


Chapter 4

Addressing Workplace Culture and Rebuilding Reputation: A Case Study of a Five Star Resort

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ABSTRACT

This study investigates the challenges faced by a five-star resort involved in a class action lawsuit due to widespread discrimination and sexual harassment allegations by female employees. The research aimed to explore the impact of these allegations on the resort's reputation, employee morale, and operational efficiency and to propose strategies to address the organizational culture issues at the core of the crisis. The analysis utilized Schein's Organizational Culture Model, Kotter's 8-step Change Model, and Risk Management and Balanced Scorecard frameworks to assess the resort's cultural dimensions, manage change, and mitigate reputational damage. Key findings indicate that the resort's toxic culture led to high employee turnover, absenteeism, and disengagement, negatively affecting productivity and customer satisfaction. Recommendations include implementing comprehensive policies to prevent discrimination, investing in diversity and inclusion.

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INTRODUCTION

The luxury hotel industry, known for its emphasis on service excellence and reputation management, is increasingly vulnerable to legal and reputational risks stemming from workplace misconduct (Şanlıöz-Özgen & Kozak, 2023). A five-star resort, previously celebrated for its premium accommodations and exceptional service, now faces a severe crisis following allegations of pervasive discrimination and sexual harassment by female employees. This has culminated in a class action lawsuit and extensive media scrutiny, dramatically tarnishing the resort's public image, eroding employee morale, and diminishing customer trust (Opoku et al., 2024). Recent trends in the hospitality sector reveal that class action lawsuits related to workplace harassment are on the rise, often leading to devastating financial consequences and long-term reputational damage (Ari, 2020). In an industry that thrives on customer perceptions and loyalty, the failure to address these deep-rooted cultural issues could result in catastrophic outcomes, including significant client loss, reduced employee engagement, and crippling financial liabilities (Mamman-Daura et al., 2023). The resort's leadership must navigate this complex landscape by confronting entrenched organizational behaviors, managing the fallout from negative publicity, and implementing strategic measures to foster a safe and inclusive work environment (Hashmi et al., 2020). The urgency to act is underscored by the broader industry implications, where a single misstep can echo through brand reputation and market positioning, highlighting the critical need for comprehensive cultural reform (Gikuhi, 2020).

Problem Statement

The primary challenges for the five-star resort include addressing the entrenched issues within its organizational culture that have allowed discriminatory and harassing behaviors to persist, managing the reputational damage resulting from the lawsuit and negative publicity, and implementing measures to rebuild a safe and inclusive workplace environment. These challenges are compounded by the potential loss of clientele, reduced employee engagement, and financial losses due to decreased patronage and legal costs.

Significance Statement

The significance of addressing workplace culture issues and rebuilding the resort's reputation cannot be overstated. The hospitality industry heavily relies on its reputation for high standards of service and customer satisfaction (Şanlıöz-Özgen & Kozak, 2023). A tarnished reputation affects customer trust and patronage and

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