciting performance above and beyond normal expectations. A transformational leader is one who inspires others to reach beyond themselves and do more than they originally thought possible; this is accomplished by raising their commitment to a shared vision of the future.

Transformational leadership entails three important factors: charisma, individual consideration, and intellectual stimulation. It is possible to be a charismatic transformational leader as well as a transactional leader. It takes substantial effort but guarantees success.

3. Examples of Leadership Excellence

Dr. Martin Luther King, Jr., was one of the most charismatic transformational leaders in history, dedicating his life to achieving rights for all citizens by nonviolent methods and winning the Nobel Peace Prize in 1964. Herb Kelleher, former president and CEO and current board member of Southwest Airlines inspired his followers to pursue his corporate vision, setting Southwest apart from its competitors. He valued individuals for themselves and was frequently seen interacting with passengers on Southwest flights.

Richard P. Mayer, former chairman and CEO of Kentucky Fried Chicken and president of General Foods identifies key traits in assessing talent, including a person with established personal goals, drive, and integrity, who has analytical and communications skills, interpersonal capabilities, an awareness of the world, receptivity to ideas, and a deep commitment to growth and profitability.

4. Demands Placed on Leaders

Demands on a leader in the hospitality industry include those made by the owners, the corporate office, guests, employees, regulatory agencies, and competitors. The leader must balance two additional forces: how much energy to expend on getting results and how much to expend on relationships.

Common traits of leaders include high ego strength, the ability to think strategically, an orientation toward the future, a belief in certain fundamental principles of human behavior, strong connections they dont hesitate to display, political astuteness, and ability to use power for efficiency and the larger good of the organization.

Peter Drucker identifies four common traits of leaders: They have followers, and their followers do the right things regardless of the leaders popularity; they are visible and set examples; and they are concerned with responsibility, not rank or money.

According to Drucker, leaders ask what needs to be done and what they can do to make a difference, taking into account their strengths. Leaders focus on an organizations mission and goals and measuring performance and results. Leaders are tolerant of diversity in their associates and not afraid of their strengths; they are intolerant when it comes to a persons performance, standards, and values. Leaders are not afraid of strength in their associates; they try to attract the best possible people. Finally, leaders submit themselves to the mirror test; they make sure theyre the person they want to be.

Effective leaders share a number of skills related to dealing with employees. To become a hotel leader rather than just a manager, be decisive, follow through (never promise more than you can deliver), select the best subordinates, empower employees, and enhance your career development. The hotel manager must please a variety of groups: guests, employees, owners, and the community.

5. Hospitality Management

Managers plan, organize, make decisions, communicate, motivate, and control the efforts of a group to accomplish predetermined goals. Managers obtain the necessary resource for the tasks to be accomplished and supervise progress toward goal accomplishment. Top management focuses on strategic planning and the organization mission; middle and supervisory management are responsible for day-to-day operations.

6. What Is Management?

Management is defined as the process working with and through others to accomplish organizational goals in an efficient and effective way. Coordinating the work of others is a distinction between managers and non managers. Efficiency is getting the most done with the fewest number of inputs; managers work with scarce resources: money, people, time, and equipment. Management is also about being effective; effectiveness is doing the right thing, as in cooking food correctly and having it ready on time.

7. Who Are Managers?

Sometimes the distinction between managers and nonmanagerial employees is blurred, especially on teams. Team members often develop plans, make decisions, and monitor their own performance, as in total quality management (TQM). There are three levels of managers. Front-line managers manage the work of line employees; they may also be called supervisors. Middle managers, such as department heads, are responsible for short- to medium-range plans; they manage front-line managers. Top managers are responsible for medium- to long-range plans for the entire organization.

8. Key Management Functions

The key management functions are planning, organizing, decision making, communicating, motivating and controlling. Planning involves setting the companys goals and developing plans to meet or exceed these goals. Organizing is the process of deciding what needs to be done, who will do it, how the tasks will be grouped, who reports to whom, and who makes decisions. making includes determining the vision, mission, goals and objectives of the company; it also includes scheduling employees and responding to guest needs. Communication is necessary to motivate to get the job done.

Human resources and motivating includes attracting, retaining, and motivating employees. Controlling means setting standards and comparing results with those standards and taking action if goals are not being met.

9. Managerial Skills

There are other major skill areas: conceptual, human, and technical. Conceptual skills enable top managers to view the corporation as a complete entity split into different departments. Interpersonal skills involve dealing with people; technical skills involve using techniques, methods, and equipment. As a manager rises, the need for conceptual skills increases and the need for technical skills decreases.

10 .The Managers Changing Role

Managerial duties also encompass various roles: figurehead, leader, liaison, spokesperson, and negotiator. The figurehead role involves performing ceremonial duties. The leader role involves coaching, motivating, and encouraging employees. The liaison role includes contact with people in other departments and externally. The spokesperson role involves representing the company, such as in hosting visitors. As negotiator, a head of a company may negotiate with a union.

Managers face both a more demanding and increasingly complex world and a more dynamic and interdependent one. Socio-cultural traditions and values need to be understood. The two most important changes right now are technological advances and internationalization. The managers role is also being responsive to market needs and income generation. Managers must strive to be innovative.

11. The Distinction between Leadership and Management

Managing is the formal process by which organizational objectives are achieved through the efforts of subordinates. Leading is the process by which a person with vision is able to influence the behavior of others.

12. Trends in Leadership and Management

The following are trends in leadership and management:

- Leading a more diverse group of associates.
- Many entry-level employees who do not have basic job skills.
- Increasing need for training.
- Creating leaders out of line managers.
- Managing sales revenue to the bottom line.
- Establishing independent business units to make their own profit or outsourcing them.
- Avoiding paying benefits through use of part-time employees.
- Keeping up with technological advances.
- Increasing importance of social and environmental issues.
- A greater emphasis on ethics.

