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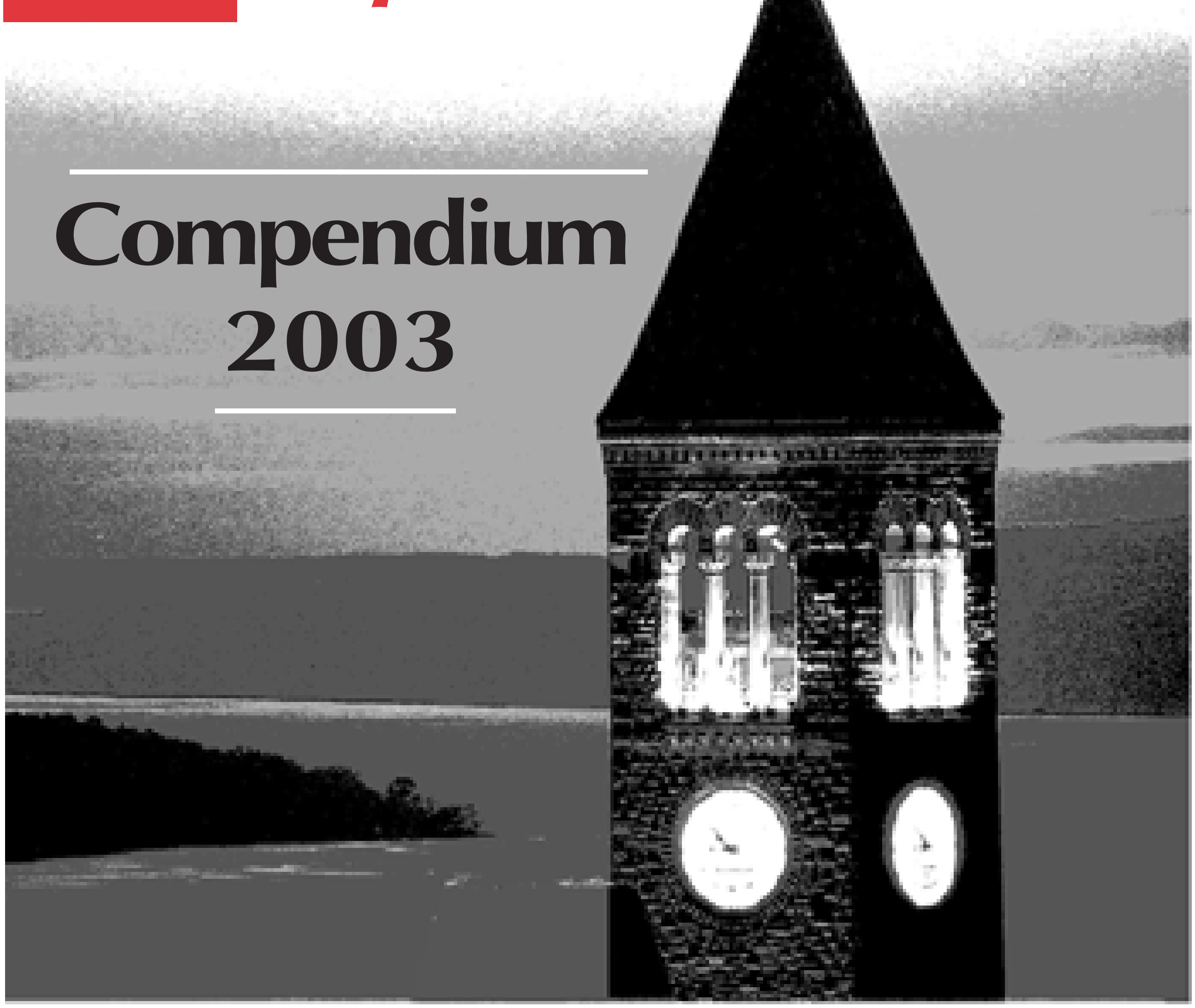

Compendium 2003

A compilation of summaries from CHR Reports, articles from *Cornell Hotel and Restaurant Administration Quarterly* and working papers published in 2002 from the School of Hotel Administration

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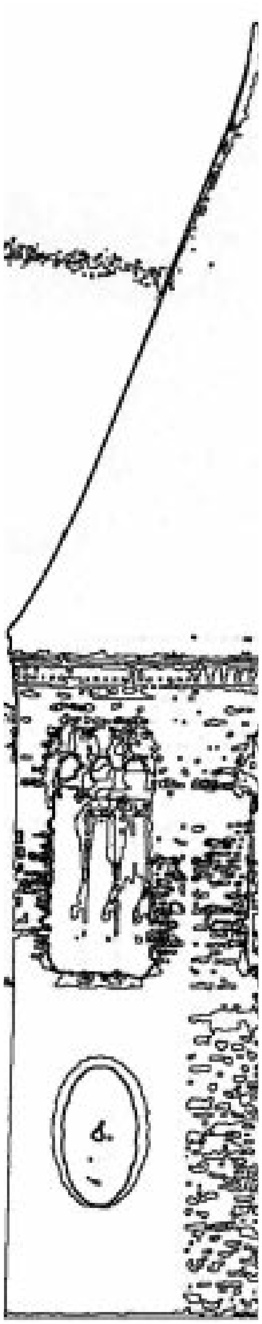

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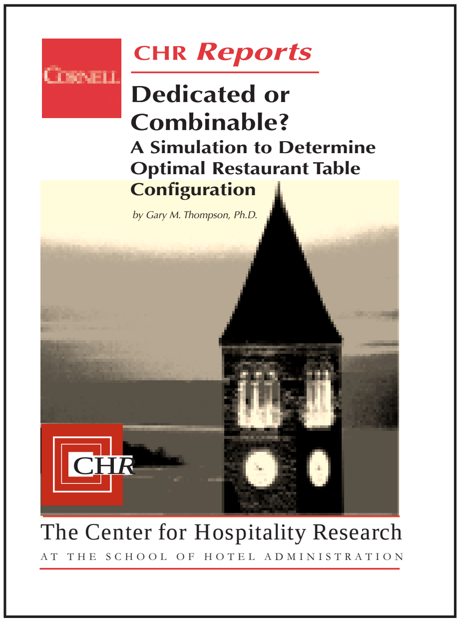

CHR Reports

Dedicated or Combinable?

A Simulation to Determine Optimal Restaurant Table Configuration

by Gary M. Thompson, Ph.D.

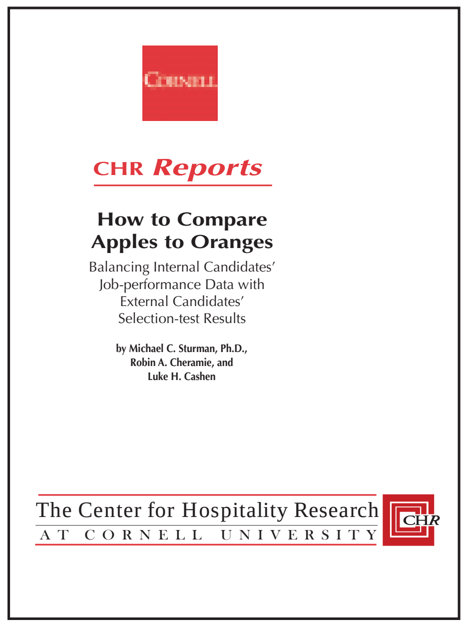
The Center for Hospitality Research

AT THE SCHOOL OF HOTEL ADMINISTRATION

Multiunit Restaurant-productivity Assessment: A Test of Data-envelopment Analysis

by Dennis Reynolds and Gary M. Thompson

(see page 10)


