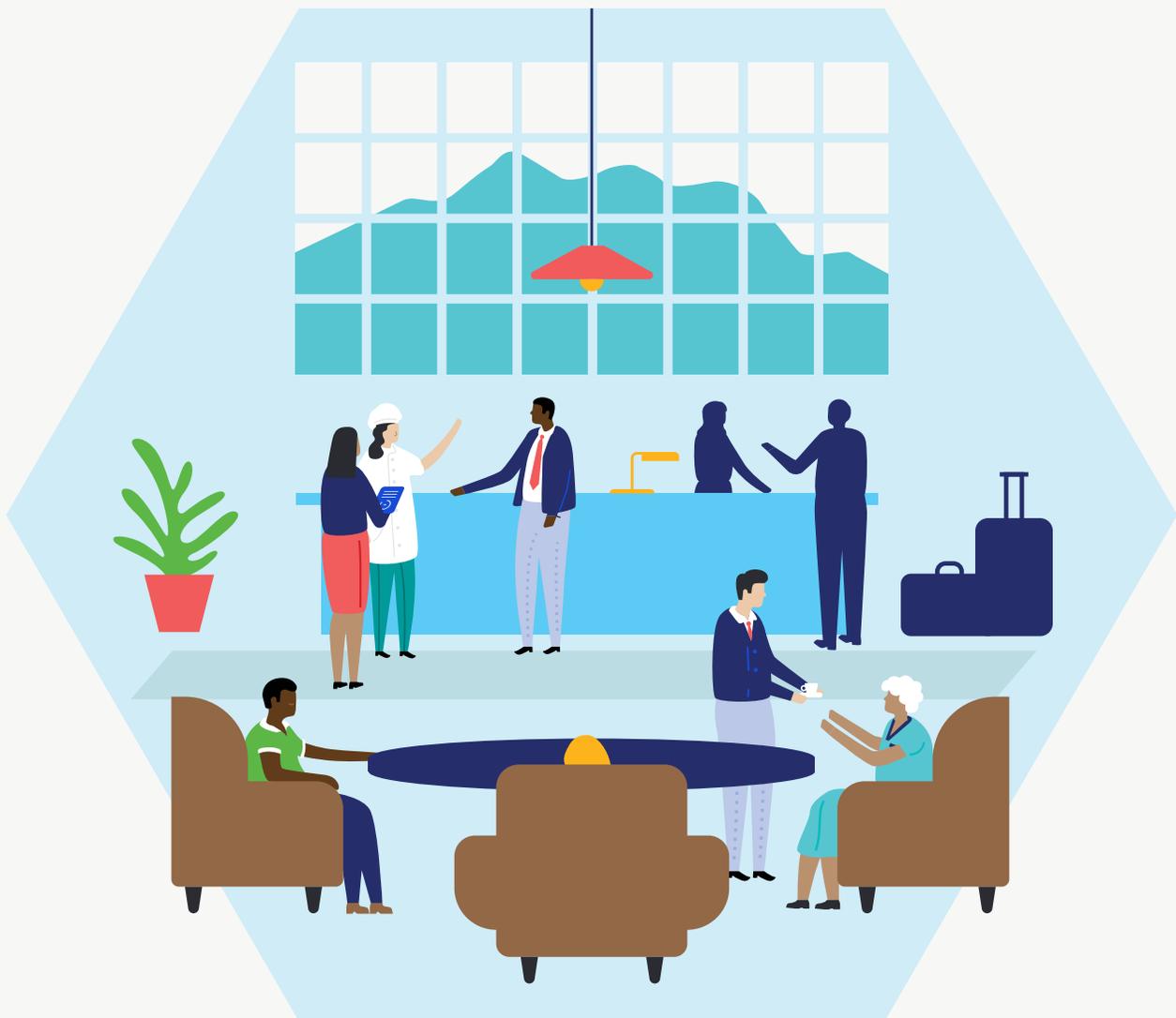


Hospitality For All

How Hilton treats employees at all levels like guests;
and how that “For All” culture drives its success



Hospitality For All

In today's economy, an organization's brand and customer loyalty rest in the hands of its employees more than ever. Building an experience where all employees thrive, regardless of role or background, is key to business success. Many organizations, however, struggle to create a workplace culture which is equally great for front-line, hourly staff as it is for executives. With 380,000 team members worldwide, Hilton stands out for a consistently positive experience for its team members—no matter their job role. Through an inclusive purpose embraced by company executives, innovative programs, and effective leadership at every level of the organization, Hilton has achieved a Great Place to Work For All. In turn, that For All culture is helping to fuel its business success.

Snapshot of Hilton Worldwide and its Workplace

Number of Team Members Worldwide

380,000

Includes team members at franchise properties

Range of Front-Line Roles

Front desk clerks, bell hops, housekeepers, dishwashers, cooks, many others

Number of Languages Spoken

Over 40 globally, operating in over 100 countries

Best Workplace Honors



What do your customers see when they talk to your employees? How do those frontline employees—whether they’re retail clerks, call center agents, nurses or front desk staff—affect your brand? Do they build it up—or do they break it?

If you’re like most organizations, you’ve spent significant time, effort and capital trying to improve your brand. And yet, return on brand investments are mixed. Pricy efforts to reposition corporate identities, rename products and recapture customers’ imaginations often fail to improve brand reputation, or reach financial objectives.

One company, however, has managed to accomplish these goals. A key secret of their success is their outstanding commitment over the past decade to treat team members—in every role, from the C-Suite to mid-level managers to frontline cooks, concierges and housekeepers—as well as they treat the guests who stay at their properties. That company is hotel giant Hilton.