Planning

Topic Objective:

At the end of this topic student would be able to:

- Describe the importance of planning.
- Discuss the merits of the different types of planning.
- Explain how goals and strategies are set.
- Identify the seven steps in operational planning.

Definition/Overview:

Planning involves selecting the various goals that the organization wants to achieve and the actions (objectives) that will ensure the organization accomplishes the goals. Goals are established for each of the key operating areas: guest satisfaction, employee satisfaction, productivity, food and beverage preparation and service, marketing and sales, operating ratios, human resources, physical property, security, and finances.

Formal planning means that specific goals covering a period of up to several years are identified. Planning can also identify potential opportunities and threats. It facilitates other functions: organization, decision making, communication, motivation and control.

Key Points:

1. The Purpose of Planning

Planning gives direction to top management and all associates and focuses on determining the best strategies to achieve organizational goals. It provides a road map of where the organization is going. It coordinates the efforts of associates. Finally, it assists in risk reduction by anticipating change. There are two main categories of plans. Top executives do most of the strategic (longterm) planning and first-line managers do most of the operational (short-term) planning.

2. Strategic Planning and Strategic Management

Strategic planning is the long-range plans that steer an organization toward its goals in the accomplishment of its mission and vision. Strategic management is the process of identifying the business of the corporation today and in the future and then identifying the course of action it will pursue, given its opportunities, threats, strengths, and weaknesses. It specifies with whom and how it will compete.

There are three main strategic management tasks: the development of a vision and a mission statement, translating the mission into strategic goals, and crafting a course of action to move the organization to where it wants to be. Strategic planning is a systematic process whereby top management charts the future course of the enterprise. Strategic management is the process of guiding and implementing the strategic plan in the context of changing situations. There are six steps to strategic planning:

- Build your vision.
- Understand your customers.
- Examine your operating environment.
- Determine the key issues.
- Identify strategies for the future.

- Create your action plan.

2.1. Corporate-Level Strategies

Many organizations consist of a portfolio of several businesses or divisions. These need a corporate-level strategy. There are four growth strategies: market penetration, geographic expansion, product development, and horizontal integration. Strategic alliances and joint ventures are another way for companies to expand, as is diversification.

2.2. Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

SWOT analysis is used to assess the companys internal and external strengths and weaknesses, seek out opportunities, and be aware of and avoid threats. It is conducted in comparison with a companys main competitors. Each operator decides what the key points are for inclusion in the SWOT analysis; the four Ps of marketing are a good starting point. Plans are implemented through action plans, operating plans, and standing plans.

2.3. Environmental Scanning and Forecasting

Environmental scanning is the screening of large amounts of information to anticipate and interpret changes in the environment. Forecasting is the prediction of future outcomes. Information gained through scanning is used to form scenarios. These establish premises for forecasts, which are prediction of future outcomes. The two main types of outcomes that managers seek to forecast are future revenues and new technology breakthroughs.

3. Operational Planning: How Do Managers Plan?

Operational plans are generally for periods of up to one year and dovetail with the strategic plan. There are seven steps in operational planning:

- Setting goals: Goals should be specific, measurable, and achievable.

- Analyzing and evaluating the environment: This involves analyzing political, economic, social, and other trends that may affect the operation.

- Determining alternatives: This involves developing courses of action, sometimes requesting the input from employees.

- Evaluating alternatives: This calls for making a list of advantages and disadvantages considering resources and effects on the organization.

- Selecting the best solution: This results from the analysis of various alternatives and sometimes combining two or more alternatives.

- Implementing the plan: This includes decisions on people, dates, resources, benefits, costs, reporting, and authority to be granted.

- Controlling and evaluating results: This involves monitoring progress toward goals.

4. Operational Goal Setting

Goal setting is the process of determining outcomes for each area and associate. No one can work effectively without specific goals and monthly evaluation reports to gauge whether the effort is moving toward goal accomplishment, or whether adjustments must be made to change course. Examples of goals and information for a sales department include:

- Group room nights (booked this month and year-to-date by market segment and salesperson, actual consumer room nights, actual average group room rates).

- Individual room nights (actual room nights booked, local corporate clients, occupancy compared to same time last year, rev par, and packages sold).

- Goals and information a hotel sales department should analyze each month include bookings, consumed room nights, occupancy, and rev par.

- Another example of goals is productivity goals that measure the amount of labor required to do a task.

The four-point model for writing goals is:

- To (action/verb)

- The (single measurement result)
- By (the target date/time span)
- At (cost in time and/or energy)

5. Operational Objectives

Objectives state how a goal will be met. It makes sense if the associates who are going to be responsible for achieving the goals are also the ones involved in setting them, in a process called management by objectives (MBO). MBO consists of six steps:

- Setting organizational goals.
- Setting departmental goals.
- Presenting goals and getting approval from upper management.
- Discussing departmental goals.
- Setting individual goals,
- Giving feedback.

The main purpose of an MBO program is to integrate the goals of the organization and the goals of the associates so that they are in focus. In some cases, it has been superseded by total quality management (TQM), which also emphasizes quality and getting employees involved in developing solutions to improve operations. Benchmarking identifies the best way of doing something and which companies excel in that area (best practices companies). The best practice is noted and emulated or improved on by other companies. Successful companies sometimes swap information.

6. Policies, Procedures, and Rules

Policies, procedures, and rules are examples of standing plans. Policies set broad guidelines for associates to use when making decisions. Procedures specify what to do in given situations. A rule is a very specific action guide that must be followed. Six sigma is a methodology for eliminating defects and process improvement.

7. Budgets

A budget is a plan allocating money to specific activities. Expenses are budgeted according to anticipated sales. They are usually created once a year and revised as necessary.

8. Scheduling

Scheduling associates is a planning activity that involves taking the business forecast and allocating an appropriate number of staff to give the necessary level of service.

