

# *The Hotel and Restaurant Business*

Sixth Edition



*Donald E. Lundberg*

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# The Hotel and Restaurant Business

# Acknowledgments

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This is one of those books that the author can only partially claim as his own. It has drawn heavily on the experiences and work of dozens of hospitality business practitioners and on articles and information written and compiled by others.

Many of the hotel business statistics come from the American Hotel and Motel Association and two international accounting firms: Laven-thol and Horwath and Pannell Kerr Forster. Unfortunately, both accounting firms have disbanded because of financial difficulties.

Statistics for the restaurant business largely come from the National Restaurant Association. Numerous hotel and restaurant managers and hospitality management companies have gener-

ously provided photographs, charts, and other information.

Professor Stanley Davis, Ph.D, Professor Emeritus, School of Hotel Administration at Cornell University, contributed the chapter on management.

David K. Hayes, University of Houston, and Larry Yu, Northern Arizona University, reviewed the book at various stages. To them—many thanks!

Karen Eich Drummond, F.M.P., R.D., contributed much of the chapter on institutional food-service. She also helped reorganize and edit other chapters.

To all the others who have made the book possible, my gratitude.

# Preface

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The sixth edition of *The Hotel and Restaurant Business* continues in the same vein as previous editions. It is a descriptive analysis of the hotel and restaurant business, from early inns to megahotels, from family taverns to multibillion-dollar restaurant corporations. An attempt is made to identify the determinants of the business, including changing socioeconomic conditions and especially the people who have shaped its style and direction. Brief biographical sketches of some of these superstars are included.

Statistical, biographical, financial, and ownership information has been updated. New technical developments are covered. But because of the rapid changes occurring, revisions are dated the day the book is published. The conceptual background of some chapters has been im-

proved. New chapters on management of people and institutional foodservice are included. The book, however, remains largely descriptive in character, an attempt to present the extent and nature of the business. Specialized subjects such as hotel and restaurant accounting, engineering, and marketing are touched on briefly.

We in the hotel and restaurant business can take satisfaction from being engaged in activities that help make life pleasing and comfortable for our guests. Whereas the conflicts of nationalism, terrorism, religious differences, and economic rivalries rock the world, travel and tourism—of which the hotel and restaurant business is a part—bring people together under mostly agreeable conditions, in that way mitigating hostility and smoothing the rough edges of life.

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# 1

## Introduction: An Overview

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What is hotel and restaurant management? It is a field that applies principles and information derived from a number of disciplines to the problems of selling food, beverages, and lodging to persons away from home. Practices and techniques learned from experience have their place as well.

Closely related to serving the public in this way is the field of institutional foodservice—in schools, colleges, hospitals, industries, and the like. The management of city and country clubs is also within the broader range of the profession.

Hotels and motels (Fig. 1-1) employ approximately 1.6 million people (including full-time and part-time) and enjoy annual sales approaching \$65 billion. On an average day the industry accommodates over 2.6 million guests in 3 million available rooms in 44,300 properties. By comparison, the foodservice industry employs over 9 million people; 60 percent are female, and over half are under 30 years of age. Total sales approach \$250 billion each year, equal to about 5

percent of the country's gross national product—generally defined as the value of all goods and services sold. Foodservices serve lunch or dinner every day to between 25 and 30 percent of U.S. adults.

Inextricably bound together with the hotel and restaurant business is travel and tourism, a business that provides services to travelers. These services include hotels, restaurants, and convention centers, as well as airlines, rental cars, or other forms of transportation; travel agencies and tour operators; and recreation and entertainment facilities. It is a burgeoning business.

The World Travel and Tourism Council states that travel and tourism is the world's largest industry. In 1992 it was expected to generate more than \$3.1 trillion in gross output, 14 percent of the world gross national product. Over 400 million international visits will result in the employment of 130 million people. Travel and tourism maintain an employment growth rate of 5.2 percent, far surpassing the world employment growth rate of only 2.45 percent.





