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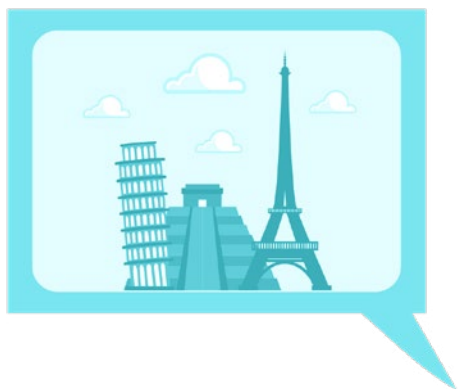
Driving business performance by increasing cognitive diversity in travel, leisure and hospitality leadership

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The travel, leisure and hospitality sector is unquestionably diverse, embracing people from widely different backgrounds with different skillsets. Nonetheless, as I outlined in a [previous Heidrick article](#), the rate of DE&I progress at senior levels still needs to accelerate.



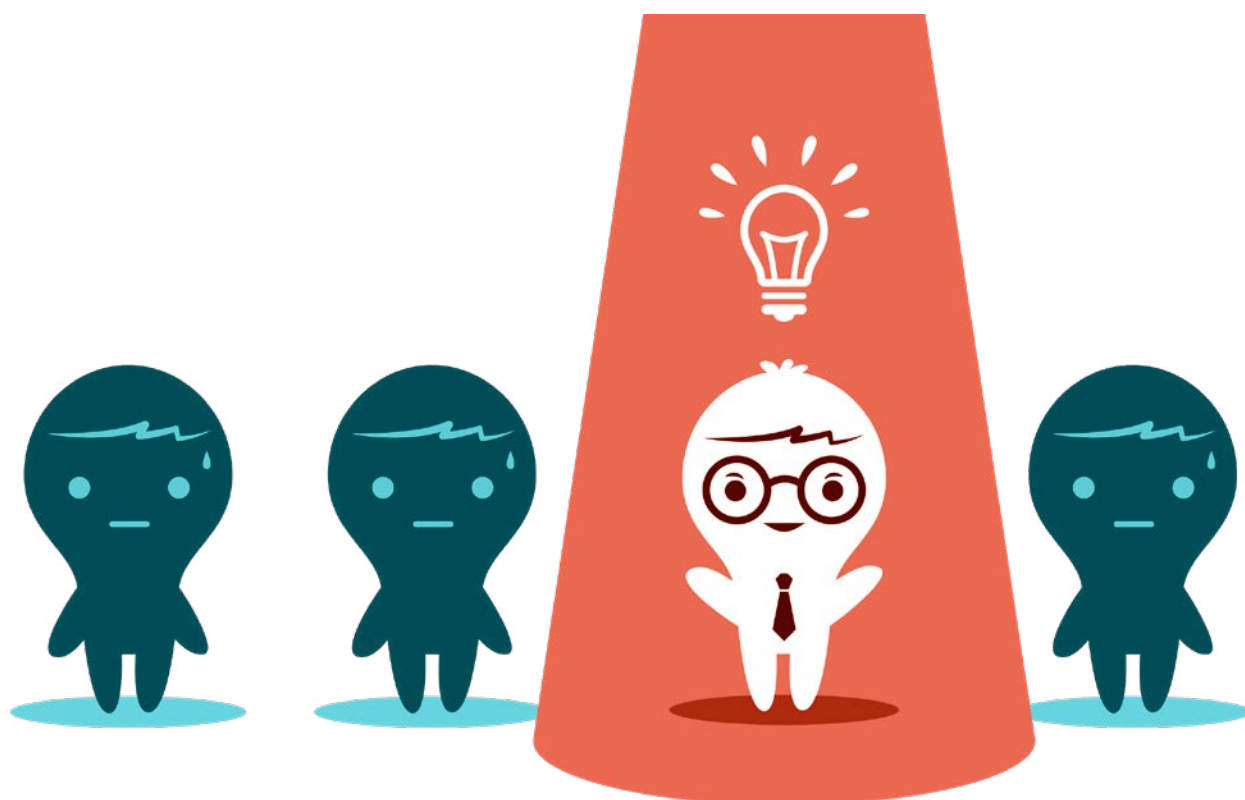
A significant proportion of the sector's existing employee diversity is being lost at mid-management level. This reinforces a business-as-usual mindset at the top, and denies TLH companies the myriad [advantages conferred by diverse leadership](#). Retention and development of existing diverse talent should be a priority for the sector, but in the meantime, recruiting external experience into leadership roles will help drive business performance by increasing cognitive diversity – bringing new viewpoints and styles of information processing to the table.

