



2023 - 2024 | SPECIAL REPORT



# THE STATE OF HOTEL SALES, MARKETING, AND REVENUE OPTIMIZATION TALENT

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# The State of Talent in Hotel Sales, Marketing, and Revenue Optimization Report 2024

Dear Colleagues,

As we release our 2024 State of Talent Report, it's heartening to witness our sector not just bouncing back but thriving. Moving beyond resilience, our industry's sales, marketing, and revenue optimization talent strategies have in many ways transformed, and this report is evidence of that journey.

The staffing crisis catalyzed a series of innovative responses. This year, the report explores the dynamics of a multigenerational workforce - how different age groups bring unique strengths and perspectives to the table. Our findings on the integration of AI in hospitality offer a glimpse into a future where the lines blur. Additionally, the rise of the gig economy, the growing emphasis on upskilling, and the adoption of hybrid work models are trends reshaping our operations. Each of these elements represents a piece of our industry's talent puzzle.

This report highlights strategies for nurturing a workplace environment where every team member feels valued and motivated through employee engagement and wellness. The growth of cross-functional teams and commercial collaboration continues to reshape how we approach challenges and opportunities alike. We also showcase examples of leaders who have created inclusive, dynamic, and forward-thinking work environments. While this report mentions specific programs and organizations in the interest of sharing best practices, the HSMAI Foundation does not formally endorse any products included.

We invite you to dig into the State of Talent Report, which not only highlights the positive trends but also serves as a tribute to the adaptability and innovation inherent in hospitality. It's a celebration of the belief that travel and hospitality are not just industries but a vital part of the human experience. Thank you for joining us on this journey.



Robert Gilbert  
Executive Director



Lori Kiel  
HSMAI Foundation Chair  
Chief Commercial Officer  
The Boca Raton Resort and Club

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# Introduction

The trends influencing the hospitality sector talent, particularly in sales, marketing, and revenue optimization, have demonstrated consistency with previous years. However, it is important to acknowledge the significant developments and emerging shifts that are impacting talent within hospitality.

Mental health continues to be a pressing issue, while the importance of corporate culture and values remains crucial for the successful growth of responsive cultures within individual enterprises. Employees increasingly seek to have their values reflected in the workplace. Commercial strategy, collaboration, and the growth of employees through training and upskilling are vital, particularly when acquiring new talent through traditional and innovative channels. Adaptability to changing workplace dynamics, including hybrid work models and office flexibility, is essential, and each sector must innovate to find its unique solutions. The industry also grapples with a shortage of skilled staff, making cross-training and cross-functional teams paramount.

The rising importance of gig and fractional staffing models shapes the workforce and workplace. Attracting and retaining employees remains a key focus, emphasizing engagement and the crucial role of leadership in fostering corporate values and culture. Flexibility in return-to-office policies is crucial, along with effectively managing a blend of office-based and hybrid employees and facilitating the adoption of new work rules. Leadership expectations now include diversity, equality, and inclusion (DEI) initiatives, reflecting progressive change.

Perhaps the most transformative trend offering potential solutions is the incorporation of AI as a workplace tool. AI can enhance work life by assisting employees in creative and administrative tasks. It also has the potential to redefine job descriptions and potentially replace current roles within sales, marketing, and revenue management. Furthermore, AI holds promise in significantly impacting mental health by providing more personalized and responsive treatments.

This report offers insights into past and emerging trends while examining how the industry has addressed these issues. Shifting demographics significantly impact the composition of the workforce. The aging workforce and the emerging influence of Gen Z workers will alter perspectives and implementation of work.

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## Methodology

This report highlights these trends and how current HSMAI members are addressing these evolving issues. Over the past year, I have thoroughly reviewed a wide range of articles, studies, and viewpoints within the hospitality sector's media space. I have also attended several HSMAI meetings where these issues have been extensively discussed and debated. Additionally, I have personally interviewed and engaged with industry professionals worldwide to gain their perspectives on current industry changes and foresee future transformations.

In preparing this report, I invited individuals with whom I have interacted to contribute their insights in a case-study format. Their experiences shed light on one or more trends they are encountering and detail the strategies they have implemented to meet these challenges. While this report provides an overview of the significant trends impacting our industry and offers references for a comprehensive analysis of each trend, the objective is to highlight these trends and, when possible, offer practical examples and guidance on managing these changes effectively.

## About the author

Dorothy Dowling, ISHC is a seasoned management consultant and growth advisor, with Horwath HTL with over 40 years of experience in the global hospitality industry. As the former Global Chief Marketing Officer and SVP of Sales at Best Western, she excelled at shaping marketing and commercial strategies. Dowling actively contributes to HSMAI and is a special advisor to the HSMAI Foundation Board. Her industry leadership earned her prestigious Lifetime Achievement awards from HSMAI, the NYU Investment Conference, and GBTA. She holds an Honours BA and MA from the University of Waterloo, completed executive programs at Harvard and MIT, and holds postgraduate certifications in D&I and ESG from Cornell. Dowling is also a public trustee at CubeSmart (NYSE:CUBE), the third largest Storage REIT, and is Director-certified by the National Association of Corporate Directors.



# Executive Summary

The report explores 9 key talent trends:

01

## Meeting The Needs Of Multigenerational Workforces

- Promote cross generational learning through mentorship and collaboration.
- Staffing levels are predicted to return to pre-COVID levels by 2031. There is a slow entry of new employees into the workplace and retention of older workers.
- Digital academies can provide advanced training in digital skills.

02

## The Rise Of The Gig Economy and Fractional Staffing Models

- A marketing mindset and dedication to employer branding is needed for recruiting.
- Gig, fractional, and independent workers are growing in relevance and value.

03

## Retention Through Upskilling, Reskilling and Upward Mobility

- Hands on learning can fuel the talent pipeline.
- Internal employment marketplaces can increase retention.
- Lifestyle contracts, development plans, and career mapping are expected.

04

## Transforming Employee Engagement

- Employee engagement is a pivotal metric.
- Listening and learning from employees' fuels efficiency and productivity.
- Utilize dynamic employee engagement tools.

05

### Leadership Defines Culture and Organizational Purpose

- Leaders must connect the dots for teammates to contribute effectively.
- Employee well-being are foundational pillars in successful hospitality business.
- Upskilling investments to leverage new technology.

06

### Return to Office and Hybrid Work Models

- Culture and teamwork are fueled by intentional efforts like collaboration days.
- Some see in-office work as important for career growth.
- Discussion continues how fully remote employees are tied to different compensation models.

07

### Cross Functional Teamwork and The Evolution Of Commercial

- Cross functional teams require effective leadership, people development, collaboration, and training.
- Shared objectives and KPIs help cross functional teams.
- Labor shortages and the changing demographics of the workplace make cross functional teams more important.

08

### The Rise of AI

- AI is becoming indispensable, enhancing efficiencies across commercial functions.
- Embracing AI is the key to unlocking its full potential.

09

### Prioritizing Emotional Wellness

- Employees value workplace cultures that prioritize personal growth and happiness.
- Leaders need to ensure employee engagement surveys to provide insights into employee well-being.

## TREND 1:

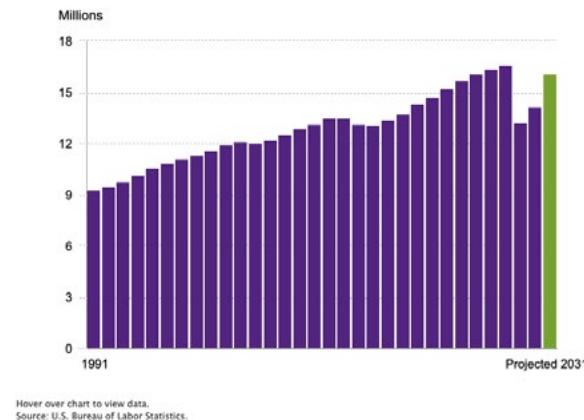
# Demographic Hiring Trends: Meeting the Needs of Multigenerational Workforces

In this section, we explore the intricate dynamics of the hospitality industry, shaped by demographic trends and evolving workforce paradigms. My review illuminates the industry's current landscape, characterized by both optimism and challenges as it emerges from the post-COVID-19 era.