Through an inclusive purpose embraced by company executives, innovative programs, and effective leadership at all levels of the organization, Hilton has achieved a consistently positive experience for its 380,000 team members worldwide. Call it Hospitality For All.

And thanks to that widely shared, welcoming culture—what we call a Great Place to Work For All—Hilton is maximizing the human potential of its people. With all team members bringing the best of themselves to work, Hilton’s performance is on the rise in the form of industry-leading service levels, increasing profitability and strong stock market performance.

Hilton’s For All culture has lessons that reach well beyond the hotel industry. In today’s economy—defined by speed, social technologies and customers who attach themselves to brands that reflect their values —organizations of every stripe must treat all employees as well as they treat customers.

Every Employee Counts

Many organizations struggle to create a workplace culture that is as great for frontline staff as it is for executives (see sidebar: Crossing the Chasm). In hospitality, the interaction between frontline staff and customers is absolutely critical to the customer experience. (See sidebar: Service With A Smile—Or Else, and the Front Lines of the New Business Frontier). To be successful, all employees need to feel engaged to deliver their best.

PRICE PERFORMANCE
SINCE JAN 2017:
Hilton (HLT) vs. S&P 500



Source: Zacks Equity Research¹

Crossing the Chasm

Putting a smile on the faces of frontline employees can be a challenge. Especially a smile as bright as the one you often find on a company executive. In studying gaps that exist in the workplace experience among different demographic groups, Great Place to Work has found the largest differences are between employees in different job levels.

Put simply, the higher you go in the organization, the better the work experience tends to be. The gaps between front line employees and leaders tend to be in the areas of fairness, communication, and meaningful work. For example, individual contributors are far less likely than executives to believe that

they are involved in decisions that affect their job or work environment, or that managers genuinely seek and respond to their suggestions and ideas. All told, employees who are not in management or leadership roles are more likely to feel like a replaceable “cog in the wheel” rather than a valued member of the team. It’s tough to show care for a guest or a customer when you’re feeling like a cog yourself.

TRUST INDEX™ STATEMENT:

Average Job-Level Gaps Among Certified Companies

This chart shows the average percentage point difference between Executive/C-Suite and Individual Contributors at all companies considered for the 2017 FORTUNE 100 Best Companies to Work For list. More than 225,000 employees contributed to the study.

Trust Index™ Statement

I feel I receive the fair share of the profits made by this organization

Promotions go to those who best deserve them

Management involves people in decisions that affect their jobs or work environment

People here are paid fairly for the work they do

Managers avoid playing favorites

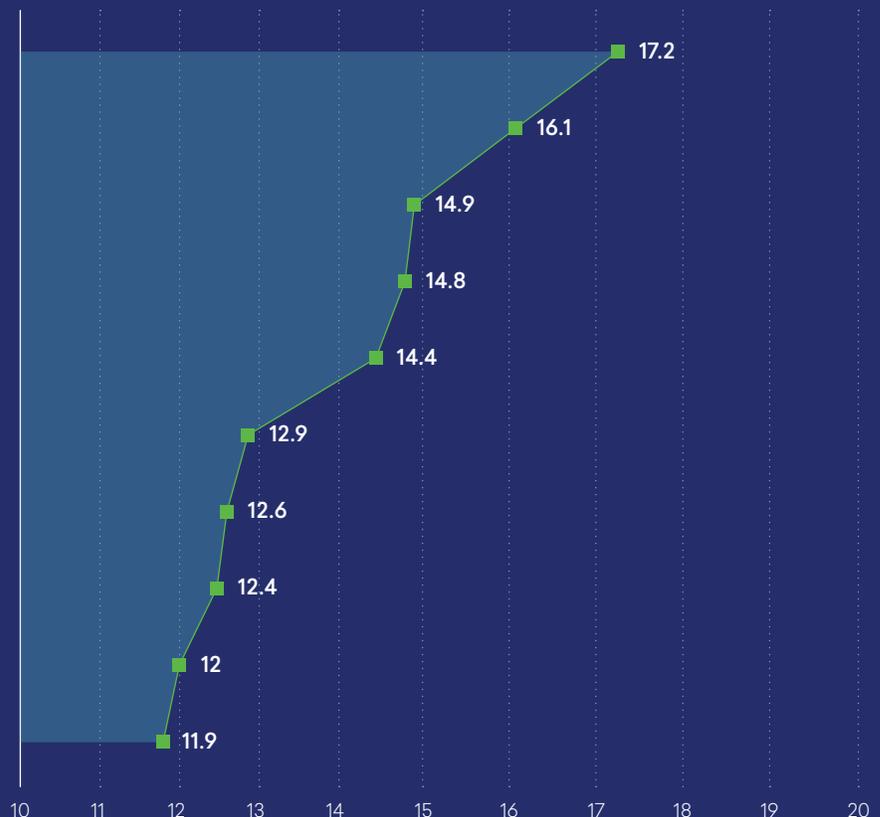
People look forward to coming to work here

My work has special meaning: this is not “just a job”

Management genuinely seeks and responds to suggestions and ideas

If I am unfairly treated, I believe I'll be given a fair shake if I appeal

Management delivers on its promises



The premium guests place on every chance interaction they have during their hotel stay makes it strategically important for Hilton to engage every single team member. Over the past five years, Hilton has made great strides in equalizing how their people feel about their work. Surveyed on more than 50 different metrics measuring levels of trust, pride and camaraderie, employees of all ranks are having a better experience. And that positive experience is more consistent across job levels.

