

## **The Rise and Demise of Thomas Cook Travel: A Case Study of the Relevance of a Christian Approach to Business**

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*This article examines the rise of the Thomas Cook travel company, founded 150 years ago on Christian foundations, and its recent demise. We find that having Christians in charge of a business is not enough. Rather, what is required is an approach that is sensitive to the diversity and complexity of human social life. One such approach is deployed in analysing why Thomas Cook was originally successful but has now got into trouble. It is significant that it emerges from a Christian root.<sup>1</sup>*

### **Introduction**

In *Built To Last: Successful Habits of Visionary Companies*, James Collins and Jerry Porras argue that values and ideals are more important to companies in the long run than profit-seeking or cost-cutting.<sup>2</sup> Thomas Cook, the travel company, is an organisation that has lasted 150 years and was founded on clear values and ideals. But recently, in 2014-2015, it has been in trouble over its 'inhuman' handling of the case of two children dying on a holiday it had arranged. Why is this? Some believe it is because the company had become so entrapped in legalistic thinking that it had lost its 'humaneness'. Here I try to look under the surface, and find a lot more.

### **Thomas Cook – the compassionate entrepreneur**

In the mid-1800s, Thomas Cook of Leicester began organising excursions. Using the then-new transport technology of the railways, such excursions were an innovation, and proved immensely popular. His first excursion was to help 540 temperance campaigners attend a rally. Thomas Cook was a Baptist Christian who took his faith seriously enough to let it affect his life and motivations. Since, at that time, the poverty that resulted from over-consumption of alcohol was a major social evil, he was active in the Temperance Movement. Cook saw the potential offered by the railways for providing the benefits of travel to ordinary working people. He organised excursions throughout Britain, especially up to Scotland, and, in 1851, trips to the Paris Exhibition for working men and women.

Cook was motivated not primarily by money or reputation but by causes close to his heart. As Jack Simmons wrote in *Thomas Cook of Leicester*: 'To another man, it would have been a great business opportunity. That never came first with him – though he did not ignore it altogether. To fire his enthusiasm, a project had to appeal to his ideals, his emotions; and the concept of the Exhibition, to promote international goodwill, did that strongly....'<sup>3</sup> Cook took advantage of new technology, not for technology's sake, nor even to enhance competitiveness, but because it enabled him to bring good to people. Thinking carefully about what his customers would need and meticulously planning his excursions, he worked hard to provide 'extras' that he knew would be appreciated. For example, an excursion handbook was given to each passenger, painstakingly produced, containing not only interesting facts about the journey but also explanations for those new to excursions. As Simmons continues: 'He was also much stirred by the thought of moving thousands of working men and woman up to London [from the English Midlands] for the purpose of enlarging their experience, of giving them something to remember all their lives.' Cook was willing to risk his own capital when others were more legalistic or cautious.

### **Thomas Cook – the growing business**

Cook established the company that now bears his name. Because financial reward was not his first concern, he did not make a fortune but instead established a new idea – that of giving ordinary working men and women the benefits of travel. It was his son who was to make the money, by growing the business to become eventually one of the largest tour operators in the world. What set Cook's excursions apart from others was care and carefulness and until recently the tour operator he founded had a reputation as a caring company, one that people could trust. The

values of those who lead an organisation can persist for a long time, as Collins and Porras argue. But not always forever...

### **The Thomas Cook business – recent decline**

Recently, the company founded by Thomas Cook seems to have lost its way and its values. In 2006, a family on a holiday arranged by Thomas Cook Travel with a Corfu hotel were poisoned by carbon monoxide from a faulty boiler, and sank into a coma. On regaining consciousness, the adults learned that the two children, Bobby and Christi Shepherd, had died. An inquest into the deaths found the children were 'unlawfully killed' and that Thomas Cook had 'breached its duty of care' by inadequate safety management.