The U.S. Bureau of Labor Statistics anticipates a promising future for leisure and hospitality, projecting the sector to mostly recover pandemic employment losses; yet recovery is projected to extend until 2031, underscoring persistent industry challenges (TED: The Economic Daily, U.S. Bureau of Labor Statistics, October 17, 2022). According to the same agency, as of November 2023 almost 1.1 million job vacancies existed in the Leisure and Hospitality Sector, a vacancy rate of 6.4 percent. Additionally, Bain and Company in a report entitled “Moving Beyond the Staffing Crisis” predicts a significant shift of about 150 million jobs to older workers by the decade's end, with older

workers comprising over 25 percent of the workforce. This combined with a slower pace of entry of new workers into the workforce caused by fewer people entering college and making hospitality a career choice, citing both costs of education and financial rewards, will prolong the pressure currently felt by the lack of skilled workers. (James Root, 2023).

Leisure and hospitality employment, 1991–2021 and projected to 2031



Source: US Bureau of Labor Statistics  
<https://www.bls.gov/opub/ted/2022/leisure-and-hospitality-projected-to-mostly-recover-pandemic-driven-employment-losses.htm>

Emily Dean's research (Dean, 2023) highlights the significance of navigating a multigenerational workforce, with organizations now spanning four generations:

- **Baby Boomers** (1946-1964) account for 20-25 percent.
- **Gen X** (1965-1980) contributes 30-35%.
- **Millennials** (born 1981-2000) constitute 35 to 40% of the workforce.
- **Gen Z** (2001-2020) makes up 5-10%.

While there remain challenges (Magnus-Sharpe, 2022), the acceptance of a diverse workforce and the need to accommodate the changing workplace has grown to be widely accepted in the hospitality industry and in the corporate world in general. Many HR professionals (89%) (Dean, 2023) (Clarke, 2023) view a multi-generational workforce as a positive factor when it comes to business performance. According to a recent survey conducted by Bridge Partners LLC, 88% of large employers see their DEI initiatives as necessary, and 80% view them positively. DEI initiatives are essential to fostering a positive work culture. Through exposure to diverse perspectives, companies can improve employee morale,





promote business ethics, and drive creative problem-solving and innovation. Companies that prioritize DEI (diversity, equity, and inclusion) are better equipped to respond to challenges, win top talent, and meet the needs of different customer bases.

Several studies have come to the same conclusion, if companies want to promote innovative, successful, and productive workforces, there will be a need for bridging generational gaps and leveraging the unique strengths of each cohort (Dean, 2023). Organizations must also address

inherent biases that hinder hiring and advancement across generations. Gen Z workers promise to be the most racially and ethnically diverse generation in U.S. history. Gen Z is projected to prioritize job flexibility and better work-life balance and resist many of the more restrictive management practices of prior generations (Gould, 2023, Rock 2023, Faraci, 2023). The Baby Boomer generation will continue to retire, but many will choose to prolong their time in the workforce. They can be a valuable resource for corporations as many of them will value passing on their skills and

knowledge to younger workers and will be more motivated by such factors as personal growth, helping others, and having a strong team spirit (Root, 2023).

We'll now explore the impact of demographic shifts, the staffing crisis, and the evolving multigenerational workforce, with a focus on their impact on revenue management, marketing, and sales. Throughout the report we will provide actionable strategies and recommendations for talent management, including:

- Ongoing training
- Cross-generational learning
- Flexible work arrangements
- Leadership transition planning
- Diversity initiatives
- Health and well-being programs
- Technological adaptation
- Supporting client relationship transitions

## Demographic Shifts and Staffing Crisis:

The scarcity of candidates with skills in digital, analytical expertise, and evolving market dynamics poses challenges in talent acquisition across commercial disciplines. This necessitates investment in ongoing training programs to upskill existing staff and adapt to industry demands, as well as fostering cross-generational learning. Examples include establishing discipline specific digital academies, as well as intergenerational mentorship programs.

Cross-generational learning is pivotal for sales, marketing, and revenue management, as older professionals bring invaluable wisdom and strategic skills and can cater to diverse customer bases

and needs. Strategies include cultivating a mentorship-driven culture, diversity and inclusion training, and offering flexible work arrangements. Intergenerational mentorship programs and keeping experienced sales leaders in part-time roles, offers the added benefit of facilitating smooth transitions of account relationships – critical for customer retention.

### Key Takeaways

- The future is promising for leisure and hospitality.
- Moving beyond the staffing crisis.
  - 25% of workforce +65 years.
  - Navigating four generations in the workforce.
- Advanced training programs for digital skills → DIGITAL ACADEMIES
- Cross generational learning through mentorship and collaboration.
- Ongoing sales training to ensure teams are leveraging full sales enablement capabilities and customer changes.

## TREND 2:

# Transforming Talent Sourcing in the Hotel Industry: The Rise of the Gig Economy and Fractional Staffing Models



In today's highly competitive talent landscape, employers in the hospitality industry must adopt a marketing mindset to effectively attract and source the best talent. As businesses strive to fill critical roles in the post-pandemic world, it has become increasingly evident that traditional hiring approaches are insufficient to meet the growing demand for skilled professionals. The persistent shortage of skilled labor, especially in the hospitality sector, has created a challenging workplace environment. In North America, only 31% of workers report full engagement, with the majority either quietly quitting or engaging in negative behavior (Gallup, 2023). This talent gap remains a top concern globally, particularly in the United States, where over 75% of HR leaders identify it as a significant hurdle (Dean, 2023).

In a 2023 report by the World Economic Forum (World Economic Forum, 2023) businesses now perceive talent shortages as a more significant limitation to their performance than a shortage of capital. The scarcity of essential skills in the local labor market is seen as a more formidable barrier to transformation across various industries (Dean, 2023).

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As labor and talent challenges persist, independent contractors and the gig economy have become integral parts of the workforce. Between 2016 and 2021, the gig economy experienced a 31% growth, with projections indicating that contract employees in the U.S. will surpass 90 million by 2028 (McKinsey & Company, 2023).

McKinsey's American Opportunity Survey (AOS) found that 36% of employed respondents, equivalent to 58 million Americans, identify as independent workers. This figure includes not only gig workers but also highly paid professionals in various fields, highlighting the diverse nature of independent work.

A shortage of workers with specific skills has led to a growing acceptance of the Project Economy model, where workers are hired for specialized projects. This approach appeals to those who prefer the gig lifestyle and offers flexibility in employment arrangements.

A report by Strategic Solutions Partners titled "Moving Beyond the Staffing Crisis" (Hoch, 2023) underscores the importance of gig workers in the hospitality industry. Gig workers are essential in filling roles that

cannot be adequately staffed by full-time employees. They offer flexibility, crucial skills, higher pay, and the ability to work remotely.

The hotel industry has evolved significantly, and the surge in gig labor has proven valuable, especially for management companies and brands. Gig labor allows swift access to skilled professionals for specialized roles. This agile approach enables companies to address specific needs promptly and effectively, such as new property openings, sales leaders with strong business development skills, Go-To-Market plans for new properties or properties that require repositioning.

The use of fractional revenue management and sales leadership has been a trend for several years. As sourcing experienced talent in these fields becomes even more challenging, this model is gaining more traction. Tammy Gillis, a recognized sales industry expert, highlights the attractiveness of the gig labor model for sales professionals. She states, "Now more than ever, sales professionals are looking for work/life balance, and culture is one of the most important deciding factors in choosing their next employer. Many salespeople are tired of working on property

**"Now more than ever, sales professionals are looking for work/life balance, and culture is one of the most important deciding factors in choosing their next employer. Many salespeople are tired of working on property and getting pulled into operations and want full-time remote or hybrid remote positions. They also value training, coaching, and support which the hotel industry does not consistently provide."**

*~ Tammy Gillis, Sales Industry Expert*

and getting pulled into operations and want full-time remote or hybrid remote positions. They also value training, coaching, and support which the hotel industry does not consistently provide.” In this current labor market, attracting and retaining sales talent is challenging, and a fractional sales model allows hotels to focus on employee well-being and customer satisfaction without the burden of internal sales management. This is why many strong sales leaders are choosing fractional sales careers with organizations like Gillis and Associates. This offers them the ability to work from home in a dedicated sales environment with strong senior sales leaders that offer coaching, training, and sales enablement support.