Driving a more consistent experience can reap powerful business rewards. Great Place to Work research shows turnover, productivity, brand ambassadorship and customer service are all positively impacted by creating a great workplace For All. And it pays off in significantly stronger annual revenue growth. Hilton's own analysis shows a relationship between team member experience and business metrics, including customer satisfaction, property loyalty, and overall guest service.

Other signs confirm that being better for all their people has been better for Hilton's business. In recent years, JD Power has rated Hilton among the top five hotels in North America on its Guest Satisfaction Index in the Upper Upscale and Extended Stay segments—and, for the second consecutive year, the best Upscale hotel.ⁱⁱ Company profits are up more than 20% year-over-year.ⁱⁱⁱ And shareholders are seeing the benefits, with earnings per share more than doubling over the same period last year.^{iv}

Hilton's Solution: Hospitality For All

How has Hilton built this thriving business? How has it reached its team members regardless of whether they work in Singapore, London, or Des Moines? How has it driven a culture where the diversity of its team members matches the diversity of its customer base? In an industry with such a diverse range of employee backgrounds and job roles, how can it create a consistently a positive working experience, regardless of whether team members are hourly or salaried, managers or frontline staff?

The answer is a simple for one of the world's biggest hospitality companies: treat team members of every position as well as the guests who stay at Hilton hotels. It's a straightforward philosophy executed in an exceptional way. The company sets itself apart from other employers by being a great host to its own people in three key ways: by creating Purpose From the Top; designing For All Programs; and developing For All People Leaders.

Purpose From the Top

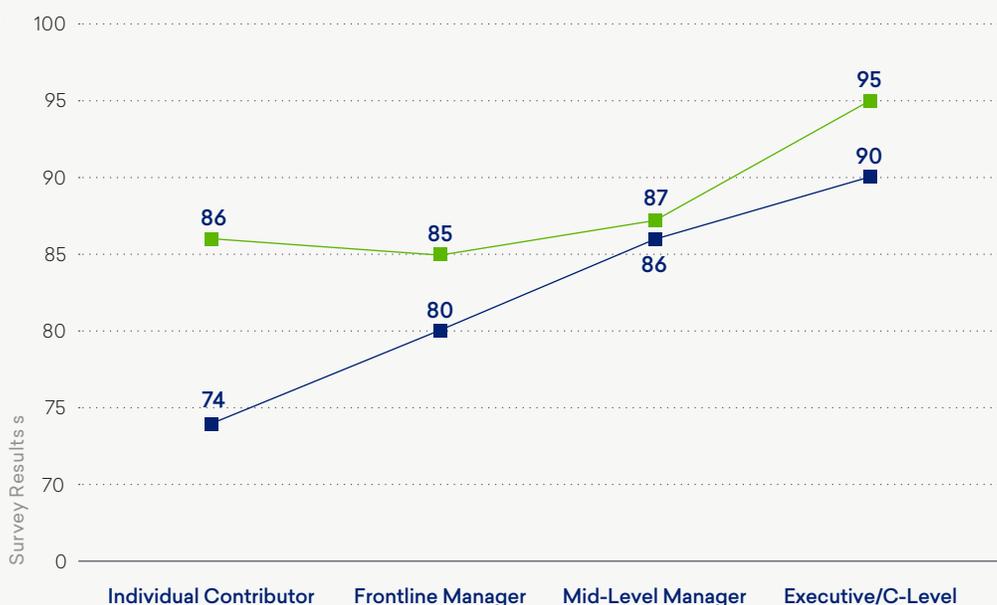
Hilton has been in the hotel business since 1919, and it promises to treat guests, team members and other stakeholders well in its mission: "To be the most hospitable company in the world—by creating heartfelt experiences for Guests, meaningful opportunities for team members, high value for Owners and a positive impact in our Communities."

TRUST INDEX™ SURVEY RESULTS:

Hilton Employee Trust Index Survey 2017 vs. 2012

Average employee Trust Index survey results in 2017 are both stronger and more consistent

■ 2017 Trust Index Survey Results
■ 2012 Trust Index Survey Results



The Front Lines of the New Business Frontier

We have entered a new era, a new frontier in business. This largely uncharted territory is about growing your business and improving results by developing every ounce of human potential within the people who work there. Our economy has evolved through agrarian, industrial, and “knowledge” phases to the point where the essential qualities of human beings—things like passion, creativity, and a willingness to work together—are the most critical. The emergence of what author Dov Seidman labels the “Human Economy” goes hand in hand with social and technology changes, such that speed, social networking tools and higher moral standards are shaping business success as never before.

This means companies must rely on those on the front lines to an unprecedented degree. As we point out in our book *A Great Place to Work For All*, there simply isn't time for information to flow up and down the chain of command for decisions to be made that satisfy customers used to just-in-time service. Those customers expect encounters with every representative of your

company to fulfill the brand promise—and may leave a negative review on Yelp or TripAdvisor if your employees deliver a ho-hum or disappointing experience. What's more, customers (not to mention potential job candidates and investors) care increasingly about how well people are treated at the companies they do business with.

Today's business climate, then, all but requires organizations to create a great experience for all their employees. Not just those who've risen to the C-suite or hold middle management posts. But also for those who labor on the front lines, in the jobs that typically pay the least and come with little prestige. When large gaps exist in the work experience between those in hourly, lower-ranking roles and leaders higher up, companies face a growing risk. A less-than-great experience on the job for a retail cashier, a janitor, a restaurant server means those employees are not likely to give their all, to be at their best. Human potential is wasted, and so is business potential.

Service With A Smile—Or Else

Hotels that want to keep their “No Vacancy” sign shining brightly need bright smiles from their frontline staffers as never before.

