Added Value of Hospitality Management in the Evolution of Property and Facility Management

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Introduction
In discussing the history of Facility Management (FM) and Real Estate Management (REM) from a corporate perspective, Krumm (2001) pointed the way to Price (2002) posing the question: “Can FM evolve? If not, what future?” Given the size and scope of the global FM-market, we cannot easily consider the notion that it cannot evolve and/or sustain itself. Yet, providing concrete and conclusive proof if its added value, remains a weakness of the FM-industry. In the domain of FM literature, this topic has subsequently been discussed extensively (Price, 2002), (Chotipanich, 2004) and (Chotipanich & Nutt, 2008). Most recently, a study by Mak (2011a, 2011b) on the topic of business alignment in FM again emphasizes this need for evidence-based reasoning to strengthen the identity of FM, and to validate the added value thereof to organizational effectiveness.

In the Netherlands, recent developments in new ways of working, and the requirements thereof in terms of FM products and services, have undoubtedly proven the ability of FM to evolve. In meeting the FM-needs of new ways of working, aspects of Hospitality Management (HM) have become an integral part of the overall strategic identity of FM (Reijngoud, 2011). The introduction of HM in FM has generated a new approach that focuses not only on service provision, but also on the experience with which it is delivered to the user. This approach effectively fuses FM with new areas of expertise and helps it to evolve to a more effective level of strategic alignment with business processes.

Research question and methodology
The current study reflects on the above-mentioned statements, and aims to present evidence-based proof of the added value of HM in the evolution of property and facility management. In order to achieve this goal, the authors sought to connect the current study to earlier research by King (1995) which concluded that the “effective management of hospitality in any kind of organisation [and therefore also the domains of property and facility management as mentioned in the title of the current research] must begin with a clearly understood definition of what hospitality is.”

In addressing this issue, and to give the growing symbioses between the apparent non-related research fields of “hospitality and hospitality management” and “property and facility management” its rightful place in an academic research agenda, the authors have employed a

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conceptual framework based on research by Brotherton (1999) which aims to understand hospitality and hospitality management through a classification thereof into “Products”, “Processes” and “Motives”. This conceptual framework is added to from research by Losekoot et al. (2001) who also addresses this apparent non-relatedness of the two fields of research by emphasizing the fact that both the managing of facilities and the provision of commercial hospitality shares a common, and very related, objective: satisfying the needs and requirements of both internal and external clients. In this process Losekoot et al. refers to the classification by Brotherton by stating that the facilities component is understood in terms of tangible artefacts (products) and the potential benefits to users (motive), and the hospitality component in terms of an emphasis on social skills (motive).

With the above-mentioned theoretical premise as the point of departure, and to adequately define the added value of HM in the evolution of property and facility management, the research question as summarized in the title of this paper, will be answered by addressing the following questions:

- How do we define and understand “hospitality”?
- How do we define and understand “hospitality management”? 
- How do we position hospitality management (and thereby also our understanding of hospitality) within the context of contemporary developments in property and facility management?

Defining the concepts of “hospitality” and “hospitality management”

Hospitality, the provision thereof and how it is managed are by no means new phenomena. However, the inclusion thereof within the professional FM-domain is fairly new. It therefore requires the necessary attention in terms of clarifying definitions, intentions and conceptual understandings for researching the professional and academic parameters thereof.

In a discussion on the topic, Brotherton & Wood (2008) and Brotherton (1999) have indicated the existence of a great variety of social, political, religious, economic and cultural influences that impact on our understanding of what hospitality is. Given these vast spatio-temperal variations, it is quite understandable that the question is subsequently posed as to whether a valid universal definition of hospitality is at all possible. In a critical reflection on the need for a definitive view of both hospitality and HM, Brotherton answers his own question by stating that the desired definition can only be achieved by distinguishing between the “particular configurations that hospitality provision might take, the motives for providing it, and its essential nature”.

