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Grooming Future Hospitality Leaders: A Competencies Model

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Grooming Future Hospitality Leaders: A Competencies Model

Abstract
Competency models can be useful tools for identifying and grooming future leaders. Rather than base leadership assessment on personality traits or other unrelated characteristics, competency models specify the actions and behavior needed for successful leaders. While some hotel companies have begun to identify leadership competencies, the hotel industry does not have an overall competency model. Starting with competency models from other industries and the assessments from a pilot study, the authors compiled a list of 99 competencies or skills (grouped into eight overarching factors comprising 28 dimensions) that might contribute to leadership success in the hospitality industry. Those competencies were rated on a five-point scale, ranging from not at all important to extremely important, in a survey of 137 industry leaders. The competency labeled “self-management” was the top dimension (of the 28)—composed of ethics and integrity, time management, flexibility and adaptability, and self-development. Second in importance was competency in strategic positioning, comprising awareness of customer needs, commitment to quality, managing stakeholders, and concern for the community. (However, concern for the community was rated least important compared to the other three dimensions in that category). Industry knowledge, leadership, and interpersonal skill were factors that, while important, were ranked lower by the respondents.

Keywords
hospitality industry, hotel leaders, future leaders, competencies model

Disciplines
Hospitality Administration and Management

Comments
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Grooming Future Hospitality Leaders: A Competencies Model

Acquiring hotel-industry expertise pales in a future-oriented competencies model in favor of managers' ethical behavior and strategic-management acumen.

BY BETH G. CHUNG-HERRERA, CATHY A. ENZ, AND MELENIE J. LANKAU

The ability to identify the skills and competencies required for tomorrow's industry leaders is essential for companies that hope to remain competitive. Some firms, such as Marriott International and Choice,1 have made identifying leadership competencies a priority. Identifying appropriate competencies helps senior managers in selecting, developing, and coaching future leaders, as well as mapping career paths and planning management succession. In this article we present a leadership-competency model that is industry specific and future based. Our goal in creating this model was to provide the hospitality industry with a functional-competency model that: (1) organizations can use to develop their own model for leadership development, (2) employees can use to understand the competencies they need for advancement, (3) hospitality schools can use to design curriculum, and (4) students can use to craft career paths. We first describe the nature and use of competency models and then describe our study. We examine the critical competencies that we found to be important (and those that, surprisingly, are not as important). Last, we consider the possible uses for the industry-wide model that we have developed.

Competency Models

A competency model is a descriptive tool that identifies the knowledge, skills, abilities, and behavior needed to perform effectively in an organization.2 Designed to help an organiza-


tion meet its strategic objectives through building human-resources capability, competency modeling has been in existence since the 1970s, starting with the first models created by David McClelland. Such models gained popularity in the late 1980s and remain in use today.

Competency models focus on behavior rather than on personality traits, because personality traits are usually hard to measure accurately. Expressing desirable traits in behavioral terms is essential for a competency model to be useful as a human-resources tool, because the model must not only define the competencies necessary for effective performance but also indicate how to tell when a particular competency is being demonstrated. Most competency models express traits and characteristics in behavioral terms on the grounds that behavior is the observable manifestation of personality traits and characteristics. Competencies are deemed critical for inclusion in a model when they distinguish superior performers from poor performers.

Competency models are less specific than is the job analysis typically performed for specific positions, and models can encompass a whole family of jobs. Choice Hotels International, for example, developed competency models for each of the top four levels of its organization (i.e., senior vice president, vice president, senior director, and director). In so doing, the company found that the competencies for success of a senior vice president were similar to those needed for the other three positions.

Using Competency Models

Competency models provide a common language for discussing capabilities and performance. The development of a competency model can help provide guidance for a host of different HR practices and ensure that those practices are consistent. Specifically, competency models can be used as a foundation from which to establish criteria for a broad array of HR systems. For instance, listed below are eight HR activities that can be guided or enhanced with the use of a well-developed competency model.

1. **Recruitment and selection.** Looking beyond skills to performance dimensions such as teamwork, competency models can help to establish what it takes to do well on the job. Armed with this information, companies can focus recruitment dollars on finding the greatest number of prospective employees who have the right mix of competencies for the job in question. The content of appropriate selection instruments (e.g., structured interviews, role plays) can target the key competencies—and, hence, the whole package of needed skills and abilities. Beyond their usefulness in improving selection tools, competency models also provide candidates with a clear and realistic picture of expected behavior.