Consider this observation from Rick Garlick, global travel and hospitality analyst at market research firm J.D. Power, “Customers have responded well to the enhanced offerings provided by some hotel brands to create value, but as those perks become standard, customers are quick to ask, ‘What have you done for me lately?’” Garlick wrote in a 2016 report, “When guests no longer see added value in the quality of amenities they receive, the only option to truly differentiate a brand is to develop a strong service culture that makes guests feel special and appreciated.”^{vi} Deloitte's 2018 report on the hospitality industry echoed this finding: “Hoteliers are quickly becoming more experience driven.”^{vii}

One trend making the performance of those on the frontlines ever-more important is the decreased popularity of hotel loyalty programs among younger customers. Only 39% of Gen Y guests belong to a rewards program, compared with 56% of Gen X and 66% of Baby Boomer guests, according to J.D. Power.^{viii} That younger guests are more willing to spread their business around puts a premium on every stay—on every encounter with the concierge, server and housekeeper.

Another J.D. Power finding shows just how crucial a fully engaged, happy frontline employee is. There is a whopping 50% reduction in the average number of problems experienced when staff members greet guests with a smile “all the time,” compared to when guests are only greeted with a smile “sometimes.”^{ix}

Mission statements, though, are only meaningful when they're backed up by leaders' attitudes and behaviors. In Hilton's case, CEO Chris Nassetta drives a strong sense of purpose throughout the business, starting from the top. He ensures Hilton's company vision applies equally to every team member. For Nassetta, that also means delivering generous, genuine hospitality to all his people – in all roles, at all levels, and in all geographies. He took the reins of the company in 2007, when Hilton was bought by private equity firm Blackstone. At that point, Hilton was struggling against rivals and deeply in debt. Nassetta's strategy to revitalize the company included international expansion, streamlined operations and a revamped rewards program. But central to his turnaround plan was a renewed emphasis on all of Hilton's team members. One of his first actions to support this focus, for example, was launching an "immersion" program that requires every executive leader to spend a week on the front lines, working alongside cooks, housekeepers, and front desk agents.

Nassetta's immersion mandate not only prompts executives to walk a mile in the shoes of hourly team members but get a feel for the customer experience. It also reflects the way Nassetta retains a measure of humility as a hospitality chieftain. He got started in the industry with a plunger in his hand as a maintenance staffer at a Holiday Inn, and he treasures the camaraderie he felt there. "I like to say my career started in a toilet," he says. "But it was a pretty amazing experience." (See sidebar: Staying Grounded at the Top of Hilton)

Another way Hilton's top leadership engages everyone in its purpose is by empowering employees at all levels. Just as executives are expected to experience life in the trenches, Hilton employees in the trenches are encouraged and expected to make decisions on their own. The company's "Make It Right" mantra means team members of every job title ought to start fixing problems they see, as soon as they see them. Make It Right comes directly from two of the company's five core values: "ownership" and "now" (see sidebar: Hilton's Values). These principles aren't just words on a wall. Or rather, they come alive through more words on the wall: on old-fashioned bulletin boards and a company intranet, Hilton managers share stories of team members taking the initiative to solve problems. Great Place to Work data confirms that employees in general feel a strong sense of autonomy: nine out of ten say that "Management trusts people to do a good job without watching over their shoulders."

Christine Himpler, who has worked for Hilton for more than 20 years, has noticed a change in mindset under Nassetta's leadership. In her view, people at every level are treated with greater respect, treated more like guests. "In the past six years or so, I've seen the shift," says Himpler, director of housekeeping for the Hilton San Francisco Union Square. The company, she states, is "paying a lot more attention to team members."

For All Programs

Hilton expresses the Purpose that comes from the top through the people programs it invests in. From the spaces team members work in, to travel benefits, parental leave, and personal and professional development, Hilton goes the extra mile to make sure these investments benefit all its people. Together, these programs signal the company's belief that everyone matters and inspire leaders at every level to treat team members accordingly.

Hilton's Values

H

Hospitality

We're passionate about delivering exceptional guest experiences.

I

Integrity

We do the right thing, all the time.

L

Leadership

We're leaders in our industry and in our communities.

T

Teamwork

We're team players in everything we do.

O

Ownership

We're the owners of our actions and decisions.

N

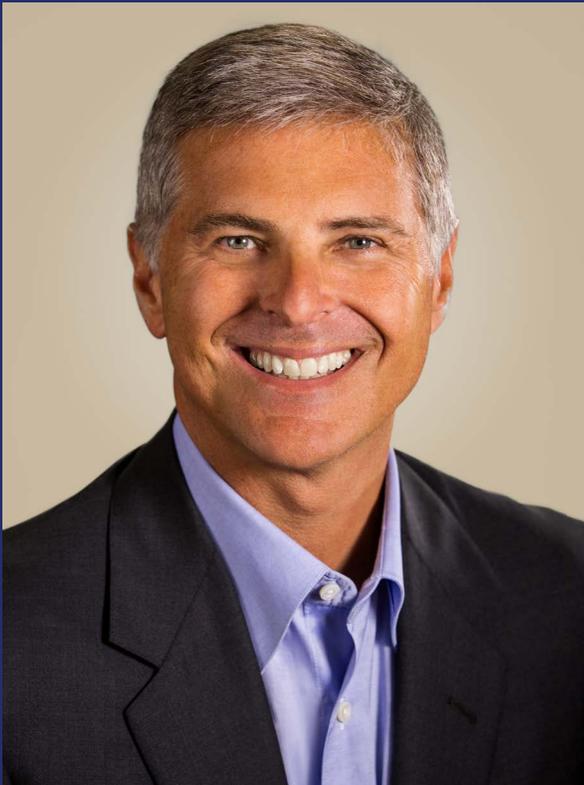
Now

We operate with a sense of urgency and discipline.

