

MORE TRUST = MORE PROFITABILITY

How to dramatically improve bottom-line results by increasing employees' trust in management



Driving Profitability Through Behavior that Builds Trust

The task facing hotels sector executives is becoming ever more challenging, with increasing competition and online innovations putting more pressure on profit margins every year. Management teams need to find ways to boost margins without damaging the quality of the guest experience in the process.

So what if you could improve both profitability and the guest experience at the same time? What if you could boost annual profits by more than \$250,000 without significant capital expenditure?

Two academics who specialize in hospitality management, Tony Simons of Cornell University's School of Hotel Administration, and Judy McLean Parks of Washington University, are the first to have demonstrated that this can actually be done by developing a trust-based culture. Their findings were stunning.

They tested the idea that when employees believe that their managers do not keep their commitments and fail to act in an overall manner that engenders trust, profits will suffer. They discovered that such behavior reduces employees' passion for their job and for the hotel itself, thereby damaging guest satisfaction, employee retention and, ultimately, profitability.

For those willing to invest in change, however, there is a silver lining: hotels where employees found their managers to be highly trustworthy were significantly more profitable than the average. So much so that an incremental improvement in trustworthiness (a 2.5% improvement on the academics' five-point scale) increased annual profits by an average of \$250,000 per hotel.

"Hotels where employees strongly believe their managers follow through on promises and demonstrate the values they preach are substantially more profitable."

Tony Simons, Cornell University School of Hotel Administration.
Based on a study of 6,500 employees at 76 Holiday Inn hotels

Understanding What Makes the Best Employees Tick

The results for the successful hotels are impressive, but what does it say for the rest? What practical steps can you take to develop a trust-based culture in your hotel? How can you turn an average team or department into a top-performing one? Intégro's research has helped define how.

Our research involving more than 3,000 employees over the past 4 years has clearly demonstrated how trust impacts organizational performance. The research revealed that there are two key skills that leaders must demonstrate in order to build trust: consistency and communication.

Many leaders invest significant time and energy on consistency – making commitments and sticking to them. But consistency is only one piece of the puzzle. Many leaders don't understand the importance employees place on the communication that builds trust.

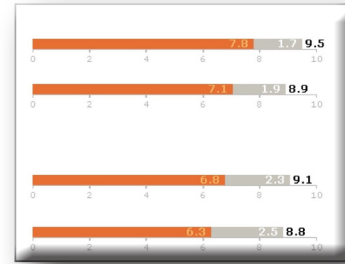
What Kind of Communication Builds Trust?

The key, and perhaps unsurprising insight from the research Intégro has done is that employees place a significant emphasis on the communication they receive from their leaders. Employees first and foremost trust leaders who trust them and treat them with respect.

They also trust leaders who are receptive to their thoughts, ideas and opinions, and demonstrate that by asking them for their input. That means they listen to their employees. They also trust leaders who are transparent with them about what's going on and disclose why decisions are made so that employees feel informed and included.

How Can You Measure Trust?

Intégro has developed a tool to measure each of the eight individual drivers that underpin consistency and communication, and that ultimately contribute to a trust-based culture. The level of trust can then be compared against organizational performance factors such as profitability, staff turnover, productivity, guest satisfaction, absenteeism and others.

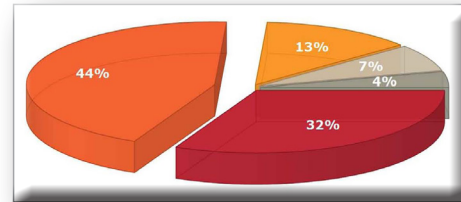


Designing a Trust-Based Culture

We know from our research that almost all employees want to perform at their best, and they want your organization to be successful.

Armed with an understanding of how trust drives profitability, and the underlying factors that contribute to a trust-based culture, we have created the **More Trust = More Profitability** program. This will help you and your management team to create a trust-based culture where all employees are focused on building trust-based relationships with each other, and with your guests.

We have tailored this program to the unique needs of the hotels sector, where the importance of a consistently positive guest experience is critical. Frequent travelers tend to have high expectations and will critically assess their guest experience with you against every other property they have stayed at. How will you measure up?



Intégro can work with you closely to customize the **More Trust = More Profitability** program to meet your specific needs. We will do the following:

1. Survey team members to measure the level of trust employees have for management in all areas of your organization.
 - Break reports down to show results for all departments and business units.
 - Analyze against significant organizational performance factors: employee turnover, absenteeism, productivity, guest satisfaction, and profitability.
2. Provide an Executive Briefing on survey results and key areas for improvement, initially for the CEO/General Manager and Human Resource Manager, then for the management team.
3. Provide training for the managers on understanding people and building trust with employees, resulting in getting the best out of all team members.
4. Provide training for all employees on how to work more effectively with each other and how to translate that into better guest experiences.
5. Repeat the measurement of employee trust for management and review against organizational performance factors to demonstrate the impact of increased trust on performance.



For a free detailed consultation and survey for select team members, please contact your local Intégro Associate listed on the next page.

Intégro Leadership Institute is a leadership consulting firm, providing solutions for an international array of organizations ranging from Fortune Global 500 companies to government institutions and not-for-profits.

Our workplace solutions start with organizational, team and individual assessments to measure trust in the workplace and can range up to long-term consulting partnerships to increase leadership effectiveness and senior team alignment.

Our work is founded on a constantly evolving body of research and analysis focused on the impact of workplace trust on employee performance, the leadership skills necessary to build and maintain trust, and the key contributing factors to high levels of employee passion and engagement.

Your local Intégro associate:



Dana Riker Jackson
Riker Opportunity Institute
p | 610-566-8272
e | consultdana@rikeropportunityinstitute.com
www.RikerOpportunityInstitute.com