Figure 1-1 The Feathers Hotel of Ludlow, Shropshire, England. The hotel first opened for business in 1600.

According to the World Tourism Organization, the world in 1989 inventoried about 11.2 million rooms suitable for international travelers, a number that was growing about 3.4 percent a year. Of the so-called megahotels, those with 1000 rooms or more, 99 of the 151 that existed in 1991 were in the U.S. Europe had 14 of them, 12 were in Japan. The number of U.S. hotels and motels were declining, smaller properties being replaced by larger ones.

Restaurant and hotel management is interdisciplinary. It draws on economics, psychology, management theory, food technology and chemistry, microbiology, physics, engineering, architecture, accounting, marketing, and law. From these disciplines, a set of approaches, systems, and analytical tools are formulated to make lodging and foodservice satisfying experiences for people away from home.

Much of hotel and restaurant supervision is an art. Relations with people—guests, patrons, employees, purveyors, and the community at large—are closer and often more sensitive than in

most fields. For example, retailers are concerned with customer relations, but their customers are not eating, drinking, and often sleeping under the same roof.

Hotel and restaurant managers must deal with a wide range of personalities. A patron or guest may be on his or her best behavior. On the other hand, the guest may be depressed and drunk and present all sorts of problems.

Clear systems and efficient practices help simplify the job of managing a hotel or restaurant, but the human element is difficult to systematize. Generally speaking, hotel or restaurant managers need a high energy level to be able to live with the long days and the multitude of demands on their nervous systems.

Joe Garvey, vice president of marketing for the Hyatt chain, compiled a humorous list of specifications for a hotelier. He or she must be:

A diplomat, a Democrat, an autocrat, an acrobat and a doormat. He or she must have the facility to entertain prime ministers, princes of industry, pickpockets, gamblers, bookmakers, philanthropists and prudes. He or she must be on both sides of the political fence and be able to jump that fence on occasion . . . To be successful the hotelier must keep the bar full, the house full, the wine cellar full, and not get full himself.<sup>1</sup>

## LIFE AS A HOTEL GENERAL MANAGER<sup>2</sup>

In a large hotel the general manager's (GM's) job is characterized by high intensity and extensive verbal communication, both face to face with a variety of people and by telephone. A 1987 study of ten highly successful GMs of large hotels in New Orleans tracked one GM as having 35 phone conversations in one day. Little wonder when you consider the size of their organizations (Fig. 1-2). Another GM in the study had face-to-face discussions with 25 people and 20 phone calls during a day. These interpersonal contacts lasted 10 minutes or less. Compared to verbal interactions, written communications were few. An interesting sidelight: Interruptions were expected.

1. Robert C. Lewis and Joseph Garvey, *The Practice of Hospitality Management II: Profitability in a Changing Environment* (Westport, Conn.: AVI Publishing Co.), 1986, p. 451.

2. Information for this section was taken from the study that appears in Eddystone C. Nebel III, *Managing Hotels Effectively: Lessons From Outstanding General Managers* (New York: Van Nostrand Reinhold), 1991.

One of the GMs, who is now a corporate vice president, kept a bowl of apples and grapes on his desk and invited his department heads to drop in whenever they wanted some fruit. The GMs indicated that during a typical day they were involved in a series of decisions, but few of them could be called major.

A GM's workday is long, often starting before 7:30 AM and continuing after supper to catch up on paperwork, a fact that corroborates the reputation of "long hours" for hotel executives.

Six of the ten GMs surveyed had served as resident managers on their way up the career ladder, and six had been in charge of the food and beverage operations of a hotel. Two came up by way of the accounting department. Only one each had been in sales, rooms, and housekeeping.

Contrary to what is commonly believed, only one of the executives tried to structure a very tight schedule and stick to it. Rather, GMs were highly adaptable to the pressures of the moment. Much of what they did in the course of a day seemed to depend on what was happening at the time; walking about from department to department and discussing problems of the moment occupied a lot of their time.