Hilton's Path to Success

Hilton describes its progress in recent years in sequential terms:

- 1** Start with a clear set of values and a sense of purpose (see sidebar: Hilton's Values)
- 2** Design core programs aligned to those values, such as parental leave and the Go Hilton travel benefit
- 3** Hold leaders accountable for living the values and breathing life into the programs
- 4** With programs in place, strive to make high performance sustainable, through Thrive@Hilton
- 5** Invest in front line team members, with higher engagement and retention delivering a return on that investment
- 6** Finally, measure performance and employee experience, using data to refine and continue improving



Chris Nassetta
CEO, Hilton

Staying Grounded at the Top of Hilton

Hilton CEO Chris Nassetta began in the hotel industry at the bottom, working as a maintenance staffer at a Washington, D.C. Holiday Inn while on summer break from college. This included the dirty work of unclogging guest room toilets.

But what Nassetta remembers most from those summer gigs was the way his co-workers treated him as family despite his youth and part-time status. This included a farewell party complete with a gold-painted plunger as a parting gift.

Today, Nassetta aims to reproduce that kind of all-encompassing hospitality at Hilton. He has invested in a host of programs that extend to every Hilton team member. Among them is Thrive@Hilton, which encourages health and wellbeing in mind, body and spirit across the entire Hilton workforce.

Nassetta showed his commitment to elevating the frontlines by doing a stint there himself. When he announced the "immersion" program requiring Hilton execs to spend a week working in roles like housekeeper, dishwasher and bell hop, Nassetta took a turn as a maintenance team member in the Capital Hilton in Washington, D.C. His coworkers there repeated the funny, warm send-off Nassetta experienced years before as a summer intern. "When I left," he recalls, "they gave me a golden plunger."

Key Behaviors of the "For All" Leader



Trust

Builds strong trust with all or nearly all of their employees, regardless of personal backgrounds or role



Recognition

Celebrates successes of teams and individuals without seeking personal credit.



Goals

Consistently reinforces the company's larger vision and goals, and connects individuals to them in personally meaningful ways.



Relationships

Cultivates strong connections and relationships both within and across teams across the organization



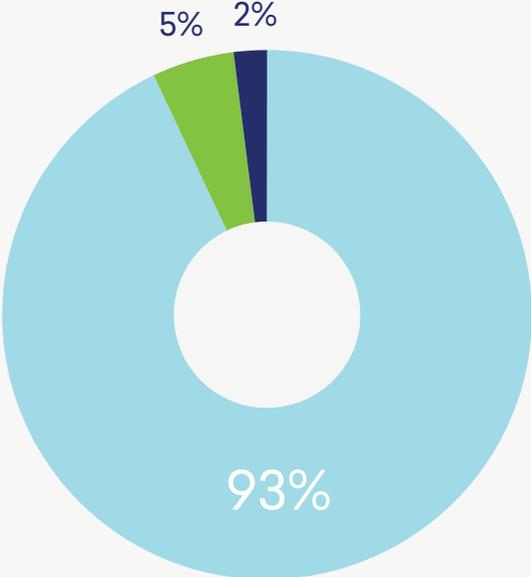
Development

Drives a continuous improvement and learning mindset by investing in mentoring and development of others.

LEVEL 5

The For All Leader

- **Positive**
Employees have a consistently positive experience
- **Neutral**
Employees have a sometimes positive, sometimes negative experience
- **Negative**
Employees have a consistently negative experience