Owners and operators are also increasingly considering the cost of client acquisition, and a fractional sales model can be a cost-effective solution, typically being only 1/3 of the cost of bringing a full-time resource in-house. For management companies, this approach can serve as a stop-gap measure while they search to fill vacant on-property sales positions, ensuring they remain competitive with active selling initiatives still in progress.

The rise of gig labor is not a mere trend but a transformative force in the modern workforce landscape. For companies, it offers flexibility, specialized skills, and cost-effectiveness. Fractional talent models, especially in sales and revenue management, have become integral to the hotel industry’s success in adapting to post-pandemic challenges. As Bill Scanlon indicated, marketing to talent and having more personalized solutions to provide them with choice and fulfillment mirrors the kind of customer marketing all hospitality organizations are engaging in today, and they simply need to think of their employee base as another customer group. In addition, fractional employment solutions allow hotels, management companies, and brands to hire seasoned experienced talent at a lower cost that provides growth opportunities for their developing employees to have senior leaders role modelling and supporting their learning journey.

## Key Takeaways

- Competition for talent means recruiting requires a marketing mindset and dedication to employer branding.
- Gig and independent workers are growing in relevance and value.
- Fractional revenue management and sales leadership continues to grow—both employees and employers value fractional employment.

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## TREND 3:

# Nurturing Tomorrow's Hospitality Leaders: Retention through Upskilling, Reskilling, and Providing Pathways to Upward Mobility



In the ever-evolving landscape of the hospitality industry, there is an undeniable truth: “Hands-on learning is the only way to build a pipeline of talent ready for unknown roles. You have to build this talent because you cannot buy them” (McCarthy, 2023). As we navigate the 21st century, the need for upskilling and reskilling is more critical than ever, particularly in the sales, marketing, distribution, revenue management, and loyalty space not only to retain valuable employees but also to position the hospitality industry as a destination career choice.

In the pursuit of employee retention, it is crucial to emphasize a systematic approach to identifying employees’ skills and fostering their growth within the business. The key is recognizing that every individual is a unique asset, brimming with untapped potential waiting to be discovered and cultivated.

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Gone are the days when traditional learning and development methods sufficed. The rapid pace of technological advancement, coupled with shifting consumer preferences, has ushered in a new era where the old ways of learning and development cannot keep pace with modern-day skill needs. To stay competitive and retain top talent, organizations must adapt, and the answer lies in providing hands-on learning opportunities (McCarthy, 2023).

Today, both employers and employees are forging a new kind of contract—a lifestyle contract that prioritizes mental and physical health. A healthier workplace is not just about offering gym memberships and wellness programs; it's about nurturing the potential of every employee through continuous learning and growth. This is where upskilling and reskilling come into play, forming the cornerstone of this progressive contract (Ilya Boinic, 2023).

Every revolution in the workplace has created the need for constant learning. The digital age is no exception. As technology transforms every aspect of the hospitality industry, from revenue management to asset management, employees must adapt. However, expecting employees to navigate this journey alone is unrealistic.

Organizations must take the initiative to systematically identify their employees' skills and actively train and nurture their growth.

To achieve this, a multifaceted approach is essential. It begins with identifying employees' existing skills and potential areas for growth. By conducting regular skills assessments and performance evaluations, organizations gain valuable insights into the strengths and weaknesses of their workforce. This knowledge forms the basis for tailored development plans.

Stretch project assignments, where employees are pushed out of their comfort zones and encouraged to tackle complex challenges, provide invaluable learning experiences that align with individual growth trajectories. Shadowing individuals in their roles allows for firsthand exposure to the intricacies of the job, accelerating the learning curve. Simulations, such as cyberattack scenarios, offer a safe environment to develop critical skills while fostering confidence and expertise.

By embracing these “lived” learning opportunities, organizations not only foster skill development but also cultivate a culture of adaptability and innovation. Employees become more engaged, motivated, and

**“To achieve lasting success and personal growth, we must invest in our teammates, equipping them with the skills they need.”**

*~ Amanda Voss, Vice President of Sales at Bellagio*



invested in their careers, making them less likely to seek opportunities elsewhere.

Furthermore, providing clear career trajectories is essential for team members to meet their financial and personal goals. When employees see a well-defined path for growth within an organization, they are more likely to commit themselves to its long-term success. This systematic approach to skill identification and development ensures that employees recognize and seize growth opportunities within the business.

Upskilling and reskilling are the lifelines that will help organizations navigate the turbulent waters of modernization, ensuring that they are well-prepared to meet the demands of an ever-evolving market, while simultaneously fostering a culture of retention and growth.

“Hands-on learning is the only way to build a pipeline of talent ready for unknown roles. You have to build this talent because you cannot buy them.”

~ McCarthy, 2023

## Case Studies in Elevating Excellence: Talent at the Heart of Hospitality

In the competitive landscape of the hospitality industry, two exceptional organizations, MGM Resorts International and KSL Resorts, stand out for their concerted efforts in placing talent at the core of their success. This case study delves into how these industry leaders have implemented innovative talent management strategies that not only attract and retain top talent but also drive growth, development, and excellence within their organizations.

### Case Study 1. MGM Resorts International: A Strategic Approach to Talent Sourcing from Within



MGM Resorts International, the largest hospitality employer in America, has earned recognition for its unwavering commitment to employee talent and its forward-thinking approach to talent management.

- **Employee Talent Profiles:** MGM’s proactive approach encourages every employee to create comprehensive talent profiles in the MGM employee platform, providing insights into their backgrounds, experiences, and career aspirations. These profiles also allow employees to express their preferences for potential roles at various MGM property locations, empowering them to actively shape their career paths while furnishing valuable data for talent management decisions.
- **Proactive Leadership Support:** At MGM, leadership is not limited to overseeing operations; it extends to mentorship and career development. Every level of leadership within the organization actively supports employee growth and development, fostering a culture of mentorship and empowerment. Managers are encouraged to help their team members identify roles that align with their skills and aspirations, reinforcing the organization’s commitment to personal and professional growth.
- **Retention Goals and Growth Opportunities:** MGM Resorts International places



a strong emphasis on retaining top talent, recognizing it as essential for long-term success. The company achieves this by creating opportunities for employees to grow within the organization. One example is the regular revisit of Leadership Development Plans (LDPs) for every team member who opts into the leadership development program. As part of the LDP program, employees are offered job shadowing opportunities and access to growth projects that provide hands-on experiences to promote professional development.

- **Comprehensive Development Programs:** MGM acknowledges the importance of accessible growth for employees at all levels. To this end, the organization has instituted development training programs tailored to various organizational tiers. Employees are actively encouraged to participate in these programs, fostering a culture of continuous learning and improvement.
- **Leveraging Technology:** MGM Resorts International leverages technology effectively to facilitate talent management. A Customer Relationship Management (CRM) system is employed to communicate relevant opportunities that align with employee talent profiles. Banner ads on the internal job site further promote career pathways within the organization, ensuring that employees are well-informed about potential opportunities for advancement.

In the words of Amanda Voss, Vice President of Sales at Bellagio, an MGM company, and Vice Chair, of the HSMAI Foundation board: “Building a successful sales career is akin to nurturing a winning sports team. To achieve lasting success and personal growth, we must invest in our teammates, equipping them with the skills they need. In doing so, not only do we create a thriving environment that

drives retention, but we also enable each individual to flourish and reach their full potential. Together, we pave the path to success, both as a team and as individuals.”

### Case Study 2. KSL Resorts: Cultivating Talent for Success



KSL Resorts, an organization that shares MGM’s commitment to talent development and growth, is setting industry standards with its talent management strategies.

