

The Center of Success: A Case Study on Hilton's Company Culture

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ABSTRACT

THE CENTER OF SUCCESS: A CASE STUDY ON
HILTON'S COMPANY CULTURE

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Company culture is an essential element to the success of any organization. This is especially true in the hospitality industry where positive employee experiences are vital to customer satisfaction. The purpose of this study was to examine the company culture of Hilton. Data were sourced primarily from Hilton websites, third-party websites, and academic articles. This study found that Hilton's culture is shaped by compelling mission, vision, and value statements that drive every organizational aspect. Additionally, award-winning reward, recognition, and training programs sustain and reinforce a culture that grants Hilton a unique competitive advantage. To maintain market leadership, Hilton must continually improve internal programs and update metrics that align employee performance with business goals. It is recommended that Hilton's cultural practices be used as a benchmark for other hospitality companies. Lastly, future research should analyze how consistently Hilton's culture practices are implemented across its myriad luxury, resort, and select service brands.

Keywords: Hilton, company culture, hospitality, employee experience, values, recognition, training, competitive advantage

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Chapter 1

INTRODUCTION AND REVIEW OF LITERATURE

Background of Study

Every company embodies a corporate culture, whether by design or by default. No matter how prominent a focus, workplace culture has the capability to make or break a company. Farmer (2005) states, “Corporate culture is what separates the business winners from the business losers. A corporate culture of honesty and integrity is more valuable than cash in the bank. It is the glue that holds a company together” (p. 7). Because culture connects people to purpose and employees to each other, the significance of a strong corporate culture cannot be overemphasized. Corporate culture impacts every aspect of business, from job performance and retention, to business strategy and implementation. Employees that find value, purpose, and significance in their work are notably more engaged in their company mission, vision, and ongoing success. Undeniably, strong corporate culture presents a unique strategic advantage.

Company culture plays a particularly significant role in the hospitality industry. In a field known for suffering high turnover rate, the Bureau of Labor Statistics (2019) reported a 76.7% separation rate in the hospitality and leisure industries for 2018. Companies that focus on the employee experience to create a high functioning environment can arrest this epidemic. With hotels, as with all service industries, the need for employees to consistently deliver quality service to guests requires a workforce that is retained, engaged, and committed. Corporate culture can deliver this pivotal outcome. Yet, not all company cultures are created equal. There are unique elements that separate

the leaders from the followers. In order to attract and retain the top labor force and achieve exceeding job performance, best practices must be continually evaluated and executed. With so much at stake, winners recognize company culture is not static but something to be shaped and developed. The purpose of this study was to examine the company culture of Hilton.

Review of Literature

Research for this review of literature was conducted at Robert E. Kennedy Library on the campus of California Polytechnic State University, San Luis Obispo. In addition to books and other resources, the following online databases were utilized: Academic Search Premier, ABI/INFORM Complete, and Google Scholar. This review of literature includes the following subsections: corporate culture, types of organizational culture, components of strong company culture, relevance of corporate culture, and hospitality company culture.

To begin, a mutual understanding of corporate culture is necessary, especially given that so many definitions exist. Fortunately, most definitions share common core elements. Flamholtz and Randle (2012) establish a good foundation by stating, “corporate culture consists of ‘values,’ ‘beliefs,’ and ‘norms’ which influence the thoughts and actions (behavior) of people in organizations” (p. 77). Values are what the organization considers to be the most critical in regards to its operations, its employees, and its customers. Values are what drive an organization and give it its backbone. Beliefs on the other hand are the “assumptions individuals hold about themselves, their customers, and their organization” (p. 77). Lastly, norms are the “unwritten rules of behavior that address

such issues as how employees dress and interact. Norms help ‘operationalize’ actions which are consistent with values and beliefs” (Flamholtz & Randle, p. 77). This definition provides a common understanding of corporate culture and its most rudimentary components.

For the purpose of this study, company culture, organizational culture, and corporate culture were used interchangeably. Hayes, Ninemeier, and Miller (2017) provide a definition of organizational culture that shows such overlap and commonality with corporate culture as to be considered one in the same. For example, organizational culture is considered to be a collection of understandings shared by staff members that influence decision-making and are impacted by beliefs and ethics that drive processes and procedures (Hayes et al.). Just as values, beliefs, and norms represent the dimensions of corporate culture, likewise, core values, vision, and mission outline the three components of organizational culture. For the latter, a definition of each term provides an expanded understanding of culture overall. Core values “represent commitments about what will be done, and they drive each leader’s and each employee’s interactions with those with whom they interact” (Hayes et al., pp. 86-87). Vision is a statement of where the organization plans to go and what it aims to achieve. Lastly, mission defines the organization’s purpose and announces to internal and external personnel why it exists (Hayes et al.). The consistency between the components of corporate, company, and organizational culture demonstrates that the terms may be used synonymously.