The company initially refused even to apologise, but then gave the family £300,000 in compensation. News then emerged that the company had itself received compensation from the Corfu hotel of £3.5 million for loss of reputation and legal costs – ten times that awarded to the children's family. When this became public, CEO Peter Fankhauser issued a belated apology and offered to send half its compensation to the children's charity Unicef. As a result its share price tumbled, and inquiries on its website fell by 20%, while a new 'Boycott Thomas Cook' page on Facebook received thousands of 'likes'. Ian Griggs of *PR Week* commented: 'The great British public plays a critical role in allowing brands to prosper or collapse after a crisis.... There are things we find intolerable and children dying needlessly is one of those things.'<sup>4</sup> The reputational damage was enormous. Griggs continued: 'So will we forgive and forget? It depends on what Thomas Cook does now. A reluctant apology in the face of a media storm is a very shaky start in reinstating trust.' Then he made this interesting point: 'As a nation we respond well to humility; even if Peter Fankhauser didn't want to imply his company was to blame by offering an apology to the parents of Bobby and Christi Shepherd, a little humility would have gone a long way in showing his company actually cared. The Unicef donation smacked of a quick fix that missed its mark.'

### **The reign of lawyers?**

Thomas Cook has lost its 'humaneness', remarked John McEwan, a former senior employee of the company, on the BBC Radio 4 *Today* programme on 20 May 2015. Although Thomas Cook was 'a very caring company', he said, 'my personal view is that they have been guided by lawyers, by the legal advice they have been given.... They have been very clear in trying to protect their position from a legal perspective. What's been lost sight of is the human tragedy here.'<sup>5</sup> When lawyers reign, apologies become reluctant and demands for compensation are resisted. The values of the company had changed profoundly, it seems, from 'humaneness' and a desire to bring advantages to ordinary people, to legalistic self-protection. Griggs cited Phil Hall, founder of PHA Media, as making the point that '[Thomas Cook's] core customers will not be lawyers, but the man on the street, and you have to look at how they would react to the case. You have to show humility and you have to say sorry properly.'

### **Christians in business?**

Is the moral of this story that if only we could put Christians in charge, then businesses will prosper and be humane? This kind of thinking is widespread in North America and Nigeria, but is it true? Was it not a Christian who founded Enron and was chairman at the time it collapsed from criminal misdemeanours? Running a company according to a few Christian principles might indeed ameliorate some problems faced by other companies, but the question is: Which principles? I prefer an approach that recognises the full, diverse meaning and goodness of the creation order, which we all inhabit and with which we must reckon when we engage in business. One such approach is provided by the Dutch Christian philosopher and legal theorist Herman Dooyeweerd.<sup>6</sup>

### **The diversity of reality**

Herman Dooyeweerd (1895-1977) was a Professor of Jurisprudence at the Free University of Amsterdam but he knew well the limitations of legal(istic) thinking and the importance of many other dimensions ('aspects') of human life. He was also a consummate philosopher, who, following extensive investigations into the complex structures of (created) reality, delineated a wide-ranging suite of 'aspects' (fifteen in total, though he was not fixated on the precise number) that guide our activity and make human life meaningful. To live a fully human life, we need to work with the grain of these aspects of reality, recognising and honouring them in action – not, for example, becoming so consumed with financial gain that we neglect other essential dimensions of humanness. Likewise, to gain a full understanding, scholars need to recognise and honour all the aspects in their disciplines.<sup>7</sup>

The problem for both practitioners and scholars is that society usually holds an unbalanced view of what is meaningful in life, giving too much honour to certain aspects and dishonouring others. It is society's 'religious ground-motive' (as Dooyeweerd called it) that determines this imbalance.<sup>8</sup> For example, an important outcome of the 'ground-motive' of secular humanism was a materialistic liberal capitalism that opened the door to the elevation of the economic aspect of life as the measure of all things. From that perspective, the assumption that law should be oriented primarily to safeguarding and promoting economic gain is not that difficult to understand. Hence, in our time, the reign of lawyers in some businesses like Thomas Cook.

