



WHITEPAPER

THE 'LEADERSHIP DELTA':

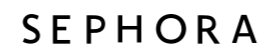
How challenging the norm is helping the hospitality industry to train exceptional leaders



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Executive Summary

Frontline organizations have had to face big challenges head on over the last three years. From global shut down and a shift towards an even more transient workforce, to a rise in customer service expectation and an ongoing financial crisis.

Despite these challenges, those organizations rethinking their approach to leadership training and development are coming out fighting.

In short, the 'leadership delta' is one of the biggest challenges facing the industry. It's a vast gap in knowledge and capability that is exposed when individual contributors are promoted into senior roles where they have responsibility for overseeing multiple areas of the business.

One of the reasons this happens is because many of those leading teams within the sector are promoted because they are great at their 'day job' - they are amazing baristas, superstar bar tenders or fantastic store assistants, but now they find themselves with a new set of expectations and responsibilities. The step up is a giant skills leap.

With so much responsibility at the hands of these leaders, we are challenging the industry to look at how leaders are trained within the sector and asking the big question:

Are you challenging training tradition to develop exceptional leaders and beat the leadership delta?



Greg Hull,
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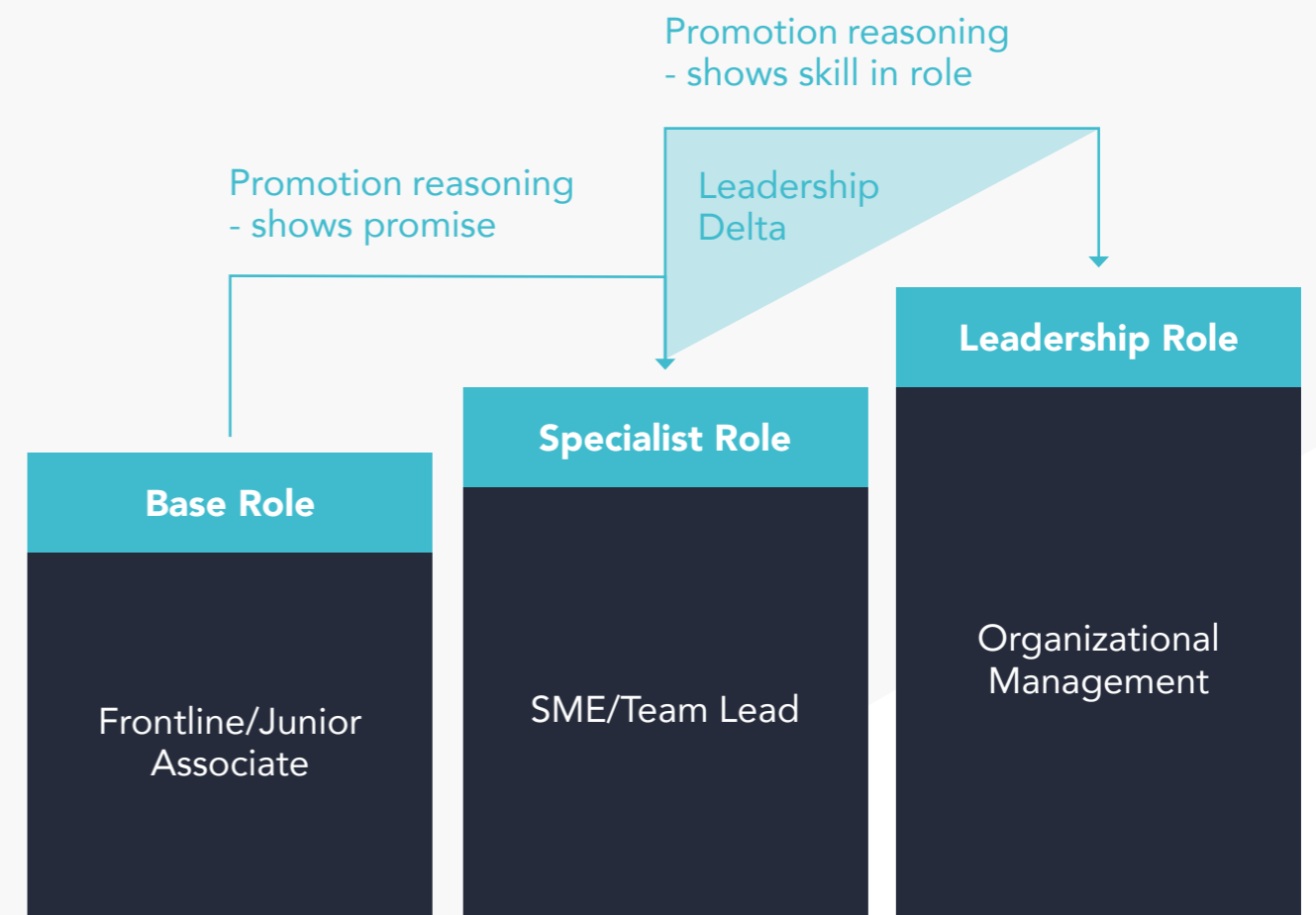
'Leadership Deltas' - the common skills gaps amongst leaders