CHR Reports

How to Compare Apples to Oranges

Balancing Internal Candidates' Job-performance Data with External Candidates' Selection-test Results

by Michael C. Sturman, Ph.D., Robin A. Cheramie, and Luke H. Cashen

The Center for Hospitality Research

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How to Compare Apples to Oranges: Balancing Internal Candidates' Job-performance Data with External Candidates' Selection-test Results

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(see page 11)

The Center for Hospitality Research

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Contents

Contents

CHR *Reports*: 2003 Compendium

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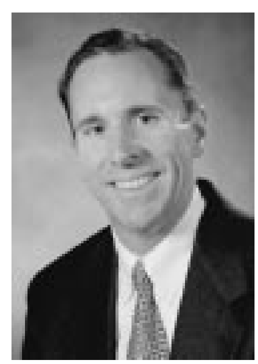
Strengthening the Purchaser-Supplier Partnership: Factors that Make a Difference

by Judi Brownell and Dennis Reynolds

Brownell



Reynolds

A survey of 73 food-service purchasing agents, representing several segments of the food-service industry, was jointly conducted by The Center for Hospitality Research and Richmond Events. The study found that trust and communication are key elements in developing a strong partnership between purchasers and suppliers. Partnerships have come to be viewed as a competitive advantage for food and beverage purchasers who are looking for long-term economic success.

The food-service purchasers agreed that the most essential characteristic for establishing a strong relationship was trust. Trusted suppliers were described as communicating effectively, listening well, and demonstrating a willingness to work collaboratively to anticipate and solve problems. Also important to purchasers is the supplier's willingness to help solve the purchaser's problems in a timely and proactive manner.

Communication is another important factor. Suppliers who communicate clearly and directly, and who listen well, are judged to be more effective than their peers. One intriguing finding is that a personal connection with the supplier's representative remains an important element of the purchaser-supplier relationship despite the increasing use of electronic communications of all kinds. Due to the importance of a personal relationship, turnover in supplier representatives continues to be one of the most troublesome challenges that purchasers face in cementing partnerships.

When purchasers responded to an open-ended question asking them to consider the attributes that make for a good supplier, they described someone whom they could trust and someone who demonstrates business acumen by providing excellent service—a factor that purchasers judged to be more important than a product's price or brand.

Looking ahead, the respondents suggested that, as purchasers, they will likely be dealing with reduced budgets and will need to carefully control costs. Turnover will also remain a key concern. In a time of constant change and increasing globalization, most purchasers expect that they will make increasing use of available communications technology. Nevertheless, personal interaction will continue to be essential to building the strong partnerships that will define successful business practice.

The Influence of Gasoline-price Fluctuations on U.S. Lodging Demand: A Study of Branded Hotels from 1988 through 2000,

by Linda Canina, Kate Walsh, and Cathy A. Enz

Enz

Canina

Walsh

A 13-year analysis of the relationship between gasoline prices and U.S. lodging demand found that a 1-percent increase in gasoline prices results in a drop in overall rooms demand of 1.74 percent. The study, which is based on brand-name hotels in the United States, was done by The Center for Hospitality Research. In year-2000 figures, those deceptively small-sounding percentages would translate into a loss of over 9.4 million room-nights for every 1-percent increase in gasoline prices. Thus, a price spike of 10 percent or more, as recently witnessed, could bring the figure for lost revenues into the billions.

To develop their analysis, researchers Enz, Canina, and Walsh examined monthly room-night data from 1988 through 2000 from the Smith Travel Research database, which compiles rate and occupancy data from 98 percent of U.S. hotels. The study analyzed room-night demand and gasoline prices over the study period. The researchers also factored gross domestic product into their analysis, to control for the general effects of good or bad economic times, and they also included a trend factor as an additional control for general economic growth to help isolate the effects of gasoline prices. All room rates were adjusted to year-2000 dollars based on the consumer-price index (CPI).

Examining the effects of gasoline-price increases on various lodging segments, the researchers determined that the effects of rising gasoline prices fall most heavily on midscale and economy hotels with suburban or highway-oriented locations. While that finding was anticipated, the researchers were able to quantify the loss in demand as gasoline prices rise.

For example, a 1-percent increase in gasoline prices would reduce annual economy-hotel demand by more than 330 million room-nights. Midmarket limited-service properties (that is, without food service), would feel nearly as bad a pinch, and would stand to lose some 290 million room-nights with every 1-percent increase in gasoline prices. Upscale hotels are also affected by rising gasoline prices, with a likely loss of 44 million room-nights with every 1-percent increase in gasoline prices.

The Safety and Security of U.S. Hotels: A Post-September-11 Report

by Cathy A. Enz and Masako S. Taylor

An inventory of the safety and security features of 2,123 U.S. hotels found an uneven distribution of these key amenities in various hotel types, with differences relating to such factors as hotel size, age, price segment, hotel type, and location. Safety considerations involve protecting people, while security factors comprise protecting the hotel property and guests' possessions, in addition to ensuring employees' and guests' personal safety. Safety equipment includes items such as sprinklers and smoke detectors, while security features include electronic locks and security cameras. By assigning weights to the two sets of items, the authors created two indexes, one for safety equipment and one for security equipment. The higher the hotel's score on each index, the greater the level of its safety and security equipment.

About one-third of all hotels scored relatively high on both scales (85 or higher out of 100), but 16 percent scored 25 or less on the security scale. Luxury and upscale hotels recorded the highest scores for safety and security, while economy and midprice full-service hotels scored lower than did most segments on the safety scale—even though a large proportion have sprinklers. In general, the newer the hotel, the higher its safety and security scores. The exception to that rule occurs in luxury hotels, which are renovated frequently regardless of their age.

Airport hotels earned the highest safety and security scores (because they tended to have a full panoply of safety and security devices), while resorts were one of the lowest-scoring sectors (chiefly because so many of them lack sprinklers and electronic door locks). While hotels' safety and security indexes differed only slightly by geographic region, one area that did record relatively low security (but not safety) scores is New England. This may be a function of the region's many small inns and B&Bs—properties that typically score low on security equipment.

The survey turned up marked differences in the safety and security indexes by property type. All-suite properties, conference and convention hotels, and standard full-service hotels tended to score high on the indexes. On the other hand, motels as a group had the lowest safety and security scores, while condos and (as mentioned) B&Bs also scored low. A parallel finding is that large hotels generally scored higher than small hotels on both indexes.

Enz

Taylor

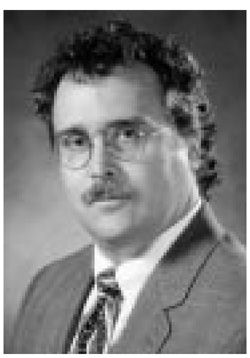
CHR Reports

Multiunit Restaurant-productivity Assessment:

A Test of Data-envelopment Analysis

by Dennis Reynolds and Gary M. Thompson

This report describes a three-step process for performing a data-envelopment analysis (DEA) to compare restaurants' efficiency and to examine their best practices. To start with, prospective efficiency factors must be analyzed to ensure that they are relevant to productivity. Secondly, to put restaurants on an equal footing the first DEA should consider only managerially uncontrollable (nondiscretionary) factors as inputs. With uncontrollable factors accounted for, managerially controllable factors can then be assessed in terms of their effect on productivity. Best practices can be isolated and assessed in this manner. To illustrate this three-step approach, data from 60 full-service restaurants are analyzed. From a large number of prospective input factors, the analysis considers a short list of uncontrollable inputs—namely, hourly server wage, number of restaurant seats, and whether the restaurant is a stand-alone facility. The output variables for this analysis were daily sales and tip percentage. Just over 20 percent of the restaurants operated with maximum efficiency, with the chain's average efficiency hitting 82 percent—good, but leaving room for improvement. However, the two discretionary factors that were proposed as differentiating the restaurants' efficiency—server hours and number of servers—proved not to be significant factors, inviting further analysis of the efficiency effects of additional discretionary factors.