2. **Training and development.** Assessing gaps between existing employee skills and those identified by a competency model can be extremely useful in devising a long-term strategic plan for leadership training and development. Identification of the skills needed to perform effectively makes it easier to ensure that the design and delivery of training are aligned with the organization's objectives. When a competency model is used as the foundation for training objectives, individual leadership gaps can be assessed and a training plan devised to address deficiencies.

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Footnotes:


(3) **Performance appraisals.** Performance-management systems can be enhanced by a competency model that provides a shared set of expectations regarding what is important and what will be monitored and measured. Competency models help managers to focus performance-appraisal discussions on critical aspects of behavior, thus providing a strategic tool for consistent and meaningful evaluation.

(4) **Coaching, counseling, and mentoring.** Competency models are often used as the basis for 360-degree feedback, in which a manager receives performance information from all relevant sources (including supervisor, subordinates, self, peers, and customers, if applicable). Coaches and advisers can use the information so gathered to guide the employee in designing a development plan and making critical-skill improvements. The clarity and specificity of competency models enable coaches and mentors to reinforce desired behavior and tie performance-management systems to necessary competencies.

(5) **Reward systems.** A tremendous percentage of a hospitality organization's operating expenses is devoted to employee compensation. To attract, retain, and motivate employees, reward systems must be equitable and linked to desired behavior. Competency models can be extremely useful for defining the behavior that will be rewarded.

(6) **Career development.** For employees who aspire to reach the next level on a career path, a competency model serves as a map. Competency models make employees aware of the behavior and skills needed to advance and achieve success, allowing them to prepare accordingly.

(7) **Succession planning.** Competency models can be used to identify possible successors for critical jobs by clarifying the requirements for the job and providing a method for assessing a particular candidate's readiness. Without a clear understanding of the competencies needed by future leaders, it is difficult for a firm to measure its "bench strength"—that is, to determine whether the organization has people with those capabilities and, if it does, who they are.

(8) **Change management.** Organizations can work toward an uncertain future by creating models that are based on competencies that may be necessary for future leaders, as well as competencies needed for current operations.

A competency model is useful for building an integrated framework for developing a company's human-resources system.

Competency models confer several advantages on a company. First, a competency model is useful for building an integrated framework for developing a company's human-resources system. Used consistently, such a model should lead to improved and consistent performance standards. More important, the model can be a critical guide during periods of instability and change. Moreover, making HR decisions on the basis of carefully developed competency models reduces legal challenges to those decisions. Finally, well-developed competency models enhance a company's ability to communicate with its employees regarding the behavior connected with success, thereby increasing the firm's ability to achieve its business objectives.

Leader Competencies for the Lodging Industry

With point number eight in mind, we sought to devise a future-oriented leadership-competency model for the lodging industry. We consider this endeavor to be important given the absence of an industry-focused model that works across

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6 One should include specific competencies in the job description to reduce legal liability, especially if the competencies will be used for performance appraisals.

7 ACA Team, pp. 6–21.
EXHIBIT 1

Self management: Dimensions of a competency factor

<table>
<thead>
<tr>
<th>Factor</th>
<th>Self Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dimensions</td>
<td></td>
</tr>
<tr>
<td>Characteristics</td>
<td></td>
</tr>
<tr>
<td>Acts in an ethical manner</td>
<td>Effectively handles multiple demands and competing priorities</td>
</tr>
<tr>
<td>Treats people fairly</td>
<td>Manages time to ensure productivity</td>
</tr>
<tr>
<td>Treats people with respect</td>
<td>Spends time on the most important issues, not just the most urgent ones</td>
</tr>
<tr>
<td>Displays consistency</td>
<td>Deals constructively with own failures and setbacks</td>
</tr>
<tr>
<td>between words and actions</td>
<td>Seeks feedback from others</td>
</tr>
<tr>
<td>Considers ethical</td>
<td>Adjusts behavior in response to feedback and experience</td>
</tr>
<tr>
<td>implications prior to</td>
<td>Pursues continual learning and self development</td>
</tr>
<tr>
<td>taking action</td>
<td>Demonstrates awareness of own strengths and weaknesses</td>
</tr>
<tr>
<td>Protects confidential</td>
<td>Adapted to changing circumstances</td>
</tr>
<tr>
<td>information</td>
<td>Works constructively under stress and pressure</td>
</tr>
<tr>
<td></td>
<td>Works effectively in ambiguous situations</td>
</tr>
<tr>
<td></td>
<td>Views problems as opportunities and mistakes as progress</td>
</tr>
</tbody>
</table>

many organizations. (Our research found no current models for hospitality leadership.) Having an industry-wide model is important because it can inform students and employees alike about the expectations for future leaders as identified by senior-level managers. Furthermore, an industry-wide model helps to paint a comprehensive picture of the critical skills needed by the entire industry, thereby assisting senior managers in hotel organizations as they devise and implement their recruitment, selection, and development systems.