The drive for cognitive diversity

The human element represents a competitive edge in an industry where easily replicated technology has levelled the playing field, and where the competitive advantages of being a first mover will diminish over time. Hiring leaders from outside delivers fresh perspectives to a sector with a marked historical preference for internal industry hires.

The need for diversity of thought that reflects their consumers is emboldening TLH employers to prioritise softer skills over technical expertise. The route to the top is also being remapped, with CHROs, CDOs and CMOs starting to step into CEO and MD roles. McDonald's and Yum! Brands are among those companies spearheading the shift.

To explore the opportunities and skills accessible to the sector through diverse external leadership, and how best to attract and retain that talent, I interviewed C-suite travel, hospitality and leisure executives who transitioned from adjacent markets. Their feedback forms the basis of this article.



TO ACHIEVE THE TACTICAL ADVANTAGES OF HIRING EXTERNALLY, AS CONSULTANTS WE ADVISE BUSINESSES TO LOOK FOR LEADERS WITH ADVANCED EQ, GOOD LISTENING SKILLS AND INTELLECTUAL CURIOSITY, ALL VITAL FOR TRANSITIONING FROM A DIFFERENT SECTOR AND ALIGNING WITH EXISTING TEAMS.

The essential external skillsets

Cognitive diversity drives value in a highly competitive market where 'cookie cutter' brands repetitively reproducing service models increasingly lack appeal for consumers seeking unique experiences. New perspectives around product, marketing, digital and customer experience represent the differentiator in providing an improved proposition for customers.

To achieve the tactical advantages of hiring externally, as consultants we advise businesses to look for leaders with advanced EQ, good listening skills and intellectual curiosity, all vital for transitioning from a different sector and aligning with existing teams. Cultural dexterity is also essential, allowing them to adapt to the business and assimilate its values.

As Heidrick's [META framework](#) demonstrates, agility is a core attribute for all leaders. The components of agility required from external talent by the TLH sector include foresight, patience and a high level of comfort with ambiguity; prioritising learning with ambitious self-improvement targets; adaptability in leadership style; and resilience while cultivating optimism in others.

Alongside these capabilities, external hires also require the skills that have historically made leaders successful in the industry – people-centricity, a service-orientated attitude, the ability to work in teams, an aptitude for communicating with people at any level of seniority, and the necessary passion to make it in the industry.

Challenges to hiring externally

There are inevitable hurdles in hiring external leaders, including preconceptions around low pay and high staff turnover in the sector. Internally, concerns persist around culture fit. The industry has an entrenched belief that people must come from a parallel company, and that external leaders will stumble over the nuances of the business when attempting to drive change. It can consequently be hard to get buy-in from all stakeholders and persuade them to invest the time needed for new talent to acclimatise.



A rigorous hiring process – including assessments, background checks, and time spent with the candidate – is necessary to gain a holistic view of the individual. In a people driven industry, it's essential to get to know potential hires as individuals.



The risk is undeniably greater– and it's true that some external hires have failed, often because they were unsuited to the urgency and pace of the business and 24/7 nature of the sector. Transfers between certain industries can be a poor fit, such as when heavily regulated, slow moving industries with huge budgets are exchanged for one that is fast-paced, with tight margins, on the frontline of the cost-of-living crisis.

Successfully overcoming these challenges requires a strategic approach. All stakeholders must be aligned, while the business has to be very clear on the skills that they are hiring for and how these complement the wider team.