Thompson

Reynolds

How to Compare Apples to Oranges: Balancing Internal Candidates' Job-performance Data with External Candidates' Selection-test Results

by Michael C. Sturman, Ph.D., Robin A. Cheramie, and Luke H. Cashen

It has been widely accepted that an employee's past performance is a good predictor of that person's future performance. The exact strength of that relationship, however, has been unclear. Knowing the predictive power of past performance on future performance is particularly important for employers who make hiring decisions based in part on internal candidates' performance record. Generally, the internal candidates' performance would be measured at different points of time (e.g., 6 months, 12 months, and 24 months ago). Other persons under consideration will be external candidates, whose employment information is derived from selection devices such as structured interviews and intelligence tests. This study uses a meta-analysis to examine 20 previously published studies on the stability of job performance over time. It provides an estimate of the relationship between existing performance measures and future performance, and models the nature of this relationship as a function of the elapsed time between measures. The findings show conclusively that past performance is generally a good predictor of future performance for a variety of job types (i.e., exempt, nonexempt, and those that are evaluated subjectively). Using a hypothetical selection scenario, this report also demonstrates how that information can be used to compare multiple internal and external candidates.

Sturman

A Compendium of Articles from The Cornell HRA Quarterly

Strengthening the F&B Purchaser–Supplier Partnership: Actions that Make a Difference

by Judi Brownell and Dennis Reynolds

Brownell

Reynolds

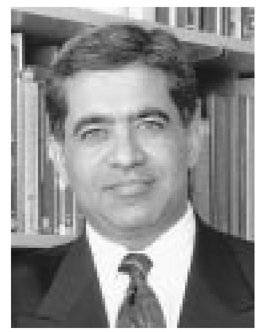
Partnerships with suppliers have come to be viewed as a competitive advantage for food and beverage purchasers who are looking for long-term economic success. A survey of 73 purchasing agents from diverse food-service operations found that trust and communication are key elements in developing a strong partnership between purchasers and suppliers. The food-service purchasers agreed that the most essential characteristic for establishing a strong relationship is trust. Trusted suppliers were described as communicating effectively, listening well, and demonstrating a willingness to work collaboratively to anticipate and solve problems. Also important to purchasers is the supplier's willingness to help solve the purchaser's problems in a timely and proactive manner. Suppliers who communicate clearly and directly, and who listen well, are judged to be more effective than their peers. Finally, despite increasing reliance on electronic communication, the study found that personal connections with the supplier's representative remain an important element of the purchaser–supplier relationship.

December 2002 (Vol. 43, No. 6), pp. 49–61

Key words: Food-service management, Strategic alliances

Brand Extension and Customer Loyalty: Evidence from the Lodging Industry

by Weizhong Jiang, Chekitan S. Dev, and Vithala R. Rao



Dev

Lodging chains in the United States have embraced brand extensions for expanding their markets and to inhibit the loss of customers to competing brands. The authors analyzed brand-switching behavior by more than 5,400 hotel customers and found that brand extensions do seem to encourage customer retention—but only up to a point. Initial brand extensions (say, to one, two, or three sub-brands) are associated with a reduction in brand switching. However, the study found a limit on reductions in brand switching by customers as the number of brand extensions exceeded three. That is, brand switching dropped until the number of extensions reached three, and then brand switching increased again.

August 2002 (Vol. 43, No. 4), pp. 5–16

Key words: Hotel marketing, Hotel brands

Brands across Borders: Choosing between Franchising and Management Contracts for Entering International Markets

by Chekitan S. Dev, M. Krishna Erramilli, and Sanjeev Agarwal

Most hotel companies expand internationally via management contracts or franchising. The choice of which one to use rests on such factors as the extent to which the company's core technology can be reproduced in the new location. One can identify five overarching capabilities that are based on a company's physical, human, and organizational resources. Of the five competencies so identified, quality competence and organizational competence are essentially not reproducible, while entry, physical, and customer competencies can be reproduced. To the extent that a company operates with irreproducible competencies, it should choose to expand by management contracts rather than by franchising. Other factors: availability of qualified local investment partners favors management contracts; strong management resources, a sound legal system, and a developed business environment in the host market favors franchising.

December 2002 (Vol. 43, No. 6), pp. 91–104

Key words: Hotel chains, Management contracts, Franchising

Voices from the Field: General Managers' Responses to the Events of September 11, 2001

by Masako S. Taylor and Cathy A. Enz

Enz

Taylor

Hotel GMs used three general coping strategies to overcome business losses experienced following September 11, 2001. As a group, the 1,033 GMs who responded to the survey questions applied the following tactics: focus on regional business, redirect sales and marketing efforts (including selling weekend nights locally), reduce employees' hours, discount room rates, ask employees to take vacation time, and postpone renovation projects. Cost containment in the human-resources department was a primary strategy. Substantial numbers of workers in all segments of the lodging industry were laid off, were asked to use their vacation time or to go on furlough, or had their work hours reduced. For instance, managers of luxury hotels and resorts tended to lay off their employees while GMs of convention hotels laid off few workers and focused instead on reducing all employees' work hours. Overall, high-price-segment hotel operators (i.e., luxury and upscale hotels) as well as managers of airport hotels, convention hotels, and resorts were most affected after September 11 and thus took the most drastic actions. (They were also the ones who were experiencing a decline in business before the attacks.) Those GMs quickly revised their marketing plans to focus on local business. By comparison, other segments (i.e., economy and extended-stay hotels and highway hotels) were comparatively less affected and those managers took fewer actions to address the situation. Property-management coping strategies were mixed. Many GMs postponed renovation projects to preserve cash reserves, while other operators took advantage of the slow down in business to close rooms for repairs or upgrades.

February 2002 (Vol. 43, No. 1), pp. 7–20

Key words: Hotel management, Marketing, September 11, 2001

The Best of Times, The Worst of Times: Differences in Hotel Performance Following 9/11

by Cathy A. Enz and Linda Canina

The U.S. lodging industry's collapse in 2001—brought on by recession and terrorism—was more brutally felt in large markets and in those located on the U.S. coasts than it was in many central locations. Moreover, the industry's recovery has been similarly uneven. Three regions of the country were particularly hard hit by the plunge in revenue per available room—New England, the middle Atlantic, and the Pacific. But hotels in those areas also had farther to fall (that is, higher initial RevPARs) than did RevPARs for hotels in the nation's central regions, which fell off more gradually and from a less-lofty peak than did those of coastal properties. Even within a particular region, large cities experienced a greater fall-off in RevPAR than did smaller markets (but again, the large metropolitan areas had a higher RevPAR to begin with). The recovery in the first half of 2002 was moderate for most hotels, but the fact that most regions are beginning a recovery speaks to the cyclical nature and overall resiliency of the hotel business.

