

Based on his exposure to the Ritz-Carlton system from the inside Hemp considers there are several lessons for all service businesses. Specifically he recommends:

- 'Great customer service should be based on dynamic principles rather than a rigid formula'. That is some situational flexibility is called for when staff implement company policies.
- 'It is employees' emotional commitment – which is achieved in part through symbols and rituals that enhance employees' sense of identity with the company – that contributes most to superior performance'.
- '(Personal) commitment serves as a driver of excellent customer service only when employees are empowered to take initiative'.
- '(It) isn't enough to truly anticipate customer needs. Another component is empathy – being able to imagine guests' emotional responses to their experience'.

(Hemp, 2002: 62)

Based on his experiences Hemp feels if any company can blend the Ritz-Carlton practices with like-minded staff, it will create a positive service environment that will be hard to beat.

Financial performance

Obviously the cost involved in preparing staff and management for such high levels of service quality is significant, and many will be wondering if all this effort in creating capable and motivated staff is worthwhile. Well, let us think about the words of a successful small tourism business operator and examine the financial statements of the Ritz-Carlton Hotel Company to assess this point.

Tom O'Toole, the owner and operator of successful bakery and tourism attraction in Beechworth, Victoria, Australia, has often been asked why he spends so much money training his staff, when they can up and leave for another job or worse still start up in competition with him. To which his usual reply is 'What if I don't train them and they stay?' (O'Toole with Tarling, 2000: 199). In business, as in life, one cannot stop people moving on and there is no harm in parting as friends and enhancing your reputation and network of colleagues, even among competitors. That is certainly preferable to holding back the potential and spirit of staff, which is bound to reduce the effectiveness of your business and increase the expense that turnover brings.

In the case of Ritz-Carlton it would appear the company is convinced the time and expense invested in their staff, as part of their TQM strategy, has been well worth the effort. Not only has the company won two Malcolm