As might be expected, each of the GMs studied had a high level of confidence, a necessity for anyone having to make the dozens of quick decisions required for effective hotel operation. The GMs surveyed were star performers, men who reached the top position in less than 10 years. Nine of them were under 40 years of age.

As is customary in medium and large hotels, the GMs worked with and through an executive operating committee (EOC) made up of senior department heads. In medium-size hotels (about 300 rooms), the EOC consists of the Rooms Manager, Controller, Food & Beverage Director, Sales and Marketing Director, and Personnel Director (often called the Director of Human Resources). In large hotels three more executives join the EOC: the persons who head Convention Services, Engineering, and Public Relations.

Necessarily, GMs have their own management styles. Some tend to be autocratic, others democratic in involving department heads. Some GMs in the study delegated considerable responsibility and authority to individual subordinates and the EOC. Whatever his or her management style, a GM has final responsibility for the business success of a hotel. According to Nebel, GMs

are well aware that they are "on stage" whenever they are in their hotels and consequently they are engaged in leadership in every contact with their subordinates.

The textbook recommendation that planning be done separately in an isolated setting was not practiced by these GMs. Instead, planning took place concomitantly while attending to current and specific issues. Dr. Nebel believed that planning probably took place as much on a subconscious as a conscious level.

The GM is ultimately responsible to the hotel guest, who evaluates the GM's performance by word of mouth, comment card, and returning (or not returning) to the hotel as a guest. As part of a hotel chain, the GM may report to a regional vice president or chain president, who in turn is responsible to the hotel owner(s). The owners may be a pension fund, bank, insurance company, savings and loan, airline, or some other business institution. Owners are currently taking a more active role in the oversight of hotel operations and may act through an asset manager to participate in budgeting, marketing, and operating policy. Their scrutiny and oversight have increased since hotel losses escalated in the 1980s.

Nearly all managers in a foodservice/lodging operation receive meals at no cost while at work. In large hotels, an entertainment account is set up that may run several hundred dollars a month. If a hotel/resort manager is expected to live on the premises, he or she receives complete maintenance: food and living quarters for themselves and their families.

## LIFE AS A RESTAURATEUR

Restaurant owner/operators enter the restaurant business because they want to take control of their own lives and gain satisfaction from the exercise of their own skills—not necessarily kitchen skills, as might be expected, but skills in customer relations and dining room management. They need, according to a doctoral dissertation on entrepreneurship in restaurants, independence and control.<sup>3</sup> Customer orientation and an emphasis

3. Robert M. Small, "A Discriminant Analysis of Restaurant Entrepreneur Types and Restaurant Classifications," unpublished dissertation. Claremont Graduate School, Claremont, Calif., 1986.

