

Case Study Analysis: Four Seasons Goes to Paris

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Executive summary

Four Seasons when entering France stepped into a market where “Geert Hofstede’s seminal work, *Culture’s Consequences*, indicates a great disparity between North American (US and Canadian) national culture and that of France” (Reiche, Stahl, Mendenhall, & Oddou, 2017). This disparity posed a challenge for Four Seasons. They faced several problems, not the least of which was how to create a company culture at the Four Seasons Hotel George V Paris that coincided with the overall company culture Four Seasons was known for, without clashing with the distinct national culture of France.

Four Seasons chose to maintain some basic common standards at the George V as they opened. These included their “Golden Rule: “Treat others as you wish they would treat you,” as well as seven “service culture standards,” to which all employees of Four Seasons must adhere. They must smile, make eye contact, recognize guests discreetly by name, speak clearly and courteously, be informed about the hotel while taking ownership of guest’s requests, cleanliness, and always show care for the guests.

Problem statement

Four Seasons as it entered the French market needed to create a corporate culture that did not clash with the French national culture. They determined that their Golden Rule was heavily linked to their brand image and competitive advantage and should be maintained regardless of which country a Four Seasons hotel existed in. As Isadore Sharp put it, “The Golden Rule is the key to the success of the firm, and it’s appreciated in every village, town, and city around the world. Basic human needs are the same everywhere” (Reiche, Stahl, Mendenhall, & Oddou,

2017). While Abraham Harold Maslow might agree that basic human needs translate across borders, the Golden Rule does not. The cultural differences between France and the incoming Canadian based company proved that flexibility in standards is necessary.

Specific problems they encountered were work laws that affected not only the building and design of the structure but also the management and employee relations post its opening. A major issue was the 35-hour work-week requirement. However, it was employee relations that posed the most difficult challenge to overcome.

According to Didier Le Calvez, “The greatest challenge in France is to get managers to take accountability for decisions and policies. In the French hierarchical system, there is a strong tendency to refer things to the boss” (Reiche, Stahl, Mendenhall, & Oddou, 2017). The French’s “emotional way of doing things,” often clashed with management and managers found that working in France required a cultural adjustment they were not expecting.

Overall the problems faced at the opening of the Four Seasons Hotel George V could be broken down into three basic issues. As Richey summarized in his service quality audit, “staff had an inability to empathize,” they were disinclined to selling tactics, and “the staff was rules and policy-oriented. If something went wrong, they referred to the manual instead of focusing on the guest” (Reiche, Stahl, Mendenhall, & Oddou, 2017). All of these are particularly French and European attitudes.

Alternatives

Managers at Four Seasons Hotel George V combated these issues by being flexible on many of the standards set. They, however, also stuck to many practices such as introducing an Employee of the Month and year-end recognition programs, where these things were extremely

difficult to implement due to cultural clash, though proved ultimately successful due to how they implemented it slowly and carefully.

Their choice of hiring new employees that were younger and more open-minded staff is a double-edged sword. On the one hand, they avoided the more stoic and set in their way's attitudes of older, more experienced French employees. On the other hand, they had to place more emphasis on training.

Conclusion

In retrospect, given the same situation as General Manager Le Calvez, might have taken a different path. By adhering to the labor laws in France, Le Calvez established that Four Seasons was not just going to go against the common labor practices. This choice was one of the best decisions he could have made concerning the work-force. However, in the realm of employee relations, Le Calvez could have incorporated more of the French culture into the George V's operating procedures.

On the surface, Four Seasons paid homage to the French culture, by being careful with local laws, and by designing the renovations with the consideration that it is a French historical landmark. The offset to this is how insistent they were on maintaining HR and management practices that were distinctly North American. Though successful, they could have found more French ways to provide recognition to employees and spent more time working with the intense French pride in rendering service. The amount of time, money, effort, and training placed on communicating, "awkward, (from a French perspective) elements" of policies and procedures could be avoided by researching and incorporating French standards into their management practices, (Reiche, Stahl, Mendenhall, & Oddou, 2017).

Another point of contention is Four seasons desire to remove the organizational culture in place instead of merging that culture. Due to France's laws on employment terminations, Four Seasons was not able to replace and hire new talent when taking over. To circumvent the issue of the old guard interfering with the new guard, they consistently hired individuals who "did not object to their use because they understood the intent of the practices, as well as their effect," (Reiche, Stahl, Mendenhall, & Oddou, 2017). This practice allowed them to create an organizational culture by replacing the old employees over time with new, more open-minded employees. In effect they forced out the leftover employees from the previous regime by making them uncomfortable in the working environment.

The downside to doing so is that those apples carried with them much experience and understanding of the local culture and return patronage to the hotel. By simply choosing to compromise, they could have maintained the valuable experience those individuals offered while also garnering goodwill and respect from the current employee base, requiring less turnover.

Implementation

Four Seasons has managed to create a culturally sensitive organization at the Four Seasons Hotel George V by utilizing decisive management that lives the Four Seasons mantra of the customer coming first in all things. Moving forward, they should consider expanding their work-force into more experienced and older generations. Now established as a French hotel, their values will be easier to adapt to for the experienced hotel worker, whereas a brand new company taking over a beloved landmark they did not have the clout or respect of the proud French employees at the opening.

References

Reiche, S. B., Stahl Günter K., Mendenhall, M. E., & Oddou, G. R. (2017). *Readings and cases in international human resource management*. New York, NY: Routledge.