Looking ahead. We focused our competency model on managerial behavior that industry executives anticipated would be needed ten years from now. We wanted a model that could be used as a prototype to guide people's aspirations in the coming years and to create future leaders. Asking leaders to focus on the future is a common approach when building competency models, although the resulting model may not identify all necessary competencies (given that one cannot see the future). The essential limitation in asking current leaders to project future competencies is that they may be unable or unwilling to define the future differently from the present. However, many thoughtful executives are able to envision and plan for a future that is not simply a reflection of the present, highlighting behavior that they see as increasingly important.

Using a number of different competency studies as a starting point, we constructed a provisional behavioral-competency model that captured the most-important dimensions of leaders' behavior across several industries. Using this preliminary model, we refined the components through hospitality managers' feedback. We collected managers' comments by surveying individuals from around the globe who participated in senior-level executive-education programs at Cornell University. In our pilot survey, re-

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8 Forecasting into the future is a technique that has been used by a variety of firms, including PDI, DDI, and Hay Management. We used Linkage, Inc.'s systems method, by asking participants to forecast behavior that might be important in the future. See: Introduction to Competency Modeling (Lexington, MA: Linkage, Inc., 1997).


10 To develop the competency model, the customized-genetic-model method was used (see: D. Dubois, Competency-based Performance Improvement: A Strategy for Organizational Change (Amherst, MA: HRD Press, 1993).
spondents could add additional competencies that they felt were becoming increasingly important and eliminate those items that they deemed inappropriate.

Based on the feedback from the pilot study, we modified the competency model to reflect hospitality-specific behavior. In this fashion, we arrived at a final competency model consisting of 8 overarching factors, 28 dimensions, and 99 specific behavioral competencies. The factors and dimensions were derived from the literature on competency models and through hospitality managers’ feedback. The eight overarching factors are communication, critical thinking, implementation, industry knowledge, interpersonal skills, leadership, self-management, and strategic positioning. Each of those factors comprised up to six dimensions that captured various aspects of that factor. Leadership, for example, is composed of the following six dimensions: developing others, embracing change, fortitude, fostering motivation, leadership versatility, and teamwork orientation. As another example, Exhibit 1 shows the behavioral items and dimensions for the self-management factor.

We listed the 99 hospitality competencies in a survey that was faxed worldwide to 735 senior-level industry executives at various hotel companies. Using a five-point Likert-type scale ranging from 1 (not at all important) to 5 (extremely important), respondents were asked to rate the importance of each of the 99 competencies or skills for a senior-level manager ten years from now (see the accompanying list on this page and the next). A total of 137 industry leaders responded either online or via return fax, yielding a response rate of 18.6 percent. Participants’ positions ranged from director to CEO or chair of international hotel chains and corporations. Response rates for executive-level employees are notoriously low, and our response rate for this sample was typical for this population.11

List of 99 lodging competencies

(1) Anticipates obstacles and develops contingency plans
(2) Adapts to changing circumstances
(3) Manages time to ensure productivity
(4) Monitors progress of others and redirects efforts when necessary
(5) Works effectively in ambiguous situations
(6) Prepares people to understand changes
(7) Seeks feedback from others
(8) Works toward win–win solutions with others whenever possible
(9) Steers conflicts away from personalities and toward issues
(10) Provides employees access to information
(11) Takes a stand when resolving important issues
(12) Integrates planning efforts across work groups or functional units
(13) Displays consistency between words and actions
(14) Identifies measurable action steps that support the hotel’s strategy and mission
(15) Works constructively under stress and pressure
(16) Acts in an ethical manner
(17) Presents ideas in a convincing manner
(18) Expresses disagreement in a tactful and sensitive manner
(19) Treats people with respect
(20) Considers a broad range of factors (internal, external, and trends) when solving problems and making decisions
(21) Translates business strategies into clear objectives and tactics
(22) Brings together different perspectives and approaches and combines them in creative ways
(23) Summarizes and clarifies what people say to ensure understanding
(24) Coaches others in skill development
(25) Challenges others to make tough choices
(26) Works to understand why others resist change instead of forcing others to accept change
(27) Accurately identifies strengths and weaknesses in others
(28) Stays informed about industry practices and new developments
(29) Examines and monitors trends in the hotel business
(30) Understands the agendas and perspectives of owners, staff members, managers, and other parties
(31) Clarifies expectations to staff members about assignments, roles, and responsibilities
(32) Selects leadership style most appropriate for the situation
(33) Provides challenging assignments to facilitate development
(34) Applies cross-functional knowledge to understand and solve problems
(35) Expresses confidence in people’s competence to do their jobs
(36) Addresses and works through conflict
(37) Interacts with people in a direct and open manner
(38) Views problems as opportunities and mistakes as progress
(39) Works to establish strong relationships with owners
(40) Understands and harnesses individual differences to create a competitive advantage