9. Project Management

Project management is the task of getting the project completed on time and within budget. Hospitality companies are using project management because the approach fits well with the need for flexibility and rapid response to market opportunities. There are five steps:

- Goals need to be defined.
- Activities and resources must be identified.
- Sequence of completion is determined using flowchart-type diagrams such as a
- Gantt chart or a PERT network.
- Activities are scheduled.
- Tasks and budgetary responsibilities are assigned.

10. Trends in Planning

Given todays hospitality business environment of rapid change, planning needs to be done quickly and adjusted when necessary. Technology, especially the Internet, can be used to overcome time and distance, allowing for more people to have input into the planning process.

Organizing

Topic Objective:

At the end of this topic student would be able to:

- Describe organizational structure and organizational design.
- Explain why structure and design are important to an organization.
- Identify the key elements of organizational structure.
- Differentiate between mechanistic and organic organizational designs.
- Explain team-based structures and why organizations use them.
- Describe matrix structures, project structures, independent business units, and boundary-less organizations.

Definition/Overview:

Organization means arranging activities so they can systematically contribute to goal accomplishment. Planning and organizing are inseparable; as organizations expand, they must evolve. The organization is determined by the plan.

Key Points:

1. The Purpose of Organizing

The purpose of organizing is to get the job done efficiently and effectively by dividing work to be done into specific jobs and departments, assigning tasks and responsibilities, coordinating diverse organizational tasks, clustering jobs into units, establishing relationships and formal lines of authority, and allocating and deploying organizational resources.

2. Defining Organizational Structure

An organizational structure is the framework by which job tasks are divided, grouped and coordinated. Todays hospitality business organizations are flatter, with fewer levels of managers. The guest appears at the top of the inverted pyramid representing the organizational chart and the general manager is at the bottom.

3. Work Specialization/Division of Labor

Work specialization is used to describe the extent to which jobs in an organization are divided into separate tasks. The hospitality industry does not use work specialization to the extent that industry does, since it does not produce a commodity.

4. Departmentalization

Once jobs have been divided up by work specialization, they have to be grouped back together so that the common tasks can be coordination in a process called departmentalization.

Departments are created to coordinate the work of several associates in a given area. The simplest form of departmentalization is by function. Departmentalization can also be done by product, with each brand attracting a slightly different target market and offering different services. Another method of departmentalization is by guest needs and type of guest. Companies also can departmentalize by territory, especially when each geographic market has its own nuances.

5. Authority and Responsibility

Authority gives the right to managers to exercise their power in a given situation. Authority should be commensurate with responsibility; managers should only exercise power in accordance with their position. A recent trend is empowering associates to make more decisions; this is particularly applicable in the hospitality industry, where pleasing the guest is vital. Comping is an example.

Authority relates to the position within the organization and ignores personal characteristics. In the hospitality industry, it is important to have respect as well as authority. Responsibility means that when one is given rights, one also assumes an obligation to perform; authority without responsibility creates opportunities for abuse. Responsibility means you are responsible for the performance of your operation and the associates who work with you.

6. Chain of Command

In organizational charts showing the chain of command, departments are clearly indicated and position titles may be used. The chain of command begins at the top of the organization; in the case of a publicly traded company it begins with the board of directors who select a president or chief executive officer. The chain of command is helpful for associates, because they will know whom to ask questions or for advice and to whom they are responsible for work performance. The chain of command is illustrated by lines of authority; who is responsible over whom; it flows from the top to the bottom of the organization.

7. Increasing Span of Control and Empowerment

Typically, a manager can supervise from 12 to 18 associates; this is up from between 8 to 12. Cost savings have resulted from eliminating levels of management; this is increasing span of control. There is a point when associates become burdened by the number of people reporting to them, resulting in a decline in standards. An appropriate span of control depends on the type of

work being done, the quality of the associates, the degree to which standardized procedures are in place, the information technology available, the leadership style of the manager, and the managers level of experience. The increasing span of control has resulted in the empowerment of associates as managers delegate more authority and responsibility. Front-line associates are in a better position to know a guests wants and needs.

8. Centralization and Decentralization

Centralization is where organizations make most of the decisions at the corporate office and inform unit managers of them. Top managers make the organizations key decisions with little input from subordinates. Decentralization occurs when organizations make most of the decisions at the unit level with input from associates. Organizations can never be completely centralized or decentralized. Centralization helps save costs and improve service to associates; decentralization helps organizations to be more flexible and responsive.

9. Organizational Design Decisions

Organizations are structured in different ways depending on which structure best suits their needs. Organizations of comparable size dont necessarily have similar structures. Structure depends on various contingency factors.

10. Mechanistic and Organic Organizations

The mechanistic organization is a rigid and tightly controlled structure. Its characterized by high specialization, rigid departmentalization, narrow spans of control, high formalization, a limited information network (mostly downward communication), and little participation in decision making by lower associates.

With mechanistic organizations there is a strong adherence to the unity of command principle and a formal hierarchy of authority, with each person controlled and supervised by one supervisor. Keeping the span of control small at increasingly higher levels in the organization creates tall impersonal structures. Management imposes rules and regulations because it is difficult to enforce control. The intention is to minimize the impact of personalities and judgments that might allow inefficiencies. An organic organization is low in complexity, low in formalization, and decentralized. The organic organization is a highly adaptive form that is loose and flexible, allowing it to change rapidly as needed. Organic structures have division of labor, but jobs are not standardized. Most hospitality organizations have a combination of the two structures. Larger organizations tend to be more mechanistic.

11. Coordination of Activities

As businesses expand, coordination of activities is necessary to avoid problems. Departments need to communicate quickly and often. Many people assert that as the nature of organizations has changed so must the nature of management control. Some people go so far as to claim that management shouldn't exercise any form of control whatsoever. They claim that management should exist to support employee's efforts to be fully productive members of organizations and communities -- therefore, any form of control is completely counterproductive to management and employees.