October 2002 (Vol. 43, No. 5), pp. 41–52

Key words: Market analysis, Hotel management, September 11, 2001

Canina

The Safety and Security of U.S. Hotels: A Post-September-11 Report

by Cathy A. Enz and Masako S. Taylor

An inventory of the safety and security features of 2,123 U.S. hotels found an uneven distribution of these key amenities in various hotel types, with differences relating to such factors as hotel size, age, price segment, hotel type, and location. Although safety features are essentially a subset of security features, the two can be distinguished from each other. Safety considerations involve protecting people, while security factors comprise protecting the hotel property and guests' possessions, in addition to ensuring employees' and guests' personal safety. Safety equipment includes items such as sprinklers and smoke detectors, while security features include electronic locks and security cameras. By assigning weights to the two sets of items, the authors created two indexes, one for safety equipment and one for security equipment. The higher the hotel's score on each index, the greater the level of its safety and security equipment. Analyzing the hotels' scores on those indexes across several different categories, the authors found considerable diversity in safety and security index scores for various hotel types. About one-third of all hotels scored relatively high on both scales (85 or higher out of 100), but 16 percent scored 25 or less on the security scale. Luxury and upscale hotels recorded the highest scores for safety and security, while economy and midprice full-service hotels scored lower than most segments on the safety scale-even though a large proportion have sprinklers. In general, the newer the hotel, the higher its safety and security scores.

October 2002 (Vol. 43, No. 5), pp. 119–136

Key words: Hotel management, Safety and security, September 11, 2001

Perceived Fairness of Yield Management

by Sheryl E. Kimes

Kimes

Customers view certain practices commonly used in the hotel industry as being unfair. An update of a 1994 study confirmed that hotels must practice yield management in a way that customers view as being fair. To do this, hotel managers should concentrate on maintaining an acceptable balance between the hotel's profits and the consumer's benefits—for example, by giving discounts in exchange for acceptable restrictions or penalties. In general, customers view offering discounts as fair, but adding surcharges as unfair. Thus, hoteliers may want to publish high "regular" rates to be used only in high times. Over time customers may come to view yield management as customary.

February 2002 (Vol. 43, No. 1), pp. 21–30

Key words: Hotel marketing, Revenue management, Rate fences

Perceived Fairness of Demand-based Pricing for Restaurants

by Sheryl E. Kimes and Jochen Wirtz

Few restaurants use demand-based pricing because of the concern that customers might perceive such pricing practices as being unfair and unacceptable. Yet experience in other industries has shown that setting reasonable price fences can be effective in improving the perceived fairness of demand-based pricing. In a study, restaurant patrons perceived the following demand-based price fences to be fair: coupons (e.g., two for the price of one), time-of-day promotions (e.g., early bird specials), and lunch-versus-dinner pricing (e.g., higher prices in the evening). In contrast, variable prices for weekdays and weekends and for table locations were perceived as being no better than neutral and possibliy negative. Consistent with other studies' findings, finally, demand-based pricing presented as discounts made the price differential seem fairer in consumers' eyes, and therefore less likely to have a negative effect on consumer perceptions and reactions.

February 2002 (Vol. 43, No. 1), pp. 31–37

Key words: Restaurant marketing, Revenue management, Rate fences

Electronic Distribution Channels' Effect on Hotel Revenue Management

by Sunmee Choi and Sheryl E. Kimes

The emergence of low-cost internet-enabled distribution channels has caused hotel managers to consider whether to manage the distribution channel, along with rate and length of stay, in trying to achieve optimum revenue. Using a computer simulation, the authors examined the potential of distribution-channel management to enhance the contribution to gross profit from room sales. Although some distribution channels are more expensive than others (in terms of royalties and commissions), managing the actual channel used to distribute rooms is less important than focusing on the key drivers of revenue management, which remain rate and length of stay.

June 2002 (Vol. 43, No. 3), pp. 23–31

Key words: Hotel marketing, Revenue management, Electronic distribution

A Retrospective Commentary on "Discounting in the Hotel Industry: A New Approach"

by Sheryl E. Kimes

The 1992 rate-fence discussion by Hanks, Cross, and Noland remains an excellent and timely work ten years after the article was first published. Yet despite the authors' compelling case for rational pricing, the hotel industry has yet to widely adopt rational-pricing models. The authors describe a typical haggling reservation request in which customers who insist on lower rates typically receive them. Unfortunately, until a few years ago, this top-down pricing approach was still the norm. Only in the past few years have chains other than Marriott started to adopt some of the ideas presented by Noland and his associates.

August 2002 (Vol. 43, No. 4), pp. 92–93

Key words: Revenue management, Rate fences

The Future of Hotel Electronic Distribution: Expert and Industry Perspectives

by Peter O'Connor and Andrew J. Frew

O'Connor

Simultaneous surveys of an expert panel on electronic distribution and of hotel-chain practitioners came to the same conclusion—namely, that internet-based distribution can only grow. This study started with a three-round Delphi study that drew on opinions of 27 experts who had been speakers on technology-related subjects at a major international hospitality industry conference. This panel developed a typology of current and potential electronic hotel-distribution channels. The typology was used in a survey of 50 corporate electronic-distribution managers from the major international hotel chains. Both the expert panel and the hoteliers "voted" on the current and potential importance of the distribution channels identified by the Delphi study. The respondents noted that traditional channels—including those involving travel agents—remain important, even as internet-based distribution channels have grown in importance. When considered collectively, electronic channels are now a major source of bookings for many hotel companies. Furthermore, respondents agreed that regardless of how a consumer makes the final purchase, both traditional and internet-based channels are likely to continue to draw their inventory and rate data from the hotel company CRSs—confirming the CRS's position as the engine of electronic commerce in the hotel sector.

June 2002 (Vol. 43, No. 3), pp. 33–45

Key words: Hotel marketing, Electronic distribution

The Price of a Reservation

by Daniel C. Quan

Quan

Reservations are widely used in many hospitality and service-related industries . While such a commitment is desirable for the consumer, it is has a cost for the issuer. Using hotel reservations for a specific group of price-sensitive customers as an example, reservations are analogous to financial call-option contracts written by the hotel and given to the guests. This analogy allows the use of option-pricing models to determine the price of a reservation. This price should be interpreted as being both the value of a reservation to a guest and the cost incurred by the issuer. Using this approach, a hotel reservation can be assigned a price, and the hotel could theoretically determine a way to charge the guest for the service according to that price. The article also discusses the closely related topics of cancellation policies and nonrefundable reservations.

June 2002 (Vol. 43, No. 3), pp. 77–86

Key words: Hotel marketing, Room reservations

The Performance of Lodging Properties in an Investment Portfolio

by Daniel C. Quan, Jie Li, and Ankur Sehgal

Studies that have focused on the relationship between commercial real estate and other investment classes have not focused on the lodging sector. Lodging represents a distinct class of real estate due to its ability to react quickly to changing economic conditions. This paper compares the investment-return characteristics of lodging properties with those of other asset classes. Specifically, it focuses on measures of returns, volatilities, and correlations among the various investment alternatives. The authors found that the lodging sector displays respectable returns with relatively low volatility in comparison to stocks and bonds. It also has low correlation with other asset classes, along with a positive correlation with inflation. Hence, lodging properties provide traditional portfolio managers a ripe opportunity for diversification and inflation-hedging opportunities.

December 2002 (Vol. 43, No. 6), pp. 81–90

Key words: Hotel management, Hotel sales, Reservations

Job Sharing: A Potential Tool for Hotel Managers

by David Sherwyn and Michael C. Sturman

The events of September 11th created a situation that required an immediate change in the hospitality industry's employment levels. Because of the sudden, unexpected drop in business, hotels immediately needed to lower labor costs. Many hoteliers were forced to lay off employees, but some used job sharing to reduce the volume of layoffs. After 9/11 job sharing was extended in some hotels to hourly employees, who were either forced or agreed to give up work hours to preserve jobs. In other hotels, employees' hours were not reduced but they were assigned additional duties outside their usual classification. The case of unionized hotels presented special considerations, in that agreements in New York City and Chicago allowed employees to decide whether to give up hours to preserve other workers' jobs. Not all employees were so moved, and chose to keep their own hours while allowing others to be laid off. Given that hotels may see future shocks that reduce business, managers and (if applicable) employee representatives may want to set policies for future job sharing.