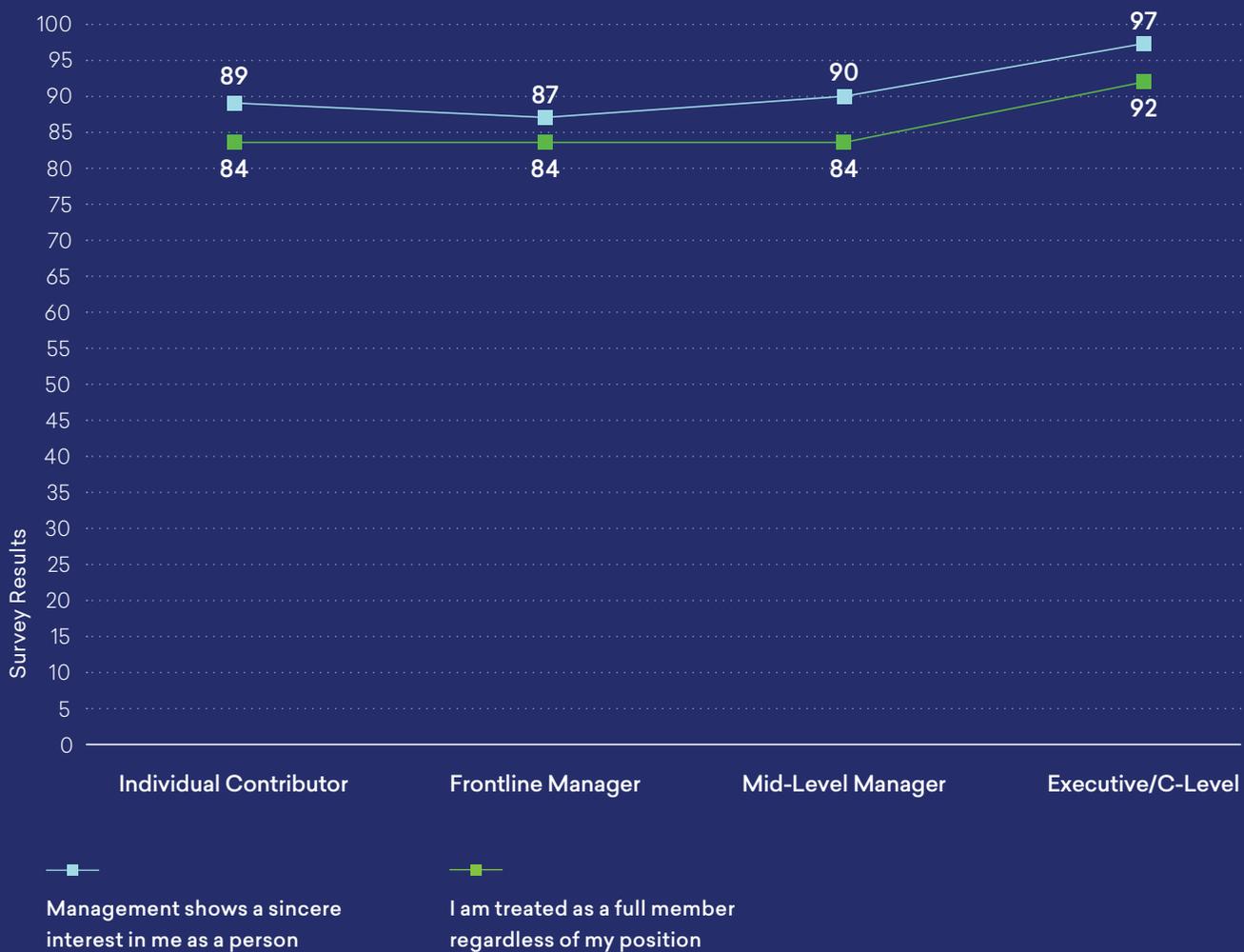


Care and Respect For All at Hilton

In most organizations, Great Place to Work has found individual contributors' experiences are far less positive than that of managers, and senior executives' experiences significantly outpace other leaders. Hilton has done a remarkable job making all employees, regardless of role, feel authentically and similarly cared for.

TRUST INDEX™ SURVEY RESULTS:

Hilton Employee Trust Index Survey



Perhaps the best example of a program demonstrating Hilton's outstanding treatment of its people is Thrive@Hilton. Developed in partnership with Arianna Huffington's wellbeing company, Thrive Global, the program aims to support team members in all areas of life — mind, body and spirit. In order to provide excellent care for guests, Hilton believes team members themselves need to be authentically cared for as well.

Thrive Global CEO Arianna Huffington made this point explicit when the program was unveiled last year. "Those who are charged with looking after the well-being of others - including the millions who work in the hospitality industry - are especially vulnerable to stress and burnout," Huffington said. "But Hilton has been a global leader in proving that prioritizing the well-being of employees is the surest route to sustainable growth."

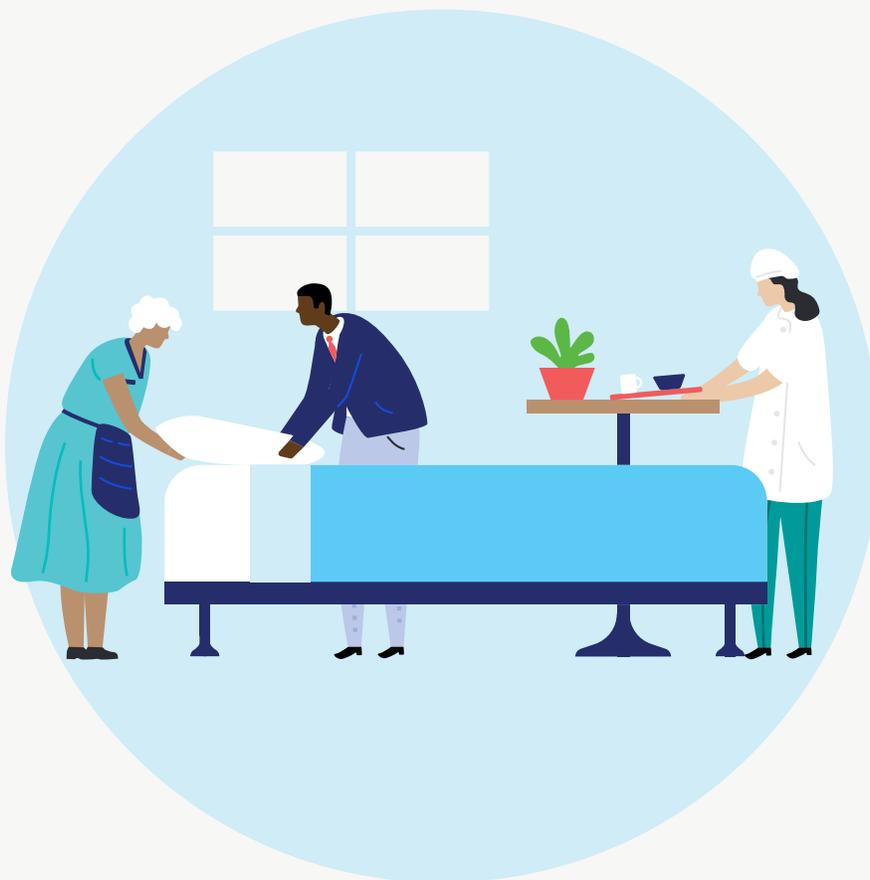
Hilton's approach isn't to tell its people they all matter — it's to show them. In recent years, the company has rolled out programs that expressly benefit all ranks and roles. It renovated back-of-the-house spaces used by housekeeping, kitchen staff and other employees to improve the look, feel and pride of the spaces. It enhanced family benefits, including parental leave and adoption assistance, bringing peace of mind to hourly and salaried team members alike. It launched a program providing educational advisors who work one-on-one with team members who wish to earn a GED.