Defining hospitality

In reflecting on bringing the many different developments in the process of defining hospitality into one all-encompassing definition, Reuland et al. (1985; in Brotherton, 1999) contends that “hospitality is an exchange process within which the exchange transaction comprises three elements: products, employee behaviour and the physical environment”. This definition and its comprising elements have subsequently been developed further by Hepple et al. (1990; in Brotherton, 1999) to include the understanding that hospitality includes 4 distinct behavioural characteristics:

- Hospitality is exchanged between a host (provider) and a guest (receiver)
- The hospitality exchange is an interactive process
- Hospitality comprises a combination of tangible and intangible factors
- The host (provider) provides the guest (receiver) with security, and emotional and psychological comfort.
The formulation of this working definition, together with the identification of specific elements and characteristics is vastly more complex that a simplistic definition provided by dictionary references. Yet, as Brotherton (2013, 1999) and Brotherton & Wood (2008) points out, in spite of the progress made by all of these researchers in attempting to develop a definitive view of hospitality and HM, they all failed on the basis of their definitions focusing on recognizing and defining hospitable behaviour. In doing so, all of these attempts at defining hospitality seek to understand and reflect on the holistic nature of the concept of hospitality, instead of hospitality itself. An important conclusion from these definitions is that although hospitable behaviour is undeniably part of our understanding of hospitality (as per research by Hepple et al. cited earlier in this discussion), the claim that “the existence of hospitable behaviour is synonymous with the provision of hospitality is unjust and unsubstantiated” (Brotherton, 1999:167). Distinguishing the difference between hospitality and the behaviours associated with it is therefore a crucial aspect of defining exactly what hospitality is. In order to make this distinction, the following definition of hospitality has been formulated:

**Hospitality is “a contemporaneous human exchange, which is voluntarily entered into, and designed to enhance the mutual wellbeing of the parties concerned through the provision of accommodation, food or drink.”**

Brotherton (1999:168)

This definition effectively focuses the attention on the essential elements of the hospitality concept itself (see Fig. 1). The inclusion of the product parameters of accommodation, food and drink is purposeful (as is the ordering thereof) and serves to differentiate hospitality from hospitable behaviour. Given these product parameters, it is clear that the existence of hospitable behaviour alone is insufficient proof of the existence of actual hospitality. The inclusion of this product component in defining hospitality transcends discussions on process and motive to the extend that without it, the definition could be seen as being applicable to an extremely wide variety of situations were mutually beneficial exchange situations occur.

**Figure 1.** The dimensions of hospitality (after Brotherton, 1999:169).

Having established the relevance of the product component to our understanding of hospitality, we also need to pay attention to the aspect of “motive” by considering the purposeful ordering of the product parameters in the definition. According to Brotherton (1999) the positioning of the parameter of “accommodation” as the first product, not only serves to delimit the scope of
hospitality contexts, but also to provide a more inclusive and useful view of the hospitality concept itself. On the basis of this ordering, contexts where the remaining two parameters (food and drink) are provided, and in which the motive is not necessarily the provision of hospitality, are effectively excluded from our understanding of the hospitality industry. The relation between accommodation and motive thereby becomes an important consideration in the current discussion on the added value thereof to the evolution of property and facility management.

The notion of “a contemporaneous human exchange” is another crucial part of both this definition of hospitality. The hospitality exchange process – whether tangible or intangible – differs from other types of exchange through firstly, the specific product components associated with the exchange process, and secondly, the fact that the exchange between the provider and receiver of hospitality occurs simultaneously (Brotherton, 1999). However, this contemporaneous production and consumption of hospitality (as defined) needs to meet certain criteria. These criteria are important features of hospitality, and require that the exchange between supplier and consumer needs to be entered into voluntarily by both parties, and needs to be mutually beneficial. The concept of an exchange process being mutually beneficial can be related to how the exchange process itself is experienced by both parties. If both parties share a positive experience of the hospitality exchange process, it can be considered mutually beneficial. When one of the parties experiences the exchange process differently, the management of expectations inherent to the hospitality exchange process is not aligned. The importance of these considerations is also quite evident when considering the reciprocal relationship (read “mutually beneficial” as indicated in Fig. 1) between real estate (as embodiment of the concept of accommodation), FM (in terms of service delivery) and people (users).