- **High Potential Mentorship Program (HPMP):** KSL identifies individuals with leadership potential and offers them access to a week-long leadership development program. What sets this program apart is the active involvement of key leaders across the organization, including the c-suite. Their participation is instrumental in dismantling “ivory tower” biases and ensuring alignment with the unique priorities of each business leader.
- **Talent Plus Assessment:** KSL defines itself as a talent-based organization and conducts Talent Plus assessments for all employees to ensure alignment with organizational values and objectives, promoting a unified approach to talent management and which facilitating KSL’s approach to align the hearts and minds of their teammates.
- **Leadership Development Program:** In addition to HPMP, KSL offers an 18-month Leadership Development Program, aimed at nurturing leadership skills across the organization. This investment in leadership ensures that the entire cadre of leaders is well-prepared to steer the organization toward continued success. Furthermore, KSL has implemented a

successful Designated Coach Program, which takes the top 20 percent of their hourly associates on properties and certifies them. These employees then take the lead in coaching others on guest services and safety. This program helps associates grow as leaders, increases their recognition within the company and has resulted in a higher retention rate for program participants.

- **Leveraging Best Practices:** KSL Resorts adopts a strategic approach to acquisitions, extracting and leveraging best-in-class capabilities from each acquisition. One notable example is the partnership between Alterra, Under Canvas, and Outrigger, which resulted in the creation of a comprehensive KSL marketing playbook. Similarly, collaborations with the Hospitality Sales and Marketing Association International (HSMAI) have led to the development of valuable playbooks spanning marketing, sales, and revenue management. Initiatives such as digital marketing certification (CHDM), revenue management, and sales certification serve as essential building blocks for KSL in their talent development efforts.
- **Subject Matter Expertise Utilization:** KSL Resorts harnesses the knowledge and expertise of subject matter experts (SMEs) within the organization to address specific challenges and optimize various aspects of their operations. Building on a legacy of performance, 2024 will witness the arrival of their new “Power Up” program designed to leverage the insights of their SMEs, whether it involves resolving tech stack issues, marketing expertise, sales leadership, or optimizing partner business relationships in a structured and measurable way. This approach ensures that KSL derives maximum value from their partnerships, business intelligence, and applications,

enhancing overall operational efficiency and associate satisfaction.

In conclusion, Kristie Goshow, Chief Commercial Officer at KSL Resorts, aptly encapsulates their commitment to talent development: “We are stewards of our assets, and with this great responsibility, we bring a profound sense of ownership to our teammates by providing them with not just jobs, but great careers.”

MGM Resorts International and KSL Resorts exemplify how talent management lies at the heart of the hospitality business. Their dedication to nurturing talent, promoting growth, and setting industry standards serves as inspiration to organizations aiming to drive excellence through their commitment to their employees. These two organizations are not only leading by example but also actively contributing to the Talent Revolution 2.0 and supporting the industry by sharing their best practices and their active participation in the HSMAI foundation board.

## Key Takeaways

- Hands on learning is needed to fuel talent pipeline.
- Creating internal employment marketplaces powers retention strategies.
- Lifestyle contracts with employees supported by leadership are a new and emerging model.
- Technology advances require constant upskilling.
- Development plans and career mapping are expected.

## TREND 4:

# Transforming Employee Engagement in the Hospitality Industry



In the hospitality industry, traditional metrics like revenue performance and guest satisfaction have long been the go-to indicators for assessing a hotel's business health. However, as businesses increasingly acknowledge the vital role of talent in achieving success, talent retention has emerged as a paramount concern. Historically, the hospitality industry measured employee engagement primarily through annual surveys, which eventually evolved into more frequent pulse surveys. While these surveys provided valuable insights, they often proved to be administratively burdensome and lacked the agility needed to address the dynamic and ever-evolving needs of the workforce. Importantly, the majority of hospitality businesses do not accurately measure the health of their culture, at a time when culture is a critical determinant of success.

Employee engagement, often dubbed as a mission-critical metric, is now under the spotlight of senior leaders and boards of directors who recognize its pivotal role in driving shareholder and commercial value. Engaged employees (Gallup, 2023) contribute discretionary effort that can make all the difference in the fiercely competitive hospitality sector. Today, the pursuit of engaged employees is not merely a

choice but a competitive advantage, and the means to achieve this engagement are evolving rapidly.

## The Stafford Collection, a member of Preferred Hotels & Resorts, Improves Culture and Engages Employees through the Empowered Program

In this context, the introduction of programs like the Empowered Program is an example of a significant shift in how hotels can more effectively engage with their employees. Listening to and learning from employees have become crucial elements of effective talent management. Hoteliers now seek innovative ways to engage their workforce proactively. The Empowered Program, recently piloted by The Stafford Collection and its flagship hotel The Stafford London, is a comprehensive solution that empowers hotels to actively listen, learn, and act on confidential and anonymous employee feedback. This dynamic program developed specifically for the hospitality industry provides leading culture scores and metrics, including survey templates, employee communication tools to boost survey participation, communications to share actions taking from the employee recommendations, a virtual suggestion box, and clear dashboards for presenting the insights gleaned from the feedback process. Talent retention and employee engagement have risen to the forefront of concerns for hoteliers, reshaping the way they view their workforce. In an era marked by a significant talent shortage, the ability to attract, engage, and retain top talent has become a linchpin of success in the industry.

### Case Study 3. The Stafford Collection Improves Culture and Engages Employees

STAFFORD  
COLLECTION

At The Stafford Collection in London, a member of Preferred Hotels & Resorts, the Empowered Program achieved remarkable success, boasting an outstanding 93% participation rate among employees in survey activities. This high level of engagement translated into meaningful actions, as outlined below. The positive outcomes were two-fold: improved employee retention and cost efficiencies that swiftly justified the program’s initial investment within just 90 days. Equally important, employees reported feeling more valued, cared for, and heard, resulting in a workforce that was not only more engaged but also more dedicated to the organization.

This robust engagement led to meaningful actions, including:

- 1. Confidential Mental Health Support:** The program identified the need for employee mental health support. In response, the Stafford Collection implemented a confidential mental health support line, demonstrating their commitment to employee well-being.
- 2. Catering Solutions:** To alleviate pressure on their chefs and improve employee satisfaction, the Stafford Hotel Group transitioned to an outsourced catering solution for their employee canteen.
- 3. Streamlined Food Sourcing:** Employee suggestions from the program highlighted opportunities to optimize food sourcing across their properties. The Stafford Hotel Group’s response

streamlined the food purchasing process and enhanced cost-efficiency.

- 4. Enhanced Communication and Collaboration:** Employee feedback identified opportunities for improved communication and collaboration among various employee groups, fostering a more cohesive and collaborative team structure. The senior team at Stafford acted on this feedback and provided a more consultative and collaborative employee communication approach with more frequent meetings.

The positive outcomes were twofold: best-ever employee retention and cost efficiencies that rapidly recouped the program's initial investment within just 90 days. Moreover, employees themselves reported feeling more valued, cared for, and listened to, resulting in a more engaged and dedicated workforce.

The Stafford Collection demonstrates how deployment of The Empowered Program reshaped the landscape of employee engagement in their hotel portfolio. By proactively listening to employees, acting on their feedback, and utilizing leading culture scores and metrics, the program has not only paid off in terms of improved

employee retention and cost savings but has also fostered a workplace culture where employees feel genuinely cared for and heard. As the hospitality sector evolves, innovative programs like Empowered are set to play a pivotal role in ensuring that employees are at the heart of positive change and continuous improvement within the hotel community.

The impressive actions resulting from the implementation and embracing of the Empowered program by The Stafford Collection prompted Preferred Hotels & Resorts to adopt the program at a corporate level and to endorse it to all member hotels.

### Key Takeaways

- Employee engagement is a pivotal metric on most businesses' scorecards.
- Listening and learning from front line employees' fuels efficiency and productivity.
- Technology is powering more dynamic employee engagement platforms that respond to employees' needs and allows employers to continue to learn from employees in close to real time.

## TREND 5:

# Leadership Defines Culture and Organizational Purpose

Throughout numerous HSMAl meetings, including board meetings, commercial week, and leadership conferences, a consistent and powerful theme has emerged regarding the role of leadership in the post-pandemic era. It has become evident that effective leadership is paramount in defining an organization's culture, fostering a sense of community, and serving as a shining example of collaborative teamwork. The insights presented in this article are attributed to HSMAl board members and leaders from these meetings.





