

The Two Faces of Albert Ashwood

Talking Corporate Values/ Living Corporate Values

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Introduction

David Swinton, recently appointed chief operating officer (COO) of Silver Moon Resorts & Spas, initiates his tenure with the company by travelling to Silver Moon's key resorts to meet the operational leaders who will be critical to the implementation of the company's strategic plan. He makes of point of forging a relationship with Albert Ashwood, a valued regional vice president, reputed to be a leading strategic thinker and driving force within Silver Moon, often recruited for special projects because of his talent and business acumen.

David likes what he sees and hears from Albert and is looking forward to working with him until he agrees to sit down with Celia Costa, director of rooms at Albert's location. Celia, a long-term employee, relates how Albert has, since his hiring by the company, been a predator of vulnerable female employees. Celia has documented the stories of 25 women who have been Albert's victims. She further claims that head office and others in the company suspected, or knew about, Albert's bad behaviour but chose to turn a blind eye because of his value to the business. David is unsettled, to say the least, by Celia's claims and now must decide what to do.

About Silver Moon Resorts & Spas

Silver Moon Resorts & Spas began in the 1950s when a leading U.S. entrepreneur with a major interest in the entertainment business began to develop full-service, luxury "eco- resorts," designed to serve celebrities and the wealthy seeking to replenish their energies in a natural environment. In the 1960s and the 1970s, the brand expanded by acquisition, growing from a base of ten Californian resorts, to forty resorts located throughout the U.S. and the Caribbean.¹ Today, Silver Moon had also become well-established in Southeast Asia.

¹ Before the advent of easily accessible air travel, many luxury resorts thrived by providing full service to a cadre of guests who could be relied upon to return annually for extended visits. With air travel opening up travel options, established patrons began to explore alternative venues. Individually managed resorts needed to join a collective or become part of an established brand to ensure they could survive in the changing environment.

Now, there are 80 Silver Moon Resorts & Spas with accommodations offered only through word-of-mouth and exclusive marketing channels, such as the American Express Centurion Card. The brand remains defined by many of the characteristics established by its founder. Commanding average room rates of \$1,000 per night, Silver Moon Resorts & Spas caters to an elite who seeks concierge-planned activities, remarkable food and beverage experiences, luxury accommodations in natural eco-environments and, above all, security and privacy. Celebrities around the globe trust Silver Moon to provide them and their families relaxing, memorable vacations and celebrations in unique settings without the intrusion of paparazzi; and, given the promise of security and privacy, business people and politicians frequently book the resorts to hold their top-secret negotiations and policy discussions.

The expansion of the brand has gone hand in hand with significant organizational changes. In the 1960s, to fund the expansion, the company went public. In the 1990s, the company's properties were sold to real estate investors. Silver Moon now manages the brand on behalf of a select group of owners. After years of expansion through acquisition, Silver Moon is now in an era of consolidation, wanting to further develop the existing properties through various real-estate ownership arrangements.

The change in focus makes the attraction, development and retention of versatile leaders a priority for the company. In step with the changing times, the leaders who will ensure that Silver Moon will thrive must be financially-savvy ambassadors of the brand, able to motivate and develop the next generation of leaders on the one hand, and on the other to partner with owners in order to fund the next stage of expansion.

To execute the new strategy, Silver Moon recently hired David Swinton as their chief operating officer. David, 48, is not a typical hotelier. While he did receive a Bachelor of Commerce degree, specializing in hospitality management from Toronto's Ryerson University, his career took a different turn after he completed his MBA at Cornell when he went to work with Oliver's, a

California-based real estate development firm, to develop hotel properties. His experience makes him well suited for the task, think those who recruited him to lead the consolidation process.

David Swinton's First 100 Days

During the recruitment process, David came to understand that he could work collaboratively with his CEO and fellow executives at the head office in Santa Barbara, California; he also seemed to have good rapport with the key property owners. While head office and owner support are essential to David, he also knows that he has to build rapport and agreement with those occupying leadership roles at each of Silver Moon's properties if Silver Moon's strategy is to be successfully implemented.² Given this, his first act in his new role is to prepare for a tour of as many properties as practical over the next six months. During the site visits, David wants to spend as much one-on-one time as possible with each of his regional vice-presidents and to meet with the property Executive Committees³ to discuss Silver Moon's strategy, his expectations of them, and what they should expect of him.

² At Silver Moon, only executives with policy and functional responsibilities that supported chain-wide initiatives worked at Silver Moon's headquarters in Santa Barbara, California. Operations management, including the 10 regional vice-presidents who report to David directly, are located in their regions and also have leadership responsibilities for the flagship property in their region.