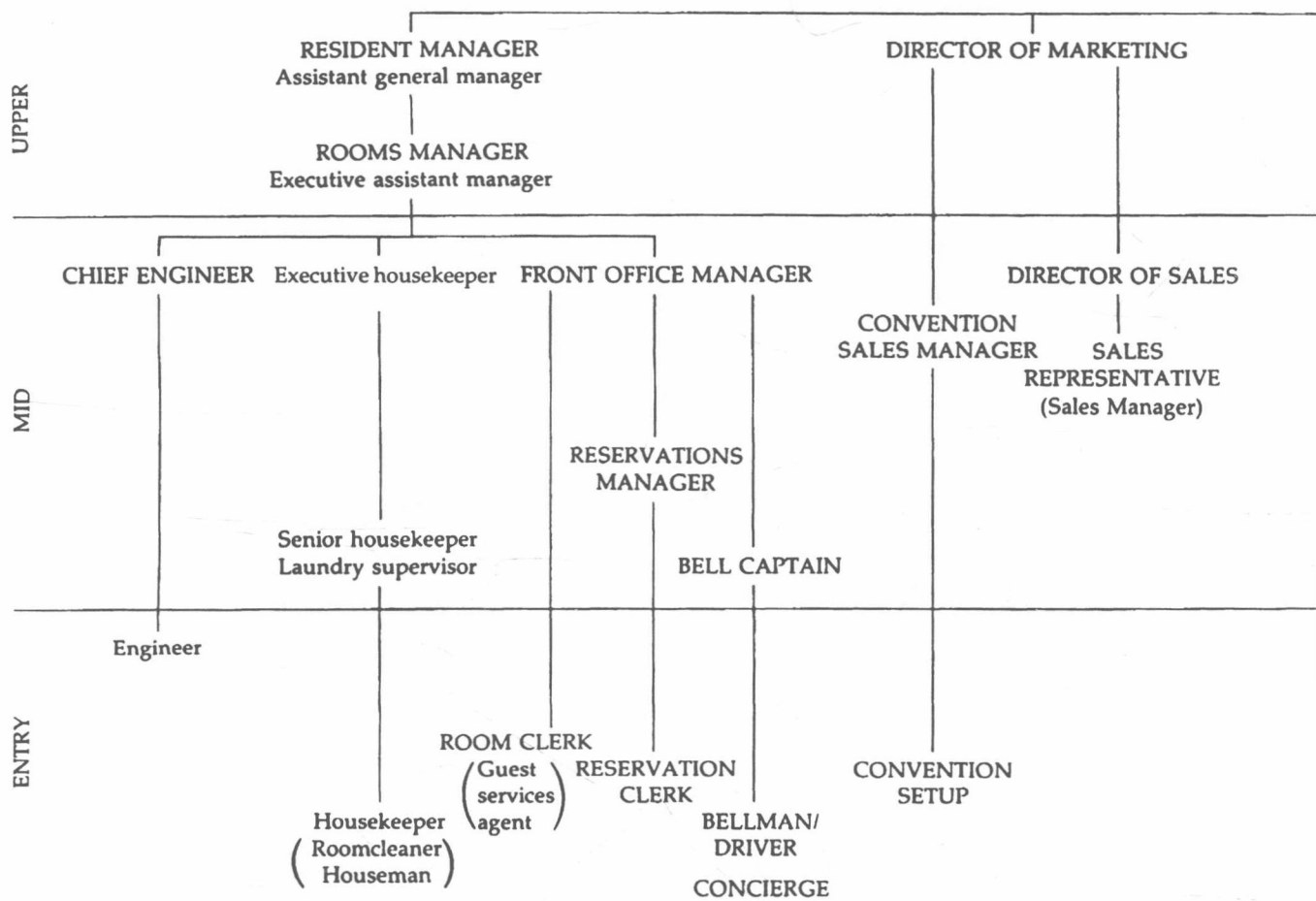


Figure 1-2 Organization of a large hotel.

OWNERS (ASSET MANAGER)

CORPORATE PRESIDENT OR VICE PRESIDENT

GENERAL MANAGER

DIRECTOR OF  
HUMAN RESOURCES

CONTROLLER

FOOD & BEVERAGE DIRECTOR

EMPLOYMENT MANAGER  
BENEFITS COORDINATOR  
DIRECTOR TRAINING

EXECUTIVE  
CHEF

Restaurant  
Manager

LOUNGE  
MANAGER

DIRECTOR OF CATERING

Sous Chef

Personnel assistants

Accounts receivable  
clerk  
Accounts payable  
clerk  
Income journalist  
Cashiers

Cooks  
Pantry  
Steward  
Room service  
Utility person

Hostess  
Waiter/waitress  
Busperson

Bar waiters  
Cocktail servers

Catering secretary  
Banquet waiter

on product quality are valued for the opportunities they afford for making money.

Those operating upscale restaurants—the dinner houses and luxury restaurants—form a group somewhat different from other restaurateurs. For them, income and profit are often of less importance than for owners of other kinds of restaurants. They are involved more for the love of it than for money.

