

## Larkspur thrives on open staff communications

San Francisco Business Times - by [Sarah Duxbury](#)

At Larkspur Hotels, this year's key to employee satisfaction is telling employees just how bad business is.

The hospitality industry has been brutalized in this recession, with occupancy falling and room rates plummeting. Yet the workers at **Larkspur Hotels & Restaurants** say they have a great place to work.

That means so much more than just having a job.

To make sure every employee feels a part of the company, and its ultimate success, Founder and CEO Karl Hoagland has always had every property post full quarterly business results in their break rooms — we're talking budgeted goals, occupancy, revenue, expenses, cash flow and even debt service. Each employee therefore knows just how well the hotel is doing.

Or how poorly.

"What you want to eliminate at a time like this is the wonder and worry and drama that goes with these times... We haven't sugar-coated things," Hoagland said. "If you are always really honest and open with people and give them the facts, treat them like they are part of the business, it always pays off."

Larkspur has been hit as hard as any hotel group, and it has had to lay off employees and institute pay cuts. Hoagland was adamant that every employee share the pain of the fall-off, so even the lowest paid hourly workers had pay cuts, albeit nominal ones compared to the 15 percent that some top executives' pay was cut.

The company is equally transparent about how it plans to make employees financially whole again.

It has implemented a bonus plan that puts a percentage of every dollar by which a hotel exceeds its monthly budgets into a bonus pool. That is then divided among employees proportionate to their pay cuts. Larkspur will continue to do this until every employee has made up their lost wages, Hoagland said.

Such moves breed trust among employees, Hoagland believes, and are part of the company's deliberate response to the recession, what it calls its "S-Turn" on the path to long-term growth.

Rachel Hawkins, vice president of human resources, said the visibility and accessibility of Larkspur's top four executives, who visit each hotel annually and meet with all employees, also contributes to a sense of well-being and community among employees.

"Genuine hospitality is the common thread that runs through all of our hotels. That's our umbrella brand; it's the combined value of our team members," Hoagland said. "It's our guests, after all, who sign our paychecks."

### Very large companies

No. 1: Larkspur Hotels & Restaurants  
CEO: Karl Hoagland.  
HQ: Larkspur.  
Bay Area employees: 610.  
Score: 89.84.



Spencer Brown

Chairman Hoagland  
(center back) with  
employees.

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