³ Silver Moon Executive Committees generally include the directors of rooms, food and beverage, finance and accounting, sales and accounting, human resources, and engineering, each reporting to the property general manager, who, in turn, reports to the regional vice-president. In properties coming under the direct oversight of a regional vice-president, the hotel manager and directors form an "inner cabinet," with the directors also having regional responsibilities. For the on-going management of the property, the executive committee is usually expanded to include key leaders reporting to the directors, such as the head chef (reporting to food and beverage), directors of housekeeping (reporting to rooms), public relations (reporting to sales and marketing), and revenue management (reporting to finance and accounting).

David asks others at head office for their advice on how he should focus his time in the field. Without exception, his colleagues emphasize that he needs to develop a rapport with Albert Ashwood, the regional vice-president of the 15 properties located in Southwest USA, and resident at Silver Moon's Park City, Utah property. Albert, they say, is not only an exceptional hotelier, but also a brilliant strategist. Most importantly, owners love Albert, and listen carefully to what he has to say. Consequently, David arranges an extended visit with Albert, to include not only a tour with him of his region's properties, but also time for individual meetings, a few games of golf, and a one-on-one dinner. In preparation, David spends time reviewing Albert's personnel file.

Albert Ashwood, he discovers, is a European-educated hotelier, born in France to an English father and a French mother. The first ten years of his career were spent in Europe where he had risen to be the rooms director for one of the leading hotels in London, U.K. Being family friends with Silver Moon's then-CEO, Albert is encouraged to immigrate to the U.S., thirty years ago, at the age of 32, to become the General Manager of the Park City property, which at the time was struggling. Albert's success at turning around Park City earns him his role as vice-president of the Southwest USA region by the time he is 38. Since then, Albert has been offered several promotions within Silver Moon and must also, David assumes, received job offers from Silver Moon's competitors. Albert refuses all other opportunities, however, stating that he prefers to be "at the face" of operations, rather than attending meetings at head office. Moreover, he prefers the Park City lifestyle. To keep him motivated and well compensated, Silver Moon consequently recruits him for several special projects over the years that do not require him to move to Santa Barbara.

As noted in his file, Albert is indeed a fine hotelier, an "ideas man", and someone who is able to get things done. Albert is the first to establish a clear formula for success, entrenched in a set of standards for Silver Moon properties that forms the cornerstone for the training and development of all associates and future leaders. Multilingual and well-connected, Albert leads the way in bringing the international elite to the Silver Moon brand. It is Albert who first forges

partnerships with firms providing cutting-edge technology, sports equipment, and sports and leisure clothing so they can provide, at their cost, prototypes for Silver Moon guests to use and acquire. Celebrities love the bragging rights they get for being the early adopters; the manufacturers value the “free” advertising. Currently, Albert is leading the brand in new directions by developing cooperatives and condo ownership options in his region’s properties.

David also notes that Albert has helped to develop leaders as several of his Executive Committee members over the years have been promoted and now occupy key leadership roles within the company. While David does not think much about it at the time, he does note that it is curious that the vast majority of Albert’s Executive Committee over the years are men, and that the women who have occupied positions on his Executive Committees no longer seem to be with the company. The exception is Celia Costa, the director of housekeeping reporting to the director of rooms. Celia, at 65, it seems, has been in position at Park City even longer than Albert.

The Magic of Albert Ashwood

David’s first impression of Albert Ashwood is very favourable. An avid skier, cyclist and golfer, impeccably groomed, well-mannered, Albert exudes high energy, high intelligence, and looks considerably younger than age. Over the course of four days with Albert, David is impressed not only by his grasp of many subjects, but also by his ideas and breadth of contacts. David is hopeful that he can have Albert as a confidant and partner in the days ahead.

As they walk through several of the properties in Albert’s region, David is impressed with the extent to which Albert is able to greet by name and speak freely with everyone from associates in the front and heart of the house to Executive Committee members. Many light up in his presence, appreciative that he has noticed them.

When David addresses the Park City's Executive Committee, he stresses, as is his custom, how important it is that he and everyone in a leadership position be a role model for company associates by embodying the Silver Moon values of respect, excellence, integrity and transparency. To that end, he emphasizes that he has an open-door policy and welcomes, at any time, their feedback about any issue. "It is only with transparent and honest dialogue in an environment of mutual respect that we can hope to consistently deliver the excellent service for which our brand is known and continue our process of strategic transformation," he said. David, therefore, is not so much surprised, as curious, when Celia Costa, Park City's director of housekeeping, approaches him after the meeting to ask if he will have breakfast with her the following morning. "I will pick you up at eight and bring you to an interesting place outside of the resort," she says, "so we can chat freely."

