



GHN Perspectives: Ann Fastiggi and Darleen DeRosa, Ph.D.



*Ann M. Fastiggi
Managing Director
RSR Partners*



*Darleen DeRosa, Ph.D.
Managing Partner
onpoint consulting*

Mastering Leadership Succession in the Hospitality Industry

Leaders across different industries are facing a number of challenges: leading in a geographically distributed setting, working effectively across organizational boundaries, dealing with rapid continuous change, and addressing labor shortages that create a war for talent.

Unique Challenges Facing the Hospitality Industry

In addition to these tough issues, the hospitality industry is facing its own unique set of challenges:

- The increasing size and complexity of company structures, which makes consistent customer service and enforcing employee policies more difficult.
- Changing demographics and customer preferences, which makes attracting guests and maintaining customer loyalty more difficult.
- Disruptive technology that drives rapid innovation and change in the industry.
- Stricter immigration regulations make it more difficult to supplement a shrinking local labor pool with workers from other countries.
- Fluctuating global and local economies impact demand for lodging and plane travel, which puts pressure on revenue and profit.



The competitive environment characterized by these types of challenges requires a leader with a unique set of skills. With the flood of new brands in the industry, how can you find enough talent to fill your [succession management](#) pipeline? And, more importantly, how can you ensure that your top-level leadership candidates are people who understand the need for a quicker pace of decision-making and agility that are required today in hospitality?

According to [statistics cited by CEB Global](#), “effective succession strategies drive revenue and profit outcomes by 12 percent. However, only 28 percent of current leaders were pre-determined by a succession plan.” Instead, many leaders get chosen because of subjective criteria such as “they work hard” or “they’re likeable and respected.” While these might be hallmarks for a productive employee, they aren’t the best indicators for a successful *leader*.

Leadership Skills That Drive Success

A few of the skills that leaders in the hospitality industry will need to create long-term success include:

- **Strategic Thinking:** Effective strategic thinkers tend to share several characteristics, including the ability to clearly define objectives and develop a plan, a willingness to seek advice from others, the ability to balance creativity with a sense of realism about what is achievable, the ability to be non-judgmental and open to new ideas, and sound judgment. They also monitor external trends to ensure they adjust their strategy as necessary. Strategic thinkers tend to see around life’s corners a bit better too.
- **Driving Innovation.** People who are effective in this area have a combination of cognitive skills (e.g. the ability to think creatively and critically), behavioral skills (e.g. the ability to solve problems, to manage risk), functional skills (e.g. basic skills such as writing, reading and numeracy) and technical skills (e.g. research techniques, project management, or IT engineering). They encourage others to challenge the status quo and continually seek out new ways of doing things to keep up with industry changes. This is especially relevant in the hospitality industry where leaders must push for innovation and change.
- **Flexibility.** The ability to adapt to changing situations and modify strategies as necessary to meet goals. For example, in 2017, many hospitality companies faced the challenges of Mother Nature, including dealing with hurricanes, wild fires, earthquakes and floods. This requires leaders who can problem solve in the moment and shift resources to accommodate changing needs.
- **Facilitating Change-Readiness.** In a turbulent industry, the ability to take the uncertainty out of change and help people get comfortable with ambiguity is critical



to organizational success. This requires leaders who help people understand that change can be good...and is vital in today's business environment.

- **Emotional Intelligence.** Emotional Intelligence or EQ accounts for a full 60% of job performance because it is so ingrained in what leaders do. More than 90% of top performers are high in EQ, demonstrating that, although there are other critical factors that contribute to performance, EQ is critical. Because of the diverse needs of customers, this competency is particularly important in the hospitality industry. EQ includes competence is four areas:
 - Self-Awareness – Can leaders accurately identify their own emotions and tendencies as they occur?
 - Self-Management – Can leaders manage their emotions and behavior to achieve a positive outcome?
 - Social Awareness – Can leaders accurately identify their emotions and tendencies as they interact with others?
 - Relationship Management – Can leaders constructively manage the interactions they have with others?

Leadership Assessments Are the “Secret Sauce”

Having a means to reliably determine whether a leadership candidate possesses these hard to identify skills can mean the difference between selecting an individual who meets performance expectations or derails. It can also be the difference between having a stable, reliable pipeline of leaders to fill vacant roles with minimum disruption, and months of struggling to generate results.

[Leadership assessments](#) are a key part of accurately identifying and developing aspiring leaders. They provide a process to objectively identify whether someone being considered for a leadership position possess all the relevant skills and has the future potential for the job.

However, to achieve the enhance the success of using leadership assessments, and maximize ROI for your succession management program, there are a few tips that your organization should follow:

1. **Develop Success Profiles.** Define what “success” looks like for a given leadership role. In particular, be sure to outline the skills and behavioral traits that enable success for the role. This profile can be used to develop the competencies you’ll want to focus on for the leadership assessment. Also, be sure to take the “longer view” (i.e. don’t focus on just the immediately useful criteria, but those that will be useful 1-2 years in the future).



2. **Assess Talent.** Conduct an in-depth assessment of leaders using a variety of assessment tools that best reflect the success profile. Using an objective, outside third-party to conduct these assessments can add rigor to the process. Some assessment tools you (or your third-party partner) could use include:

- a. Behavioral interviews;
- b. Decision making or critical thinking tools;
- c. Leadership questionnaires; and
- d. 360-degree feedback or referencing.

These tools are meant to help to mitigate risk. How can you effectively predict a leader's success? It is no longer sufficient to rely only on past behavior. These tools not only can help you understand how someone behaves, why they chose a course of action, but also what they value in themselves and others. This helps to assess cultural fit.

3. **Review Results and Develop Leaders.** Assemble a talent review board to review the results of the assessment and compare top candidates. Share the results of these reviews with high-potential employees and their managers to build development plans that can accelerate their readiness. Ensure that your organization invests in these high potential leaders through leadership development and on-the-job learning.

These assessments can be crucial for separating out the true high-potential leaders in an organization from those who would struggle to perform—helping prevent the waste of time and resources on the wrong leadership candidates.

Strong leadership assessment process is the basic building block of an effective succession management pipeline, which can help businesses in the hospitality industry not only weather the challenges of their industry but thrive.

Succession is also one of the best insurance policies companies in the hospitality industry can have against the sudden departure of senior executives who may be on the hunt for new opportunities.

Fastiggi is a



*Thought Leader at
GlobalHotelNetwork.com.*



Founded in 2000 by CEO & Publisher [Robert Harp](#), [GlobalHotelNetwork.com](#) (GHN) is a highly respected online global media brand—providing actionable market insights and thought leadership to CEOs, presidents and decision makers in the global travel and tourism industry. GHN sponsors 50+ industry conferences worldwide.