Some people even react strongly against the phrase "management control". The word itself can have a negative connotation, e.g., it can sound dominating, coercive and heavy-handed. It seems that writers of management literature now prefer use of the term "coordinating" rather than "controlling".

"Coordination" Must Exist or There's No Organization -- Only an "Experience"

Regardless of the negative connotation of the word "control", it must exist or there is no organization at all. In its most basic form, an organization is two or more people working together to reach a goal. Whether an organization is highly bureaucratic or changing and self-organizing, the organization must exist for some reason, some purpose, some mission (implicit or explicit) -- or it isn't an organization at all. The organization must have some goal. Identifying this goal requires some form of planning, informal or formal. Reaching the goal means identifying some strategies, formal or informal. These strategies are agreed upon by members of the organization through some form of communication, formal or informal. Then members set about to act in accordance with what they agreed to do. They may change their minds, fine. But they need to recognize and acknowledge that they're changing their minds.

This form of ongoing communication to reach a goal, tracking activities toward the goal and then subsequent decisions about what to do is the essence of management coordination. It needs to exist in some manner -- formal or informal.

12. Contingency Planning

Appropriate structure depends on the following factors: strategy, size, technology, and degree of environmental uncertainty. Structure needs to be closely linked to strategy. Current strategy frameworks focus on innovations, cost minimization, and imitation. Size affects structure. Larger organizations have more specialization, departmentalization, centralization, and rules and regulations. Technology relates to structure; for example a central reservations center can be more efficient in offering rates and rooms to callers and travel agents. Contingency factors deal with what-ifs. The company plans and organizes for several possible outcomes. For example, after the terrorist attacks many hospitality companies immediately planned and organized for a drop in business.

13. Contemporary Organizational Design

In a team-based structure, either an entire organization or part of it is made up of teams. It is mostly relevant to the hospitality industry in TQM, where teams of frontline associate work to improve service and products. Teams made up of associates from different departments can improve coordination between departments. A matrix structure assigns specialists from different departments to work on a project. The specialists have two bosses, their normal department head and the project manager. Matrix structures speed up decision making or get projects done more quickly. Matrix structures can be destructive because participants take a temporary leave from their positions and having more than one manager can be frustrating. Project structures have employees with special expertise continuously work on projects; they do not return to their departments. An example in the hospitality industry is a pre-opening team.

Independent business units make decisions with little or no need to get approval for routine operating decisions. This helps improve guest satisfaction and reduce costs. IBUs cause associates to realize a total picture of revenues and expenses and to engage in all the elements of management. A boundary-less organization (a term coined by Jack Welch of GE) is one where the design is not defined by or limited to the horizontal, vertical, or external boundaries imposed by a predefined structure. The boundary-less organization tries to eliminate the chain of command, to have appropriate spans of control, and to replace departments with empowered teams. Many successful organizations are finding they can most effectively operate by remaining close to the guest, being flexible and unstructured.

14. Teams and Employee Involvement

Teams are task-oriented work groups; they can be formal or informal. Teams are used for work that is complex, interrelated, or of a volume too large for one person.

15. Group Dynamics

Some groups are more successful than others. Why and how this happens is called group dynamics. It includes variables such as individual abilities, the size of the group and level of conflict, and internal pressures to conform to group norms. External influences, such as corporate policies or a shortage of resources, may inhibit a groups performance.

16. How Companies Use Teams at Work

Sometimes organizations are structured into teams rather than departments; this implies more teamlike camaraderie and being a team player. TQM programs use teams formed within or across departments. Self-managed teams make decisions that once were made by managers, allowing managers to concentrate on other areas.

17. How to Build Productive Teams

Productive teams are built by giving associates the authority, responsibility, and encouragement to come together to work on guest-related improvements. TQM is an example; it focuses on process improvement through associate participation. Teams require a leader; team building happens when members interact, developing increased trust.

18. Job Rotation

Job rotation relieves the boredom and monotony that can result from work specialization by giving associates a broader range of experiences. Management training programs where graduates spend a few months in several departments before selecting an area of specialization are a good example of job rotation. There are additional costs associated with job rotation, mostly in training and productivity. A major benefit of job rotation is that associates become well-rounded in the operation of the corporation.

19. Job Enlargement and Job Enrichment

Job enlargement increases the scope of the associates work. Originally intended as a way of maintaining interest, it has become an economic necessity. Job enrichment adds some planning and evaluating responsibilities to a position, giving associates greater control over their work.

20. Trends in Organizing

These include computerized scheduling programs, having recipes on the Internet, multitasking, decentralization of operations in response to major disasters, and reduction in staff and managerial positions which leads to fewer levels of management.

- In Section 5 of this course you will cover these topics:
  - Communication And Decision Making
  - Human Resources And Motivation
  - Control

- You may take as much time as you want to complete the topic coverd in section 5. There is no time limit to finish any Section, However you must finish All Sections before semester end date.

- If you want to continue remaining courses later, you may save the course and leave. You can continue later as per your convenience and this course will be avalible in your area to save and continue later

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: Communication And Decision Making

Topic Objective:

At the end of this topic student would be able to:

- Define communication.
- Improve your interpersonal communication.
- List barriers to effective interpersonal communication.
- Differentiate between formal and informal communication.

- Explain communication flows and networks.
- Outline the eight steps in the decision-making process.
- Understand why managing is a synonym for decision making.
- Know the difference between rational, bounded rational, and intuitive decisions.
- Identify the situations in which a programmed decision is the solution as opposed to a non-programmed decision.
- Differentiate the decision conditions of certainty, risk, and uncertainty.
- Describe the different dimensions of decision-making styles.

Definition/Overview:

Communication is the exchange of information and meaning.