October 2002 (Vol. 43, No. 5), pp. 84–91

Key words: Human resources, Job sharing, September 11, 2001

Sherwyn

Arbitration of Employment-discrimination Lawsuits: Legalities, Practicalities, and Realities

by David Sherwyn

Mandatory arbitration is an effective way to reduce the costs of litigation. While the law is not completely settled, employers in almost all U.S. jurisdictions can draft enforceable arbitration polices. Outside of the Ninth Circuit (generally, the west coast) the overall rule is that mandatory-arbitration agreements are legal so long as they are "fair." Although neither the U.S. Congress nor the Supreme Court has defined what constitutes a "fair" arbitration agreement, some reliable and comprehensive guidelines can be surmised, namely: **(1)** who pays the costs of arbitration, **(2)** the procedures for selecting the arbitrator, **(3)** mutuality, **(4)** whether the employee entered into the agreement knowingly and voluntarily, **(5)** available damages, **(6)** the method of delivering opinions, and **(7)** discovery. With respect to the first three issues, one can ensure enforceability (outside the Ninth Circuit) if the employer pays the entire cost of the arbitration, both parties have a substantial role in selecting the arbitrator, and both sides agree that arbitration will be the exclusive forum for both parties. With respect to take-it-or-leave-it offers, only the Ninth Circuit holds such terms to be unconscionable. In the rest of the country, arbitration agreements are enforceable so long as they clearly describe the terms of the agreement (e.g., the agreements must state that discrimination claims are covered and that the document being signed is a binding legal contract) and are not hidden in an employee handbook or some other long and intimidating document.

December 2002 (Vol. 43, No. 6), pp. 62–72

Key words: Human resources, Arbitration, Legal liability

How to Compare Apples to Oranges: Balancing Internal Candidates' Job-performance Data with External Candidates' Selection-test Results

by Michael C. Sturman, Robin A. Cheramie, and Luke H. Cashen

A widely accepted human-resources principle is that past performance is a good predictor of future performance. The exact strength of that relationship, however, has been unclear. Knowing the predictive power of past performance on future performance is particularly important for employers who must choose between internal candidates and external applicants. The decision to hire the internal candidate would be based in part on the individual's performance record. Information about external applicants is usually derived from selection devices, such as structured interviews and intellectual-ability tests. Based on an analysis of 20 existing HR studies, this article determines that, in general, past performance is a good predictor of future performance for a variety of job types (i.e., exempt, nonexempt, and those that are evaluated subjectively). Moreover, based on a hypothetical selection scenario, it appears that the job-related information for internal candidates is usually more predictive than are the selection-test results from external candidates.

August 2002 (Vol. 43, No. 4), pp. 27-40

Key words: Human resources, Hiring decisions

Sturman

I Told You So! Restaurant Customers' Word-of-mouth Communication

by Alex M. Susskind

Susskind

An examination of the word-of-mouth communication of 310 restaurant customers who had dining complaints found that several factors moderate the general rule that unsatisfied guests tell relatively more people about their experience than do satisfied guests. For example, the study found that type of service failure (i.e., whether the problem related specifically to food or to service) influences the level of subsequent communication, as does whether the complaint was handled satisfactorily, and whether the service failure and remedy influenced the customers' intent to return to the restaurant. Customers who complained about a food-related issue told more people about their service experience than did those who reported a service-related dissatisfaction. Additionally, customers who did not intend to return to the restaurant told more people than did those who indicated they would return to the restaurant. One other influence on subsequent word-of-mouth communication is the level of effort that the restaurant put forth to remedy a problem, but a greater effort did not always buy a customer's peace. Ironically, consumers' satisfaction with the service remedy alone was not a significant indicator of word-of-mouth communication.

April 2002 (Vol. 43, No. 2), pp. 75–86

Key words: Restaurant management, Guest satisfaction

Improving Conferences through Session Scheduling

by Gary M. Thompson

Thompson

Effective scheduling of conference elements can increase the ability of meeting participants to attend their preferred sessions. Two experiments compared manual and electronic approaches to conference scheduling, using data from two actual conferences. The results indicate that participants' ability to attend their preferred sessions is no higher in manually scheduled conferences that take into account participants' preferences than what one would obtain by simply generating random schedules (without taking into account participants' meeting-selection preferences). By comparison, a computerized scheduling tool can increase participants' ability to attend their preferred sessions by as much as 16 percent compared to randomly generated schedules. One implication of this study is that the computer-aided tool can give first-user hoteliers a competitive advantage, since few if any hotels already offer an electronic conference-scheduling service. At minimum, the scheduling tool should enhance the deployment of a hotel's resources in support of the meetings, and support yield-management efforts to maximize the revenue associated with meeting space.

June 2002 (Vol. 43, No. 3), pp. 71–76

Key words: Hotel management, Meetings and conferences, Computer simulations

Optimizing a Restaurant's Seating Capacity: Use Dedicated or Combinable Tables?

by Gary M. Thompson

A restaurateur can increase revenue by varying the number and arrangement of available seats by having flexible table-and-seat arrangements. Using a computer-based simulation, this study compared the revenue benefits of using dedicated tables and combinable tables in various configurations (that is, pushing small tables together to make large tables). Combinable tables proved most useful in a small restaurant with a small average party size, where combinability increased revenue per available seat hour by about 2 percent compared to having only dedicated tables. For most restaurants (especially large ones and those with large average parties), however, dedicated tables were superior to combinable tables. The limitations on revenue stem from the loss of productive time that occurs when some of the combinable tables are placed on hold awaiting adjacent tables to become available (so that the tables can be pushed together to seat a large party). Most important is that a restaurant's table mix match its customer mix. Doing so increases the restaurant's effective customer service capacity, enabling it to serve more customers and lose fewer parties (who don't want to wait). Reducing the time customers spend waiting for service may well lead to increases in future sales.

August 2002 (Vol. 43, No. 4), pp. 48-57

Key words: Restaurant management, Restaurant design, Computer simulations

Evaluating Capacity- and Demand-management Decisions at a Ski Resort

by Madeleine E. Pullman and Gary M. Thompson

Using a computer-based simulation, the authors evaluated several proposals for increasing or managing the capacity of a ski resort to meet demand. The objective was to maximize the number of customers who experienced a lift-line waiting time of less than ten minutes. The controllable variables that are examined include capacity upgrades (i.e, another lift), capacity expansion (i.e., opening new ski venues), demand smoothing via ticket-price alternatives (that is, to encourage mid-week skiing), and TV monitors showing the lengths of queues at each lift. The variables under consideration included demand growth and customer-mix variations. The simulation's results indicated that queue-information signs were the most effective strategy for improving service standards (for the least investment). On the other hand, manipulating the customer mix to one considered by managers to be beneficial to revenues actually decreased customer service.

December 2002 (Vol. 43, No. 6), pp. 25–36

Key words: Ski-resort management, Computer simulations

Tracey

The Strategic and Operational Roles of Human Resources: An Emerging Model

by J. Bruce Tracey and Arthur E. Nathan

This article proposes a human-resources model that returns most HR decisions to the workplace (i.e., as close to the point of actual effect as possible). The objective is to get those who are closest to a given situation to make the decisions. For instance, line managers and front-line employees who are closest to the job may be involved in hiring decisions by being part of the screening process, interviewing applicants, and making recommendations. The role of the human-resources department becomes one of support—providing the technical support and information that line managers need to make effective human-resources decisions.