From our extensive work with some of the world's leading organizations, we have identified three of the most common and fundamental leadership 'deltas', which we believe are the most difficult to solve using traditional methods.



The skills paradox of leadership

Promotion because of technical skill results in a leadership delta.



In this insight paper we explore the leadership delta in detail and discuss how organizations can challenge traditional learning methods to give leaders the opportunity to drive performance and become exceptional.

Great leadership - so what?

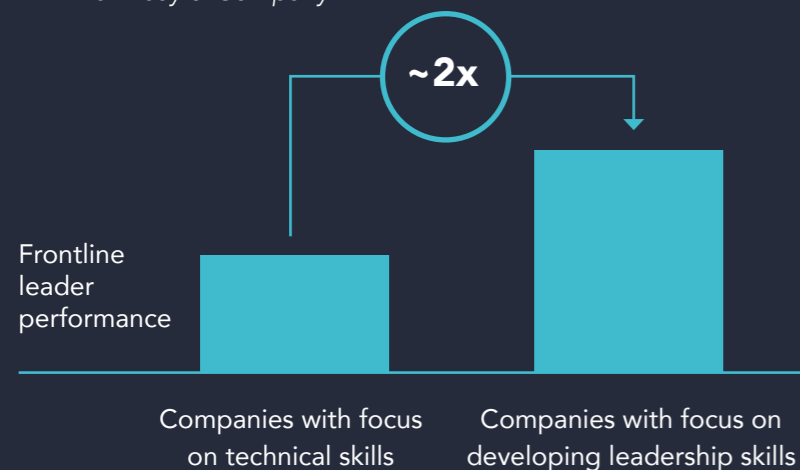
WorkL Management, global Employee Engagement Specialists, conducted a worldwide happiness and productivity survey across more than 500 organizations in 2022.

- **'Good leadership' was the number one reason people chose to stay at an organization.**
- **Almost all organizations reported a direct correlation between productivity levels and 'strong leadership'.**

It's not just happiness at work to consider, mental health is a big factor too. According to a new study by [The Workforce Institute at UKG](#), which included 3,400 people across 10 countries, 69% of people said their managers had the greatest impact on their mental health. This was on par with the impact of their partner and more than the impact of their doctor (51%) or therapist (41%).

In addition to the human reasons to pay attention to mental health and happiness at work, organizations also benefit from the leaders who have a positive impact on people. When people have positive mental health, 63% say they are committed to their work and 80% say they're energized.

*McKinsey & Company



Great leaders – happy team, happy customers

There has always been a focus on giving people memorable human experiences in the hospitality industry, but since Covid, expectation of great service is higher than ever.

According to consultancy firm McKinsey, 93% of respondents in the hospitality sector said that customer expectations are higher post-pandemic (2022).

This means every single person in the business needs to live and breathe your values and culture, your service standards and everything in between. And for those businesses with huge global teams, this is no mean feat when it comes to ensuring consistency.

Having great leaders, with fully developed leadership skills (who haven't just been promoted through the ranks without the proper training) is a big factor of success. Managers and team leaders need to be multi-skilled, drive success, onboard new talent, provide thorough team training, and ensure retention, as well as delivering on business KPIs. If they aren't equipped for success, neither is the business.

According to the Hospitality Report 2022, only

42%

of employees globally felt they had been given the right training to support their roles as people managers.



Leadership Delta One:

Coaching for performance

The shift from team mate to manager can be a big change. Those who are recently promoted are used to being the 'doer' and jumping in to get the job done. It's second nature.

But all too often we see that newly appointed operational leaders stay in their comfort zone, follow their instincts, and move to solve problems themselves rather than spotting moments of coaching and learning for their team.