However, that does not imply that all organizational cultures are the same. In fact, several diverse types exist. Cameron and Quinn (2011) help conceptualize the various types of organizational culture by introducing four quadrants in their Competing Values

Framework model. They present four primary forms, specifically, hierarchy, market, clan, and adhocracy that are based on two dimensions placed on a continuum as seen in Figure 1.

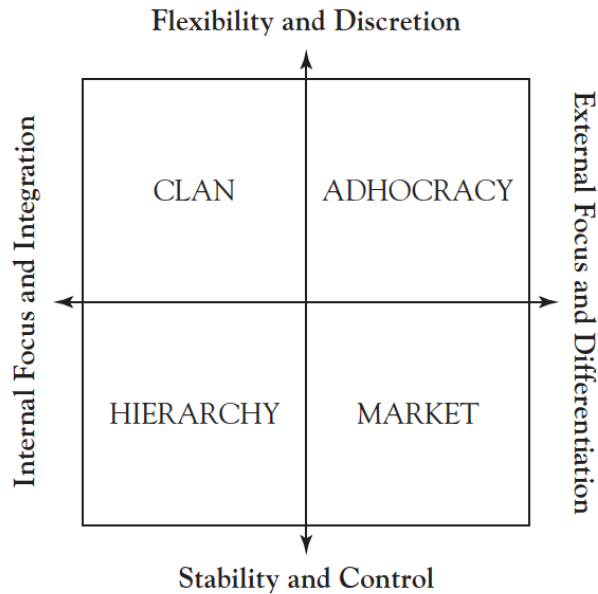


Figure 1 – Competing Values Framework (Cameron & Quinn, 2011, p. 35)

The first dimension, designated by the vertical line, differentiates “effectiveness criteria that emphasize flexibility, discretion, and dynamism” from criteria focusing on “stability, order, and control” (Cameron & Quinn, 2011, p. 34). The second dimension, portrayed on the horizontal plane, compares criteria that “emphasize an internal orientation, integration, and unity from criteria that emphasize an external orientation, differentiation, and rivalry” (p. 34). In this model, each quadrant represents a different type of company culture. A hierarchy culture is characterized by clear lines of decision-making, authority, and high levels of control. Here, “Procedures govern what people do” (p. 38). A market culture on the other hand is focused on the external environment and

transactions with external constituents. Productivity and competitiveness are the primary motivators for market cultures. Market cultures are driven by results and outcome. A clan culture is very distinctive and is comprised of “Shared values and goals, cohesion, participativeness, individuality, and a sense of ‘we-ness’” (Cameron & Quinn, p. 41). It results in high levels of teamwork and employee engagement. The final quadrant represents an adhocracy culture where innovation and adaptability are the primary defining characteristics. Here, “Emphasis on individuality, risk taking, and anticipating the future is high” (Cameron & Quinn, p. 44). Every organization will employ a different culture depending on the values and priorities they emphasize. The Competing Values Framework provides a method for organizations to identify where they fall on the continuum in order to address which culture type would be most appropriate to their particular environment.

While most cultures maintain the basic components of vision, mission, and core values, no two cultures are the same and are set apart by unique characteristics. Cameron and Quinn (2011) state that organizational culture “comprises a complex, interrelated, comprehensive, and ambiguous set of factors. Consequently, it is impossible to ever include every relevant factor in diagnosing and assessing organizational culture” (p. 32). However, there remains value in recognizing certain elements that consistently contribute to strong company culture.

Positive culture consists of key ingredients including, trust, honesty and integrity, sense of individual worth, participative management, and open communication. Alston (2009) highlights the benefits of trust as, “timely information sharing, increased productivity, commitment, collaboration, and cooperation” (p. 5). Gitlow (1992)

commends honesty and integrity and a sense of individual worth as other components of an ideal corporate culture (p. 481). Honesty and integrity refers to “soundness of moral principle, the virtue of being uncorrupted and incorruptible” and contributes to trust (Gitlow, p. 482). A sense of individual worth emphasizes human value. For instance, an employee recognition program can be successful at cultivating this sense of appreciation. Various recognition and reward programs exist for different situations. For example, monetary compensations, awards and ceremonies, and celebrations for individual and professional milestones are among the options (Grawitch, Gottschalk, & Munz, 2006). These programs underscore the significance and contribution of each employee. Kralovensky (2006) states that recognition programs result in “Benefits for the employee [that] include increased motivation, enhanced morale, job satisfaction, [and] renewed commitment to the work” (p. 24). Additionally, McAleese and Hargie (2005) express the importance of participative management. The leadership of managers filters through to employees and results in staff members who emulate the values and behaviors they observe. Management must be actively involved in different levels of the organization while consistently modeling the desired behavior in order to create a positive culture. McAleese and Hargie summarize by saying, “leaders and managers should act as catalysts through which staff can feel empowered, motivated and energized” (p. 165).