Key Points:

1. Managerial Communication

Communicating is necessary to all management functions, forecasting, planning, organizing, motivating and controlling. Managers spend a high percentage of their time communicating. Managerial communication has two different types. Interpersonal communication occurs between two or more individuals. Organizational communication includes all the different forms, networks, and systems of communication that occur among individuals, groups, or departments within the organization.

2. Interpersonal Communications Process

The interpersonal communications process is made up of seven elements: the communication source, the message, encoding, the channel, decoding, the receiver, and feedback. The message consists of a purpose to be conveyed which travels in a converted form (encoding) by way of a medium (channel). After decoding, feedback from the receiver shows the message has been understood correctly. The result is that meaning is transferred from one individual to another.

Noise is a disturbance in the communications process and can distort the message. Failures in encoding can distort a message. Failures can be caused by too much or too little knowledge on the part of the sender, pre-existing attitudes, and his or her cultural system. It is important to use the appropriate channel for a message. Using two channels, as in an oral speech followed by a written summary, can help eliminate distortion. Receivers are similarly affected by factors including knowledge of the subject and existing attitudes and beliefs

3. Communicating Interpersonally

Various ways managers communicate include face-to-face, telephone, e-mail, fax, group meetings, memos, formal presentations, and so forth. Nonverbal communication is communication transmitted without words. It can include bells, sirens, gestures and uniforms; the best-known forms are body language and verbal intonation.

Body language includes facial expressions, gestures, and any other ways of communicating with ones body. Verbal intonation is the use of the voice to emphasize certain parts of a phrase or word. It can be more important than the actual words, as in the saying Its not what you say, its how you say it.

4. Barriers to Effective Interpersonal Communication

Each person has different perception, resulting from different backgrounds, upbringing, personal experiences, and major influences. Semantics is the actual meaning of words, which can be different from the literal meaning. Comfortable, for example, can be physical or nonphysical. Jargon, specialized terminology or technical language, can obscure meaning with those who dont understand it.

Nonverbal communication can be a barrier since the weight of decoding a message lies in the nonverbal portion. Cross-cultural communication is especially prone to misinterpretation of the nonverbal aspects. Ambiguity can occur when the receiver is uncertain of the meaning of a message, when the intentions of the sender are unclear, and when the receiver is uncertain of the consequences of the message. Defensiveness may happen when the receiver feels attacked or criticized.

5. Overcoming Barriers to Effective Interpersonal Communication

By using feedback, the last step in the communication process, misunderstandings and inaccuracies can be eliminated. A sender should make sure the message has been understood. The best form of feedback is a summary of the message. A sender should watch for nonverbal feedback indicating the message has been received and understood. Active listening listens for the total meaning. Recognize the issue, reflect the feelings, and note all nonverbal cues. Avoid triggering defensiveness by not criticizing or arguing. Observe a cooling-off period when necessary. Leaders will get the best results by accepting your associates as colleagues, treating them fairly and with respect, establishing a climate of trust, and including associates in decision making.

6. Formal versus Informal Communication

Formal communication follows the official chain of command and is used by managers to communicate job requirements to their employees. Informal communication doesnt follow the chain of command, and the subject matter is not job-related. Informal communication is part of employees social interaction but can also improve organizational performance through better employee relationships and by fostering a more efficient communications channel.

7. Communication Flows and Networks

Upward communication takes places when managers receive information from their subordinates. It helps them gauge employee satisfaction and may be a source of ideas for organizational improvements. Downward communication is used to inform employees of company policies and procedures. It is used to inform, direct, coordinate, and evaluate employees. Lateral communication takes place between employees on the same hierarchical level. They discuss their environment and the organization in general. It is also used by cross functional teams. Diagonal communication takes place between employees on different hierarchical levels and in different departments. An example is a chef conferring with a front-desk receptionist.

Communication networks combine vertical and lateral flows. The most common are chain, wheel and all-channel, as well as the grapevine. In chain networks, communication flows according to the existing chain of command, up and down. It is highly accurate, with a precise path and no information is lost. It is only moderately fast and moderately popular with employees. The wheel network is communication between a leader and the members of a group or team. Coworkers dont need to communicate with each other.

This is fast and accurate but not very popular. All-channel communication has freely flowing communication between all members of a group or team. It is speedy and popular but not absolutely accurate. The grapevine, an informal organizational communication network, is

popular and important. It is an important source of information for managers, acting as an effective feedback mechanism. It allows for rumors, so managers need to be open and honest about negative feelings and important decisions.

8. The Decision-Making Process

When choosing among alternative decisions, companies employ a decision-making process consisting of eight major steps:

- Identification and definition of a problem: This is the first step in the decision-making process. Other issues may muddy the waters; it is important to state the problem accurately.
- Identification of decision criteria: Criteria that are not identified are usually treated as unimportant.
- Allocation of weights to criteria: Decision criteria have differing levels of importance. One method used to weight criteria is to give the most important criterion a weight of 10 and score others to their relative importance.
- Development of alternatives: Decision makers list viable alternative without attempting to evaluate them.
- Analysis of alternatives: The analysis uses the criteria and weights established in steps two and three.
- Selection of alternative: This is the result of step six.
- Implementation of alternative: This is putting the decision into action.
- Evaluation of decision effectiveness: Were goals achieved? If not, this means going back to step one.

9. How Managers Make Decisions

All four primary managerial functionsplanning, organizing, leading, and controlling involve decision making.

10 .Making Decisions: Rationality, Bounded Rationality, and Intuition

A decision must be rational; that is, it must be value maximizing and consistent. Rationality assumes that the decision maker is fully objective and logical. The goal must be kept in mind. Assumptions of rationality can be met under the conditions of being faced with a simple problem, having clearly defined goals, limited alternatives, minimal time pressure, low cost for seeking and evaluating alternatives, an organizational culture supporting risk-taking, and measurable and concrete outcomes. Bounded rationality suggests that managers decision-making ability is limited by the individuals ability to process information.