It's a common response from those who are new managers. But, of course, it isn't a scalable solution, nor does it provide a valuable learning and development opportunity for a junior team member. We don't just see this challenge in the hospitality sector.

Take high performance salespeople, for example, who are used to leading the conversation with clients. When these individuals are promoted to management roles and asked to support junior sales execs during pitches, they can struggle to step back and give their colleague the space to lead the conversation. Often, they are worried that the junior doesn't have the skills to close the pitch or won't know all the answers if challenged by the client. The result is that they often revert to their previous role and jump in to solve the problem.



To coach someone for success, leaders need to:

1. Spot the opportunity for coaching and learning
2. Create an approach that offers meaningful discussion, learning and improvement
3. Next time an opportunity arises, give that team member the opportunity to tackle the problem themselves and create an environment where it's okay to fail

In a fast-paced hospitality environment where customer decisions often need to be made quickly, finding moments for coaching is essential, but can be difficult. The ideal for a leader is that there is enough support and advice given in the moment without solving the problem, so that next time the team member is in a similar situation, they will know how to respond or react.

Whilst coaching remains a key pillar of 'on the job learning' and a crucial part of every organization's people development strategy, some businesses are challenging tradition to accelerate employee upskilling.

For example, partnering with a global FMCG brand, we helped it develop a hybrid approach to coaching 750 managers and general managers across the US and Europe.

Deploying cutting edge digital simulated learning methods, Attensi created a safe environment for managers to practice integrating coaching conversations with their teams on a regular basis.

Creating effective coaching training is challenging using role play or other forms of classroom-based learning, because those methods lack realism and don't provide an environment where employees can practice and repeat training.

Simulations provide a safe to fail environment where managers can go at their own pace, immerse themselves in true to life situations and learn from their mistakes.

After rolling out simulation training, our client partner achieved the following:

76%

feel more confident their coaching feedback will be well received and lead to positive behavior change and outcomes.

78%

feel more confident in engaging in effective career-focused conversations with their team to encourage professional growth.

97%

of users said they felt more confident in integrating ongoing and regular coaching conversations into everyday discussions with their team.

Leadership Delta Two:

Having difficult conversations

Having difficult conversations is one of the most common deltas that we encounter, especially in the hospitality industry. Part of the reason for this is because teams are filled with fun and confident people who become friends; weekend workers who socialize together; and part time and temporary workers who don't see this job as their 'career' for life.

This can pose three problems for leaders:



But great leaders don't shy away from difficult conversations.

Great leaders need to be able to drive positive and constructive conversations and give feedback to help employees to improve when they are struggling, or performance is poor. The objective of these difficult conversations shouldn't be to punish that member of staff, but rather to find solutions and positive outcomes. This means being prepared to challenge but not get drawn into conflict.

For new leaders, having to deal with difficult situations like this without prior experience can be very daunting. For example, if a new manager

needs to engage in a difficult conversation around a grievance, such as a negative display of behavior toward a customer, or unacceptable cleaning standards, and the individual at fault shrugs it off as 'it's busy I can't do everything.' Or 'they got their order, didn't they?' – will the manager know how to respond?

New leaders need to be given the skillset to identify challenging situations like this, prepare for them and then communicate effectively.

Using simulation to effectively prepare leaders.

These delicate situations are incredibly difficult to recreate in a traditional learning environment, such as role play or to accurately depict in a video. This type of learning is very passive and does not stimulate active learning. And doing this at scale is often one of the most challenging components of leadership training.

Providing a safe to fail environment where new managers can practice and repeat their approach until they are confident, and they understand how to diffuse a situation can be the key to success.

This is exactly the kind of environment we created for a global coffee chain. The organization had recently introduced the 'GROW' (Goal, Reality, Options, Will) model as a coaching framework, used to support leaders with day-to-day coaching and performance to unlock employee potential.

The coffee chain wanted to make GROW as engaging and scalable as possible for its 6,000+ store leaders. Partnering together, we created a gamified simulation to improve store leaders' coaching skills, including supporting employee development and improving their ability to engage in difficult conversations.

To do this, we created a 3D digital replica of a coffee store and **deployed a game-based simulation** to a range of devices, including phone, tablet and PC where staff could **hone their communication and interpersonal skills by interacting with lifelike avatars**. This meant users could engage in scenario-based coaching dialogues with fictional colleagues. Because the simulations drove repetition, the knowledge gap was closed by **78%** across different roles and levels. The coffee chain also achieved a **32%** increase in store manager confidence to coach and develop their team.