### Aspects of (created) reality

Dooyeweerd argued that the legal and economic aspects of human life have no more importance than any other. They need, for example, to be integrated with the social aspect (solidarity), respectful of the aesthetic aspect (for him, 'harmony'), guided by the ethical aspect (love, or care) and, finally, directed by the faith aspect (vision, loyalty, trust).<sup>9</sup> In any case, for Dooyeweerd, the legal aspect is oriented to the pursuit of justice not simply the maintenance of laws. And the economic aspect is fundamentally about carefulness in the use of resources ('frugality'), not maximising financial gain. For example, Christian economist Bob Goudzwaard (partly influenced by Dooyeweerd) has developed an account of economic activity based not on the concept of economic growth, as in mainstream neo-classical theory, but rather 'fruitfulness'.<sup>10</sup>

Dooyeweerd proposed that when we function well in all aspects, honouring them all at the same time, then sustainable prosperity is likely to ensue – and this is in its fullest sense, including peace, well-being and justice (as captured by the Hebrew word *shalom* and the Arabic *salaam*). When one aspect is unduly elevated in importance, or when certain aspects are ignored, then that prosperity is jeopardised and, over a period of time, will decline irreversibly. This aspectual account of human life allows us to go beyond bland generalisations about whether or not a company is acting in a 'humane' or 'responsible' way and draw up a more precise account of 'business performance'. Thus, Thomas Cook, as founded 150 years ago, fared well in most aspects. For example:

- *Faith aspect*: the company was founded with a clear vision of some Good higher than itself, deriving from Cook's deep Christian faith. All its activity was directed to this vision, evincing a certain humility.
- *Ethical aspect*: the Good was to provide high quality travel for ordinary working men, women and families, in an era when they had few pleasures in life except alcohol. He was willing to sacrifice his own financial safety for others. The attitude of 'humaneness' (or care) pervaded all that the company did, giving it a distinctive 'ethos'.
- *Legal aspect*: Cook would always do things in ways that were not only legal, but just and appropriate.
- *Aesthetic aspect*: Cook's desire was that ordinary people should have 'enjoyment' in their lives. The company was part of a wider context.
- *Economic aspect*: Cook was meticulous in his stewardship, management and planning, keeping his own rewards very 'frugal'.
- *Social aspect*: Cook placed enormous emphasis on the value of relationships with customers and among staff.
- *Lingual aspect*: Cook took pains to communicate well with his customers, especially those new to his services.
- *Formative aspect*: Cook was industrious in planning and executing his excursions.

### Diagnosing the decline

As a result of this multi-dimensional vision, Cook's company flourished and was able to sustain its success. Sadly, however, over time this deteriorated. The company's vision (its faith orientation and its 'ethos') shifted subtly, from serving others to serving and protecting itself. This impacted all its other aspects. Thomas Cook's original concern, to bring benefits of travel to those who could previously not afford them, became merely a badge from its history. His commitment to provide good service deteriorated to being merely a means to competitive self-advancement. Again, an aspectual analysis helps clarify this decline:

- Due to a shift in *faith*, the company's vision became centred on itself, its own reputation and its survival.
- Due to a denial of the *ethical aspect* an attitude of self-centredness and self-protection gradually replaced the attitude of risk-taking generosity.
- The *legal aspect* was given undue prominence, so that doing the legally-right thing replaced the drive to do good. This fed self-protection, as seen in the company's reluctance to apologise or take any responsibility for the deaths of the two children. (Sadly, this emphasis is found in many organisations run by Christians.)

- Attention to the *aesthetic* side of service was reduced to economic gain: customers' enjoyment became commodified. Harmony with outside stakeholders became subservient to an internal 'harmony' within the company. (Admittedly, the company did still try to be fair to its employees.)
- The *economic aspect* was elevated out of all proportion. Financial results became the measure of success.
- While the company was still (until the disaster) seen as a 'friendly' company, the importance of *social* relations with customers shifted subtly from an inherent to an instrumental good.

It is especially their performance in these aspects that are most important in characterising the vision and ethos of organisations. This helps explain why it is not enough simply to have Christians in positions of organisational leadership. Regrettably, many Christians still see their faith as affecting only their personal behaviour, whereas all the aspects discussed above are matters of corporate, structural action. Enron founder Kenneth Lay was personally generous but he did not ensure that his corporation as a whole functioned well in the aspects discussed above.