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(41) Develops action plans to meet customer needs
(42) Reduces redundancies in processes and procedures
(43) Gives specific, timely, and constructive feedback
(44) Adjusts behavior in response to feedback and experience
(45) Models the changes expected of others
(46) Considers alternatives before making decisions
(47) Listens to people without interrupting
(48) Protects confidential information
(49) Encourages employees to use their initiative to remedy problems when they first occur
(50) Takes calculated risks when appropriate
(51) Builds networks with people inside and outside the hotel
(52) Spends time on the most important issues, not just the most urgent
(53) Commits organizational resources for community events
(54) Considers pros and cons of proposed solutions to problems
(55) Develops new systems or processes for increased efficiency
(56) Encourages others to express their views, even contrary ones
(57) Listens carefully to input and concerns expressed by others
(58) Deals constructively with own failures and mistakes
(59) Handles multiple demands and competing priorities
(60) Knows the strengths and weaknesses of competitors
(61) Defines and sets up quality standards for employees
(62) Gives others the authority necessary to accomplish their objectives
(63) Adjusts leadership approach to fit other individuals
(64) Involves others in critical decisions that affect them
(65) Understands complex concepts and relationships
(66) Delegates enough of own work to others
(67) Identifies and defines problems
(68) Determines which of many problems may become crises
(69) Defines priorities for the staff
(70) Confronts problems early before they become unmanageable
(71) Works as a member of a team

(72) Considers ethical implications prior to taking action
(73) Gets others interested and involved in the change process
(74) Creates needed systems and procedures to support changes
(75) Keeps others updated with information
(76) Considers customer needs when making decisions
(77) Considers the effects of decisions on community well-being
(78) Champions new ideas and initiatives
(79) Focuses on important information without being distracted by unnecessary details
(80) Employs a team approach to solve problems when appropriate
(81) Understands owners' and stakeholders' values and how they perceive things
(82) Influences and shapes owners' and stakeholders' decisions
(83) Recognizes and seizes strategic opportunities in the environment
(84) Promotes respect and appreciation for diversity and individual differences
(85) Treats people fairly
(86) Allows others to lead under the appropriate circumstances
(87) Pursues continual learning and self-development
(88) Promotes quality initiatives
(89) Deliberately allows direct reports to use their own methods for completing tasks
(90) Demonstrates awareness of own strengths and weaknesses
(91) Understands organizational strengths and weaknesses
(92) Writes in an effective manner
(93) Actively and frequently listens directly to customers
(94) Sees how things fit in the big picture
(95) Promotes teamwork among groups; discourages "us versus them" thinking
(96) Inspires and motivates others
(97) Makes sound decisions under time pressure and with limited resources
(98) Speaks clearly and articulately in a variety of situations
(99) Builds partnerships and alliances with community organizations
Key Competencies Identified

Competency in self management is the overarching factor that was rated highest by our respondents, followed by knowledge of strategic positioning, implementation skill, and critical thinking. (Exhibit 2 summarizes the ratings.) The self-management factor achieved a mean importance score of 4.32 out of 5. This factor consists of four behavioral dimensions, namely: (1) ethics and integrity, (2) time management, (3) flexibility and adaptability, and (4) self development.

Looking at the behavioral dimensions within each competency factor, we found that the behavior of acting ethically or with integrity was the most important to the responding senior leaders. Post-hoc Scheffe tests from an analysis of variance revealed that this behavioral dimension of self-management was rated significantly higher than the other three dimensions. The ethics-integrity dimension contains six specific behavioral competencies, such as "Treats people with respect," "Displays consistency between words and actions," and "Considers ethical implications prior to taking action" (see Exhibit 1). The overriding importance of ethical behavior is consistent with previous competency models devised by managers outside the lodging industry.12 The other specific competencies that fall under the self-management factor are: "Works constructively under stress and pressure," "Seeks feedback from others," and "Spends time on the most important issues, not just the most urgent." Overall, self-management skills encompass actions related to the personal characteristics of the leader and how she or he handles himself or herself.