Leadership Delta Three:

Effectively communicating your culture

Culture should be the most powerful tool in a business toolkit but can often be the weakest link.

The biggest challenge we see for businesses and leaders is the inconsistency and conceptual nature of 'culture'. It's often defined by the ping pong table, the free breakfast, or 'pizza Friday's in the office', but this isn't how we should be defining something so important.

Of course, the above are all parts of your culture, but the real power of great culture comes from creating consistent shared attitudes, values, and behaviors. It provides a framework for leaders to make value-led decisions and to communicate effectively to all team members. In fact, in our experience of working with global organizations, it's these shared values that make it possible to drive everything else across an organization – from business objectives to team development.

Consistent culture starts and stops with leadership.

Their experience to drive knowledge on the why and the how must be backed by their ability to lead with values and show the consequence of actions on culture, for individuals in the team.

Leaders must be able to understand culture (contextual knowledge) and apply it consistently (communication and consequence) for organizations to succeed. In the hospitality sector, we see a real mix of those who have come up through the ranks to senior positions and those who have joined as senior leaders, which can create a big variation in culture.

This is then amplified for businesses with multiple sites, venues, global locations and franchise operations. Often, we're asked by clients how they can use their L&D program to build a consistent culture when their team aren't in the same country let alone the same room.

The biggest challenge for businesses is taking the concept of culture and making it something tangible that can be applied to workplace scenarios. Culture, principles and values are mostly something you will see pinned to a wall, discussed in a workshop, or handed out as a PDF during onboarding. Using these traditional methods means that individuals in the team will have an awareness of them or even be able to define them – but they often don't know how to apply them, let alone understand the consequence of not adhering to key values. Taking your culture from something theoretical to everyday reality is crucial in driving the same principles across your organization.

Closing the leadership delta – teaching leaders how to take culture from concept to reality.

If we are to work to close the leadership delta, we must be asking ourselves are we training our leaders effectively to drive culture and effective communication.

Using clear principles to drive effective communication.

At Attensi, we have some key cultural values, two of which are SUPERFAST & PEOPLE POWERED. We're a global tech organization, so being fast paced is in our DNA. In practice, this means – as you might expect – acting quickly.

In a basic sense this might mean iterating quickly on a piece of work. However, in a leadership sense, this could mean acting in the moment during a meeting and putting your colleague on the correct course or speaking up if communications aren't clear and concise.

But the key is doing it from the perspective of the individual, to be constructive and positive with the feedback – PEOPLE POWERED. This goes back to using the right moments as learning opportunities, and making sure communication comes with no confusion.