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Here are the five key leadership themes that have consistently resonated within the HSMAl community:

- 1. Visionary Leadership:** Leadership sets the tone by articulating a clear and inspiring vision that defines the organization's purpose and values. This visionary perspective acts as a guiding beacon, ensuring that every team member aligns with the organization's mission and goals. Much like a "wolf pack" analogy, senior leadership within the company and the GM on property are the key drivers of this vision. General Managers are encouraged to build a strong community on property, fostering unity and camaraderie among the team. Above-property teams are urged to form a supportive "wolf pack" behind the GM to amplify their efforts and ensure success.
- 2. Culture Cultivation with a Revenue Focus:** Leadership plays a pivotal role in establishing the organizational culture by embodying the desired behaviors and attitudes that drive revenue and profitability. When leaders prioritize guest satisfaction and a commitment to excellence, they create an environment where employees not only understand but actively contribute to the business's financial success. One critical element identified by HSMAl leadership is the importance of connecting the dots for teammates, helping them see how their roles are integral to the organization's overarching goals. Leaders must break down these goals and cascade them throughout the organization, reducing the "they said" mentality from team members and helping them understand the personal significance of these goals.
- 3. Team Well-being:** Leadership sets the tone by placing a high value on the well-being of employees. Through active demonstrations of care and support for their teams, leaders send a powerful message that team care is not just a slogan but a foundational pillar of the organization's culture. As the saying goes, "frustration hijacks culture every day." Leaders need to identify and address sources of frustration at work, as these can negatively impact the culture. Removing obstacles and providing support are crucial steps in promoting team well-being.
- 4. Continuous Learning and Growth:** Leadership underscores the significance of continuous learning and development by allocating resources and fostering a culture that values skill enhancement. Leaders proactively promote structured learning opportunities, igniting motivation within employees to engage in personal and professional growth. As stated in a Fast Company article, "Leaders see a window of opportunity to upskill their workforces to work with the latest technologies." Addressing knowledge gaps, particularly in areas like sales, is a critical concern. Additionally, leaders should focus on automating routine tasks to free up employees for more meaningful work. While fears of automation persist, it's important to acknowledge that AI will create new and more engaging roles in the future.
- 5. Collaborative Synergy:** Leadership promotes collaboration by encouraging open communication and establishing clear expectations for teamwork. Leaders actively endorse a culture of collaboration that transcends boundaries, emphasizing that unity between above-property and on-property teams is indispensable for achieving success. Challenges between hotel brands and management companies, as well as asset managers, are creating hardships for owners. Ownership groups are growing resentful of the demands placed by hotel brands, making it essential for brands to leverage the expertise of management companies and asset managers to ensure a more collaborative environment that drives commercial success. Many of the management companies active with

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HSMAI routinely hold quarterly in-person meetings between above property and property teams across all shared services roles inclusive of finance, asset management, revenue management, and sales and marketing as a standard practice to encourage collaboration between all practice areas to ensure effective collaboration.

In summary, these five leadership themes consistently echoed within the HSMAI community underscore the pivotal role of leadership in shaping organizational culture, fostering a sense of community, and exemplifying the essence of collaborative teamwork. As the hospitality industry evolves post-pandemic, these leadership principles serve as guiding principles for success.

### Key Takeaways

- Leaders define and model culture.
- Driving results means leaders need to connect the dots for teammates to allow them to contribute effectively.
- Employee well-being and team care are foundational pillars in successful hospitality businesses.
- Upskilling investments to leverage new technologies is needed to automate routine tasks and free up employees for meaningful work.
- Teamwork and collaboration are keys to success.



## TREND 6:

# Return to Office (RTO) and Hybrid Work Models: Adapting to New Ways of Working



In recent years, the realms of sales, marketing, distribution, and loyalty have undergone significant transformation in response to the challenges and opportunities brought about by remote work. Discussions held during HSMAI leadership meetings and conferences within these sectors have illuminated the evolving dynamics of the workplace, emphasizing the importance of happiness, productivity, and equity in this new era. It's noteworthy that the embrace of remote and hybrid work models varies across the globe. As Gallup (Brecheisen, 2023) research revealed, "the attitude of leaders had an outsized influence on workplace strategies."

A unique aspect of this transformation is the long-standing practice of sales and revenue manager leaders working remotely. They have adeptly adapted to the changing landscape. However, the broader shift associated with hybrid work is now associated more with leaders in branding, above-property management, marketing specialists, sales enablement, advertising, project management, property support teams, loyalty, and distribution teams. These professionals now allocate a specific number of days to working from home each week, marking a significant change in work dynamics.

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At the core of these discussions emerges a pivotal question: should compensation for remote work differ from that of in-office work? Within HSMAI, executives have engaged in spirited debates on this matter, with concerns raised about the potential for such a compensation philosophy to disadvantage women and other underrepresented groups. Surveys (The Economist, 2023) have revealed a growing willingness among employees worldwide to accept pay adjustments in exchange for the option to work from home, signaling a shift in work preferences. However, this trend has prompted organizations globally to contemplate potential disparities in compensation and opportunities and how to address these concerns.

In the specific context of marketing and advertising agencies, a notable trend has emerged. Executives in these sectors are placing emphasis on high-potential employees who choose to invest their time in the office for informal learning opportunities. These individuals are viewed as particularly deserving of additional development and are more likely to receive growth and advancement opportunities. This approach underscores the importance of striking a balance between remote work

flexibility and the unique benefits of in-person collaboration and learning.

Remote work has undoubtedly demonstrated its strengths in facilitating concentration and efficiency, especially for roles that demand solitude and deep focus. The reporting from The Economist suggests that certain functions are more effectively executed from home, challenging the conventional belief that productivity is intrinsically tied to physical office presence. The Gallup study suggests that the best decisions about RTO should consider “(1) employees’ preferred way of working (2) focus on developing communication skills for managers so they can speak to their teams (3) provide managers with training on managing different types of workplace arrangements, especially remote and hybrid.”

However, the discourse on the impact of remote work on productivity takes diverse forms across the globe. In regions like the United States and Canada, the adoption of hybrid work models has gained momentum, aligning with the desire for workplace flexibility. Consequently, organizational leaders are reassessing their approach to the workplace, recognizing the impracticality

**“Feeling good about yourself and your workplace is not a seniority perk; it’s the most important thing to keep your employees healthy, productive, and engaged at work.”**

*~ McGregor, 2023*

**“We’ve implemented two in-person collaboration days each week where we sponsor lunch, and I personally make an effort to join our team. These days provide an invaluable opportunity for personal interaction with our people, fostering not only informal learning but also enhancing business communication.”**

*~ Michelle Woodley, President of Preferred Travel Group*

of mandating a complete return to the office. As one participant in a study aptly put it, “Feeling good about yourself and your workplace is not a seniority perk; it’s the most important thing to keep your employees healthy, productive, and engaged at work (McGregor, 2023). A recent study showed that companies that provided more employee choice outperformed on revenue growth by 16 percentage points compared to companies that provided fewer choices (McGregor, 2023).

Korn Ferry (Ferry, 2023) in a Leadership article “Why the World is Back at the Office But the US is not” has also identified how RTO policies are a North American practice while the rest of the world has returned to the office and adopted similar policies for remote work as they had pre-pandemic. This trend of remote and hybrid work is a trend that HSMIAI leaders in other parts of the world have clearly stated is a NORAM issue only. Sales, Marketing, and Revenue Management teams in Europe, Asia, and the Middle East returned to the office in 2022 as pandemic concerns eased.

David Rock (Rock, 2023) has also identified a “patchwork framework” in addressing RTO practices in North America. This framework meticulously ensures that teams

are represented in the office on the same days, fostering collaboration and ensuring a critical mass of colleagues for meaningful in-office interactions. This focus on RTO implementation is critical to ensure that all employees benefit from the value creation associated with RTO workdays.