August 2002 (Vol. 43, No. 4), pp. 17-26

Key words: Human resources, Casino management

Service-delivery Strategies: Three Approaches to Consulting for Hospitality

by Kate Walsh

Walsh

Hospitality operators frequently retain consultants to assist with or perform various projects. It makes sense that a manager would want to work with a consultant whose operating style is a good fit, but little research exists regarding consultants' service-based strategies. A study of 50 partners, high-level directors, and managers of three of the former big-five accounting practices revealed three discernable strategies. Not mutually exclusive, the three styles are: **(1)** the consultant as an expert who has the knowledge or research skills to develop answers to specific problems and tell the client what to do; **(2)** the consultant as a service provider who is constantly in touch with the client, providing assistance in many ways, and working to solve the client's problems; and **(3)** the consultant as an empowering expert who creates a long-term relationship that focuses on ensuring that clients succeed at whatever goals they have chosen—more frequently by providing the tools and resources that allow the client to solve their own problems, rather than simply providing answers to a single issue. While few of the respondents employed the third approach, it is distinctive and not described in previous research.

December 2002 (Vol. 43, No. 6), pp. 37–48

Key words: Consulting

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2002 Working Papers

SINHA, P., DEV, C.S., and SALAS, T.

The Relationship Between Corporate Social Responsibility and Profitability of Hospitality Firms: Do Firms That Do Good Also Do Well? (01-16-02)

In this study we examine the relationship between corporate social responsibility (CSR) and financial performance for hospitality firms belonging to the *Fortune* 500. We find that the firms that engage in CSR tend to have been highly profitable in prior periods. In subsequent periods, these firms are more profitable than other comparable firms, holding all other factors constant. We find weak evidence to support that notion that such increased profitability is due to "premium" pricing of the products. We find evidence consistent with the notion that the managers may be engaging in CSR to enhance the demand for the stock, at least in the eyes of some investors.

An analysis of non-hospitality *Fortune* 500 firms indicates that these firms are no different from hospitality firms in terms of the CSR-and-profitability relationship. A comparison of hospitality and non-hospitality firms, however, indicates that an increase in profitability is associated with a relatively higher perception of CSR for hospitality firms. Also, improvements in CSR are associated with proportionately higher levels of profits and market-price appreciations for hospitality firms than non-hospitality firms. Thus, hospitality firms benefit more for CSR than do non-hospitality firms.

CANINA, L., and SINHA, P.

The Impact of Mergers and Acquisitions on Earnings Predictability: An Examination of the Lodging Industry (01-17-02)

This paper examines the properties of analysts' consensus forecast after merger and acquisition transactions in the hospitality industry. The issue of forecasting future earnings is an important one. Investors and financial analysts alike focus on firms' earnings to make investment and valuation decisions and in generating buy–sell–hold recommendations for the stock. The empirical evidence on a large sample of diversified mergers is that

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the forecast accuracy of financial analysts deteriorates after the merger transaction.

The ability to forecast earnings accurately is important for estimating the value of a firm in a merger transaction. If the ability to forecast earnings deteriorates, this cost should be accounted for in evaluating the M&A decision. On the other hand, if the ability to forecast earnings forecast improves, then this benefit should also be included when analyzing the M&A decision.

Contrary to the finding of earlier studies, the study finds that in the hospitality industry the forecasting accuracy of analysts' consensus forecast does not always deteriorate. In mergers of the likes, involving firms within the same industry that are accompanied by an increase in analyst following, the forecast accuracy remains constant. In other mergers, the forecast accuracy does deteriorate after the mergers. Thus, the nature of the merger is the key to evaluating the future costs associated with the merger transactions.

This study has implications for future research in that it provides alternative ways to partition the merger transactions. This alternative partition, based on the merger of likes accompanied with increased analyst following, has not been examined in earlier studies and could be a direction in which future study on larger diversified sample can be conducted.

KIMES, S.E. and WIRTZ, J.

Perceived Fairness of Revenue Management in Restaurants: An International Study (02-07-02)

Revenue management attempts to allocate the fixed capacity to match potential demand in the most profitable manner. Demand-based pricing, one important aspect of revenue management, is underused in the restaurant industry because customers are believed to perceive such pricing practices as not acceptable and unfair. Experience in other industries has shown that fencing can be highly effective in improving the perceived fairness of demand-based pricing. In this paper we explored five fences that might be suitable in the restaurant context in Singapore, Sweden, and the U.S.A. We

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found that restaurant patrons perceive demand-based pricing in the form of coupons (i.e., two for the price of one), time-of-day, and lunch–dinner pricing as fair. Weekday–weekend pricing was perceived as neutral to slightly unfair. Table-location pricing was seen as neutral to somewhat unfair, with potential negative consumer reactions to this practice. We also found that the nationality of the respondent affected customers' perceptions.

Furthermore, we explored whether framing demand-based pricing as discounts rather than as surcharges would make a difference in fairness perceptions. We found that demand-based pricing presented as discounts seemed fairer than surcharges in the consumers' eyes, and therefore discounts are less likely to have a negative effect on consumer perceptions and reactions.

KIMES, S.E., and WIRTZ, J.

Perceived Fairness of Revenue Management in the Golf Industry (02-15-02)

Experience in other industries has shown that revenue management can increase revenue without affecting customer satisfaction. However, revenue management is underused in the golf industry, as customers are believed to perceive such practices as not acceptable and unfair. This paper explored six revenue-management practices that might be suitable in a golf context and examined customers' perceptions of the practices' fairness. The results show that golfers perceive control of arrival times in the form of reservation fees or no-show fees as fair. In addition, the study found that golfers perceive demand-based pricing in the form of coupons (i.e., two for the price of one), time-of-day pricing, and reduced tee time intervals as fair. Conversely, time-of-booking pricing was perceived as neutral to slightly unfair. Varying price levels were seen as unfair with potential negative consumer reactions to this practice.

Furthermore, the study explored whether framing demand-based pricing as discounts rather than surcharges would make a difference. Demand-based pricing presented as discounts generally were seen as fairer that surcharges and therefore less likely to have a negative effect on consumer perceptions and reactions.

SHERWYN, D.S., EIGEN, Z.J., and STURMAN, M.C.

Voluntary Arbitration of Employment Disputes: The Compromise That No One Noticed (02-20-02)

What if an employer implemented a post-dispute voluntary arbitration system and no one elected to participate? Would it reduce the Equal Employment Opportunity Commission's caseload? Would it reduce the federal court docket? Would it thwart employers that violate employment laws from using their knowledge of the exorbitant costs of litigation to encourage employees to settle for a fraction of the value of their claims? Would it hinder opportunistic employees from extorting law-abiding employers by using the knowledge of the invariably high costs of defense (even when that defense is justified) as a tool to gain only slightly less-expensive settlements? Before advocating post-dispute voluntary arbitration as a compromise in the decade-old dispute over mandatory arbitration of employment disputes, should it not be tested to determine whether it achieves these and other important goals? Otherwise, wouldn't post-dispute voluntary arbitration be a compromise that no one noticed?

Preliminary results come from a survey of approximately 200 attorneys who regularly practice employment law regarding their opinions and use of arbitration as an alternative to traditional litigation. The authors present data collected from the Illinois Human Rights Commission's voluntary arbitration program that was in effect in between 1994 and 1998. Analysis of the preliminary survey results and the IHRC voluntary-arbitration data reveals that in the majority of cases, parties involved in an employment dispute are unlikely to elect to arbitrate their claims if the dispute has already arisen and participation in such a dispute-resolution program is voluntary.