Some benefits even continue after people leave. Team members who achieve 10-20 years' tenure can continue to enjoy the Go Hilton family and friends travel program for life. (See Sidebars: Paid Parental Leave For All: Clearing a Higher Bar; Education For All: Fully-Paid GED and High School Completion Programs; Great Facilities For All: First-Class Treatment for the "Heart of the House"; Travel For All: Go Hilton Team Member and Family & Friends Travel Programs.)

For All People Leaders

As exceptional as Hilton's programs are, competitors who copy the programs but not the culture, will be hard pressed to realize the same level of reward that Hilton does. Their secret to success is the "last mile" of any program — its leaders at every level. Employees who are treated as "less than" in their daily interactions with leaders will come to see even these generous benefits in a cynical light. Travel, parental leave and other programs become nothing more than transactional compensation unless day-to-day exchanges with leaders and colleagues mirror the same respect.

Hilton creates people leaders who stand out for their ability to deliver great work environments for their entire team. They show a clear ability to connect with people from different



Great Facilities For All: First-Class Treatment for the “Heart of House”

Genuinely excellent service comes easily to employees when it is a reflection of how they themselves are treated by the people who serve them as their employers.

In recent years, Hilton has invested in brightening parts of the property that guests don't even see—such as break rooms, staff locker rooms, and team member restaurants. These improvements are tangible evidence to team members that Hilton cares for them as much as they do about the guest.

At the San Francisco Hilton, the renovated housekeeping staff room now feels like an upscale club with dark hardwood and flagstone floors. Christine Himpler, the director of housekeeping, said the creation of a staff lounge changed the way she relates with her team. What used to be a sterile room where she would

hold disciplinary conversations at a long table is now a warm living room of a lounge with three comfy couches. And now when she talks with staffers about problems, the conversations feel more like conversations—as opposed to disciplinary proceedings.

Housekeepers at the hotel say the new space has also increased the team's camaraderie and solidarity. Now, staffers gather every day in the lounge, serving each other tea and sharing photos.

These upgraded facilities do more than just inspire team members to treat guests well. They also send a message to all of Hilton's people that they are highly valued team members, deserving of human dignity and respect.

Hilton Batumi

The staff break room at the Hilton Batumi illustrates the transformation taking place globally across Hilton's “Heart of the House.”



Waldorf Astoria Beijing



Waldorf Astoria Beijing



Family-Friendly Benefits For All: Clearing a Higher Bar.

In 2016, Hilton made the rare industry decision to support their people during one of the most special times in their lives by offering paid parental leave. When making this decision, they explicitly offered these benefits to all their US team members: hourly and salaried alike. Mothers who have given birth receive ten weeks leave at full pay, and fathers and adoptive parents can take two weeks paid leave. To supplement this, the company also expanded benefits to provide adoption assistance of \$10,000 per child.

In 2017, nearly 800 mothers and fathers took advantage of leave benefits, putting new parents' minds and finances at ease while they took time off to bond with their child. "The Hilton Maternity Program was hands down the best benefit I have enjoyed as a Hilton Team Member," commented one parent. "Going through

the various changes becoming a parent is already tough – let alone now having to budget differently because your income has been cut by nearly half now that you're on disability. The Maternity Program really allowed me to relax and take full advantage of the time I had with my baby, without having the added stress of about finances because I was made whole financially with the benefit program."

While it's true that offering generous paid parental leave to all team members sets Hilton apart as an employer of choice in the market, the program also demonstrates to Hilton's people that they work for a company that cares for them personally, regardless of role or rank—resulting in long-term loyalty and commitment across the board.



backgrounds and roles, and to build meaningful connections across departments and with Hilton's mission. In studying Hilton's leaders, from front-line supervisors to executives, Great Place to Work found evidence of this all-inclusive hospitality in both anecdotes and aggregate data.

Consider Iriana Formato, Director of Catering and Events at the Hilton Chicago O'Hare and Rosemont hotels. Formato came to lead a team of about 20 team members a year ago, after 14 years at other Hilton properties. One of her first priorities, she says, was to learn about each person at a deeper level. She has spent much of her time understanding what their goals are, what makes them tick, what makes them happy, and what helps them thrive. One team member might be focused on career progress, while another might get energy from solving guest problems and a third may have family demands and prioritize work-life balance. "I constantly have 1-on-1s," Formato says. "Everybody's motivation is different. You need to get to know them on a personal basis."

Formato's personal touch is commonplace among Hilton's leaders. Some 84% of individual contributors at Hilton say their leadership shows "a sincere interest in me as a person." And nearly nine in ten individual contributors report they are treated as a full member of the Hilton community, regardless of their position (See Chart: Care and Respect For All at Hilton).

The fact that leaders on the front lines can create a consistently respectful, caring environment has everything to do with the fact that their leaders at Hilton model the same behavior. Hilton's Trust Index survey results for experiencing genuine, personal interest from their bosses and being treated as an equal peer are nearly the same for frontline and middle managers as they are for individual contributors. In other words, the positive treatment for team members cascades down from the top. Hospitality for frontline team members begins with hospitality for Chris Nassetta's own team, and so on down the line.

The result at Hilton is a large number of For All Leaders. That's our term at Great Place to Work for leaders who succeed in creating a great experience for their entire teams (see sidebar: Key Behaviors of the For All Leader). For All Leaders build strong bonds of trust with their direct reports, foster strong ties within their team and across the wider organization, and regularly reinforce the company's mission for team members. They also have fun—celebrating wins with their team in ways that share credit broadly. And they are devoted to the development of their people.