Managers decision skills are based on their competency, intelligence, and rationality. They are expected to follow the decision-making process model, but certain aspects of it are not realistic in respect to actual decision making. A decision maker may find it impossible to analyze all possible alternatives to a solution, so they satisfice, which means finding a good-enough solution.

Time constraints or lack of resources can keep decisions from being fully rational; decisions are based on satisfactory alternatives. A decision maker can be influenced by organizational culture, power considerations, internal politics, and an escalation of commitment to an earlier decision, despite evidence it might have been wrong.

Intuitive decision making is not based on rationality; its a subconscious process of

making decisions on the basis of experience and accumulated judgment.

There are five different aspects of intuition as applied to decisions: values or ethics (personal morals); experience (past learning); affect (feelings); cognitive (training, skills, and knowledge); and unconsciously influencing decisions by the way data are retained and processed. Most

decisions combine intuition and rationality. Decisions made on gut feeling are based on experience and judgment.

11. Types of Problems and Decisions

11.1. Programmed and Nonprogrammed Decisions

Programmed decisions occur on a regular basis, with a frequently reoccurring problem situation that can be handled with a routine approach. Programmed decisions become standard operating procedure, allowing the elimination of the develop the alternatives stage in the decision-making process.

Nonprogrammed decisions are nonrecurring and necessitated by unusual circumstances. The problem is poorly structured and usually new or unusual to the decision maker. Information may be incomplete or unavailable. A custom-made decision is required. The more sophisticated the company, the more programmed decisions are made. Large companies have policy and procedure manuals to guide decision making. Nonprogrammed decisions require greater analysis, innovation, and problem-solving skills.

12. Decision-Making Conditions

A decision of certainty involves having knowledge of all the alternatives and entails no risk. With risk conditions, the outcome is not certain, but the decision maker can estimate the probability of the outcome through historical data. Risk is characterized by having some knowledge of the outcome of the various alternatives, combined with the element of unpredictability. An uncertainty situation results when the outcome is not certain and reasonable estimates cant be made, usually because of lack of adequate information.

13. Decision-Making Styles

The way of thinking is one dimension of decision making; some managers are rational and logical and others are intuitive and creative. Managers also differ according to tolerance for ambiguity. A high tolerance for ambiguity allows managers to process a lot of information simultaneously. These two dimensions result in four major styles: directive, analytic, conceptual, and behavioral.

The directive style entails rationality and a low tolerance for ambiguity. These managers are logical and efficient, focus on the short run and value speed, often resulting in making decisions with minimal information. The analytic style is rational and tolerates ambiguity. These managers require a lot of information and makes careful decisions, with the leeway to cope with unique situation. The conceptual style is intuitive and creative. Numerous alternatives are considered, and the focus is on the long run. The behavioral style is receptive to suggestions and ideas from others and is concerned about employees achievements. These managers try to avoid conflict. Flexible managers vary their decision-making style according to each unique situation.

14. Trends in Communication and Decision Making

Using technology to aid communication such as the Internet and two-way radios are likely to continue. An integral part of managements decision-making process is the management information system (MIS) and the decision support system (DSS).

Human Resources And Motivation

Topic Objective:

At the end of this topic student would be able to:

- Explain the importance of job descriptions.
- Give an example of how productivity standards are determined.
- Name and describe the employment-related laws.

- Discuss how to select, recruit, and orient employees.
- Identify methods of employee appraisal and compensation.
- Describe motivation theories and industry practice.

Definition/Overview:

Human resources are frequently cited as a companys most valuable asset and competitive advantage. It is a challenge to find, retain, and develop great employees especially because employees are now looking for a trusting relationship with their employer, even more so than benefits.

Key Points:

1. Turnover

One of the largest challenges in hospitality is getting and retaining staff; in many companies the turnover is over 100 % per year. Companies need to earn the trust of employees by offering respect, a safe and hospitable workplace, training, mentoring, fair treatment, equal treatment, employee assistance programs, and advancement opportunities. Employee satisfaction leads to better retention.

2. Legal Issues

Legislation to protect workers has increased the workload and complexity of human resources. The job of an HR director is to keep the company out of court.

3. The Importance of Human Resources

Progressive employers seek to become the employer of choice; this is done through leadership and management of human resources. The hospitality industry is the largest in the world, with many front-line entry-level employees with guest contact. Human resources is all about attracting, selecting, orienting, training, coaching, counseling, disciplining and mentoring, developing, evaluating the performance, and supporting and retaining an organizations most important resources. Cultural diversity and unskilled workers present challenges. Business and economic condition have resulted in downsizing or right-sizing. Other functions in HR include creating job descriptions, developing job specifications, managing payroll and benefits, handling grievances, financial management, community involvement, and ensuring conformance to federal, state, and provincial legislation.

4. The Human Resources Department

In a large hospitality operation, the human resources department is headed by the director of human resources, an executive position with enormous responsibilities. Many departments have a co-coordinator, who ensures that inquiries are handled with courtesy, and an employment manager who checks applications and does interviews and background checks. The benefits manager ensures that employees apply for and receive appropriate benefits.

5. Task Analysis, Job Descriptions, and Job Specification

Because human resource or labor cost are the largest single cost of being in business, it has become necessary to examine each task of each employee to determine its contribution to the guests experience. Task analysis examines every task of each employee to determine the best way of doing the task and its potential outcome on the guest experience. From the task analysis, a description of the job can be formulated. A job description is a detailed list of the activities and outcomes of the person performing a specific job. It can become a legal document. Many companies require that employees sign their job descriptions to be sure that employees know

what their responsibilities are. The job description specifies the qualities and knowledge the person will need to do the job.

6. Productivity Standards

Productivity standards may be established for each position within the organization. Measuring or timing how long it takes to do a given task determines the productivity standards. Employee productivity is measured in dollar terms by dividing sales by labor costs. The answer of the equation indicates the number of dollars generated per labor dollar spent. Other methods of measurement include number of guests served per food service employee and the number of guests checked in by a front-desk agent. One good way to set productivity standards is to have a group of the best employees do the tasks and time them, then average the time it takes, and that becomes the standard or benchmark.