Restaurant owners/operators are entrepreneurs by definition. They create, they innovate, they take risks, and they do their own thing. Some independent business people not in the restaurant field are entrepreneurs in order to avoid working for someone else. This is not so with restaurant owners/operators. They enjoyed their earlier work in the business and identified with the boss. Their memories of past employment are overwhelmingly positive. They also have a strong need for independence and control.

Stamina and the ability to work long hours characterize the restaurateur. Of the respondents to the dissertation questionnaire, 82 percent said they worked at least 50 hours a week. More than a quarter reported working 80 hours or more.

Several studies of hospitality management students have shown that relatively few are attracted to careers in fast food. Reasons include a feeling that fast food lacks glamour, demands long working hours, and leaves little room for innovation. District or regional manager jobs should hold more appeal, but they often require several years of experience as a unit manager.

District and regional managers supervise a number of unit managers within a geographical area. Their time is taken up in monitoring what is done by unit managers, in marketing and promotion, in facilities and safety management, and in trying to meet budget targets set by top managers or owners. Compared to hotel managers, fast-food district and regional managers make fewer family moves to new locations.

The ready availability of food and beverages has its hazards. There is the tendency to overeat, since food is free, as well as to drink too much. Coffee is bad enough, but the manager must be continually on guard to avoid visiting the bar too frequently with the guests.

Some managers are thrust into their positions before they have been tempered by experience;

their new power “goes to their heads.” Now the center of attention, at least to their employees, some managers get carried away.

## CHARACTERISTICS OF THE WORK

### Long Hours

Long hours and work during evenings and weekends are the rule rather than the exception. A new manager may have to stay on the job 60 or 70 hours a week. In larger hotels the manager may not leave the property for days at a time. In the seasonal resort, the first few weeks just before and after opening are particularly exhausting; all time and effort must be focused on getting the hotel ready in time, usually with a large number of inexperienced personnel.

The unpredictable nature of the work looms as a distinct disadvantage to the person who prizes a weekend of leisure, long hours with the family, or a routine that fits in with the habits of neighbors. But the unusual hours are no handicap at all to other types, for whom the excitement of the job more than compensates for its inconveniences. Some hotel and restaurant managers speak with pride of the excessive numbers of hours they work, perhaps considering it evidence of their stamina.

All too often, hardworking managers see the long hours as a model for others to follow and justify it in terms of economic necessity.

The truth is actually different. For the average manager, efficiency drops after 44 to 48 hours of work. Decision-making ability suffers. The person who works extremely long hours in reality is handicapping the enterprise. It has been found repeatedly that reducing a work week from 50 to 44 hours or from 48 hours to 40 hours, increases the efficiency per hour worked. Overall productivity is not markedly reduced in most cases.

### Unskilled Employees

The managers of hotels and restaurants usually work with a large percentage of employees who are relatively unskilled, uneducated, and disadvantaged. For well over a hundred years a large portion of the employees in hotels and restaurants in the eastern U.S. have been recent immi-



grants; in the last few years the majority have been from Puerto Rico and other Latin American countries. In New York City over 40 percent of the employees in the industry are Spanish-speaking.

Working with newly arrived or disadvantaged groups can be a challenge and a problem. It can also be an opportunity for many of these minorities to rise to supervisory and management positions.

It should be pointed out that academic achievement as such is not as important for many entry-level jobs as emotional stability, personal organization, energy, and tact.

### Status

Ellsworth Statler, the famous hotelman, envisaged the hotelier ideally as owner manager and a pillar of the community. Many have achieved such status and recognition. More often, the status of managers varies widely, depending in part on the status of the establishment itself and their own position in the community.

Generally speaking, managers of large, luxurious hotels have the most status, whereas the small-restaurant operator, even with an income superior to the morning-coated hotel manager, has less status.

Restaurant operators improved their image as they grew in size and quality. Before the turn of the century, most of the restaurants in this country were relatively small and many were family enterprises. A few restaurant chains existed before then, but rapid chain growth took place only after World War II.