Yet, even with engaged managers who model value, a company culture without efficient communication is doomed to fail. Open communication is an essential ingredient in a corporate culture’s efficient operation. Effective communication involves channels that move up, down, and across the organization. Additionally, management should view each employee as a potential source of ideas and thus include them in the

communication process. This results in employees who feel valued because they feel well informed (McAleese & Hargie, 2005). The components of strong corporate culture are constantly adapting and changing. However, trust, honesty and integrity, value programs, engaged management, and open communication provide the bedrock of positive company culture.

Leading companies recognize the significance of corporate culture and strategically incorporate the elements of a strong culture into their organizations. Successful companies invest significant amounts of time, money, and effort into their cultures because they have experienced the benefits of doing so. They know corporate culture represents a strategic asset, improves retention rates, and adds to the bottom line. Flamholtz and Randle (2012) consider corporate culture as the ultimate strategic asset because it is “the one thing that a firm has that is ultimately not susceptible to imitation or duplication by another company” (p. 83). It is possible to attempt to ‘clone’ a company culture, but it is impossible to recreate it exactly. This is because of the unique personnel, management, personalities, facilities, and resources that make up each organization. Arguably, company culture represents a sustainable competitive advantage; its hidden nature makes it the ultimate ‘stealth competitive weapon’ (Flamholtz & Randle). Employee retention is an obvious benefit and company culture influences it greatly. If the culture supports employees, talented personnel will be attracted to the firm, people will be motivated in their work, and they will choose to remain with the company. Cultures that incorporate flexibility and work-life balance have resulted in higher rates of retention. In a survey of over 103,000 employees from fifteen different companies, Richman, Civian, Shannon, Hill, and Brennan (2008) found that perceived flexibility

increased the expected retention by 55%. Human resource procedures that include supportive work-life policies increased the odds of expected retention by 119% (Richman et al.). When an organization provides a supportive environment and cares about their employee's well-being, employee engagement increases. This in turn reduces absenteeism and increases productivity (Flamholtz & Randle). Another significant benefit of corporate culture is its multifaceted impact on an organization's bottom line. Firstly, culture affects goal attainment. Not surprisingly, organizations with strong cultures are more likely to achieve their goals than those organizations with weak cultures. This is because strong cultures foster motivated staff that work collectively to achieve their organization's goals (Flamholtz, 2001). Secondly, Flamholtz' study shows a statistically significant relationship between culture and an organization's financial performance (regression level of 0.05). Han (2012) found that clan cultures and adhocracy cultures have a major impact on growth-oriented financial performance. Md Zabid, Sambasivan, and Johari (2003) further support this finding and note that culture has significant influence on both return on assets and return on investment. The importance and power of company culture cannot be underestimated.

Inarguably, company culture permeates every organization and strong cultures adopt key elements for success. Yet, still to be examined is company culture in the specific context of hospitality. Kyriakidou and Gore's study (2005) provides four elements of best practices in the industry. They include, collaborative setting of mission and strategies, building the future together, building the ability to learn, and team development. Collaborative setting of mission and strategies creates a climate where opinions and suggestions of employees are valued, everyone works together to achieve

common goals, and people are united in a team effort. Here, improvements are activated by feedback and reward programs. Additionally, employee involvement is managed by two-way, open communication and employees are actively involved and included in decisions that affect their work (Kyriakidou & Gore). Building the future together focuses on linking individual objectives with organizational objectives through socialization and “tying up the development of individual employees with the development of their own performance” (Kyriakidou & Gore, p. 200). Building the ability to learn involves creating an organization “skilled at creating, acquiring and transferring knowledge and at modifying its behavior to reflect new knowledge and insights” (p. 200). In this environment, empowerment is emphasized which allows employees to be active and proactive. Finally, team development focuses on creating a team spirit and team identity in which members understand and value each other’s roles. This is accomplished through cross-training, development of multi-disciplinary teams, and cooperative behaviors that facilitate teamwork. The results of team development include a sense of being a part of a very close knit family, strong social ties, reduced turnover, and increased job satisfaction (Kyriakidou & Gore). All these factors characterize the best practices of leaders in the hospitality industry.