Moreover, certain HSMIAI leaders have adopted a distinctive approach to their designated “collaboration days,” a term coined by an HSMIAI leader. These leaders describe their practice of hosting two in-person collaboration days per week. As Michelle Woodley, President of Preferred Travel Group, and past chair of the HSMIAI foundation, explained, “We’ve implemented two in-person collaboration days each week where we sponsor lunch, and I personally make an effort to join our team. These days provide an invaluable opportunity for personal interaction with our people, fostering not only informal learning but also enhancing business communication.” This personal touch not only enhances collaboration but also cultivates a sense of unity and camaraderie within the organization.

The evolving work paradigm in sales, marketing, distribution, and loyalty, as discussed in HSMIAI leadership meetings

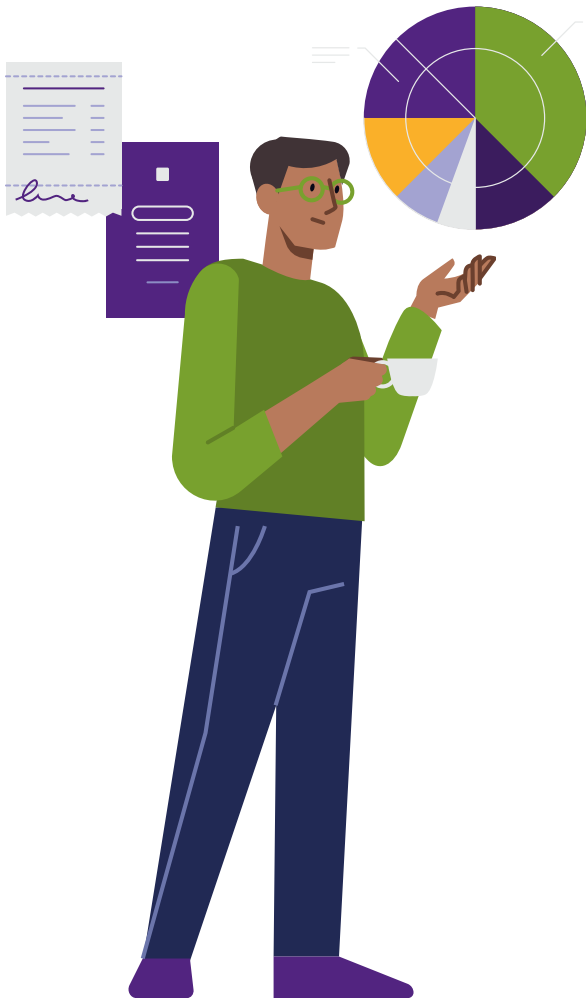
and conferences within these sectors, underscores the critical imperative of balancing happiness, productivity, and equity on a global scale. While the adoption of remote and hybrid work models varies by region, organizations worldwide must remain flexible and responsive to the evolving preferences and needs of their employees. It is recognized that the future of work is not a one-size-fits-all solution. The collaborative and personalized approach embodied in “collaboration days” exemplifies how organizations can foster a sense of belonging and enhance productivity in this ever-evolving landscape.

## Key Takeaways

- Culture and teamwork are fueled by intentional efforts like “collaboration days” for in-office hybrid workdays.
- Some companies see in-office work as important for high potential employees to drive career growth and advancement.
- Discussion continues on how fully remote employees may be tied to different compensation models.

## TREND 7:

# Cross Functional Teamwork and the Evolution of Commercial Leadership



Effective cross-functional collaboration stands as a pivotal trend shaping contemporary business outcomes. Realizing the full potential of collaborative teamwork demands meticulous preparation, the alignment of shared objectives, and the guidance of skilled leadership to reinforce desired organizational behaviors and objectives. While the advantages of cross-functional collaboration are widely acknowledged, the implementation of this approach requires more than mere immediacy; it necessitates a deliberate shift in organizational mindset beyond joint projects. Achieving successful collaboration between teams necessitates a disciplined and strategic effort focused on people development, underpinned by leadership advocacy and unwavering commitment (Henson, 2023).

Expanding your organization's mindset so that cross functional teams have contact and influence from initial development,

marketing, and communication both internally and externally is seen as a necessary step for organizations. The emphasis is on preparation and recognizing that cross-functional teammates bring different skills, jargon, and viewpoints, and strong communication and agreed-upon goals are important to prevent miscommunications which can become breeding grounds for conflict. These conflicts can not only slow down projects but can have a negative impact on employee well-being (Piaggi, 2023).

Companies need to be proactive in training their employees to work effectively in cross-functional teams and to work to provide a psychologically safe environment to help build and promote trust and open communication. They also need to promote both individual and group development programs to provide the skills needed to make collaboration successful.

Cross-functional teams can also help address the shortage of skilled employees within the hospitality industry by encouraging collaboration and skill sharing, promoting efficiency and flexibility, promoting the development of new roles within the organization, helping to promote the development and adoption of new technology and bringing diverse perspectives that can encourage innovation and creative problem solving. Additionally cross-functional teams can participate in both group and individual training and upskilling and add to the development opportunities available to current and potential employees.

## Case Studies in Unleashing Portfolio Potential Through Collaborative Commercial Strategies

Crescent Hotels & Resorts and The Kessler Collection exemplify how two industry-leading management companies, each guided by exceptional and driven leaders, harness the power of integrated commercial strategies within their portfolios through their advocacy and focus on disciplined strategic focus.



### Case Study 4. Crescent Hotels & Resorts: The Commercial Chain Link Approach



Crescent Hotels & Resorts, under the leadership of Dawn Gallagher, Chief Commercial Officer, has embraced a collaborative strategy known as the Commercial Chain Link. This innovative approach unites key leaders—the VP of Sales and Marketing, VP of Revenue Management, and Senior Director of Integrated Digital Marketing—daily to drive their property portfolio’s performance. This unity emphasizes not only the importance of daily interactions but also a shared philosophy of working as a cohesive team. Together, they analyze current performance, identify trends, and adapt swiftly to market dynamics. What sets Crescent apart is its “win or lose together” ethos, cultivating an environment where successes and challenges are tackled collectively. This culture maximizes profitability, fosters teamwork, and positions Crescent as a leader in collaborative excellence. This Commercial Team leads business reviews, owner reviews and strategy reviews together. Dawn is clear with her expectations of each of her Divisional Leaders—The Chain Link is UNBREAKABLE!

## Case Study 5. The Kessler Collection: Data-Driven Strategic Leadership



Under the visionary leadership of Lori Kiel, Chief Commercial Officer, The Kessler Collection adopts a meticulous and inclusive approach to commercial strategy. A dedicated Commercial Strategy Leader, supported by Amadeus BI reporting tools like Demand 360, Agency 360, and Rate 360, fuels the commercial team with business intelligence and research insights. Every six weeks, the commercial team, including all key players, convenes for a high altitude “commercial strategy meeting” with the General Manager. This meeting aligns commercial strategy with property objectives and market dynamics, fostering collaboration and shared goals. Monthly reports provide transparency and data-driven decision-making, ensuring agility in adjusting the commercial strategy and providing reporting capabilities for the GM to share with investors and other corporate stakeholders. The integration of cutting-edge technology, such as Placer AI and Inntopia’s data scraping capabilities of PMS (property management system) data empowers The Kessler Collection to excel in

personalization, CRM initiatives, and overall sales leadership.

Crescent Hotels & Resorts and The Kessler Collection demonstrate how exceptional leadership drives integrated commercial strategies within their portfolios.

While Crescent emphasizes a collaborative ethos inclusive of shared performance goals and daily team meetings, The Kessler Collection leverages data-driven insights and regular meetings to align their teams. Both approaches underline the pivotal role of leadership purpose and accountability in shaping a culture of excellence, driving integrated teamwork, and achieving sustained commercial success combining the disciplines of sales, revenue management, and digital marketing. Both Crescent Hotels & Resorts and the Kessler Collection certify and train their teams through HSMAI’s digital marketing (CHDM), Revenue Management (CRME) and sales leadership (CSME) programs.

## Key Takeaways

- Effective cross functional leadership requires a disciplined plan focused on people development and leadership advocacy.
- Cross functional teams need shared objectives and KPI’s.
- Cross functional teamwork requires training in collaboration and teamwork for both individuals and the group.
- Cross functional teams bring diverse perspectives that encourage innovation and creative problem solving.