Club management as a "respectable" field of work is also of recent origin; until 1912 the Harvard Club contract called its manager a steward.

### Range and Style

The range and style of operation within the hotel and restaurant arena are tremendous. It is not realistic to think that a "hotelier" or a "restaurateur" can step in and manage any hostelry or foodservice operation well. The skills and social poise needed to manage an elite club are also fairly rare. A highly successful person in such a club might not do well at all as the director of a college food service.

The manager of a large urban hotel must necessarily rely on department heads who are spe-

cialists in their own right. Such a manager is primarily an administrator and coordinator; he or she does not need to be particularly knowledgeable in all of the specialties found within the hotel. This same manager might not do well at all as a country innkeeper with no expert department heads to call on.

The manager of a small operation must have more "nuts and bolts" knowledge than the manager of a large one because he or she has fewer department heads on which to rely. The owner/operator of a highly successful restaurant, because of his or her knowledge of operations, may find it impossible to work within the confines of an organization of which he or she is not the boss.

Many restaurants are the reflection of the personalities of their owners, whereas the personalities of some chain enterprises are the result of the thinking of a number of specialists—site experts, food specialists, architects, decorators, financial planners, and so on.

In some cases, presidents of large and successful hotel operations have been failures when they struck out on their own as owners. Ralph Hitz, the well-known hotel operator of the 1930s, was able to make impressive profits when he operated for other owners. Yet, according to his son, Ralph Hitz, Jr., he was never able to make a profit in the hotels he owned himself. He seemed to cast aside caution when it came to investing his own money in a property or an idea.

Hotel managers normally are not owners. As might be expected, they place high value on maintaining friendships with the accounting firms and individuals who can help them into better positions. The owner/investor is keenly interested in improving his or her operation to increase profits; the professional manager may be less so.

### Remuneration

Salaries for top hotel managers have always been high. The salaries in hotels of 250 or more rooms range from about \$40,000 to \$160,000 annually (plus a number of perquisites). Restaurant managers whose income includes bonuses make as much as \$100,000 a year. Most, however, receive less than \$40,000 annually. Department head salaries are much less.

The big incomes in the hospitality field go to developers, corporate executives, franchise own-

ers, and owners of independent properties. Numerous restaurant franchisers have become millionaires.

College graduates will find salaries are average when compared to similar jobs in other industries, such as retailing. Salaries for middle and upper management are often quite good. Large organizations often pay more and offer more benefits than smaller organizations. Pay in affluent urban areas is generally better than in rural areas.

### Skills Required

Hotel and restaurant management draws on several other disciplines, especially economics, nutrition, psychology, marketing, engineering, insurance, real estate, law, accounting, statistics, and data processing.

Closely related to general business, many of the skills useful in hotel and restaurant management are transferable to any area of management. Evidence of that transferability can be seen in the career of Edward Carlson. He grew up in the hotel business, became president of Western International Hotels, and then president of United Airlines, of which Western International (now called Westin) was a subsidiary. Carlson did an outstanding job of management in both positions.

To be successful in any business requires that a person have highly developed skills in time and money management, social management, and strategic planning. These are useful in any undertaking, not only in business. But hotel and restaurant management requires certain specific technical skills as well: professional background knowledge, such as some understanding of nutrition, food preparation and service, understanding of food and beverage cost controls, and knowledge of wines and spirits, along with specialized information about hotel, restaurant, travel, and property management. Knowledge of marketing principles and the ability to apply them to the field are also necessary.

### RECENT DEVELOPMENTS

The travel and tourism business and its component, the hotel and restaurant business, are rap-

idly becoming more international in character. Holiday Inns are owned by a British company, Motel 6 by a French firm, Westin hotels by a Japanese company. Eight major hotel chains originally American-owned are owned by non-American parent companies. Hotels may be owned by nationals of one country and managed by people from another, the employees may represent a dozen or more ethnic groups. The Best Western name appears on hotels in close to 1500 properties outside the U.S. Franchising has spread McDonald's, KFC, and other fast-food restaurants around the world.