Setting external hires up for success

To help de-risk, secure success and improve the time-to-value of an external hire from another industry, there are three key areas to address: the recruitment process; onboarding programmes; and corporate culture.

RECRUITMENT

A rigorous hiring process – including assessments, background checks, and time spent with the candidate – is necessary to gain a holistic view of the individual. In a people driven industry, it's essential to get to know potential hires as individuals. References, both formal and informal, from former peers, team members and superiors are useful in assessing their soft skills and in ensuring that the person being hired is actually the same one that presented themselves in the interview room.

External hiring comes with a risk of unconscious bias against candidates who break the standard mould. Employers can manage this out of the recruitment process by having a diverse interview panel, which will evaluate candidates for capability and the positive additions they can bring to the company's culture – rather than the traditional view of how well they will fit in with the existing culture.

TO PROPERLY SUPPORT EXTERNAL HIRES THEY NEED TO BE TAILORED TO THE INDIVIDUAL, WITHIN THE CONTEXT OF THE WIDER COMPANY, INDUSTRY AND ECOSYSTEM.

Alongside interviewing and referencing, [executive assessment](#) should be a key part of the recruitment strategy, helping to ensure external hires share the vision, purpose and value of the brand, and that they have the necessary attributes, agility and potential to prosper in the immediate role and long-term.

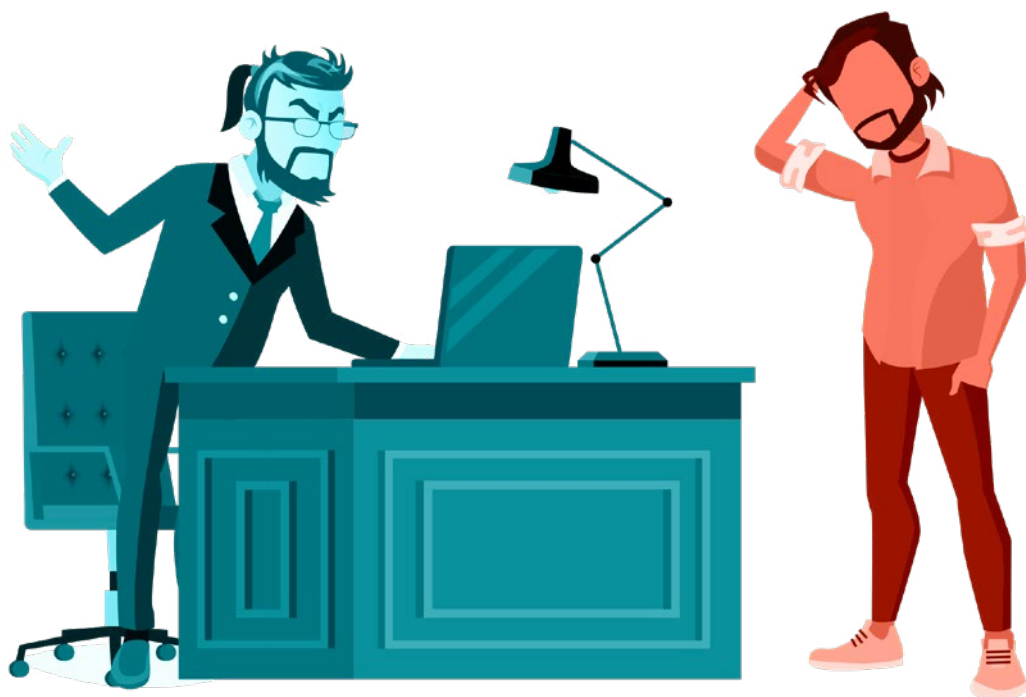
The recruiter also plays an important part in educating both employer and candidate on the differences and synergies in business models and skillsets. They should support the candidate by connecting them to industry contacts and experts who can explain company history, team dynamics, demographics, and identify any key knowledge gaps.

ONBOARDING

It's common for onboarding programmes in the sector to be checklist exercises. But to properly support external hires they need to be tailored to the individual, within the context of the wider company, industry and ecosystem.

