

Reflection on my interview with Ian Carter

Carley Grelié

Ian Carter is President of Global Development, Architecture, Design and Construction for Hilton. With more than 5,000 properties within Hilton's portfolio, one might expect him to be primarily focused on the bricks and mortar. However, Ian, as one of 11 members on Hilton's Executive Committee, strikes me as a leader who truly understands the importance of Hilton's family of guests and Team Members. *"Everything about our company and what it does – its role in life – is to serve guests," states Ian. "We are in an industry of people serving people."*

The travel and tourism industry is the world's single largest employer, supporting one out of every 10 jobs worldwide. Across its portfolio of 14 brands, in 103 countries, Hilton serves close to one million people per night, in more than 825,000 rooms. This means the Hilton network directly employs more than 360,000 Team Members worldwide.

The Brunswick Perspectives research uncovered that citizens look to business to provide solutions to global problems. The number one area in which citizens consider business can make a positive impact on their country is in providing quality education opportunities. However, suspicions around business motives remain: 80% of respondents believe that business leaders serve, first and foremost, themselves.

I spoke with Ian Carter to determine how Hilton prioritises providing quality education and training opportunities. I wanted to examine how investing in its workforce and the wider community was a win-win for Hilton and the communities it serves. I also wanted to understand how Ian feels Hilton is working to gain the trust of people around the globe.

Insight 1: Investing in people pays dividends, through their motivation and loyalty

From Ian's perspective, the hospitality industry and the Hilton business are great places to offer career opportunities. People can enter the industry with different skill sets and receive quality on-the-job training – both formal and informal – with a potentially massive runway for progression.

Ian considers that attracting and retaining smart, motivated people who believe they have a future in the industry is key to Hilton's business: *"Education and retention of Team Members is the real cornerstone of the business, and training and development is the facilitator."* Employee motivation and loyalty is reflected in employee performance, which keeps guests happy and returning to Hilton's hotels. This loyalty also reduces employee turnover, which makes hotel operation less costly overall. *"You can build the best building in world," explains Ian, "but if the service level isn't there, the guests won't be either."*

One key way that Hilton focuses on employee development is through Hilton University, which offers Team Members more than 2,500 courses, in approximately 26 languages that cover both practical hotel skills to more formal programs. In the United States, Hilton also pays for eligible Team Members to pursue their high school equivalency diploma. This focus on education and training in businesses *"is not something that necessarily happens naturally,"* says Ian. *"You need a focused effort. Many training courses have come out of this desire to make sure we are the best*

place to work, which ultimately translates into people being motivated and loyal, which ultimately translates to giving guests great experiences."

And the focus on staff is paying off for Hilton. While not a published figure, Ian tells me that the financial metric associated with Team Member turnover is significant and *"absolutely worth going after."* Amongst numerous accolades, Hilton was named to the 2017 Fortune 100 Best Companies to Work for list, which recognizes companies that have exceptional workplace cultures. Hilton was also named a Top 50 Company for Diversity by DiversityInc.

Ian emphasises that these measures are taken very seriously because Hilton knows, *"that there is a link between employee satisfaction, retention and ultimately guest satisfaction. The satisfaction of having a job that you enjoy, you can see progress in and is fulfilling is going to transfer to the relationship our Team Members have with our guests."*

Insight 2: Leveraging employee engagement to give back to the broader community

Ian believes that Hilton has a responsibility not only to the community of guests staying at its hotels, but also the physical community in which Hilton's hotels are located.

Hilton's priority is on hiring and educating local talent within communities and ensuring that its staff are fulfilled and productive members of the Hilton family, who will then transmit this feeling of satisfaction to their communities.

Hilton is also focusing on what hotels can do *for* their communities, through staff empowerment and engagement. Community participation is encouraged, and often forms part of hotel managers' performance metrics. Team Members become involved in events and charities throughout the year, and contribute resources, time and talent to strengthening their communities. Last October, more than 290,000 hours of service were volunteered in more than 93 countries. Hilton's Travel with Purpose grant program, launched in 2012, which goes one-step further. It awards funding to hotels to help them become involved with events, which address social and environmental challenges. *"[The hotels and staff] become an intrinsic piece of the fabric of their communities,"* reflects Ian.