In 1992, U.S. hotels were experiencing another of the overbuilt cycles that plagued the U.S. hotel business over time. A study by Smith Travel and the Arthur Anderson accounting firm showed that the U.S. hotel industry had 10 straight years of pretax losses on a per-room basis.<sup>4</sup>

Easy money made it possible for hotel developers to borrow vast sums for construction, and too many hotels and resorts were built. Many were overleveraged: too much debt for the earning capacity of the property. Leveraged buyouts made possible by the sale of junk bonds made fortunes for a few, but put unwary investors who were attracted by high yields on the bonds at risk. Many hotel companies had such large debts that, even with relatively high occupancies and good management, interest payments were difficult to meet. Small drops in occupancy were enough to place the properties in financial jeopardy.

A recession beginning in 1989 resulted in hotel occupancy rates—many below 50 percent—insufficient to meet operating costs and debt liabilities. Banks and other lending institutions would or could not make loans to distressed properties. Savings and loan institutions were forced to foreclose on hundreds of hotels, and it was estimated that half or more of U.S. hotels were financially stressed. By 1994 the U.S. economy was recovering and the hotel/motel business was reviving.

As for restaurants, their sales were experiencing little or no growth, and restaurant operators were using "value pricing" and discounting to

4. "Hotel Slump Is No Bar to Luxury Projects," *Wall Street Journal* (Dec. 12, 1991) p. 3.

keep sales from slipping. The basic conditions for hotel and restaurant growth had not changed much, and it was safe to predict that a return to growth in restaurant sales and hotel occupancy would take place.

## UNIVERSITY EDUCATION FOR THE HOTEL AND RESTAURANT BUSINESS

Until the 1920s, education for the hotel manager was largely through experience. Most managers, like those of other enterprises at that time, did not have the advantage of a university education. The American Hotel and Motel Association (AHMA), then called the American Hotel Association, was responsible for initiating a program of instruction for hotel management at the college level.

Frank Dudley, president of the AMHA in 1917 when it became a truly national trade association, appointed Lucius Boomer, president of the Waldorf-Astoria, to chair an education committee to study the industry's needs.

### Undergraduate Programs

One of the committee's recommendations was to establish a school of hotel management at Cornell University in Ithaca, New York. The financial support pledged by hotel operators did not materialize, however. Ellsworth Statler, the leading hotelier of his time, stepped in to underwrite \$70,000 of the association's indebtedness if the other members would pay off the remaining \$30,000.

Statler, who at that time did not favor college education for hotel managers, visited Cornell in 1925 as a personal favor to an old friend. At one of the classes on his first day, he was asked to say a few words and dropped this bomb: "Boys, you're wasting your time here. You don't have to learn this stuff to be a hotelman. When I have an engineering problem, I hire an engineer. I don't know a damn thing about the British thermal units, and there's no reason for you to, either. Go on home and get a job."<sup>5</sup>

By the end of his second day on the campus, however, Statler had changed his mind. At a banquet that marked the end of the two-day "Hotel Ezra Cornell" (an annual celebration at the school), he was asked to speak again. His second speech was as startling as the first: "I am converted. Meek [the school director] can have any damn thing he wants." Statler tried to make sure that would happen. In his will, he left 10,000 shares of Statler common stock (then worth \$10 a share) to set up the Statler Foundation for the benefit of the school. By 1975 the Cornell hotel school had received more than \$10 million, which it had used for the construction of teaching facilities, faculty salaries, research projects, and student scholarships. Additional millions have been given to the school by the foundation since then.

Under Howard B. Meek, Cornell became the best known of the hotel schools. It began offering master's and Ph.D. programs in 1927, open only to those who had completed the undergraduate program in hotel administration at Cornell. Its Statler Hall, completed in 1950, pointed the way for hotel training facilities elsewhere. With Statler Foundation sponsorship, several hotel research projects were begun in the early 1960s.

