

What Growth in Asia Pacific Means for Hotel Company Leadership

The Asia Pacific region encompasses a complex mix of diverse cultures, varying consumer preferences, and both mature and emerging hospitality markets. For hotel companies operating in the region, these dynamics present nuanced challenges, and Asia Pacific's growth has impacted both an organization's leadership needs and the way it structures itself. According to a recent Jones Lang LaSalle report, global hotel investment transaction volumes in Asia Pacific rose 13.2 percent in 2016 and it's expected that investment in the region will only continue to grow. This article explores how hospitality companies are evolving their organizational structures to seize the opportunity in Asia Pacific, the challenges of recruiting and developing new talent, and what the future holds for hospitality leadership in the region.

LOCAL VS. GLOBAL: BALANCING PRIORITIES WITH REQUIREMENTS

Many hotels have found that as they grow, they must reevaluate how they balance global leadership with local market needs, and a variety of organizational structures may be optimal depending on the company's size and growth. Hotels that have operated in Asia Pacific for some time and have built a certain level of scale and significance may evolve from a global leadership model to one with greater emphasis on a regional management structure.

While some companies implement a matrix structure in which executives report to both global and local leadership, others are focusing heavily on building a local management system. With a matrix structure, the combination of local and global perspectives can result in more well-rounded decisions and a more comprehensive strategy, in addition to promoting collaboration across the entire organization. On the other hand, emphasizing local leadership ensures the strategy is specifically aligned with the cultures and unique consumer preferences of the region.



THE TALENT PIPELINE: RECRUITING AND DEVELOPING TOP LEADERS

Recruiting and developing hospitality leaders with the right competencies to succeed in this dynamic, rapidly changing region can be a challenge. It is critical for hotel companies to keep in mind which skills are necessary to succeed not only today, but in the future.

With a lack of senior leadership in the region, many multinational hotel companies must take a hybrid approach of hiring local talent and deploying leaders from headquarters or other regions. To be successful in Asia Pacific, these executives need a demonstrated ability to innovate, strong collaboration skills and the capability to translate consumer insights into action. In addition, cultural agility and creative problem-solving skills will allow these leaders to thrive amid the challenges of emerging and developing markets.

These assignments can represent a significant, and sometimes risky, investment for hotel companies. Expats are unlikely to remain in their Asia Pacific posts permanently and not every senior leader is suited for international roles. One way hotels can decrease the likelihood of a “global assignment gone wrong” is to focus on talent development roadmaps that require leaders to rotate through a variety of both geographies and functions before advancing into roles with broader scope. To grow a strong pipeline of international leaders, hospitality companies should make general

leadership skills a priority, rather than putting too much emphasis into agility related specifically to Asia. While cultural adaptability is important, it is crucial that these leaders possess the ability to manage complex projects, strategic thinking skills and, perhaps most important, the capability to develop high-potential local talent to lead once the assignment is done.

THE FUTURE: FURTHER EVOLUTION OF HOTEL STRUCTURES AND THE RISE OF GLOBAL TALENT FROM ASIA

As the economic gravity shifts further toward Asia, hospitality companies will continue to evolve their structures and develop creative solutions to recruiting and developing global talent.

Ideally, industry organizations will move high-potential leaders from country to country, building their cross-cultural experiences into genuine regional talent. While hotel companies have long operated in Asia Pacific, management structures and processes will need to continue to evolve. Although growth and consumption are slowing down in some markets in this region, the challenge falls on smart leadership and talent development to sustain the business and drive further growth. Where local markets are still emerging and developing, more direct commitment is needed to navigate and overcome the growing complexities and pursue new opportunities.

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