7. Orientation

The orientation is a way to introduce new employees to the company and the specifics of the workplace; it is a useful tool for retention. This usually occurs prior to beginning or during the first few days of employment. It covers the corporations history, policies, procedures, compensation and benefits, safety and fire prevention, and the propertys service philosophy.

8. Training and Development

Training is an ongoing activity conducted by the training department, a training manager, line management, or specially trained individuals within each department. The first step is to identify the training needs and set training objectives. There are five main types of employee training: apprentice, simulation, certification, corporate required, and on the job.

Apprentice training is given to people who are new at a particular job. It often follows the tell me, show me, let me do it routine. Simulation training simulates the actual work place sometimes

using simulation software packages. Certification training enables individuals to gain corporate or professional certification by achieving passing scores on practical or theoretical tests. Corporate-required training includes topics like safety, values, ethics, harassment, service excellence and essentials, and valuing differences. On-the-job training helps to maintain standards through coaching on the most effective way to do the work.

9. Employee Development

In employee development, the employee and supervisor make a development plan that outlines developing activities and when they take place. It is an ongoing activity to enhance skills and for motivating midlevel managers. It is usually used for nontechnical training like communications, team building, motivation, and leadership.

10 .Performance Appraisals

The purpose of performance appraisals is to compare an employees actual performance to pre-established standards as described in the job description. Performance appraisals provide an opportunity to give feedback, personal development, promotions, compensation, and establish objectives for training programs. Another drawback can be the subjective nature of many evaluation systems. Three common problems are: recent behavior influences, the halo effect, and the like-me syndrome. Performance appraisals make the link between performance standards and organizational goals. They must be fair, consistent, equal, and nondiscriminatory.

11. Employee Assistance Programs

Employee Assistance Programs (EAPs) offer confidential and professional counseling and referral services to employees with such issues as drug and alcohol-related problems, personal finance, marital, career, and legal issues.

12. Motivating a Diverse Workforce

Managers must be flexible to keep a diverse workforce motivated. It is important to remember that each employee has a different background. Different incentives motivate a diverse workforce, for example, flexible working schedules designed to accommodate workers with other duties or responsibilities. Examples of flexible working schedules include a compressed workweek, where employees work longer hours on fewer days**;** flextime, where an employee schedules his own hours; job-sharing, where people share a job; and telecommunicating, where employees can perform their jobs at home through use of the Internet, phone, fax and computer. Opportunities for telecommuting are restricted in the hospitality industry because many jobs are labor-intensive and require customer contact.

13. Pay-for-Performance Programs

Pay-for-performance programs describe any method that relates pay to quality or quantity of work. The piecework pay plan pays an employee according to the actual amount of work produced. An example would be offering servers a commission on sales of wine. Vrooms expectancy theory explains piecework pay plans, saying that employees are motivated knowing a reward will follow. The variable pay plan is like gambling. Employees stake a percentage of their base salary against company goals; if goals are met their stake is matched or more, but they lose it if the goals are not achieved. This also is an example of Vrooms theory, but with negative expectancy.

When employees are able to benefit directly from company gains, a gainsharing plan is the form of motivational theory. The employer chooses a unit of measure, such as cost per unit produced, and calculates a funding formula, or percentage of savings, that is shared. A hospitality example of gainsharing is upselling at the front desk (when the employee persuades a guest to upgrade his room). Profits from upselling are shared with the department employees. Most companies have stock option plans, where employees are paid with stock as a reward or incentive.

Employees are motivated to increase stock price through company performance. An open-book management policy lets employees see the direct result of their spending habits. The theory is

that employees who are treated as partners are more likely to be productive. With open-book management, employees are able to link their performance with the companys operating results, profit margin, and standing in relation to its competitors.

14. Motivating the New Workforce

To days new workforce includes a number of employees that need special attention when it comes to conventional motivation plans. Professional workers are typically college-educated, specialized, and well paid. The challenge in motivating them is that they have intrinsic satisfaction in their jobs already. Professional workers are more likely to be motivated by intellectual satisfactions and the acknowledgement of superior work than by money. Increased autonomy can also be used.

One of the hardest tasks is to motivate low-skilled, minimum-wage employees, since companies usually cannot afford the typical motivator, higher salaries. Recognition works well for low-wage employees, as in certificates, plaques, and ceremonies, as long as public praise is sincere and legitimate. Another way to motivate low-wage employees is through empowerment, which gives them the feeling of importance and responsibility and lets them see the direct result of improved performance.

15. Trends in Human Resources and Motivation

There is increasing diversity among new employees in hospitality. Trends include using emotional intelligence, increasing globalization, and advancing employee skills to motivate younger employees. Because companies are operating leaner, managers will need to be creative to motivate employees. Many teams are now virtual so managers will need to learn to motivate from afar. There is a labor-shortage problem, especially in food and beverage management, and for people with reading, writing, and math skills. There is an increased focus on retention and using flextime. Legal issues are of increasing concern. Finally, training has become more important as a competitive advantage.

Control

Topic Objective:

At the end of this topic student would be able to:

- Define control.
- Give reasons why control is important.
- Describe the four-step control process.
- Distinguish among the three types of control.
- Explain the important financial controls.
- Describe the qualities of an effective control system.
- Outline the contemporary issues in control.

Definition/Overview:

Control is the management function that provides information on the degree to which goals and objectives are being accomplished.

Key Points:

1. The Control Process

The control process is a four-step process including setting standards, actual performance, comparing actual performance against standard, and taking managerial action to correct deviations or inadequate performances.

2. Setting Standards

Setting standards means establishing the levels of service, the quality of food and beverages, employee performance, and return on investment. In other words, standards are set in terms of quantity, quality, finances, or time.