Similarly, Bavik (2016) provides five dimensions of company culture that are unique to the hospitality industry, namely, level of cohesiveness, social motivation, ongoing onboarding, human resource management practices, and work norms (p. 50). In regards to levels of cohesiveness, the hospitality industry is known for being labor intensive and requiring high levels of knowledge and expertise (King, 1995). Because of this complexity, no employee can work alone but must unite as a cohesive team to

accomplish the desired result. Social motivation plays a vital role in the hospitality field because of the industry's high people-orientation focus. Customer satisfaction reflects employee satisfaction and good employee-employer relationships reduce the tension that is inherent in an industry that operates every hour of every day with no breaks for holidays (Saks, 2006).

Additionally, the hospitality field's high turnover rate creates a process of ongoing onboarding. This phenomenon presents the opportunity for managers to provide "clearer communication, greater certainties, and more concrete guidelines regarding company's expectation, boundaries, as well as their responsibilities to both newcomers and existing employees" (Bavik, 2016, p. 51). Bavik demonstrates that onboarding is the positive side of high turnover rate:

[ongoing onboarding] is not only subject to new members, but also covers each member as a whole in the sense that it reminds members to understand their own roles, continuously feel engaged and how their individual contributions append value to the complete success of the organization. (p. 50)

As with social motivation, human resource management practices are uniquely important in hospitality because of the high levels of human-orientation. Aycan, Kanungo, and Sinha (1999) found that managers' human resource management practices are influenced by their assumptions about employees being "individuals who can change and control outcomes of their actions" (p. 522). Aycan et al. continue to say, "If managers believe that employee nature can be changed, then they are more inclined to provide feedback and empowerment to contribute to this change and improvement" (p.

522). Lastly, work norms are highlighted because of the importance of guest satisfaction in the hospitality industry (Bavik, 2016). Every employee must know the norms of behavior in order to deliver consistent quality service to guests. In summary, level of cohesiveness, social motivation, ongoing onboarding, human resource management practices, and work norms are unique drivers of culture within the hospitality sector.

Purpose of the Study

The purpose of this study was to examine the company culture of Hilton.

Research Questions

This study attempted to answer the following research questions:

1. What company culture practices are currently incorporated by Hilton?
2. What factors have contributed to Hilton receiving both “Best Company to Work for” and “Best Workplaces” awards?
3. How effective are Hilton’s current company culture practices?
4. How effective are the factors that led to both “Best Company to Work for” and “Best Workplaces” awards at improving the actual company culture of Hilton?

Chapter 2

METHODS

The purpose of this study was to examine the company culture of Hilton. This chapter includes the following sections: description of organization, description of instrument, and description of procedures.

Description of Organization

A case study was conducted on the Hilton Corporation. Hilton (2019) was founded in 1919 by Conrad Hilton with their first hotel officially opening in 1925. Today, the Hilton Corporation consists of sixteen brands with over 5,600 properties located in 113 countries, across six continents. Their brands range from luxury, full-service hotels such as the Waldorf Astoria, to midscale, limited-service hotels such as Hampton by Hilton, to extended-stay properties such as the Homewood Suites by Hilton. In addition to their hotels and resorts, Hilton provides a vacation ownership program, Hilton Grand Vacations. This program provides accommodations that offer the comforts of home with the high service level of Hilton. Among their hotels, Hilton provides nearly 913,000 guest rooms. Hilton employs more than 300,000 team members globally that work in their corporate offices as well as their owned, managed, and franchised properties (Hilton). According to Forbes (2018), Hilton has a market capitalization of \$25.1 billion with sales amounting to \$9.1 billion as of 2018. It is not surprising that the Hilton Corporation is one of the world's largest and fastest growing hospitality companies.

Description of Instrument

The instrument utilized in this study was a case study guide developed by the researcher (see Appendix A). The guide includes three primary columns: question areas, description, and additional comments. The topics under the question areas heading are the company culture elements that were analyzed. The information under the description heading further expanded on each company culture element. Lastly, the additional comments column provided an area for supplementary information and findings associated with each question area topic. The majority of the question areas addressed the qualitative elements of the best practices for cultural development. The last two categories dealt with the quantitative measures to determine whether the best practices are delivering the desired culture.

A pilot study was conducted on a similar organization to test the instrument. After the pilot study, the guide was changed to include onboarding and training programs and code of conduct as two additional question areas. Further, mission and vision statements were combined into one question area.