**Defining hospitality management**

According to King (1995:220) the process of affectively managing hospitality – irrespective in which organisation it occurs – necessarily involves a clear understanding of the definition of hospitality. In addition to this understanding, Brotherton (2013, 1999) refers to the relevance of also understanding the specific nature of the management process itself. Although any definition of HM should always include the fields of both hospitality and management, Brotherton emphasizes a third a crucial component: the level of professionalism with which the hospitality situation is managed.

The importance of this component is illustrated in an extensive discussion in which the mere management of hospitality is seen as the complete professional antithesis of HM. Based on a diagrammatic representation of the three main elements of hospitality – management, hospitality and professionalism – Brotherton (1999) clearly illustrates and defines the concept of hospitality management (Fig. 2). In the diagram, each of the three main elements is represented individually, thereby recognizing the possibility of their individual existence. The overlap between the individual domains of H (hospitality), M (Management) and P (professionalism) constitutes the basis for a conclusive definition on hospitality management. From this diagram, the following observations can be made:

- The first area of overlap – “PM” – indicates the existence of other fields of professional management outside the domain of hospitality.
- The second area of overlap – “PH” – refers to professional hospitality, but still does not include the aspect of professionalism. The domain refers to all those involved in the delivery of professional hospitality products and services, but who are not necessarily responsible for managing the overall strategy on providing hospitality.
- The third and final area of overlap – “PHM” – constitutes the coming together of all three main elements of hospitality, and serves to distinguish the field of professional hospitality.
management. The combination of professional hospitality and professional management services results in HM being defined through the conceptual differences between HM and the mere management of occurrences where hospitality is provided. These conceptual differences conclude that although hospitality can be provided in many different settings – both private/domestic and public/commercial – and on either an amateur or professional basis, only professional hospitality managers operate in the domain of HM. In concluding his discussion on this topic, Brotherton (1999:171) summarizes the defining feature of hospitality management as “not the combination of management and hospitality but the existence of a hospitality management profession.”

![Image of Venn diagram](image)

Figure 2. Defining hospitality management in terms of the interrelationship between the fields of hospitality, management and professionalism (after Brotherton, 1999:170).

**Framing hospitality management within the broader context of property and facility management**

Management processes are necessarily concerned with coordinating, communicating, controlling, planning and commanding. These aspects are also addressed by the definition of FM as the “...integration of processes within an organisation to maintain and develop the agreed services which support and improve the effectiveness of its primary activities” (EN15221-1, 2006). Drion & Sprang (2012) extends this definition in a Dutch handbook on FM to specifically include reference to the workplace environment. In doing so FM is positioned as the managing of all services related to the workplace environment and that are required to support employees in their strive to add value to the organisation. This definition highlights a number of important aspects, which firstly defines the business of FM, and secondly helps to frame the concept of HM within the broader context of property and facility management:

- **Services**: Although EN 15221-4 (2009) discusses FM resources and services, Drion & Sprang emphasizes the fact that the business of FM is primarily about the provision and management of services. This definition echoes earlier reflections by Losekoot et al. (2001)

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3 EN 15221-1: Facility Management – Part 1: Terms and definitions
4 Translated by the authors from the original Dutch text in Drion and Sprang (2012:20).
5 EN 15221-4: Facility Management - Part 4: Taxonomy, Classification and Structures in Facility Management
who defines FM as being customer-focused in its provision of tangible artefacts and the management of the potential benefits thereof to users. The combined activities of providing and managing services from an FM-perspective encompasses the definition of hospitality as discussed earlier in this paper in which the provision and management of services by a provider for use by the receiver involves a contemporaneous exchange for the purpose of mutual benefit.

- **Workplace environment**: According to Drion & Sprang the reference to workplace environment should be seen in a broader context that ranges from the physical context of the work environment to the context of the whole building itself. This direct reference to the workplace environment as one of the focus areas of FM also addresses the concept of “accommodation” as one of the product-parameters mentioned by Brotherton (1999). Thus, in addressing the call by Mak (2011a, 2011b) to provide explicit proof of the added value of FM, and to position the added value of HM within the broader context of property and FM (with the operative word being contemporary developments) our attention is focussed on assessing and disseminating information on integral solutions to the facilitation and management of new ways of working, FM products and services, and HM.