## TREND 8:

# AI Powers Wisdom Work and Reduces Routine Tasks: Transforming the Workplace Landscape



In today's digital age, artificial intelligence (AI) has emerged as a pivotal force across various sectors, and the hospitality industry is no exception. With its ability to process vast amounts of data, AI is becoming indispensable, with the power to significantly enhance operational efficiency and transform core functions within the sector.

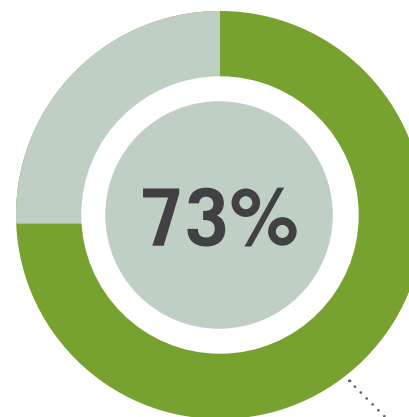
One of the key aspects of AI's impact on the hospitality industry is its integration into various applications. AI is not a standalone entity but an enhancement that can be seamlessly integrated into existing tools. It's imperative for leaders to understand how AI is integrated and ensure that their teams are proficient in utilizing these capabilities.



AI's transformative influence is permeating every facet of our industry, from sales and marketing to advertising, revenue management, loyalty programs, and distribution. It is, in essence, revolutionizing the way we do business. The imperative now stands before us: to embrace AI and its potential for value creation or risk falling behind in an era where innovation is the key to survival.

## Empowering Sales Teams

In sales management, AI provides invaluable insights into customer behavior and market trends, equipping sales teams with data-driven decision-making capabilities. Predictive analytics algorithms analyze extensive datasets, extracting valuable insights that enable sales teams to prioritize high-potential leads effectively. Advanced AI-powered tools like 'Salesforce Einstein' offer predictive lead scoring, enhancing lead management. Generative AI improves the tools salespeople use for communication, including emails, sales presentations, and proposals, ensuring more effective client interactions.

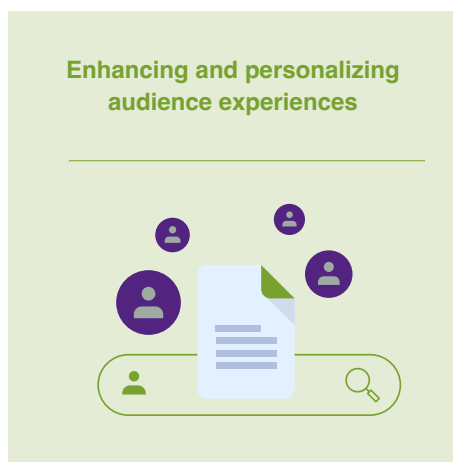


**Personalized, targeted content outperforms generic campaigns. AI can speed, scale, and simplify building it.**

**73% of shoppers**

expect brands to understand their unique needs and expectations.

*Insider Intelligence, May 2022*



*Ben Heller, Google, HSMAI Curate 2023*

## Enhancing Marketing Strategies

AI plays a crucial role in enhancing marketing strategies by leveraging predictive analytics to analyze data, forecast customer behavior, and follow market trends. This empowers marketing teams to make data-driven decisions and develop highly effective campaigns. AI-powered personalization and recommendation engines deliver tailored experiences to individual guests based on their preferences, past behavior, and demographics. AI powers content creation, production, and management enhancing content, and platform monetization and personalizing content for audiences. Real-time AI-powered chatbots and virtual assistants interact with guests, providing personalized recommendations and assistance, contributing significantly to customer engagement. Loyalty programs now leverage AI and machine learning to offer tailor-made recommendations, thereby strengthening customer loyalty and driving revenue.

## Optimizing Revenue Management

AI significantly enhances revenue management in the hospitality industry by utilizing predictive modeling to analyze historical data and predict future demand and revenue. It helps revenue management teams optimize pricing and availability to maximize revenue, helping set dynamic pricing based on demand, occupancy, and other factors, thereby increasing occupancy rates and room rates. Leading solutions such as the IDeaS' Revenue Management System leverage AI for precise demand forecasts and dynamic pricing.

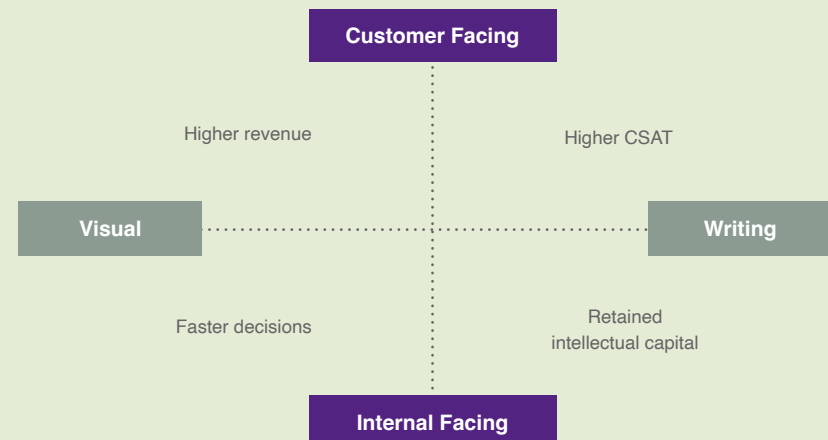
## Enhancing Operational Efficiency

In the wake of HSMAI's enlightening full-day session on AI during its Curate Event in November, it became abundantly clear that AI's profound impact transcends mere buzzwords and speculation. With presentations from industry giants like Google, Salesforce, Milestone, the Hotel Network, ZS, and an illuminating legal perspective from Foster Garvey, attendees were presented with tangible case studies, enterprise risk management considerations, and pragmatic frameworks for implementing AI solutions within their organizations. AI extends its benefits beyond sales and marketing. It can be employed to monitor and predict maintenance needs in hotel rooms, optimize energy efficiency, and reduce operating costs, effectively managing and operating the hotel.

AI tools also play a pivotal role in optimizing staff time around reputation management by quickly processing and analyzing customer reviews to identify trends and areas of improvement. 'Revinate,' a hospitality-centric CRM, utilizes AI to manage online reviews and social media interactions, offering staff actionable insights to enhance service and marketing effectiveness.

AI is not merely a technological tool; it has become a strategic imperative for the hospitality industry. To remain competitive and relevant, investments in AI, education on its applications, and the adoption of AI-driven strategies and chatbots are crucial. Embracing AI is the key to unlocking its full potential and ensuring a brighter future for our talent and our businesses. As AI expert Michael Goldrich aptly stated, "AI Delay is Organizational Decay." This emphasizes the urgency for the hospitality industry to embrace AI and avoid stagnation.

### GenAI benefits the organization



*Ben Heller, Google, HSMAI Curate 2023*

### Key Takeaways

- AI is becoming indispensable, enhancing efficiencies and transforming core commercial functions.
- AI is seamlessly integrated into many of our applications in digital marketing, loyalty, revenue management, and sales enablement.
- In sales, AI also is powering sales leaders with MARCOMM tools to support emails, presentations, and proposal writing.
- In marketing and revenue management, AI is powering predictive analytics supporting forecasting, dynamic pricing, and personalized recommendations to drive customer loyalty and engagement.
- Embracing AI is the key to unlocking its full potential.

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## TREND 9:

# Mental Health and Employee Well-being: Prioritizing Emotional Wellness



In today's dynamic and rapidly evolving hospitality industry, the concept of mental health and well-being has taken center stage as an indispensable requirement for employers. The Hotel Sales and Marketing Association International (HSMAI) has emerged as a trailblazer in identifying and advocating for this crucial trend. As industry leaders grapple with the challenges of burnout and the increasing importance of nurturing the holistic well-being of their employees, the emphasis on mental health and well-being remains paramount.

