

HOTEL yearbook 2009

What to expect in the year ahead

**How Barack Obama will
affect the US hotel industry**

**Economic woes in 2009:
Managing in a downturn**

**Four CIOs join our first
Technology Roundtable**

**The GM of the «Best Hotel in the World»
tells us where luxury is heading**

**Thoughts on 2009 from the CEOs
of Scandic and Mövenpick**

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2009: Never a better time to re-examine your approach to talent

In a rocky economy, smart strategies for attracting and retaining talent can position your organization for a speedy recovery. **KENNETH R. GREGER**, CEO & Managing Director at executive search firm **GREGER/PETERSON ASSOCIATES, Inc.**, tells us how important it is to focus on these vital policies, especially during a recessionary period.

Just two years ago we were an industry rockin' and rollin', awash in capital and transactions, only to find ourselves now in a somewhat frozen lake of economic trauma. The trauma (and related drama) has the power to distract us from important, longer-term thinking. So let's keep it simple and focus only on 2009 in terms of the key issues and realities likely to have the greatest impact on attracting – and retaining – talent in the hotel and resort industry.

Let's face it, people are critical to the success of every company in this industry. The leaders and organizations that adopt the smartest strategies for attracting and retaining people – talent – will be winners for many years to come. With that in mind, here are some of the central issues we'll need to address in 2009:

Pleasant name, troubling legislation: the Employee Free Choice Act

Right now, this is only of concern in the USA, but it is scary, so even if you're abroad, please pay attention. The Employee Free Choice Act (also known as « Card Check ») is Congressional legislation that has already passed the US House of Representatives. If it passes the Senate as well, President-Elect Obama, an original co-sponsor of the proposed law, has pledged to sign the controversial bill into law.

The name of this would-be law is highly deceptive. The bill itself carries the ability to obliterate your human resources function. Under current law, union organizers and management each have the opportunity to present to labor the pros and cons of forming an employee union. Employee may then decide, via secret-ballot vote supervised by the National Labor Relations Board, whether or not to unionize. But under the EFCA, unions would be the sole provider of information to the employee, and an employee's moment of decision as to whether to organize or not would no longer be private.

A workplace could be unionized if union organizers persuade a majority of the workers to sign cards to that effect. Once that happens, the secret ballot process – i.e. the chance for employees to express their views privately – is rendered

obsolete. Opponents say the openness of the cards subjects workers to peer pressure, harassment, coercion and misrepresentation.

Moreover, under current law, labor and management are required to bargain in good faith, but they aren't obligated to reach an agreement. EFCA would require mandatory arbitration if the parties can't settle on a contract within 120 days. An arbitration panel then would write the terms of a contract, setting wages, benefits, hours, work rules, and all other terms of employment, and the resultant contract would be binding for two years. Rarely are such contracts, with their myriad provisions, hammered out in four months, yet the EFCA arbitration provision offers a clear advantage for the unions should they choose to run out the clock.

Smart strategy: Start educating yourself today about this critical pending legislation and think through its likely impact on your business. EFCA has the potential to weaken American companies' ability to compete, to attract and retain talent and may ultimately send more jobs offshore. Visit www.ahla.com to gain this key industry trade group's perspective on EFCA, then download the eight-minute video they have prepared and share it with your employees. Don't hide the matter – openly discuss it. Be a team. Finally, call, e-mail, or write to your Senate representatives and other influential parties now to make your position on EFCA crystal clear.

The labor shortage

Four years ago, our organization began to warn clients about the labor shortage trend, and I worry still about any company that doesn't take it seriously. Just because you aren't feeling the pain yet doesn't eliminate the issue.