- **People / users**: Users of the building are seen as the focus area of FM. In this sense, the strive towards the provision of an optimal service experience, addresses the relationship between supplier and receiver as referred to earlier in this paper. Facilitating the needs and requirements, and keeping them satisfied, also serve as the unifying factor between the two apparent non-related research fields of “hospitality and HM” and “property and facility management”. In terms of the current research, this aspect is regarded as one of the motives, and serves as a crucial element in providing explicit proof of the added value of HM in property and facility management.

- **Support**: As recognized in the definition of FM, the main purpose is to ultimately support and facilitate the core business processes. However, supporting these necessarily also implies the provision of adequate and facilitating support services to those responsible for the execution of tasks aimed at sustaining the core business processes. Providing support to users addresses the hospitality dimension of “human exchange” based on “products and services” as referred to in Fig. 1.

- **Added value**: Making the added value of FM explicit is seen as one of the biggest challenges to the FM profession. Seen within the context of literature on new ways of working, and the constructs that “a happy worker is a productive worker” (Zelenski et al. 2008), the concept of adding value is related to the extent to which the support of “human exchange” on the basis of “products and services” ensures a qualitative “contemporaneous, voluntary and mutually beneficial” experience between supplier and receiver.

In order to structure the discussion of the case study example, a visual representation of the interaction between the conceptual understandings of hospitality and HM, and the domain of workplace property and facility management according to Drion & Sprang, has been developed (Fig. 3). In this diagram, the classifications of “Product”, “Process” and “Motive” as proposed by Brotherton (1999) as a means of understanding what hospitality and HM are, were taken as the point of departure. In relating these to research by Drion & Sprang, an attempt has been made to define the actions required to operationalize the dimensions of hospitality (see Fig. 2) within the FM domain of the workplace environment.
Figure 3. Diagrammatic visualization of the conceptual framework for understanding how hospitality and hospitality management interacts, and ultimately add value to, the FM domain of the workplace environment.

**Case study**

The case study of the new head office building of Eneco – a large Dutch energy provider – has been selected due to its status as one of the best examples of an integrated approach to the facilitation of new ways of working, and the provision of facility and supporting services through the concept of HM. In the following discussion, the authors will briefly summarize the contextual issues involved in the realization of the integrated FM/HM approach. The perceived added value thereof to property and facility management will be discussed on the basis of the classification of product, process and motive as discussed earlier in this paper.

**Context**

According to Dongelmans et al. (2012) the new head office of Eneco is the embodiment of an organisational vision on overall sustainability adopted in 2008. However, in the early stages of the project design the organisational objectives changed from a mere relocation project, to the development and implementation of a complete new organisational culture. This change resulted in the new building becoming the focus of an integrated approach to providing the necessary services to enable cross-departmental communication and collaboration. Central to this new organisational culture was the implementation of a new way of working based on a number of key principles:

- No assigned or fixed workplaces;
- The provision of a diverse range of types of workplaces, such as standard workplaces, and workplaces for concentration, communication and collaboration;
• The introduction of activity-based working according to which employees select the type of workplace most suited to the specific workplace activity to be performed;
• The recognition of four basic work styles according to the parameters of (i) the degree of mobility in performing and accomplishing work, and (ii) whether the actions performed are focussed on knowledge work or task performance and accomplishment (Fig. 4):

![Diagram](image)

Figure 4. Diagramatic visualization of the 4 basic work styles of the new way of working as introduced in the new Eneco head office building.

Realized and taken into use in March 2012, this vision was translated into a new building and a new workplace concept with 1530 typologically diverse workplaces for 2300 employees (0.67 workplaces/employee). Bringing it all together is an integrated FM/HM strategy closely aligned to the organizational objectives in terms of sustainability, HRM, ICT and CRM (Customer Relationship Management). Crucial in formulating this integrated approach were considerations regarding (i) the development of new FM and service delivery competencies, and (ii) the financial implications of the envisioned service contracts and products. In order to develop specific tangibles, the different expected service levels requirements were benchmarked against current facility costs (NEN 2748, currently known as EN-15221), thereby creating a steering and monitoring system for continuously managing the desired product and service delivery processes and quality levels (Dongelmans et al. 2012).

