Innovative training in designing corporate identity

Yoram Mitki and Ram Herstein

Abstract
Purpose – To present the role of innovative training in the design and assimilation process of a new corporate identity.
Design/methodology/approach – The article is based on a description of the design process of a new corporate identity and its assimilation by a hotel chain management company. Data were gathered by in-depth interviews with members of the company’s management, namely its CEO, marketing manager and human resources manager and five hotel managers. In addition, written material was analyzed, including business and operational reports.
Findings – The innovative training approach, which is based on continuous involvement of all organization members, is an effective mechanism for designing, building and adapting corporate identities in an era characterized by significant changes in the business-marketing environment. This approach enables the company to rapidly assimilate the new identity and improve business results. The active involvement of internal stakeholders during the formulation stages of the organizational vision, and later, when determining the training mechanism for its assimilation, contributes to the satisfaction of both employees and clients, minimizes employee turnover, and enhances the organization’s reputation.
Originality/value – This article illustrates how innovative training assists organization managements in designing and assimilating new corporate identities. It differentiates between supportive training and innovative training, indicating both the connection between innovative training and organizational learning and the contribution of the employees in implementing the corporate identity.
Keywords Training, Corporate identity, Workplace training
Paper type Case study

From supportive to innovative training

The discipline of training has undergone significant changes in the past three decades. During the second half of the 20th century, training was essentially perceived as an aid for achieving operational goals, but also as an important tool for cultivating employees and enhancing their satisfaction. Training programs were clear and defined and usually grounded on methods and tools that were previously implemented successfully in many organizations. The introduction of managerial approaches in the 1980s, such as Total Quality Management (TQM), the Theory of Constraints (TOC) and Lean Management (LM), created the need to design pan-organizational training programs that focus on organizational efficiency, improving processes, quality and attaining international standard marks, such as the ISO. This need arose especially in view of the growing competition between organizations.

These changes in the business environment, particularly as a result of accelerated globalization and intensification of competition, created a new reality and a new set of game rules. Organizations are now called upon to cope with phenomena such as change of product and service mix, mergers and acquisitions, image crisis, outsourcing, the assimilation of advanced technologies, entrepreneurship and innovation. Many of these...
changes require the creation of a new corporate identity and challenge managements to
design dynamic training systems that are based on perceptions, methods and tools that are
capable of supporting these changes. Traditional training methods, which were common up
until the 1990s and which helped managements explain and impart to employees and
clients the organization’s identity that was determined by that same management, are
inadequate for challenges facing 21st century organizations.

Whereas in the past, a firm’s identity was maintained for an extended period of time and was
usually based on leading products or services, in recent years organizations are forced to
change their identity more frequently. Structural and cultural changes as well as significant
modification of owners’ goals and customers’ needs have brought managements to adopt a
single common identity. This identity (endorsed corporate identity) focuses on the entire
organization rather than on specific products or services (Balmer and Gray, 2000). Thus,
contrary to the traditional approach, which is referred to in this article as “supportive
training”, a more offensive and dynamic training approach is required, which we refer to as
“innovative training”. Table I presents the difference between the new training paradigm and
the old training paradigm, which still exists in quite a few organizations, both in the
production sector and in the service sector.

The new training paradigm enables organizations to maintain a high level of flexibility and to
adapt to changes in their environment, while identifying needs and opportunities in advance.
It is based on the participation of employees, both individually and in teams, in the design of
the training and learning process, including its goals and contents.

The current case study presents a hotel management chain that has introduced innovative
training as part of the process of building a new corporate identity. The new corporate
identity was built with the objectives of improving the chain’s position in the hotel sector and
increasing its market share among clients in Israel and abroad.

| Table I | Supportive training and innovative training |
|---|---|---|
| Characteristics | Supportive training | Innovative training |
| Objectives | Training objectives are clear and defined | Training objectives are agreed upon but they change and evolve |
| Approach | Training is structured, fixed and focused | Training is open, integrative and multi-disciplinary |
| Methods and tools | Training is based on methods and tools that are accepted in the organization and that have already been tried in the past | Training assimilates tools and methods according to their suitability for dealing with changing situations and new needs |
| Attitude toward changes | Unexpected events in the organizational environment are perceived as “disruptive” to the training process | The future is not perceived as an “enemy” and is integrated in a friendly manner into the training process |
| Employee involvement | Training goals and contents are usually dictated from above and are determined by a small number of people | Employees (as individuals and as groups) are involved in designing the goals and in formulating the training program |
| Learning climate | Work environment is characterized by a high level of formalization and sometimes also suspicion | Supportive work environment and atmosphere of openness, willingness to share knowledge and discuss any issue |
| Evaluation of training | Difficulty in relating training process to change in the employees’ positions or behavior | Active involvement of employees in training process lead to a change in their attitudes and behavior |
| Reward and incentives | Usually no direct reward for taking part in training activities | Rewards and incentives for taking part in training activities and for improving performance as a result |
| Results | Training enables to maintain the existing system and preserve the management’s established managerial-business way of thought | Training enables constant examination of the organization’s values and modi operandi, compared to its competitors |
The case of Fattals

