

CHIEF LEARNING OFFICER

environment

in practice:

Destination Hotels: Leveraging Technology for Effective Succession Planning

Kellye Whitney

As the war for talent heats up, more organizations are finding value in talent management and learning activities integration. Such is the case with Destination Hotels & Resorts. With more than 7,500 employees to look after, Destination found it critical to automate its succession planning process.

"Our approach in the world of hospitality is to have an exerted, directed effort to grow your own from within," said Robert Mellwig, vice president of human resources. "We're trying to prepare individuals for future stretch assignments within the organization under a broader concept of talent management, and succession planning is a really critical piece of that."

Three years ago, the company took an in-depth, organizationwide look at talent development. It had an active 360-degree feedback program, but it was not aligned with the company's business strategy.

Mellwig said the 360 questions left a lot to be desired, and the answers did not provide adequate feedback or help define what leadership success meant to the company. After examining differences in leadership, effectiveness and results (most of which had a quantifiable component in regard to profitability, associate satisfaction, guest satisfaction, workers' comp management, retention and turnover), Mellwig said the company recognized there was a sort of leadership DNA formula present in the "A" talent that wasn't necessarily present in the "C" performers.

"That formed the basis for our compensation philosophy and programs, our 360-degree feedback program and our hiring and selection system," he said. "At the same time, we were looking for an external technology partner, a platform that would be able to measure up against our business strategy."

Through a SumTotal platform, Destination launched a 360-degree feedback program and multirater feedback system to evaluate individuals' competencies quickly. More than 500 managers participate in the succession planning module, or the "My Career" tab within the platform.

This module allows employees to update their information and create an online resume or repository of information points about their career, geographic preferences, interest in task force assignments, educational history and aspirations for career pathing and planning. All that information forms a talent profile and is presented from the employees' perspective, as well as their direct supervisors'.

"The real advantage of the system is it incorporates and extrapolates all the 360 feedback, which includes a development profile, into that talent profile," Mellwig said. "An individual who goes through that process by way of a performance appraisal or a 360 feedback leaves with a 42-page report that becomes their development plan and ultimately precedes their development opportunities. Our philosophy is not to figure out what's wrong with people and fix them — it's to figure out what's right with people and exploit that in a constructive, productive way that works for all parties. Knowing why people perform not marginally better than their peers but significantly better creates an exceptional difference and translates to value-add for our company."

Adopting a technology platform to replace manual talent evaluation and development processes provides many system metrics Destination Hotels & Resorts uses to prove the efficacy of its integrated learning and talent strategy. One important metric is the number of people being transferred or promoted within the organization.

"A second measure, which is a critical one for us because we're in a high-growth mode, is the availability of people ready and capable for task forces," he said. "The task force measure is slightly more subjective. We look at the number of people interested or available or qualified, and ultimately, we provide people with a mini-evaluation at the end of an assignment. Our ability to secure talent for a stretch assignment is a win for them via a career development opportunity and a win in terms of performance and contribution for us."

Mellwig said filling key positions internally rather than through an external hire saves the company a significant amount in cost and lost productivity.

"Our ability to identify and groom internal talent has a direct correlation to the value and success of our firm," he said. "We gauge how our succession planning and development efforts compare to the statistical movement of people not ready now, ready in six months and ready now. We had zero people in the controller finance function, and based on turnover and growth, we were scrambling to plug the holes externally."

"We've done a lot of concentrated activity to help develop our internal assistant controller and more junior controller group for the past year, and by tracking succession planning, the number of people who are ready now is four or five out of a group of 30. The number of people ready six or 12 months out has also grown. But the beauty of this process is you're never quite there — it's a continual cycle. Succession planning is our business strategy. It's part of what we need to do to run and operate and grow our business."