**Products**

Implementation of the integrated FM/HM strategy is recognized through its focus on three specific aspects: user-behaviour, products and environment, and Facility services. These three aspects are reminiscent of the definition by Reuland *et al.* (1985; in Brotherton, 1999) which considers that “hospitality is an exchange process within which the exchange transaction comprises three elements: products, employee behaviour and the physical environment”. The different behavioural styles to which the provision of products and services was tailored, were identified as “informal” vs. “formal” (in terms of actual use and ownership of workplaces, meeting areas and supporting services in the workplace environment), and “steering” vs. “preventative” (in terms of providing the necessary stimuli to assist both internal and external clients in their proper appropriation of all facilities products and services in the workplace environment).

By translating general and FM trends regarding these focus areas into a vision on the role and potential added value of HM in FM, an integrated approach transcending the level of mere product provision and service delivery, was realized. Seen from the perspective of the implemented new
way of working, the delivery of the right products and services, as well as the proper management thereof, is crucial to adding value to the new workplace concept by optimally supporting the exchange between providers and receivers. To realize this objective, principles of HM were introduced to assure a “contemporaneous, voluntary and mutually beneficial exchange” process. In this regard, the two most noticeable products provided in the new workplace environment are the concierge-service upon entering the building, and the central espresso-bar where clients arrive, wait and meet each other. These two products also serve as the most tangible evidence of the conscientious choice for HM as a central pillar in the management of the whole building environment (Dongelmans et al. 2012).

**Processes**

The process-component is seen as the least visible of the three classifications. Reason for this is the fact that none of the crucial processes involved in the integrated FM/HM strategy have tangible evidence of their existence. In supporting the exchange process, a Hospitality Manager has been employed to oversee all products and services to be delivered and managed to the extent that it does indeed become a contemporaneous, voluntary and mutually beneficial experience. Crucial to realizing this part of the integrated approach, is to ensure all employees involved are properly selected and trained.

**Motives**

Central to the integrated FM/HM strategy lays the objective of ensuring an optimal experience by clients of the new head office building. This is regarded as the motive-component. In terms of the definition of the facilities component by Losekoot et al. (2001), the facilities component is understood in terms of tangible artefacts (products) and the potential benefits to users (motive), while the hospitality component is understood in terms of an emphasis on the social skills of providers (motive). Taking this into account, the benchmarked facility costs mentioned under the heading “Products” were further developed and integrated with three anticipated levels of experience on which the organization wants to accommodate all client needs and requirements (Dongelmans et al. 2012):

- 1-star level of service quality delivery: This constitutes a minimum service level.
- 2-star level of service quality delivery: This constitutes an increased level of services and in different compositions.
- 3-star level of service quality delivery: this is regarded as the most extensive level of service delivery in the new head office building.

**Concluding reflection**

The case study as presented here, contributes to clarifying definitions, intentions and conceptual understandings for researching the professional and academic parameters of the added value of HM in property and facility management. The definitions of hospitality and HM as discussed in this paper are also instrumental in assisting professionals in the FM-domain to comprehend the full scope of HM, and to better define the potential added value thereof to the profession. Knowledge of this case study contributes to a body of epistemological knowledge in FM education regarding the continued evolution of FM and the dynamic nature of its alignment with organizational objectives.

The case study presented in this paper is only one example of new developments in the FM-domain in the Netherlands which most definitely contributes to making the added value of FM to organisational objectives more explicit. Unfortunately, case studies of this nature are not in abundance, thereby serving as the primary limitations of this line of inquiry. Through the development of a conceptual framework (for understanding how hospitality and hospitality...
management interacts, and ultimately add value to FM domain), the authors are confident to have established a first step in the direction of creating a proper discourse devoted to the studying and analysing of the added value of hospitality management to the continuous evolution of property and facility management in new workplace environments. Suggestions for further research therefore propose repeat inquiries at other notable examples of integrated FM service delivery concepts in the Netherlands, in order to gradually build an evidence-based database for strengthening the identity of FM and for validating the added value thereof to organizational effectiveness.

Selected references


