

CULTURE AND STRATEGY IN THE TRAVEL & TOURISM SECTOR



Jerry Noonan

Global Consumer Practise Leader, SpencerStuart

Organisational culture is a critical driver of transformation and business performance, but one that many leaders can find hard to define — or to change.

For hospitality, travel and tourism companies, which sell the dreams and experiences of travel, culture reinforces the guest service ethic and engages diverse and widely spread associates in the mission to create memorable experiences for guests. Whether people are travelling for business or for pleasure, people want to feel cared for, appreciated and welcome, so hospitality and travel companies by definition need to inspire and care for customers, more so than many other industries.

Ongoing advancements in technology and evolving customer expectations about how they want to interact with companies — online check-in, mobile boarding passes and keyless hotel rooms are just a few examples — require travel companies to find ways to still deliver high-touch, brand-building interactions balancing personal touch and technology. This is driving an additional cultural imperative: flexibility and learning. Increasingly, travel industry leaders are recognising the need to build cultures that are adaptable so they are better positioned to respond to changing market and competitive conditions and leverage data and technology to transform the customer experience at the point of customer contact.

But what is the best way to do this? We have identified a few questions that can help leaders begin thinking about the organisation's culture and how the culture may need to evolve in a dynamic market.

WHAT IS THE CURRENT CULTURE OF THE ORGANISATION?

This may seem obvious, but leaders frequently struggle to describe what drives their company's culture or whether the current culture supports or works against the strategic priorities of the business. Culture is not the aspirational values posted on the website. Culture is the culmination of the shared values, beliefs and assumptions that shape the behaviour of the organisation. These "unwritten rules" guide the thousands of decisions associates throughout the company make every day. Leaders should consider: What ARE those unwritten rules that everyone just knows but can't necessarily articulate clearly? How do I articulate those rules in way that people can understand them?

HOW WELL-ALIGNED IS OUR CORPORATE CULTURE WITH OUR GO FORWARD STRATEGY?

A high-performing organisation with a strong alignment between culture and strategy produces more financial growth and better employee engagement. Leaders should identify the organisational behaviours that are required to achieve the go forward strategy and evaluate how well the organisation is demonstrating those behaviours today. Leaders also should consider what measurements are needed to understand how the culture is changing. For example, where innovation and a learning culture are keys to the strategy, is a larger percentage of revenue coming from new services? What do these findings say about the culture relative to the strategy? Where do organisational behaviours open the organisation up to risk?

WHAT IS THE DIFFERENCE BETWEEN OUR CURRENT AND IDEAL CORPORATE CULTURE?

Effective leaders can describe both the culture as it currently exists and the culture to which the organisation aspires. This ability is sometimes called "cultural fluency," and it is a critical skill for leading on culture. When culture change is on the agenda, leaders should assess the organisation's cultural impediments and prioritise ways to overcome them. An important tool for evolving the culture is identifying the most influential people who "get" the ideal culture and deploying them effectively across the organisation.

HOW WELL DO OUR ORGANISATIONAL STRUCTURE AND PRACTICES SUPPORT OUR IDEAL CULTURE?

Structures, processes and practices exert significant influence on shared behaviours, and business success can be impeded when these are not aligned with the ideal culture. This lack of alignment can become most apparent when a company is making a change to its organisational structure or processes. For example, a company seeking to centralise core functions in a culture characterised by autonomy will be at risk. Similarly, a company creating a new role for an "innovation leader" will encounter cultural roadblocks in an organisation characterized by order and stability. Leaders can better understand the cultural impact of these organisational factors by asking questions such as: When a necessary and thoughtfully planned organisation change is not going well, what aspects of the culture could be getting in the way? How might different compensation structures help shape different types of organisational culture over time?

HOW DO WE CONSIDER CULTURE IN OUR TALENT MANAGEMENT PROGRAMS?

The way a company identifies, promotes and develops future leaders communicates a lot about the culture an executive team is trying to build, so the Board of Directors and CEO should think carefully about how the company is developing and promoting emerging talent, especially those who may be contenders for the CEO and senior leadership roles. To make sure that the next generation of executive talent aligns with the culture that the company wants for the future, talent management and development programs and employee evaluations must reflect the mindsets, behaviours and capabilities that will be needed. For example, if the organisation needs to move to a more driven, results-focused culture, then training, development programs, the way meetings are run and how executives communicate all may need to evolve to signal to emerging leaders how to be successful in the future culture.