Description of Procedures

A case study was conducted on the Hilton Corporation. The instrument utilized in this study was a case study guide developed by the researcher. Data were collected over a two week period in May 2019 by the researcher. The company culture practices of the Hilton Corporation were analyzed by accessing Hilton's website as the primary source of information. The following tabs on Hilton's home page were used to collect data: about us and media. Multiple Hilton websites were accessed including: Hilton careers along

with the discover Hilton and universities tabs, Hilton's management services, Hilton Worldwide University, Hilton recognition matters, and Hilton code of conduct.

Secondary sources include third party websites such as: Forbes, Fortune 100, Hospitality On, Great Place to Work, and Balanced Scorecard Collaborative. Glassdoor and Indeed's websites were utilized to gain a different perspective of Hilton's corporate culture. In addition to these websites, the following scholarly articles were analyzed: *Lodging Hospitality*, and *Cornell Hotel and Restaurant Administration Quarterly*.

Chapter 3

PRESENTATION OF THE RESULTS

The purpose of this study was to examine the company culture of Hilton. A case study was utilized to examine the Hilton Corporation. This chapter includes the following sections: current company culture practices, factors contributing to awards, company culture metrics, and outcomes of company culture.

Current Company Culture Practices

Mission, vision, and values statements are at the core of most corporate cultures and Hilton is no exception. However, the extent to which these are intentionally integrated into the daily work experience is unique to Hilton. Hilton's mission statement reads: To be the most hospitable company in the world – by creating heartfelt experiences for Guests, meaningful opportunities for Team Members, high value for Owners and a positive impact in our Communities. Similarly, their vision is: To fill the earth with the light and warmth of hospitality – by delivering exceptional experiences – every hotel, every guest, every time. Finally, Hilton's values are presented in the acronym HILTON which stands for hospitality, integrity, leadership, teamwork, ownership, and now. Each expounds as follows. Hospitality speaks to a passion to deliver exceptional guest experiences. Integrity represents a commitment to do the right thing, all the time. Leadership refers to their prominent position in the industry and in their communities. Teamwork emphasizes being a team player in all respects. Ownership demands personal responsibility for one's actions and behaviors. Now refers to operating with a sense of

urgency and discipline. These statements are not simply superficial slogans, they drive and direct every operation and decision. To Hilton, mission, vision, and values encapsulate their purpose platform.

For example, Hilton utilizes a Code of Conduct to ensure its values of integrity and ownership advance. This unique code is meant to structure and guide the actions and behaviors of all team members. The greatest emphasis is placed on integrity whereby employees and managers maintain the highest levels of ethics and adhere to company rules, laws, and policies. Speaking up and reporting issues of compromised ethics or standards is facilitated by a hotline that receives reports anonymously and forwards them to be processed by their Legal Compliance Team. Additionally, Hilton has a ‘no retaliation’ policy that promotes a culture where employees feel comfortable to ask for assistance and advice or to report concerns in good faith without fear of discipline.

Hilton’s Travel with Purpose program, supports their vision to spread the light and warmth of hospitality in the earth. This corporate citizenship strategy promotes leader involvement in their communities. For example, the Travel with Purpose Global Volunteer Program creates an opportunity for team members to share their time and talents through volunteer events during Global Week of Service platforms.

Hilton’s mission to be the most hospitable company in the world, extends beyond just their guests to include team members alike. For example, after trying on a housekeeping uniform and finding it stiff, heavy, and uncomfortable, Christopher Nassetta, President and CEO of Hilton, created a partnership with Under Armor to design comfortable, flexible, and utilitarian work wear. This became only one of a six-part program aimed at improving the back-of-house for employees, collectively called the

‘Heart of House’ effort launched in 2016. From renovating and updating employee locker rooms, restaurants, and break rooms to providing high quality food to employees for improved wellness and nutrition (including free meals for employees on shift), this Heart of House programs is just one way that Hilton demonstrates each team member is valued, respected, and appreciated.

Finally, Hilton enforces its mission, vision, and values through an engaged management style. Hilton leaders are expected to be role models who demonstrate the highest standards of integrity and lead by example in all regards. Part of their Hospitality for All program, “For All” leaders treat team members at all levels as exceptionally as their guests are treated. The program delineates the five key behaviors of leaders as: trust, goals, development, recognition, and relationships. Hilton leaders are expected to create an environment of trust whereby employees feel heard and free to speak up. Leaders must set goals that are clear, realistic, and motivating and support members in obtaining them. Leaders have the duty to invest in and mentor their team members to improve individual development and growth. Further, when team members succeed, leaders are expected to celebrate their accomplishments with appropriate recognition. Lastly, leaders are assumed to cultivate and develop open relationships and meaningful connections within their teams. Clearly, Hilton’s mission, vision, and values are integrally embodied throughout their culture, from top to bottom.