### Conclusion: so what?

The implication is that, to truly 'perform' well in business, those who set the tone of a company need to be aware of the full diversity of aspects in any institutional setting and the many different responsibilities that flow from them. Today there are a growing number of businesses seeking to move in this direction (albeit by diverse routes). To cite just two promising Dutch examples informed by the approach set out here: Maarten Verkeerck has developed a 'Triple-I model' of the enterprise which seeks to encourage exactly that kind of multi-aspectual awareness,<sup>11</sup> and Jan Huijgen tries to run his farm, Eemlandhoeve, on similar lines.<sup>12</sup> While, of course, non-Christians are often very sensitive to the diversity of aspects of a business enterprise, we might, perhaps, look to Christians to take a lead. This is not directly because they are Christians but because they might be those more in tune with the Author of that diversity and thus with the design of created life. Thomas Cook was one of those; his recent successors aren't.

### For further reading see references in the endnotes

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- <sup>1</sup> This article derives from a post on the Business School Blog of the University of Salford: <http://blogs.salford.ac.uk/business-school/thomas-cook-corfu-deaths-reign-lawyers/#more-6643>. It has been modified to make issues of faith more prominent but is not intended only for Christian readers, arguing from practical and philosophical, rather than theological, viewpoints. No Bible verses or biblical principles are cited, though a version could be written that includes both.
- <sup>2</sup> J. C. Collins and J. J. Porras, *Built to Last: Successful Habits of Visionary Companies* (Century Ltd., Random House, 1998).
- <sup>3</sup> Jack Simmons, 'Thomas Cook of Leicester', *Transactions of the Leicester Archaeological and Historical Society* 49 (1973-4), 18-32. <https://www.le.ac.uk/lahs/downloads/CookSmPagesfromvolumeXLIX-3.pdf>.
- <sup>4</sup> Ian Griggs, 'Thomas Cook: Our expert panel assesses the company's handling of the tragedy', *PR Week Global* (20 May 2015), <http://www.prweek.com/article/1347921/thomas-cook-expert-panel-assesses-companys-handling-tragedy>.
- <sup>5</sup> Global Legal Post, 'Lawyers blamed over Thomas Cook's handling of family tragedy', 20 May 2015, <http://m.globallegalpost.com/big-stories/lawyers-blamed-over-thomas-cooks-handling-of-family-tragedy-36181873/>.
- <sup>6</sup> For background on Dooyeweerd, see <http://www.dooy.info/hd.html>.
- <sup>7</sup> For attempts to develop Christian perspectives on academic disciplines, see the Christian Academic Network: [http://christianacademicnetwork.net/contribute/?page\\_id=142](http://christianacademicnetwork.net/contribute/?page_id=142).
- <sup>8</sup> For a full account of the 'ground motives of western thought', see Herman Dooyeweerd, *Roots of Western Culture* (Eerdmans/Wedge, 1979). See also <http://www.dooy.info/ground.motives.html>.
- <sup>9</sup> He saw the 'faith' aspect as a universal feature of human beings, not the special property of religious believers. He did, however, hold strong convictions on the truth of Christian revelation. For a summary of Dooyeweerd's full account of fifteen aspects, see <http://kgsvr.net/dooy/aspects.html>.
- <sup>10</sup> Bob Goudzwaard, 'Economic growth: is more always better?' in Donald Hay and Alan Kreider, eds, *Christianity and the culture of economics* (University of Wales Press, 2001), 153-166.
- <sup>11</sup> M. J. Verkeerck, 'Social Entrepreneurship and Impact Investing', *Philosophia Reformata* 78(2) (2013), 209-22; and 'A philosophy-based toolbox for designing technology: the conceptual power of Dooyeweerdian philosophy', *Koers: Bulletin for Christian Scholarship*, 79(3) (2104), 1-7.
- <sup>12</sup> <http://eemlandhoeve.nl>.