Background

Fattals Hotels began building its renewed corporate identity after seven years of activity as an Israeli hotel management company. The hotel sector is one of the most important sectors in the local Israeli economy, and the Fattals chain excels in its international-standard facilities as well as in its use of the most advanced and professional managerial knowledge. Over the years, Fattals has become one of three main competitors that have gained control of the hotel and tourism sector in the local market. All three competitors were hotel management chains that, in recent years, began carrying out mergers and acquisitions involving both local and global hotel chains, with the objective of branding and managing them according to the management and service standards accepted among the world’s leading hotel chains.

The company, which operated throughout its early years according to the branded identity approach, has now decided to adopt the endorsed identity approach. The former approach emphasizes and fosters the self-identity of each of the hotels and offers standard-quality service to their clientele, which consists primarily of local customers. The latter approach supports the building of a single image that is shared by all hotels in the chain, emphasizing service quality. The chain management decided to become a renowned multi-national hotel company appealing to a varied clientele. It therefore chose to design a new corporate identity that emphasizes the hospitality experience. The uniform message they wished to impart was “Hospitality is all about love”. Table II presents the difference between the two corporate identities.

It was clear to the company management that the transition from the old, branded identity to the new, endorsed identity and its successful assimilation by the chain, among its employees and external audiences (the chain’s clientele), requires changing the learning and training process. According to the branded identity approach, the training program served the objectives of each hotel management separately and its goals were narrow, limited and extremely focused. Employees were not involved in the design of training contents and were not consulted regarding the design of the hotel’s identity. The chain management understood that the transition to an endorsed identity could take place only if a learning and training method was adopted whereby the employees, as individuals and groups, would be involved in designing the identity and in the process of its assimilation, including formulating the training program.

### Table II: Characteristics of Fattals' two corporate identities

<table>
<thead>
<tr>
<th></th>
<th>Branded identity</th>
<th>Endorsed identity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objectives</strong></td>
<td>To create an individual image for each hotel</td>
<td>To create a single image for the hotel management company, imparting a uniform message</td>
</tr>
<tr>
<td><strong>Management style</strong></td>
<td>Four independently run hotels</td>
<td>Twelve hotel tied the single identity of a leading management company</td>
</tr>
<tr>
<td><strong>Target audience</strong></td>
<td>Mainly local customers</td>
<td>Main: International customers, Secondary: Local customers</td>
</tr>
<tr>
<td><strong>Client type</strong></td>
<td>One kind: Seeking standard vacation</td>
<td>Three main types: Elegant European, Mediterranean and Israeli</td>
</tr>
<tr>
<td><strong>Service quality</strong></td>
<td>Standard</td>
<td>Very high</td>
</tr>
<tr>
<td><strong>Reputation</strong></td>
<td>Local</td>
<td>International</td>
</tr>
<tr>
<td><strong>Marketing</strong></td>
<td>Through travel agents and agents in each hotel separately</td>
<td>Main: Reservation center, Secondary: Travel agents</td>
</tr>
<tr>
<td><strong>Geographical location of hotels</strong></td>
<td>Only in Southern Israel</td>
<td>Throughout Israel and abroad</td>
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</table>
The learning and training process

Although the direction of the new identity was determined by the management of the Fattals chain, the concept “Hospitality is all about love”, which is the heart of the new identity, was the product of thought and discussions in which all company employees took part. The mechanism for designing the identity included establishing several parallel forums in which both employees and managers participated. Members of each forum were requested to ponder the meaning of the concept “Hospitality is all about love” and suggest practical ways for its application within the hotels. One team focused on housekeeping aspects, another team dealt with the issue of rooms, another with food and beverages and other teams addressed leisure activities and guest services. Each team was headed by one of the hotel managers and the team members were employees of the various hotels. Thus, true brainstorming was possible; various opinions were heard and advantage was taken of the organization members’ experience and skills. The recommendations formulated by these teams were later presented before the chain management, which adopted almost all of them. The concept “Hospitality is all about love” created a new service and management culture within the chain’s hotels. This culture consisted, on the one hand, of caring for clients, with the main aspect being the interaction with the hotel guests from the moment of their arrival until their departure: imparting a family atmosphere, responding positively to every request (never saying no), compensating guests for any inconvenience or distress and following up on complaints. This culture also, on the other hand, granted hotel employees, at all levels, operational autonomy, so as to enable them to properly serve the clients. Employees were given tools for dealing with problems as they arise in the field, including the ability to offer and provide creative solutions without obtaining prior approval from their direct supervisor.