Factors Contributing to Awards

Hilton received forty-five awards in 2018 including “World’s Best Workplaces,” and “Great Place to Work for Millennials” awards, all of which reflect a corporate culture

built around their core mission, vision, and values. This culture starts by recruiting talent aligned with their values then fosters an employee experience that retains and engages this most valuable asset. Three main program categories accomplish this objective: 1) the employee recognition and value programs, 2) the onboarding and training programs, and 3) the employee benefit programs.

Hilton believes that team members who feel appreciated, valued, and respected take greater pride in providing exceptional customer service while experiencing increased satisfaction and meaning in their own work. Because recognition matters, Hilton provides an annual CEO Light and Warm Award for CEOs who exceed expectations in reflecting Hilton's mission, vision, and values. Among other benefits, this award provides the winner with a one-time bonus of \$10,000, a publicly displayed award, and a featured story both in the lobby and in external channels. The Catch Me at My Best program rewards associates' best acts and efforts that are witnessed by other associates, guests, and/or managers. Witnesses fill out a "Value Certificate" according to the demonstrated value applicable to the acronym HILTON. Hilton also sponsors a Team Member Appreciation Week dedicated to offering thanks and recognition to all team members that make Hilton run. Lastly, Hilton offers a Department of the Month program which highlights a specific department's unique contribution to the team. Finally, to make sure all these recognition programs are effective, Hilton created five keys to recognition: make it frequent, make it timely, make it specific, make it personal, and make it big-picture. Specifically, Hilton believes that praise should outweigh constructive feedback. Also, recognition should occur as close to the event as possible so as not to lose impact. Rewards should reflect the specific actions of the employee and be crafted around what

the employee values. Lastly, Hilton knows that recognition is most effective if it is tied to goals, objectives, or values.

In addition to recognition programs, numerous learning programs exist for ongoing employee development. These serve to equip and remind team members to live the corporate values necessary to deliver Hilton's mission and vision. Through Hilton Worldwide University (HWU), Hilton provides more than 5,000,000 hours of training each year through over 2,500 courses delivered in a variety of training formats. Hilton Worldwide University is organized in five colleges: hotel college, owners college, commercial college, leadership college, and general studies college in order to provide specialized and relevant training. Further, Hilton supports team members by providing customized training opportunities in: new general manager training, property operation, sales, revenue management, and general studies. Hilton developed owner orientation sessions, leaders of leaders workshops, and eCornell certificate programs for added support. Hilton is dedicated to providing creative opportunities for team members to achieve their full potential by empowering them to take initiative to improve their own knowledge and development. Employee development programs increase awareness of company values and cause employees to share them personally.

Employee benefits constitutes the last category of programs that earn Hilton top awards. Thrive@Hilton is the collective umbrella term covering Hilton's benefits that focuses on the body, mind, and spirit of each employee. The programs that support body health and well-being include, parental leave, U.S. adoption assistance, U.S. bereavement leave, and Heart of House programs. The parental leave program allows all new parents to receive two weeks paid time off, with additional eight weeks off for new birth mothers.

The U.S. adoption assistance program helps reimburse qualified adoption expenses of up to \$10,000 per eligible child. The programs that constitute mind benefits consist of a regional inclusion council, team member resource groups, leadership and career development tools, and GED assistance and apprenticeship programs. Hilton's regional inclusion council works in collaboration with human resources to provide oversight and guidance for Hilton's diversity and inclusion efforts. Hilton's GED assistance and apprenticeship programs provide fully-paid general education training certifications and a flexible path to receiving high school diplomas online. Finally, programs that support spirit include Hilton's thrive sabbatical, operation opportunity, innovation summit, and Go Hilton. Thrive sabbatical: give a dream, live a dream is a month-long sabbatical that allows team members who have been with Hilton for at least five years to recharge and rejuvenate. The Go Hilton program provides employees and long tenure team members who have left Hilton with greatly discounted room rates and food and beverage. Thrive@Hilton programs are in addition to the health insurance, 401K plan, paid time off, life insurance, and retirement plans that are typically offered in the industry. Hilton's employees recognize that their plans are superior to those offered by the average hospitality company.