3. Measuring

Managers must first know what they are measuring and how they are measuring it. There are four common sources of information frequently used by managers to measure performance: personal observation, statistical reports, oral reports, and written reports. Management by walking around (MBWA) is the best way to make personal observations. MBWA describes when a manager is in the work area, interacting with associates and exchanging information.

Statistical reports provide data that measure results and can be used for comparative purposes. They also can display data in forms easy to visualize, such as charts and graphs. Oral reports, which also include conferences and meetings, provide control reports that can be quick and allow instant feedback. Written reports, like statistical reports, are slower and more formal than the oral reports or personal observations and provide more information.

What we measure is more important than how we measure. Measure the big ticket items first. Results to measure include guest satisfaction, labor costs, food and beverage costs, employee satisfaction, rooms and room rates, bed sheets, energy costs, insurance, and labor turnover. Whenever results can be measured, it is desirable to have a results accountability system. Control criteria are applicable to any management situation. Keeping costs within budget is one fairly common control measure. One of the main purposes of control is to influence behavior.

4. Comparing Results

Comparing results with expectations shows the amount of variation between actual performance and the expected results. The range of variation is the acceptable amount of variance. Managers also are concerned with the direction of variance.

5. Taking Managerial Action

The final step in the control process is taking managerial action. If the source of the performance variation is unsatisfactory work, a manager will correct actual performance, which might include changing the way tasks are done. Other actions might include a change in strategy or structure**.** A decision to correct actual performance might involve either immediate corrective action, which corrects problems at once, or basic corrective action, which corrects the source of the deviation. Good communication is key to personnel control. It helps employees understand what is expected of them and reviews help shape future behavior. Granting raises and promotions based on operating criteria is a means of motivation and control.

6. Types of Control

6.1. Feed forward Control

Feed-forward control focuses on preventing anticipated problems. It takes place in advance of a work activity. Recipes are one example, as is preventative maintenance. Feed-forward controls help prevent problems rather than react to them. They take more time to organize than the other types of control.

6.2. Concurrent Control

Concurrent control takes place while a work activity is in progress. The usual form is direct supervision, where management can correct problems as they occur before they become too costly. Many organizational quality programs rely on concurrent controls to inform workers if the quality of their output meets standards.

6.3. Feedback Control

The most popular type of control is feedback control, which takes place after the activity is done. Financial statements are an example. Feedback control is helpful in situations where activities repeat themselves. In the hospitality industry, that would include reservations, check-in, and so forth. Controls help measure and report these activities. The advantages of feedback are twofold. Feedback provides meaningful information on how successful planning was; it indicates the variance between standard and actual performance. Feedback control also enhances employee motivation.

7. Other Types of Control

7.1. Food and Beverage Controls

First of all, a new manager changes the locks! Then he or she reviews all control procedures. Tight control calls for managerial approval of all orders. Stores need to be under the authority of one person who is accountable.

7.2. Operational Financial Controls

At the operational level in the hospitality industry, financial controls consist mainly of budgets and income statements. Budgets estimate the sales figures for the month or year and allow for the amount that can be spent on controllable cost items including cost of

goods sold. Zero-based budgeting has managers begin with a budget of zero dollars and justify the cost of goods sold, controllable costs, and capital expenditures, rather than always budgeting the same amount. Income statements show actual sales and expenditures and serve as control for subsequent periods. Managers first control big-ticket items; payroll is the largest of the controllable costs. Food and beverage costs are the second largest; these need to be costed and priced to yield a certain percentage.

8. Qualities of an Effective Control System

Effective control systems have 10 characteristics whose importance varies with the situation:

- Accuracy: An effective control system is reliable and produces valid data.
- Timeliness: It provides timely information.
- Economy: It must be economical to operate.
- Flexibility: It can adjust to changes and opportunities.
- Understandability: Users can understand it.
- Reasonable criteria: Standards must be reasonable and attainable.
- Strategic placement: Managers must choose the factors strategic to the companys performance.
- Emphasis on exceptions: Devices should call attention only to exceptions.
- Multiple criteria: Measures decrease tendencies toward a narrow focus.
- Corrective action: System suggests appropriate corrective action.

9. Contingency Plans and Control

The most important contingency factor that affects the design of an organizations control system is its size. Small organizations rely more on informal and personal control such as concurrent control through direct supervision. Large organizations rely more on a formal control system of reports, regulations, and rules. The farther up in the organizations hierarchy, the greater the need for several different types of control. This reflects increased operational complexities: the greater the degree of decentralization, the greater the need for feedback about employees.

10. Adjusting Controls for Cultural Differences

The differences in organizational control systems of global organizations are primarily in measurement and corrective action. Distance calls for more formalized controls. In less technologically advanced countries, managers tend to rely more on direct supervision and highly centralized decision-making. Corrective actions may also be affected by different laws in other countries, such as strictures against layoffs.

11. Contemporary Issues in Control

11.1. Workplace Privacy

Managers need to monitor employees computer activities to guard against lost productivity and lawsuits, as well as to ensure that confidential information is not being divulged.

11.2. Employee Theft

Employee theft is taking company property for personal use and includes such activities as filing for fraudulent expenses. It constitutes up to 85% of all organizational theft. In the hospitality industry, loose financial controls especially at the start up of a business are a serious source of losses. One reason for employee theft is the opportunity presented by lax controls and favorable circumstances. Another is an employees financial problems; a third is because an employee can rationalize it. The three methods of control provide ways to identify measures for deterring theft.

12. Workplace Violence

Factors contributing to workplace violence include:

- Long working hours and crises

- Information overload
- Daily interruptions
- Unrealistic deadlines
- Uncaring managers

13. Trends in Control

Increasing use of technology makes control easier and quicker. Quicker results allow necessary changes to be made faster. An example of this is using handheld devices to take inventory.

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