Week 1 Case Study

Ritz-Carlton – Gold Standard

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February 11, 2018**What is the relationship of the "Gold Standard" to service quality?**

Organizations that are known for high quality have many things in common. Most important is the recognition that quality is a culture, not a department or function. The Ritz-Carlton provides its quests with an exceptional hotel experience. That experience is enabled by its commitment to its Gold Standard philosophy and its mission. This is no minor feat given it has 40,000 employees and 91 hotels located in 30 countries (“Fact Sheet”, 2018). The Gold Standard acts as a unifying set of principles that clearly defines quality for the organization. It is not by chance that the Ritz-Carlton is the only hotel company to have won the Malcolm Baldrige National Quality Award twice.

Service quality has implicit and explicit dimensions and therefore is a challenge to assess and quantify. Using the five dimensions of service quality defined by SERVQUAL, Tangibles, Reliability, Responsiveness, Assurance, and Empathy, we can see how adhering to these dimensions contributed to their reputation for superior quality (Schroeder & Meyer, 2018).

The tangibles relate to the physical aspects of the service, which includes facilities and personnel. Their Credo (or common belief) states: “We pledge to provide the finest personal service and facilities for our guests who will always enjoy a warm, relaxed, yet refined ambience.” (“The Gold Standard”, 2018). This is further defined in its “*Service Values”* which addresses details from appearance to the cleanliness and safety of the hotel (“The Gold Standard, 2018).

Reliability relates to the consistency of quality. In other words, the quality of service is the same, regardless of location. Even if the quality is mediocre, organizations should strive for consistency. The existence and commitment to the Gold Standard is important in achieving service quality consistency. By having a single set of values and principles, they ensure that each hotel its staff is working towards achieving a common goal.

Responsiveness relates to the promptness of the service. To achieve be responsive, the organization empowers all its employees to resolve customer issues themselves. To that end, each employee is authorized to spend up to $2000 to resolve a customer complaint (Schroeder & Meyer, 2018). It also explicitly states: “I own and immediately resolve guest problems.”

Assurance is the ability to build a trusting relationship with the customer. The first Service Value is “I build strong relationships and create Ritz-Carlton quests for life.” (Gold Standard, 2018). In any business, building trust with customers and suppliers is critical to success. The personal nature of a service business makes this is even more true.

Empathy is the ability to understand and relate to others. In the context of service quality, it is the ability to convey genuine care and attention to a customer’s individual needs. The first line in the Credo states that “The Ritz-Carlton Hotel is a place where the genuine care and comfort of our guests is our highest mission.” (“Gold Standard”, 2018). It further cements this commitment through its Employee Promise.

In conclusion, the Ritz-Carlton has achieved service quality by ensuring each dimension; tangibles, reliability, responsiveness, assurance, and empathy is addressed in its Gold Standard mission. This achievement is evidenced by the dozens of prestigious awards it has received throughout its existence, including the Cond Nést and Five Diamond awards as well as the thousands of positive reviews on Trip Advisor and other travel websites. Their reputation for quality is such that they created the Ritz-Carlton Leadership Center, an organization dedicated to teaching others how to deliver outstanding service.

**References**

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