Competency in strategic positioning was the overarching factor considered to be second in importance for future leaders. This factor comprises the following four dimensions: (1) awareness of customer needs, (2) commitment to quality, (3) managing stakeholders, and (4) concern for community. Examples of behaviors that fall under these dimensions include "Influences and shapes owners' and stakeholders' decisions," “Pro-

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12 See competency research reports done by consulting firms such as Personnel Decisions International (www.personneldecisions.com) and Center for Creative Leadership (www.ccl.org).
mores quality initiatives," and "Considers customer needs when making decisions." This factor clearly captures the hospitality industry's service orientation. The senior managers whom we surveyed suggested that future lodging-industry leaders need to be vigilant in their commitment to both quality and the needs of a variety of different stakeholders, including owners, Wall Street, employees, and customers.

Implementation, critical thinking, and communication skills were also deemed "extremely important" by senior managers. Leaders of the future will need to possess a strategic orientation and approach to decision-making that permits them to both plan and redesign their organizations. In addition, communicating persuasively, listening, and enabling others will be essential skills for managers hoping to reach senior leadership positions.

Industry knowledge, leadership, and interpersonal skill were factors that, while important, were ranked lower than the others by our respondents. The relatively low score for industry knowledge seems to suggest that the importance for leaders of industry-specific expertise is decreasing as time goes on. One reason for this is that industry expertise can be acquired by an adept leader, while the capacity for flexibility in a changing business environment can be hard to learn and often is inherent in an individual's personality and skill set. Interpersonal and leadership skills also scored lower than did other factors. We found it particularly interesting that the dimensions of developing others, embracing diversity and change, and leadership versatility were viewed as some of the least-essential skills for the future.

Concern for community was a particularly low-rated dimension of strategic positioning. Scheffe post-hoc tests revealed that this dimension was rated significantly lower than the other three strategic-positioning dimensions. Although this dimension is not typically included in competency-modeling research, we (incorrectly) thought that it might be important to hospitality leaders because of their extensive connections with local community events and activities. This dimension consisted of three items: "Commits organizational resources for community events," "Considers the impact of decisions on community well-being," and "Builds partnerships and alliances with community organizations." Contrary to our thinking, the results revealed that those three were among the lowest-rated of all 99 items presented on the survey. When compared to other activities, a concern for and relationship with the local community in which the company operates does not seem to be a core competency needed for future hospitality leaders. On the other hand, competencies that appear to be the likely core attributes of future leaders are ethics, awareness of customer needs, time management, speaking with impact, commitment to quality, and team orientation.

Using Industry-wide Competency Models

We believe that competency models can be important in building an effective human-resources system. They can also help in educating future generations of leaders by guiding university faculties in designing curricula to meet the industry's future needs. An increasing number of university programs are focusing on competency building in an effort to prepare students for a specific industry.13 For example, the master of management in hospitality (MMH) program at Cornell University assesses entering students against three core competencies that are deemed necessary for graduation. These competencies are leadership skills, teamwork and group-process skills, and written and oral communication skills. Students are evaluated through an assessment center as they enter the MMH program and are given feedback at the end of the assessment center, as well as after each subsequent semester. If they have weaknesses in any of the three competencies, the students must make plans to improve their skills. Students' competency development is further supported by special modules offered by faculty members to enhance key skill areas. These modules contain both lecture and experiential components.

Industry-specific competency models can also help students seek out employment and career tracks that will give them ample opportunity to

develop needed skills. The model presented here provides a comprehensive framework to inform future managers about what will be needed or expected to lead future lodging firms. A good competency model serves as both a roadmap and a prototype for achieving success.

Employees in lodging organizations may find this model useful as a general guide for self-development. In the absence of an institutional program to help develop a promising manager, a competency model can be used by an individual to design and plan her or his own career choices.

Last, individual lodging organizations can use this industry-wide model to build their own specific model. Once an organization has tailored the model to its specific needs, that firm can use the model in a variety of ways. For example, Choice Hotels International now uses its competency database to perform annual readiness assessments to determine managers' leadership capability. The competencies in Choice's model are the basis for the company's selection, promotion, and succession planning. Marriott employs a system-wide leadership-development initiative, called the Benchstrength Management System, which is used by current senior managers to build leadership capacity. Using the tools and measurements from this system, Marriott's senior managers are responsible for identifying potential leaders and ensuring that those individuals develop the skills and competencies needed to carry the company forward. Targeted development plans are created to assist senior managers in filling critical positions that are "stretch" assignments for high-potential managers. The Benchstrength Management System provides Marriott with a consistent approach to evaluating its leadership potential and ensures that the company focuses on core capabilities that are key to future success.

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