Company Culture Metrics

Hilton knows that corporate culture is dynamic and demands continuous attention and improvement. Because of this, Hilton created a quantitative means to measure and monitor its culture with respect to key performance indicators. Two primary mechanisms are a balanced scorecard and a team member survey.

Hilton's Balanced Scorecard (BSC) consists of five drivers: operational effectiveness, revenue maximization, loyalty, brand management, and learning and growth. Key performance indicators are tied to each driver and rated against a perfect score of 100%. The scorecard monitors customer loyalty, retention and overall satisfaction of staff, employee orientation programs, skills training, and diversity plan effectiveness, among other things. More importantly, the BSC establishes a powerful alignment of corporate strategy and goals with team member performance. Continual and comprehensive communication of BSC results shared at the regional, hotel, and department levels creates a strong performance culture whereby collaboration, not competition, thrives among team members. This results in the sharing of best practices across the organization. Automated updates of BSC performance allow managers to proactively optimize strategic planning and decision-making while permitting every member to see their individual role in achieving corporate goals. As a result, team members exhibit autonomy by taking ownership of their actions and behaviors. Additionally, incentive programs that exist for all employees, including merit increases and bonuses, are linked to the scorecard. For example, hotels that achieve 100% performance levels in eight categories of the BSC receive the Million\$ Team Pride Award. This award distributes one million dollars in Hilton stock to team members. This increases performance standards considerably and rewards teams for reaching their customer service goals. In addition to the scorecard, Hilton conducts an annual Global Team Member Survey that is designed to obtain feedback on how Hilton is performing, how they can improve, and how they can better support team members. The survey measures such factors as team member morale, employee engagement, effectiveness of

leadership, employee pride, and employee development. Together, results from the Balanced Scorecard and the Global Team Member Survey help Hilton determine whether the key components of a healthy corporate culture are thriving and operative in their environment.

Outcomes of Company Culture

Hilton's emphasis on corporate culture translates into measurable bottom line results. For example, in 2016 after tying corporate values and strategy to the Balanced Scorecard (BSC), Hilton experienced a 6% reduction in turnover rates across all US properties and a 13% decrease in the turnover rate among millennials. Additionally, within three years of implementing the BSC, Hilton saw guest loyalty rise by 9% which exerted a significant impact on annual revenues. For example, a four year study of forty-two Hilton hotels found that a 5% increase in customer loyalty correlated to a 1.1% increase in corporate revenues the following year.

Key employee experience factors tracked through the Global Team Member Survey contributed to results that directly impact business metrics. For example, a 2017 survey revealed an employee trust index for frontline managers of 85 out of 100 and 95 for executive managers. Additionally, 93% of all employees indicated a positive work experience. Most recently, a 2019 survey recorded employee engagement at 80%. In 2017, Hilton attributed company profits of more than 20% year-over-year and the doubling of earnings per share for shareholders to positive team member experience. Hilton believes that what gets improved, is that which is measured, understood, managed, and rewarded.

Chapter 4

DISCUSSION AND CONCLUSIONS

Company culture is an integral component of the foundation of all corporations. Without a deliberate focus on culture, this foundation risks crumbling. This concluding chapter includes the following: a discussion of the findings, limitations of the research, conclusions based on research questions, and recommendations for the future.

Discussion

Hilton's mission, vision, and values are the bedrock principles that drive employee behaviors and permeate every facet of strategy and decision. Hilton accomplished this alignment by incorporating a hybrid of hierarchy and clan culture frameworks. As a hierarchy culture, Hilton's top management provided formalized and structured policies and procedures that were consistently applied at all levels to ensure conformity to standards and efficiency in operations. However their criteria for success, reflected a clan culture by placing maximized employee potential and positive employee experience at the top of their priorities. While Cameron and Quinn (2011) found that clan cultures are effective at ensuring employees share the same values, beliefs, and goals, at Hilton, employees personify them. As a culture of value and integrity, commitment, collaboration, and cooperation mark Hilton's organizational profile, just as Alston (2009) predicted of a high trust organization. Unity around a compelling vision and strategy was attributed to what McAleese and Hargie (2005) called participative management where leaders model desired behavior and serve as catalysts for motivated and energized staff.

Consistency throughout the organization has earned Hilton the reputation as one of the premier global brands. Their hybrid hierarchy/clan framework should serve as a benchmark culture within the hospitality industry.