CHOI, S, and & KIMES, S.E.

The Impact of Distribution Channels on Revenue Management (02-21-02)

The goal of revenue management has traditionally been to maximize revenue, not contribution. The emergence of low-cost internet-enabled distribution channels has caused hotel managers to reassess this goal. This study used computer simulation to examine the contribution-enhancement potential of distribution-channel management on hotels' revenue-management practices.

KIMES, S.E., WIRTZ, J., and NOONE, B.M.

How Long Should Dinner Take? Measuring Expected Meal Duration for Restaurant Revenue Management (03-27-02)

Restaurants have two strategic levers for revenue management: duration control and demand-based pricing. Reducing dining times, especially during peak periods, can generate increases in revenue for the restaurant. However, managing meal duration can be more complex than manipulating the price. In this paper, we determined the expected, short, too-short, long and too-long dinner-duration time at a casual restaurant using an adaptation of a price-sensitivity measurement tool, "time-sensitivity measurement" (TSM). We used TSM to derive the expected, optimal, and indifferent dining durations. The optimal and indifference points were significantly shorter than the mean expected dining time, suggesting that many restaurants may be able to substantially shorten dining duration (some 20 percent in this present study) without compromising customer satisfaction.

Furthermore, an exploration of whether demographic variables affect time preferences found only one significant effect: to wit, North Americans and Asians have similar time expectations, while Europeans preferred a significantly longer dining time. All other main and interaction effects did not reach significance.

WALSH, K., ENZ, C.A., and CANINA, L.

The Impact of Gasoline Price Fluctuations on Lodging Demand for U.S. Brand Hotels (04-29-02)

In a study of 20,602 U.S. brand hotels, over a 13-year period, we provide empirical evidence on the effects of changes in gasoline prices on lodging demand. Applying concepts from microeconomic theory, we find that lodging demand decreases significantly in response to rises in gasoline prices (holding constant general economic conditions). The effect is greater for hotels in lower-end versus higher-end markets and for hotels in highway and suburban locations versus urban areas and resorts. Our results indicate that with the exception of the upper-upscale segment across all locations and resorts in upper-end markets, lodging demand decreases as gasoline prices rise. Hotels in economy and midscale markets and in highway and suburban locations exhibit the greatest sensitivity to gas price shifts. We discuss the implications of our findings for both hospitality research and practice.

CONLIN, M., LYNN, W.M., and O'DONOGHUE, T.

The Norm of Restaurant Tipping (05-06-02)

We examine restaurant tipping as a behavioral norm. Using survey data, we identify a variety of factors that influence tipping behavior, and in the process lay out a simple theoretical framework to help interpret our empirical observations. We first investigate the efficiency of observed tipping behavior. While there are elements of efficiency—notably, tip percentage depends on service quality—such behavior does not appear fully efficient. We then posit a model in which customers trade off material well-being vs. disutility from not adhering to the norm, and use this model to reinterpret initial empirical findings and to make additional empirical predictions.

LYNN, W.M.

Turnover's Relationships with Sales, Tips and Service Across Restaurants in a Chain (05-07-02)

This study used restaurant-level data from a casual-dining restaurant chain in the midwestern United States to examine turnover's relationship with sales, tips and service. Turnover was negatively correlated with sales and service among high-volume restaurants but not among low-volume restaurants. Interestingly, the opposite pattern was observed for turnover's relationship with tip percentages—turnover was negatively correlated with tip percentages among low-volume restaurants, but not among high-volume restaurants. Plausible explanations for these findings are discussed along with their practical implications.

LYNN, W.M., and LYNN, A.

National Values and Tipping Customs: A Replication and Extension of Lynn, Zinkhan, and Harris (1993) (05-08-02)

This study examined the relationships between national values, as measured by Hofstede (1983) and Schwartz (1994), and the customary size of restaurant tips in a sample of 54 nations. The results of this study indicate that the customary sizes of restaurant tips in the absence of service charges are unrelated to the customary size of restaurant tips given on top of service charges. They also indicate that the former tip sizes increase with Hofstede's (1983) uncertainty-avoidance and masculinity scores, while the latter tip sizes decrease with Schwartz's (1994) hierarchy/egalitarianism and mastery/harmony scores.

LYNN, W.M., and STURMAN, M.

The Magnitude Effect in Tipping: Revisiting Green, Myerson and Schneider's (in press) Explanation (05-09-02)

We report a re-analysis and simulation of Green *et al.*'s (in press) data on the magnitude effect in tipping. Our re-analysis demonstrates that the magnitude effect in tipping is a spurious ratio correlation created by a positive intercept in the relationship between tip amount and bill size. Our simulation demonstrates that a positive intercept in the relationship between tip amount and bill size (as well as a magnitude effect in tipping) results from the fact that some people are flat tippers. No other psychological process is necessary to produce or to explain these phenomena.

DIAMANTOPOULOS, A., and SIGUAW, J.A.

Formative vs. Reflective Indicators in Measure Development: Does the Choice of Indicators Matter?(05-21-02)

A comparison is undertaken between scale development and index construction procedures to trace the implications of adopting a reflective versus formative perspective when creating marketing measures. Using data from a survey of U.S. exporters and focusing on export coordination as the construct of interest, the results show that the choice of measurement perspective affects the content, parsimony, and criterion validity of the derived measures. Implications for practicing researchers seeking to develop multi-item measures of marketing constructs are considered.

SIGUAW, J.A. and SIMPSON, P.M.

Usage and Importance of Supplier Selection, Retention, and Value-Added Criteria (05-22-02)

This research investigates criteria currently used in the evaluation of suppliers, the importance of those criteria in the selection and the retention process, and their potential in adding value. Results suggest significant differences in all areas. Most important, this research identifies key criteria that are considered important for adding value to a buying partner. Study results may be used by suppliers in developing their channel partner offerings and by buyers in evaluating suppliers for selection and retention purposes.

Working Papers

PICCOLI, G., O'CONNOR, P., CAPACCIOLI, C., and ALVAREZ R.

Customer Relationship Management — A Driver for Change in the Structure of the U.S. Lodging Industry (05-28-02)

Customer-relationship management (CRM)—a managerial philosophy that calls for the use of information technology (IT) to capture, store, manipulate, and distribute substantial information about customers—is currently gaining widespread popularity in many industries. CRM promises to enable a firm to become intimately familiar with its customer needs and to be able to provide superior individualized service. The lodging industry, with its emphasis on customer service, seems ideally positioned to benefit from CRM initiatives. However, the structure of the industry gives rise to a data-ownership difficulty. The three parties typically involved in hotel operations—the owner, the management company, and the franchisor—have misaligned interests and may resist sharing customer data, a prerequisite for successful CRM. This conflict of interest appears to be limiting the adoption of a comprehensive CRM approach within the lodging industry.

This paper highlights the data-ownership issue and outlines several possible future scenarios leading to its resolution. Each scenario suggests that changes in the current industry structure or its operations may result from pressures to adopt CRM. The article begins by describing the current structure of the U.S. lodging industry and providing an outline of the role of the three major industry players—owners, management companies, and franchisors. Then it describes CRM and highlights the issues limiting its adoption by lodging companies. In the final section, the paper offers scenarios describing how the imbroglio may find resolution and draw implications of these solutions for lodging industry structure and operations.

KIMES, S.E., and THOMPSON, G.M.