Employers must invest in the success of the hire by taking into account what their new employee needs from their onboarding, generating a sense of belonging by creating the same opportunities, resources and networks that internal promotions would typically have.





Successful onboarding programmes will ideally incorporate the following aspects:

- **Intentional leadership style:** Enabling the new hire to gain awareness of their strengths and skill gaps and work on a personal story and brand. Establishing an understanding of role and responsibilities, and setting up a support network of trusted internal and external advisors, including an industry peer.
- **Team structure:** Ensuring team roles are fit for purpose, married to strategic intent, and clear. Giving the new hire the opportunity to develop team trust and alignment to ensure acceleration against thematic goals.
- **Culture and organisational context:** Identifying the organisational goals required to deliver future performance, factoring in cultural norms that accelerate performance and excluding those that hamper it. Allowing the new hire to learn the product and operations by spending time with each.
- **Industry and stakeholder landscape:** Mapping key stakeholders and their level of importance, so the new hire can develop an influencing action plan for each group.

Onboarding is a two-way street, requiring buy-in from the incoming executive so they can avoid behaviours that will derail their success in a new industry. These include 'what got you here will get you there' thinking, which limits the ability to learn and awareness of blind spots; and failing to understand the risks and implications of change on the business. Instead they need to flexibly adapt to their new context.

External hires need to take existing teams with them on the journey to change by engaging and driving those around them to perform at their best, ensuring inclusivity and avoiding dysfunctional cultural habits such as silos and passive aggressive behaviours that stall change. The team needs to be aligned on specific priorities and what constitutes success.