The Ugliness of Albert Ashwood

The next morning, after being seated in a private booth at a Park City bakery, Celia begins by saying, "Thank you for meeting with me, David, out of earshot of those at work, because it is important that what I have to say to you is not overheard. For a long time, I have had concerns about Albert Ashwood's behaviour towards women. I am raising this with you now because I am retiring next month. This is likely my last chance to address wrongs that have weighed on my conscience. I also believe that what I am about to tell you has been known to some degree within the company for a long time, that is, while those higher up may not have known the extent or breadth of issues with Albert, they have known enough to think that where there is smoke there might be fire. Which brings me to the other reason why I appreciate a moment with you now. You are new, and perhaps not yet captive to Albert's charisma."

Celia goes on to tell David that Albert Ashwood has, over the course of the years he has been resident in Park City, sexually harassed a number of women, and that the behaviour continues. When Albert Ashwood arrived at Park City where Celia was already working as the director of housekeeping, Celia had become a den mother to many of the women who work at the

property. Alarmed by the stories told by these young women, Celia has kept a diary that catalogues times, dates, names and details of charges against Albert.

Celia relates that it is Albert's pattern to seek out and befriend women who are fragile or vulnerable, in a tight spot, or have some other circumstance or trait he can exploit: some, for example, she says, have low self-esteem, with a history of abuse; others need to remain employed because they were single parents, or need to retain their health insurance to care for ill family members; yet, others are ambitious, anxious to fast-track their career. Once Albert gains their confidence and learns all he can about their vulnerability and aspirations, he begins to tell them that he can protect or help them only if they reciprocate his "love for them" with sexual favours. While some of the initial sex acts, in the legal sense, may be classified as consensual, Albert never allows any victim to stop providing favours, even if she might be later engaged or married, nor to forget "what they have done." In short, Albert, she says, is a predator who delights in using his power to continuously undermine or demean his victims. Celia's diary includes reports from 25 women.

"Celia," asked David, "why have you not raised these issues with anyone before?"

"As I said, this has weighed on me, which is why I have kept this record," explained Celia. "I need to also tell you that I have been afraid about what would happen to me. David, I am a local girl; my family is here; my roots are here. None of Albert's victims have been willing to risk coming forward; most just simply leave as a way to end it. So, I think it would be Albert's word against mine, and I don't know anyone at head office well enough to side with me. I also don't think I could have gone to my boss and expected him to go against Albert, who he hopes will recommend him to be a general manager someday."

"Why then do you think people at head office know anything about this?" asked David.

“At least one of the women I know said they spoke to the previous vice-president of human resources, when she visited Santa Barbara about ten years ago. She got no reaction other than, ‘Let me help you figure out ways to deal with your own situation.’”

“You document the stories of a number of women here in your diary,” remarked David. “Do any of them still work here? Have you kept in touch with any of the others or know where we might find them?”

“The last one still works here, but she is very frightened of the consequences if she comes forward as it will be simply a ‘she said, he said’,” reported Celia. “I might be able to trace a few of the others. For most of them, I don’t know where they are now except to say they are not in Park City. All of them, at the time they spoke with me, were unwilling to come forward. All of them did not want me to say anything even though I was able to show them they were not alone.”

“Thank you, Celia,” said David. “I will take a copy of your diary with me and think about next steps.”

David Ponders His Next Steps

Celia’s conversation with David is very disturbing. It causes David to wonder not only about Albert but also about the values of the leaders Albert has developed as well as the values of his fellow leaders if they have suspected this behaviour and have done nothing about it. David is also ashamed to admit that the whole issue raises conflicting thoughts. Can he trust Celia, despite the fact a list of 25 victims is compelling? What kind of leader is he if he uses some excuse to sweep this under the rug? Yet, does he want to be a whistleblower as one of his first acts as COO?

Questions

1. What are the ethical issues in the case with respect to leadership at various levels? Who gains and who loses? What is the end cost-benefit for not addressing the issues?
2. What short-term steps should David recommend the company follow?
3. To what extent does he have to address the cultural issues of how leaders address, or do not address, bad behaviour from stars like Albert? What steps should be taken in the longer term?
4. What stakeholders does David need to consider or engage in his decisions and communication? What stakeholders should not have a say in the decisions or process set up, although they might be informed? Why?
5. What and how should David communicate with Albert?
6. Looking back, what earlier actions, if any, could Celia as a mid-level leader have taken to ensure Silver Moon leaders took the information about Albert seriously? Did she behave ethically?