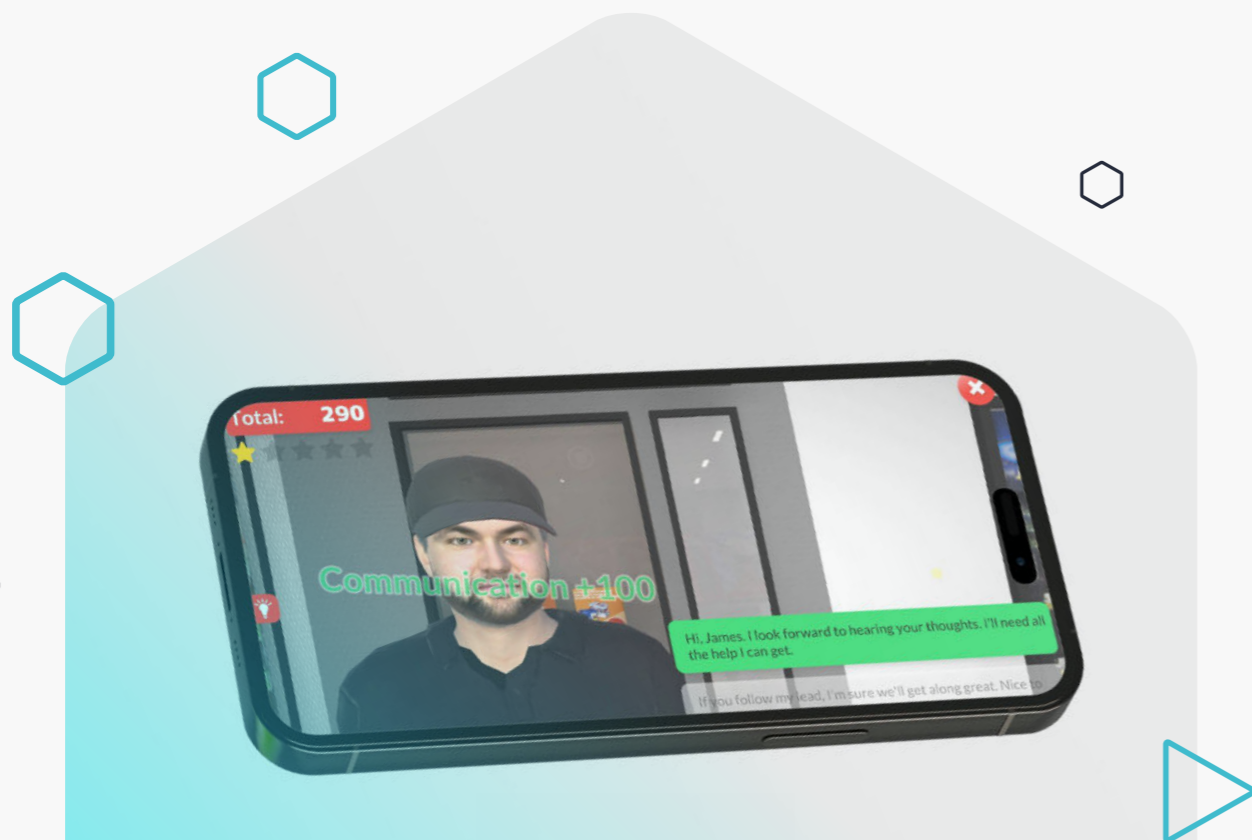
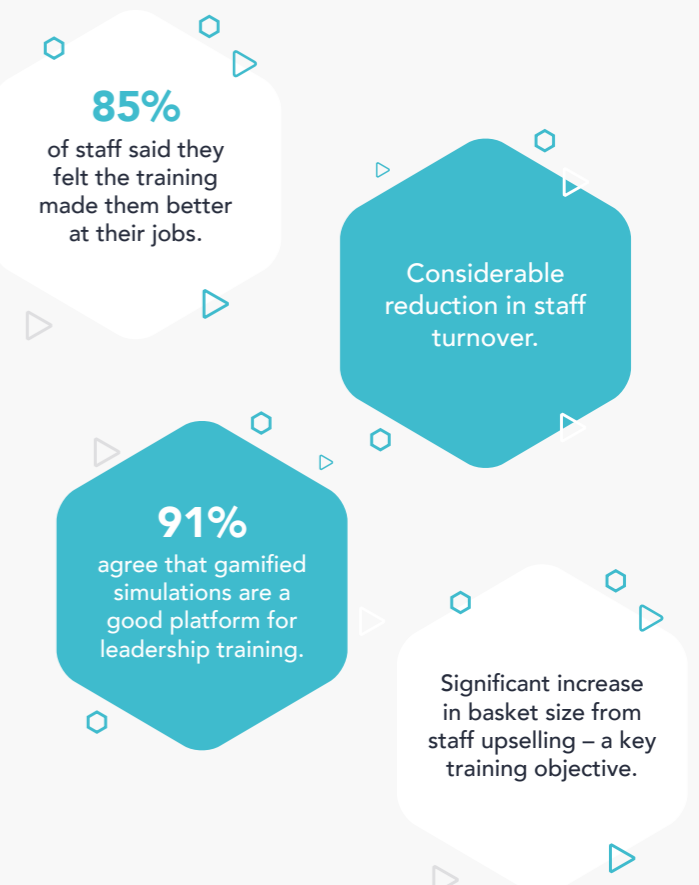
Culture must be communicated effectively so that leaders and employees don't just understand it in a theoretical sense but apply it to their day-to-day tasks – and see its positive impact on people and the organization.

Driving a consistent culture is key to the success of a global convenience store retailer. Partnering together, we delivered game-based training to 10,000 employees across Europe, the US and Canada.

To do this, the chain created an app for leadership training for 10,000 employees across Europe, the US and Canada. Because the training could be scaled across all participating countries, this ensured that the coaching style and culture remained consistent from Portland to Paris.

Testament to its success is the fact that employees commented how it made it easier for team candidates to work together and create a positive work environment. This is an example of a positive workplace culture in action.