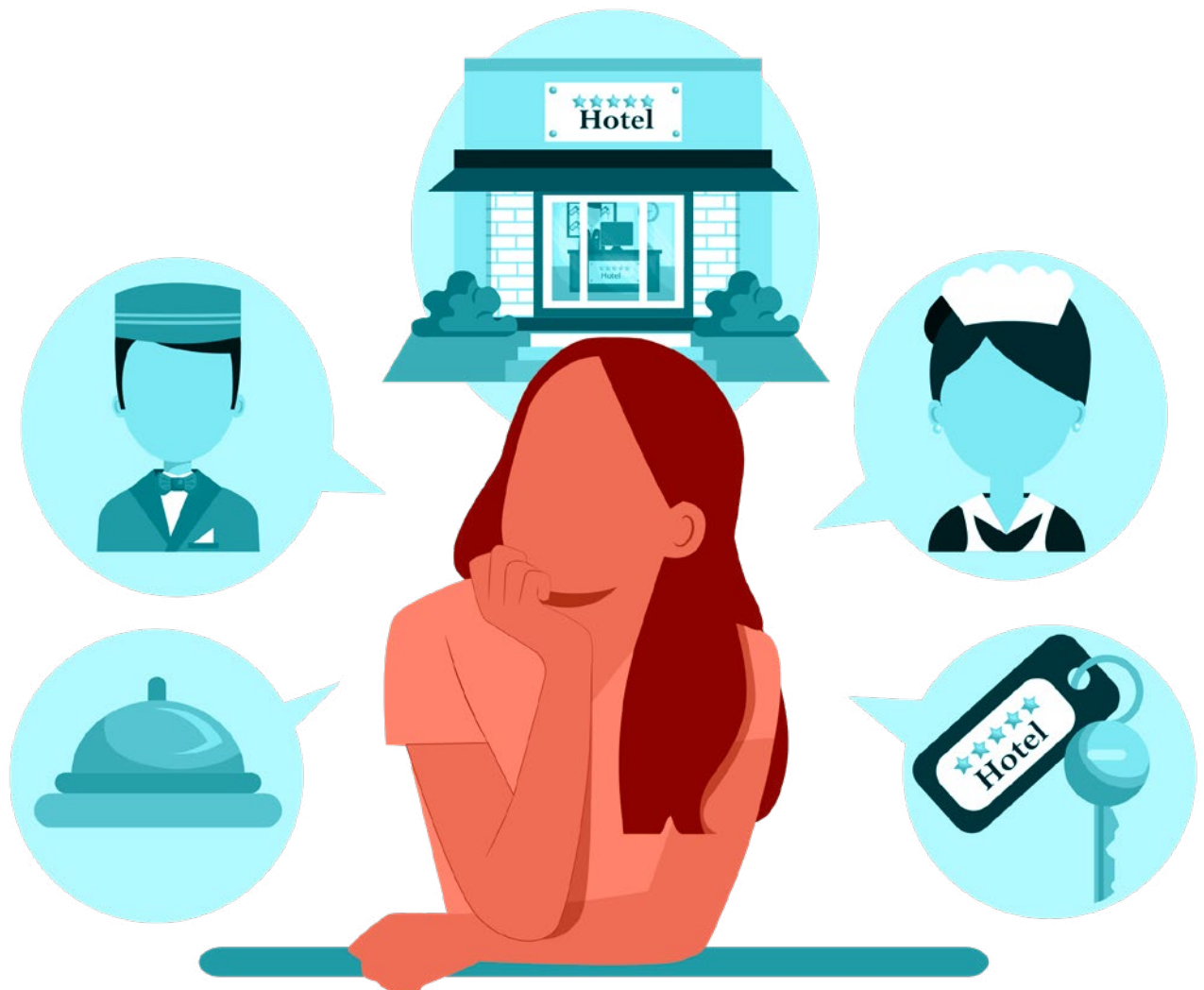
CULTURE

Shaping an inclusive company culture is fundamental to assimilating external talent. Many travel, leisure and hospitality companies have made progress on diversity of representation but remain behind the curve on improving equity and inclusion. These businesses lack the environment where creative thinking can flourish, and are therefore unable to profit from the advantages of diversity.

As Heidrick's [Guide to Creating an Inclusive Culture](#) points out, efforts to increase inclusion are often based on box-ticking activities such as unconscious bias training or targeted leadership programmes, when in reality change requires a company-wide approach and the development of more inclusive leadership styles.

This can be achieved through five core principles:

- Purposeful leadership, connecting DE&I efforts to strategic priorities;
- Personal change, with leaders modelling inclusive behaviour;
- Broad engagement across the whole organisation;
- Systemic alignment, where institutional practices promote inclusion;
- Representation, with employees seeing themselves reflected at all levels of the company.





Over time, organisations tend to become reflections of their leaders. By shifting top leadership's mindset towards self-awareness, curiosity, courage, vulnerability and empathy, TLH companies can create more inclusive cultures where people are receptive to new ideas and value differences of opinion. Peers and direct reports will be more open, supportive and thoughtful as receiving stakeholders. By being explicit about what they want to learn, they will gain the benefit of incoming cognitive diversity.

Companies within the Travel Leisure and Hospitality sector looking to equip themselves for the future should be considering external talent, to encourage more creativity and innovation, and fill skills gaps such as data analytics and digital. Other industries can help provide the leadership to tackle a changing world where new technologies, ways of working and evolving stakeholder demands will require different skillsets.

And while the trend for hiring into senior positions from outside the traditional talent pool is undeniably growing, to ensure success, businesses need a clear strategy for finding the right non-sector candidates, managing their transition effectively, and establishing a culture that is open to their input.

WITH THE ROUTE TO THE TOP BEING RETHOUGHT, THE INDUSTRY ALSO HAS TO ENSURE ITS EXISTING RICH POOL OF DIVERSE TALENT IS NOT LOST AT MID-MANAGEMENT LEVEL. IN MY NEXT ARTICLE, I'LL TAKE A DEEPER DIVE INTO HOW TRAVEL, LEISURE AND HOSPITALITY COMPANIES SHOULD BE LOOKING AT ROBUST TALENT MANAGEMENT AND SUCCESSION PLANNING PROGRAMMES.

Please do [reach out](#) if you're keen to discuss these topics or exchange perspectives, or would like to know more about how we have helped companies in these areas.