The process of building a new corporate identity led to a change in the organization’s training system and required a considerable investment in skill development of managers and employees. The subject of service quality, which assumed special significance in the new corporate identity, was manifested in the training program, which has present goals but whose contents and tools can be modified and adapted according to the changing needs. Each new employee is required to participate in a 3-day orientation workshop during which he or she tours the hotel and gets acquainted with the “back of the house”, learns the meaning of the customer service concepts of Total Quality and “Hospitality is all about love”. During the next six months of his or her employment in the hotel, the new employee is required to participate in two additional workshops; one that deals with the art of selling and the other on handling customer complaints and empowerment training. So far, in recent years, the chain has authorized some 500 of its employees to serve as instructors in the area of quality and 100 of them are currently active in the chain’s hotels. Participation in the workshops bestows badges: a silver badge for employees who participated in one workshop and a gold badge for those who finished two workshops. In addition, for each workshop they teach, instructors receive points, which can be converted into a monetary bonus. Hotel guests also participate in the evaluation of service quality by giving employees “hearts” according to their evaluation of the service received. Each guest is given a certain number of Heart vouchers when checking into the hotel. These vouchers are also translated into a monetary bonus. An important part of the learning process is meetings that are held at least once a month at the senior manager level, and one every two weeks at the hotel...
employee level. Such meetings are held at each and every hotel in order to analyze letters of complaint and draw conclusions.

The training system is supported by additional activities derived from the company values and its attitude toward its employees: Imparting job security to the employees, investing in employee welfare, selecting excelling employees and managers, annual meetings, birthday and holiday celebrations, sports days and trips.

**Innovative training and organizational learning**

Much has been said in the past decade about organizational learning as a key to business success. Organizational learning is defined as the set of processes that take place within an organization and which assist the people in the organization, both as individuals and as groups, in changing thought patterns, skills and behaviors that are related to the organization’s areas of activity (Lipshitz *et al.*, 2007; Senge, 1990). In this sense, innovative training is an important component in the organizational learning because it contributes to the changing of the employees’ thought patterns and behavior and thus enables to achieve the organization’s objectives.

The process of building a new corporate identity for the Fattals chain constitutes a good example of organizational learning. Training was open, integrative and multi-disciplinary. All chain employees took part in it and designed the program together. The process enabled to prepare managers and employees for the actual implementation of the slogan “Hospitality is all about love”. The training program for assimilation of the corporate identity provided tools for dealing with new situations and with the changing needs of the chain’s clients-guests. The employees’ active involvement was manifested also beyond the formal processes of the training specified above. The employees now have broad autonomy in fulfilling their tasks and work with full cooperation and empathy from their managers.

**Results**

Although the Hotel sector in Israel is characterized by a high rate of employee turnover, employees of the Fattals chain tend to stay at their jobs for longer periods of time. Surveys performed in the past three years indicate a significant increase in the satisfaction levels both of employees and of clients who have stayed at the chain’s hotels. The number of reservations made by tourists from Israel increased by 28 percent and from abroad by 35 percent. At the same time, the number of customer complaints, both written and oral, dropped drastically from almost 8 percent to 2 percent. Two main issues are mentioned and emphasized in the surveys: The first is the sense of intimacy felt by the clients and the second is the fast response time and efficiency experienced in handling their problems.

Fattals has become the largest hotel management company in Israel: In 2000, Fattals managed only four hotels, all in the Eilat area; Today the company manages 12 hotels, with a total of 4,000 rooms, located in different areas of the country. The company is also currently engaged in advanced negotiations for the management of additional hotels in Europe.

**Conclusions**

The story of the Fattals chain demonstrates the importance of involving the internal stakeholders in the process of building and assimilating a corporate identity. Employee involvement is very important in service organizations such as hotels, whose identity is...
determined in large part by the behavior of the employees and managers who serve the organization’s customers. The innovative training approach enables the company to design the new identity in a dynamic and evolving way, while examining the fitness of new values to the new reality, to the market needs and to the owner’s requirements. Involving all members of the organization in the identity building process enables the company to create a relative advantage over competitors, thanks to speed of implementation on the one hand, and the obtaining of employee commitment on the other hand. The innovative learning mechanism, which is based on on-going learning of individuals and teams and on-the-job learning, can be regarded as a central layer in the transformation of hotels and service organizations into learning organizations.

References


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