The paradigm of leadership has evolved significantly. The traditional notion of “soft skills” has given way to what is now referred to as “human skills.” These human skills encompass empathy, communication, and a profound understanding of the mental and emotional needs of the workforce. Today's successful leaders recognize that these skills are not merely optional but are pivotal in nurturing a thriving and engaged team. In an era of multi-generational workforces, acknowledging and valuing the mental and physical well-being of employees while celebrating their individuality has become a linchpin for success. Fostering a workplace culture that prioritizes the personal growth and happiness of employees is instrumental

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in ensuring that they are not only content but also empowered to excel in their respective roles.

This report aims to shed light on the current state of mental health in the workplace using current data including LYRA 2023 State of Workforce Mental Health, The Conference Board, Employee Benefit News, and Hospitality Net. (HSMAL, 2023) (Srini Pillay, 2023) (Lyra Health, 2023) (Lyra Health, 2023)

## Workforce Mental Health:

Based on the Lyra 2023 State of Workforce Mental Health report, depression and anxiety disorders have been recognized as the most common forms of mental illnesses in the workplace. These conditions have a significant impact on workers' productivity, engagement, and overall performance. Furthermore, a substantial percentage of employees exhibit signs of burnout and stress, manifesting poor concentration, discontent, and adverse work relationships.

The top five insights from the 2023 study are:

1. Most workers face mental health struggles but, for myriad reasons, many don't get help.
2. Many employees struggle to get the right care.
3. More people are discussing mental health at work, propelling a culture shift.
4. Managers lack needed mental health resources.
5. Employees are increasingly stressed and burned out, signaling a need for better work design.

The Lyra report spotlights that nearly 20% of the workforce experiences a diagnosable mental health condition like depression or anxiety disorder. Between 16% and 68% of employees with these conditions do not seek treatment due to worries about confidentiality, fear of negative career impacts, and the stigma associated with mental health. The report recommends implementing various approaches to address mental health support in the workplace.

1. Listen to your employees and encourage dialogue around mental health.
2. Ensure access to effective care.
3. Unlock access to care for serious mental health conditions.
4. Support both parents' and children's mental health.
5. Give managers the mental health training and resources they need.
6. To combat burnout, design better work conditions.

## Impacts of Mental Health on Productivity:

The research from The Conference Board (Srini Pillay, 2023) emphasizes that mental health issues significantly affect workforce productivity. The results of the survey showed that nearly one-third of employees felt a lower level of mental health, employee engagement, and a sense of belonging than just six months prior. Traditional approaches to treating mental health have not been as effective as intended – only 29 percent of employees judged them as being useful. This finding was echoed in the C-Suite where only 25 percent of executives judged them as helpful.

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The Conference Board Report viewed personalized treatment using AI as a possible way to address the mental health crisis. Using Bank of America as an example, AI driven, virtual reality therapeutic platforms help reduce feelings of stress and anxiety measured over a six-month period.

Factors identified as contributing to mental health issues included:

- increased work hours (48% of workers who reported decreased mental health worked 50+ hours a week, with 49% of women saying increased workloads/hours hurt their mental health, compared to 39% of men),
- heavy workloads (50% of millennials say their workload/hours hurt their mental health, compared to 48% of Gen X, and 40% of baby boomers),
- poor workplace communication (42%),
- lessened ability to balance the demands of work and personal life,
- time spent in meetings (40%),
- and toxic workplaces (26%).

The report (Srini Pillay, 2023) discusses the importance of destigmatizing mental health in the workplace and underlines the role of management in this regard. It places significant emphasis on building a supportive culture where employees feel comfortable seeking assistance if required. It estimates depression costs to Fortune 500 companies, contributing to \$210.5 billion of lost productivity due to absenteeism. By investing in mental health care at work, employers could save up to \$8,000 per employee per year.

## Mental Health in the Hospitality Industry:

According to an article on Hospitality Net, (HSMIAI, 2023) employees in the hospitality industry appear to suffer more than average from mental health issues. The stress of irregular hours, customer service pressures, and lack of job security contribute to higher levels of depression and anxiety among these workers.

In an industry-specific context, employees in the hospitality industry face unique mental health challenges. The uncertainty and stress tied to roles in hotels, restaurants, and other service-driven jobs contribute to elevated depression and anxiety levels. Unconventional working hours, high pressure, and the need to maintain a hospitable front while handling customers are all significant mental health stressors. The report suggests an immediate need for support, training, and sensitization efforts to manage the same efficiently.

### Employees seek:

- Work/life balance and manageable stress.
- Tools to evaluate their own mental health in their decisions to stay or leave.
- Help with feeling extremely vulnerable, especially early career employees.
- A rewarding and meaningful career that challenges them without demanding the sacrifice of health and balance in their lives.
- Leaders who demonstrate empathy.

### Things that need to be done:

- Realign guest-centricity to meet guest expectations around health, safety, and wellbeing.
- Highlight career path opportunities along with personal and professional growth to help build a talent pipeline and retain valued team members.
- Monitor, measure, and prioritize staff well-being to create healthy workplaces and teams.
- Review your Employee Engagement Survey to ensure it asks relevant health and well-being questions.

Today, employers must prioritize mental health as a core aspect of a healthy and productive workplace. It requires a comprehensive, multi-faceted approach inclusive of supportive workplace policies, open dialogues about mental health, and accessible mental health resources. By addressing workplace mental health, companies also invest in their productivity, employee satisfaction, and retention, contributing to a more conducive environment for all stakeholders. The focus on mental health in the workplace is not merely a trend but a necessary shift towards nurturing a healthy and productive workforce.

### Key Takeaways

- Employee well-being and mental health are on the top of leadership priorities today to support a more productive and resilient workforce.
- Fostering a workplace culture that prioritizes personal growth and happiness of employees is part of the lifestyle contract that today's employee values.
- Leaders need to ensure their employee engagement surveys provide insights into employee well-being.



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## Looking Forward:

The future holds numerous opportunities for the hospitality industry. This report explores the nine talent trends we see coming out of 2023 and into 2024. While all the trends are impactful, there are two that will continue to evolve and could dominate the future talent discussion: the forthcoming demographic shifts in the U.S. population and the impact of AI on our personal and business lives.

As the report discussed, the emergence of multi-generational workforces presents both opportunities and challenges in the workplace. With longer life expectancies and extended participation in the workforce, individuals from various generations, such as Baby Boomers, Generation X, Millennials, and Generation Z, are now working together. By recognizing and leveraging the advantages of a multi-generational workforce, businesses can foster collaboration, knowledge-sharing, and innovative approaches that cater to the needs and preferences of a wide range of customers.

The collaboration between AI and talented individuals is set to redefine the hospitality landscape. AI's ability to process vast

amounts of data and generate insights, combined with the creativity, empathy, and strategic thinking of human talent, can lead to the development of superior products and services. In fact, AI can help leaders with almost all the other talent trends identified in this report. For example, AI can:

- Support leaders in their decision-making processes, with data driven insights.
- Assist in monitoring employee engagement and satisfaction, providing real-time employee feedback on the impact of management decisions.
- Enable remote work by employing AI-powered project management tools that streamline task coordination and communication for dispersed teams.
- Aid in scheduling shifts and managing workloads to ensure fair distribution of work and promote work-life balance.
- Enhance the effectiveness of cross-functional teams by utilizing AI-powered collaboration tools that streamline communication among different departments.
- Develop personalized employee training plans, enhancing skill development and job satisfaction.

However, it is important to emphasize that the human element remains essential; AI should complement, not replace, human leadership. Undoubtedly, AI has the potential to significantly impact various aspects of the hospitality industry. However, it is crucial to remember that AI is a tool that should be used ethically and responsibly, with a focus on enhancing human experiences rather than replacing them.

The future of the hospitality industry will likely be a combination of advanced technology and the human touch, delivering exceptional experiences for customers and fostering a supportive work environment for employees.





## About the Foundation

The HSMaI Foundation is a 501(c)3 organization established in 1983 to serve as the research and educational arm of the Hospitality Sales and Marketing Association International. The Foundation's mission is to elevate the overall caliber and performance of sales, marketing, and revenue management professionals in the global hospitality industry by driving initiatives that will attract new talent, develop emerging talent, and engage existing talent. The work of the Foundation is supported by private donations and corporate talent partners. Visit [hsmfoundation.org](https://hsmfoundation.org) for more information.

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