In my opinion, the impending labor shortage will eclipse the industry's current focus on America's financial and economic problems. While we should be through the rough spot and returning to prosperity sometime in 2010, the labor shortage will still be with us. ►

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With rising layoffs and unemployment right now, the challenge of acquiring key talent will intensify in 2009. This challenge is global, stemming from the impending retirements of baby boomers and other factors, including the low birthrate in many countries. Information abounds on the topic, but suffice it to say that the US Bureau of Labor Statistics indicates that by 2015 at the latest, we'll be 10 million people shy of available jobs in the USA alone! That means we're competing for talent not just with other hospitality businesses, but with all businesses. If companies think this is challenging right now, it is about to get worse.

Smart strategy: Seize the moment now. If you don't want to be left out in the cold of a labor shortage, commit to taking a hard look at your company in 2009 – its culture, values, turnover data, etc. – and be painfully honest about how employees experience the organization. In other words, what is your «employee brand»?

Acknowledge the influential role of blogs and the fact that prospective employees will check out your company before applying. Visit some blogs – see what's being said. Realize that no company is just about transactions – there is a philosophy toward employees, service and guests being expressed, by design or by default, in every case. Considering the pending EFCA legislation previously mentioned and a labor shortage that is about to intensify, I'd say there is no excuse for being sloppy with your corporate culture and employee brand. This is no time to be complacent or in denial.

In 2009, strive to be an employer of choice. Just remember, you must be authentic in your desire to attain that standard and you have to deliver on the promise – anything disingenuous will backfire and leave you worse off. Be careful about cutting too many benefits, even though today's economic climate makes that tempting. Instead, be creative in designing an employment environment and compensation plan that makes your company optimally attractive. Flexible hours? Child care? Working from home? Better cross-training? More promoting from within? Offering payments on student loans? Just think it through – you can be sure that some of your competitors are as well.

Fill the leadership void

One of our firm's mantra's is, «There is a huge difference between running a company and leading a company.» As someone constantly involved at the highest executive levels, I must say it is sadly apparent that the presence of true leadership is the exception. But look closely – the cultures of these companies reflect that fact. The organizations may thrive, but they aren't alive! Nor are they compelling to «A» players who, as the labor shortage intensifies, will find themselves in a seller's market.

Smart strategy: Every employee brings individual spirit to work each day as well as his or her own set of dreams. Stop using policy to try and make everyone «fit». Instead, dedicate 2009 to begin seeking out those who have what it takes to be great leaders. Coach them. Encourage them. Nurture them. Promote them. Formalize the development process and succession planning. Cultivate the leaders of tomorrow. Your commitment alone to these goals will help you attract and retain the best people, not to mention that it will also perpetuate the company.

Some thoughts on innovation

I think the following say it all:

«Learning and innovation go hand in hand. The arrogance of success is to think that what you did yesterday will be sufficient for tomorrow.»

- William Pollard

«The real source of wealth and capital in this new era is not material things; it is the human mind, the human spirit, the human imagination, and our faith in the future.»

- Steve Forbes

«Innovation distinguishes between a leader and a follower.»

- Steve Jobs

Smart strategy: Encourage innovation. Look at Nike, Apple, Google, Pixar, Microsoft, Virgin and others for examples. After all, people line up to work for these companies because they innovate. These are agile organizations that are able to let go

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of old ways of thinking to make room for new. Such has not always been easy for the hotel industry, but it's nevertheless a compelling strategy. Innovation requires leadership (sound familiar?), someone with the moxie to allow those surrounding him or her to improve the business and, in our industry's case, to elevate the guest experience.

Note the following excerpts from an excellent article, «Funding Invention vs. Managing Innovation», by John Hagel and John Seely Brown:

«Innovation – the ability to create and capture economic value from invention – is what really drives both the economic prosperity of nations and the shareholder value of corporations.

We need to discover and master the new management techniques required to sustain distributed innovation initiatives and create even more economic value.»

The ability to truly create meaningful results and brand distinction requires looking from the «inside out» and from the «outside in.» It requires abandoning the obstinate mindset and migrating to a regular intake of fresh air. This sets the stage for innovation. Can you do it? I recommend it. Then watch, as the «A» talent finds its way to your company. ■

«There is a huge difference between running a company and leading a company.»