A number of other universities ventured into hotel management education after Cornell, with varying degrees of enthusiasm and persistence.

In 1928 Michigan State University started a hotel program under Bernard "Bunny" Proulx. In the late 1930s, the University of Massachusetts, Pennsylvania State University, the University of New Hampshire, and Washington State University began hotel curriculums. After World War II, Florida State and Denver universities introduced similar programs. A master of business administration (MBA) with a hotel and restaurant major was offered at Michigan State in 1962. By 1987 about 130 colleges and universities were offering 4-year degrees and 375 junior and community colleges had programs in hospitality management. A total of some 60,000 students were enrolled.

Do college grades predict career success in the hospitality business? Research conducted with hospitality students at Michigan State University showed a positive correlation. Performance in elective courses correlated higher than in

5. Floyd Miller, *Statler America's Extraordinary Hotelman* (Ithaca, N.Y.: The Statler Foundation), 1968.

required courses. On the other hand, there are examples of dropouts and poor students who went on to do exceptionally well. Some were so ambitious that long hours in outside jobs left little time for academic achievement. Yet, on the whole, grades seem to make a difference.

Most of the 4-year degree programs offered in American universities can be broken down into three parts: two years devoted to general education as required by the university, one year of business education, and one year of specialized hotel and restaurant courses.

The curricula usually include blocks of instruction in food preparation and service, accounting, hotel engineering, management, finance, marketing, and business law. These are in addition to the usual university-required blocks in the basic sciences, humanities, mathematics, and English. More recently, courses in computers have been added.

### Graduate Programs

By 1992, 16 U.S. universities were offering graduate degree programs in hotel and restaurant education at the master's degree level, programs that in several instances were similar but at a higher level than those offered at the bachelor's level. A survey of 46 company recruiters, 15 representing the lodging industry and 31 the foodservice industry, found that a majority of the lodging recruiters believed that human resource management and higher management skills, such as decision making and delegation, were the most important subjects in a graduate program. Foodservice recruiters showed a preference for finance and accounting. The recruiters indicated that master's-level graduates should not expect higher starting salaries than the bachelor-level graduates. About two-thirds of the lodging recruiters said they expected master's-level graduates to have greater maturity and more practical experience than recent graduates with bachelor's degrees.<sup>6</sup>

Graduate-level work is almost a prerequisite for students who plan a career in teaching, and

those who wish to teach in a university should consider a doctoral program. To advance within universities, research competency and the willingness to write are important.

Whether or not holders of a master's degree perform better than those with a bachelor's degree is not clear. Probably for corporate-level jobs involving research and analysis, graduate-level work is valuable. Master's-level work possibly gives the student greater competence and confidence in such skills as computer application, problem analysis in human resource management, and accounting and control.

### Certification Programs

The Educational Foundation of the National Restaurant Association (NRA), offers undergraduate hospitality programs the option to adopt the Management Development Diploma Program—a complete foodservice management preparation program. Students who complete at least eight of the management development courses receive a management diploma from the National Restaurant Association.

Once students are actively working full-time in the hospitality field, certification programs are available from the AHMA and the NRA. These programs generally require a combination of work experience and courses, as well as an application and exam, to become certified. The AHMA offers the following certification programs for department-level managers and directors.

- Certified Rooms Division Executive
- Certified Human Resources Executive
- Certified Food and Beverage Executive
- Certified Engineering Operations Executive
- Certified Hospitality Housekeeping Executive

The AMHA also offers a prestigious certification program for general managers, owner operators, and corporate executives—the CHA or Certified Hotel Administrator. The NRA offers the Foodservice Management Professional (FMP) Certification program to individuals who work in the foodservice field.

6. Hubert B. Van Hoof, "Entering the Job Market with a Master's Degree in Hospitality Management," *Hospitality & Tourism Educator*, Washington, D.C., Nov. 1991.