Here's what the convenience store retailer achieved:



From consistency to bias – How do you know your training methods are successful?

For organizations to start and address the leadership delta, they should first consider how successful their current learning methods are and if their investment in L&D is bringing the right results.

It's no secret that traditional learning methods aren't as easy to track when it comes to return on investment (ROI) or measuring impact, with our clients often discussing the challenges of workshop formats, training on the job, passive learning materials and how difficult it is to bring everyone together to receive training at the same time.

Blended training is important, but to build skills quickly and effectively, organizations should consider what they can do to challenge the norm. If we take a traditional workshop training format as an example, there may be 10 team leaders in the session, who are expecting to learn new skills.

But what if there are two who are dominant personalities? They could be more vocal or experienced and take the lead in the session, causing others in the group to sit back and not contribute. If this happens, how do you know how others would have responded? How can you be sure all people in the session learn in the same way and have taken in the information you needed them to?

Here enters 'workshop bias', where some employees may walk away feeling they didn't get the same experience or opportunity as others via traditional sessions. Although not intentional, bias can creep in via group sessions, which gives some people more opportunity than others to shine or develop their skills.

If we take one key takeaway from our experience with clients, it's the power of consistent and immersive learning. With traditional methods there are so many variables to consider and it's almost impossible to tell with absolute accuracy that training has delivered to business objectives.

Take a look at these global stats from the Hospitality Report 2022 to see how inconsistent learning can look for employees in the sector:

There are noticeable gaps across the sector when it comes to the percentage of men versus women within the same companies who report having access to proper training on the tools.
(78% versus 68%)

There is also a sizeable difference in the percentage of women versus men who believe their company provides effective mentorship.
(63% versus 75%)

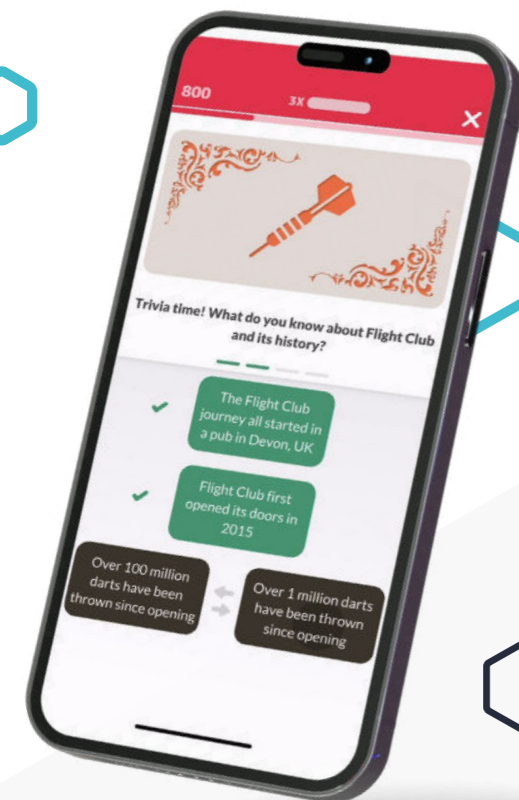
Across countries, teams rated their training programs – with as many as 80% having very different views of the opportunities they had been given and the success of training programs.

Let's go back to the big question we asked right at the start...

Are you challenging training tradition to develop exceptional leaders and beat the leadership delta?

For every frontline organization, fighting against a backdrop of challenges, this question becomes ever more important. Especially when it comes to understanding and addressing the 'leadership delta' in your organization and defining the skills gap you need to close to set your leaders up for success.

If there are three key takeaways you should take from this insight paper:



1

Take the time to better understand the real-life impact and effectiveness of your training. Explore your training goals and KPIs against your business objectives to ensure you can properly track impact and return on investment. It's not always that you need to invest more in training, you just need to invest in the right training for it to make the right impact for your people and your business.

2

Explore how your team feel about your approach to training. When was the last time you had the feedback that leadership loved a training session? That they could take that into their role and it would make a big difference? Training shouldn't be a tick box exercise; this sentiment is even more important with leadership training. Leaders need to be challenged, immersed and have true 'ah ha' moments. This then stimulates an active, intrinsic want to train and develop.

3

Rethink and reimagine your approach to traditional leadership training. In a world where we are flooded with change, information overload and fear of mistake, explore how to make training hyper engaging, bite-sized, accessible and fail safe for your team. Give them every opportunity to consistently master the skills needed to be exceptional in their role.





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