Restaurant Revenue Management at Chevy's: Determining the Best Table Mix (07-05-02)

Chevy's, a large chain of Mexican restaurants, was interested in using restaurant revenue management to help increase revenues. In this research, we focused on better managing supply, specifically on determining the optimal mix of tables that would maximize revenue. We collected extensive data from the restaurant and used the data to help build a simulation model. We used simulation and enumeration to develop the optimal table mix and were able to achieve a 50-percent increase in customer volume without increasing waiting times.

GADAROWSKI, C., and SINHA, P.

On the Efficacy of Regulation Fair Disclosure: Theory & Evidence (08-08-02)

This paper documents that **(1)** before Regulation Fair Disclosure (FD), the abnormal return in the two-day trading window prior to voluntary management disclosures is positively correlated with the abnormal return in the two subsequent trading days, and **(2)** the pre-announcement abnormal return (in level and as a proportion of the total abnormal return for the disclosure) for these events has decreased after Regulation FD. This decrease is more (less) pronounced for large firms with good (bad) news, and not significant for small firms. Our results are consistent with **(1)** the presence of pre-announcement leakage before Regulation FD, the premise of the regulation, and **(2)** markets being fairer after Regulation FD, the intended purpose of the regulation.

SIGUAW, J.A., SIMPSON, P.M., and ENZ, C.A.

Innovation Orientation: Development of Innovation Theory (08-19-02)

Innovation orientation has recently received attention in the marketing literature as an important topic. However, the definition, conceptualization, and the theoretical underpinnings of the construct have been uneven. By synthesizing the innovation, management, and marketing literatures over the past 35 years with in-depth field interviews with top executives in diverse industries, this study creates a framework for understanding the domain of the innovation-orientation construct and its consequences. An inventory of propositions for future research that correspond to the innovation-orientation framework developed is also presented in this comprehensive study.

LYNN, W.M.

Black-White Differences in Tipping of Various Service Providers (08-28-02)

Data from a national telephone survey revealed four general patterns in the tipping behavior of blacks and whites. First, blacks appear more likely than whites to stiff commonly encountered service providers, but not less-commonly encountered ones. Second, blacks appear more likely than whites to leave flat tip amounts to service providers who are commonly tipped a percentage of the bill, but not to service providers who are more rarely tipped a percentage of the bill. Third, black percentage tippers leave a smaller average percentage of the bill than white percentage tippers across many service contexts. Finally, black flat tippers leave larger average dollar tips than white flat tippers across many service contexts. The theoretical and practical implications of these findings are briefly discussed.

WIRTZ, J., KIMES. S.E., HO, J.P.T., and PATTERSON, P.

Revenue Management: Resolving Potential Customer Conflicts (09-03-02)

Revenue management is a sophisticated form of supply and demand management that helps a firm maximize revenue by balancing pricing and inventory controls. In recent years, an increasing number of firms have recognized the importance of revenue management in their ability to increase sales and profitability. However, when a firm that is fundamentally customer oriented also embraces revenue management, a series of customer conflicts can result and be detrimental to the firm's long-term success. In this paper we outline these potential conflicts and explore various marketing and organizational strategies that can be used to resolve such conflicts.

KIMES, S.E., and THOMPSON, G.M.

An Evaluation of Heuristic Methods for Determining the Best Table Mix in Full-Service Restaurants (09-04-02)

Revenue-management research seeks to find the revenue-maximizing mix of customer demand, while the capacity-management literature focuses on matching supply and demand. We examine the effectiveness of heuristic techniques for the full-service-restaurant table-mix problem. This problem, which is quite new to the literature, finds the optimal number of different size tables for a restaurant to maximize its value-generating

Continued at right

potential (measured as revenue or contribution). Using data from a 240-seat full-service restaurant, we established base-line performance using complete enumeration of the table mix alternatives. Three of the heuristics we evaluated are based on integer-programming models. We also evaluated two variants of a simulated annealing heuristic front-end on a restaurant simulator. The better of the simulated annealing-heuristic variants yielded the optimal solution in seven of eight test problems, averaging within 0.1 percent of optimal. We also observed that altering the table mix each day increased performance by over 1 percent compared to maintaining the optimal weekly table mix.

LYNN, W.M.

Restaurant Tips And Service Quality: A Weak Relationship or Just Weak Measurement? (10-28-02)

Previous research has found only a weak relationship between a restaurant's service ratings and tip percentages. However, that research has involved consumers' ratings of service on semantic-differential scales, which have a negative skew that reflects a positive response bias. A stronger service-tipping relationship might be found using Marder's (1997) unbounded write-in scale, which produces ratings with much less skew. A test of this possibility found no effect of scale type on the strength of the service–tipping relationship. This test had substantial statistical power, so the results support the idea that tips are only weakly affected by consumers' perceptions of service quality. The theoretical and practical implications of this weak relationship are discussed.

PICCOLI, G., and WAGNER, E.L.

Making IT Happen: The Value of Information Systems Research to the Hospitality Professional (12-05-02)

Although the hospitality industry is making increased use of information technology, the following challenges remain: development and implementation of effective systems, strategic use of IT, creating a business model for IT to gauge return on investment, and clearly establishing the role of IT professionals for the hospitality industry, both in terms of skill sets and career trajectory. Academic research can help address those challenges.

Working Papers

FRIEDMAN, R., SIMONS, T., and LIU, L.A.

Racial Differences in Sensitivity to Behavioral Integrity: Attitudinal Consequences, In-Group Effects and "Trickle Down" Among Black and Non-Black Employees (12-11-02)

Recent research suggests that employees are highly affected by perceptions of their managers' "behavioral integrity," or the degree to which managers' actions and words are consistent. We suggest that some employee racial groups may be more attentive to breaches of behavioral integrity. We test this notion using data from 1,944 employees working at 107 different hotels. Analysis supports the hypothesis that black employees rated their managers as demonstrating lower behavioral integrity than did non-black employees. These differences in perceived behavioral integrity, in turn, accounted for cross-race differences in commitment, satisfaction with supervision, global satisfaction, trust in management, justice perceptions, and turnover intentions. Hierarchical linear modeling showed that supervisors' behavioral-integrity perceptions of senior managers "trickle down" to affect line employees' perceptions of the supervisors, and that this effect is stronger for black employees. We interpret these results as indicative of a heightened sensitivity to managers' behavioral integrity on the part of black employees.

WALSH, K., and TAYLOR, M.

Reframing Organizational Commitment Within a Contemporary Careers Framework (12-20-02)

In this paper, we examine the contemporary careers framework which Hall (2002) and others argue to be drivers of the way work gets done today. We apply concepts from this framework to suggest that more traditional concepts of organizational commitment can and should be reframed to reflect the way today's individuals view their careers from both an intrinsic and extrinsic perspective. In doing so, we offer propositions to argue that organizations can create a sense of affective and continuance commitment by focusing on factors that enable employees to perform meaningful work and achieve extrinsic net gains in a way to leads to psychological career success. We discuss the implications of these propositions for research in both careers and organizational commitment.

WALSH, K.

Qualitative Research Collaborations: Advancing the Science and Practice of Hospitality (12-23-02)

Qualitative research plays an important role in advancing knowledge and practice in the hospitality industry. In this paper I explore the process of qualitative research, its role in creating new knowledge for the hospitality industry and ways managers can contribute to research projects to help ensure its rigor and usefulness. Managers and researchers are encouraged to create collaborations in which they jointly contribute to projects and interpret and apply research results together. If done appropriately, qualitative research represents an exciting venue for creating new, useful knowledge in a manner that serves both researchers' and practitioners' divergent needs and the overall field of hospitality.

Note: **To read the working papers listed in this compendium, visit the CHR web site, www.hotelschool.cornell.edu/chr. Click on "working papers" to view the list of links to .pdfs of the papers.**

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