Hilton's award-winning recognition, reward, and training programs create a flourishing company culture earning it the designation as "Best Company to Work for" and "Best Workplace." Hilton does not just tell their members they matter, they demonstrate it through innovative programs. Not surprisingly, these programs produce engaged, motivated, and inspired employees, no doubt the result of Kralovensky's (2006) findings, namely that effective recognition programs result in increased morale, satisfaction, and loyalty. In addition, Hilton's benefit programs exceed industry standards, demonstrating Hilton's authentic care for team member well-being. Richman et al. (2008) established that employee engagement is optimized when human resource policies reflect a genuine commitment to employees. Finally, Hilton's training program is one of the most comprehensive in the industry. A culture that builds the ability to learn represents one of Kyriakidou and Gore's (2005) best practices for the hospitality industry because it creates an empowering environment that equips employees to be both productive and proactive. Hilton's reward, recognition, and training programs demonstrate that team members are the heart of their corporation and drive its success. In an industry where excellent service is key, it is incumbent upon organizations to reward and value the critical role team members play in securing guest satisfaction and loyalty. Therefore, Hilton should maintain their recognition, reward, and training programs in order to retain, motivate, and attract top talent. Furthermore, Hilton should continually update their training programs to remain relevant in the industry.

Hilton's people-first employee-oriented company culture that harmonizes with their corporate vision and strategy, grants them a unique competitive advantage in the hospitality industry. Hilton has created an exceptional work environment that translates into talent attraction and retention, increased productivity, superior customer satisfaction, and greater profitability. This validates the strong correlation Flamholtz (2001) showed between corporate culture and bottom-line business performance. Furthermore, by tying corporate revenues to customer loyalty in a statistically measurable way, Hilton validates culture as an asset in a very real economic sense. This is in keeping with Flamholtz and Randle (2012) who refer to culture as a strategic asset that delivers sustained competitive advantage. Competing on the basis of culture, Hilton's employees are the key differentiators. Kyriakidou and Gore (2005) found that building the future together results from linking individual objectives with organizational objectives, just as Hilton did with their Balanced Scorecard (BSC). Hilton used their BSC to create a robust and reciprocal relationship between personal and corporate success whereby employee aspirations and corporate goals and objectives are realized jointly. To maintain their strong market performance and coveted brand reputation, Hilton must remain employee focused and continue to treat culture just as important as other economic factors.

There were a number of limitations that could have effected this case study. The time constraint of completing the case study within ten weeks and utilizing strictly online resources may have limited the scope of data and resources gathered by the researcher. In addition, Hilton websites were accessed as the primary source of information for Hilton's company culture practices. These sources could contain bias because of Hilton's desire to present a positive corporate image. Lastly, the researcher could have been influenced by a

personal bias in favor of the hospitality field's success due to their involvement in the hospitality industry as a student pursuing a career in Hospitality and Tourism Management. Despite these limitations, this study has contributed to the analysis of company culture at large and in the specific context of the hospitality field with a case study of Hilton's company culture practices.

Every organization expresses a company culture. Yet, the deliberate cultivation of culture determines corporate success more than most realize. Superior company cultures result from consistent enforcement and internalization of organizational principles, focused programs that support and enhance the employee experience, and internal metrics that link performance to an evolving business climate that ensures a competitive advantage. Hilton has paved this underdeveloped path to success. Hilton's award-winning culture provides industry leading service, strong market performance, and outstanding brand reputation.

Conclusions

Based on the findings of this study, the following conclusions are drawn:

1. Hilton's mission, vision, and values are the bedrock principles of their company culture.
2. Hilton's recognition, training, and employee benefit programs are the factors that have contributed to their many awards.
3. Hilton's company culture practices have produced a premier model of a hierarchy fused clan culture in the hospitality industry.

4. Hilton's company culture practices have resulted in a competitive advantage through enhanced recruiting, higher retention, greater customer service, operational improvements, and overall profitability.

Recommendations

Based on the conclusions of this study, the following recommendations are made:

1. Hilton's company culture should be used as a benchmark for hospitality companies utilizing a hybrid hierarchy clan culture.
2. Hilton should maintain their recognition and reward programs in order to attract, motivate, and retain top talent.
3. Hilton should continually update and provide new training programs while encouraging employees to utilize the numerous opportunities provided.
4. Hilton should maintain their internal focus on their employees, tying team member performance to corporate strategy, in order to maximize their competitive advantage.
5. Future research should analyze whether or not Hilton's corporate culture practices are consistently reflected across all of Hilton's brands, whether luxury or budget properties.

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APPENDIXES

Appendix A

Instrument

Question Areas	Description	Additional Comments
Mission and vision statements		
Values		
Employee recognition and value programs		
Management style		
Onboarding and training programs		
Code of conduct		
Scorecard		
Team member survey		