Hilton also supports communities directly through its hiring policies, which are tailored for local cultures and markets. For example, Hilton recently announced the expansion of its U.S. military hiring commitment. Having already hired 10,000 veterans and their family members, the company announced a goal of hiring an additional 20,000 veterans, spouses, dependents and caregivers by 2020.

Insight 3: Listen and identify trends which can feed back into training an education

Hilton understands the need to listen to what its staff and guests are saying, as well as recognize trends through data. This has become a powerful innovation tool for Hilton, in the hotel brand development space and in knowing how to look after its people.

"Our brands are defined and designed to serve specific types of customers," explains Ian. "When we map all our brands out on a piece of paper, we often see white space." Filling this white space to cater to new customer segments is how Hilton's 'Tru' brand was born, in 2016. Aimed at a younger, cost-conscious traveller, the launch of the Tru by Hilton brand demonstrates the company's commitment to push the boundaries of the current hotel industry offering. It is not just brands that are adapted to customer needs, but also the training at these hotels, linking back to the importance of staff development.

General training priorities depend on trends that Hilton identifies in the market, with the most immediate trend being the use of electronic components within hotels such as keyless entry and digital check-in. Ian explains that to stay ahead of the curve, Hilton has an entire group focused on identifying and leveraging the latest trends in technology – from guest, training and hotel development perspectives. Hilton also collaborates with well-known, major tech companies. *"The key is to recognise that any good idea that could come into our business could come from anywhere," says Ian. "This is something I learned early on in my career. Keep your eyes open, and don't be blinkered by just what is going on in your business."* Again, these trends feed back into the training and education priorities for Hilton, as well as hiring policies.

Insight 4: We can increase trust in business leaders through staff empowerment and consistent leadership

When I spoke with Ian, he was working from his office in McLean, Virginia, wearing jeans and a t-shirt. *"We are very accessible," he explains. "We have a very open and candid philosophy in our corporate office, because we believe that's actually what's needed across the company."*

Ian points out that only a small percentage of Hilton's customers may meet him or other members of the senior leadership team. The public's perception of Hilton will always be defined by their personal experience at the hotel level. Ian believes that the way to gain trust from guests is to ensure that personal interaction at this local level is reflective of management's philosophy. And how do Hilton's education and training programs help to achieve this goal? By empowering and preparing its Team Members to be the face of the brand and delegating authority to hotel managers to make decisions. *"We want our Team Members to solve things at the local level," states Ian."*

As for dealing with shareholders and owners of Hilton, Ian's message is very simple – deliver on your promises. *"You need to be consistent and do what you say you are going to do. And that's been the case with every company I've been with."*

In Ian's mind, stakeholder relations are best managed by prioritising actions that will deliver the best long-term return. *"In two years' time, Hilton will be 100 years old," states Ian. "We look at ourselves as guardians of our brand and culture for the period of time that we are here."* Ian

considers that leaders should be experts in resource allocation, cash management, motivating and focusing people and seeking synergies across businesses. Ian believes that *"those that will do the best in the future are the ones that are most flexible."* Not just employees, but businesses themselves.

Ultimately, Hilton's story reminds future leaders of the power of education and training to increase staff satisfaction, leading to loyalty, retention and exemplary levels of customer service. Keeping staff happy and empowered is both key to Hilton's bottom line, and crucial to ensuring the development of communities around the world.

Hilton has its training and development programs down to a fine art. As the most hospitable company in the world, it reminds us that to be the best, you need to keep driving forward. *"We are expanding at an incredible rate. We have announced our 5,000th trading hotel, and we have another 1,000 on the way. I always worry about how we are going to ensure we keep the best and brightest,"* says Ian. *"I think we are doing well, but we can always be doing better."*