Andrew Dixon is a case study in such talent coaching--and how it trickles down from above. Dixon, the executive chef at the Doubletree Crystal City in the Washington, D.C. area, takes great satisfaction in seeing his 35 direct reports move forward in their careers—even if means leaving Hilton. He points to a server he knew at a past restaurant job who wanted to become a cook,

trained in Dixon's Doubletree kitchen as a sous chef and has moved to become an executive chef at a local restaurant. "That's how I judge my success as a leader," Dixon says, "and that is what drives me."

Dixon has been at Hilton for four of his 21 years in the food and beverage industry. And while previous workplaces tended to be cutthroat with little regard for staff development, his leaders at Hilton frequently check in with him about his career progress.

"They want to know what my goals are," he says. "That's one of the things that keeps me at Hilton." (For a profile of Andrew Dixon and two other frontline leaders, see Sidebars: Cooking Up a Great Team Culture; Making Housekeepers Feel At Home; and From Houseperson to Lunch Host.)

Hilton is not just hiring great leaders like Andrew Dixon. It is transforming the good into the great. One of Dixon's current team members, Natalee Bingham, worked with him previously at a different restaurant company. In that kitchen, Bingham says, Dixon's opinions often weren't heeded by management. Since coming to Hilton, with leaders who listen to him, Dixon has become a more engaged, inspiring leader, she says. "Last time, he wasn't as hands-on," Bingham recalls. "He's more into it. He's more excited."

How the Three Ps Perform Together

We've talked about how Hilton has created a Great Place to Work For All employees by creating Purpose from the Top, designing For All Programs and developing For All People Leaders. It's important to note that these three "Ps" reinforce each other. They are like three legs of a stool. Without any one of them, a For All culture is at risk of collapsing. However, when all attributes are in place, they reinforce each other and increase effectiveness. An inclusive sense of purpose from top leadership informs company-wide programs; people leaders and their teams benefit from these programs and reinforce that culture.

Education For All: Fully-Paid GED and High School Completion Programs.

Traditionally, much focus is placed on training and development for “high-potential” employees within organizations. Rarely do companies pay attention to a common gap, especially within the hospitality industry: a high school diploma.

Hilton found at least 5,000 U.S. team members hadn’t earned their diploma —and in 2015, leaders decided to be among the first in the industry do something about it. Partnering with the Council for Adult & Experiential Learning (CAEL) they developed the “Hilton HS Completion Program” for U.S. team members who wanted to pursue their General Education Development (GED) certificate or high school diploma. Fully paid for by Hilton, an advisor works one-on-one with anyone interested, providing motivational support, coaching, and tutoring.

Team members appreciate the support. After earning his high school diploma, one housekeeper thanked his CAEL advisor, saying, “With your help, I realized that I could finally get this. I’d not been paying attention — I’ve been working two jobs since [I graduated]. Thank you! I appreciate very much the time you took with me.”

Remarkably, the professional and personal investment this team member’s manager showed is not an exception at Hilton. In the US, 84% of Hilton employees reported they receive training and development that advances them professionally; and 85% have managers who care about them as people and not just employees.

Not having a high school diploma can be a barrier to future job prospects and opportunities for higher education. This forward-thinking program is an example of how Hilton is investing in all its team members long-term personal and professional success.

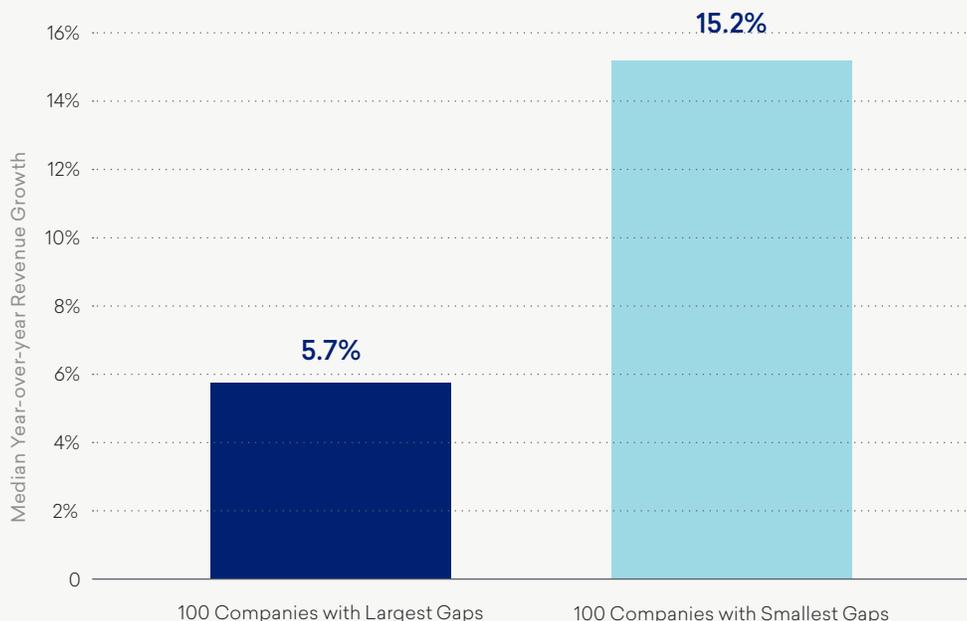
For All Leadership Lifts Performance

| Improvement in Leadership from Level 1 to Level 5 | Performance Area | Leading Indicator | Example Business Metric |
|--|-----------------------|------------------------------|-------------------------|
|  353% | Productivity | Willingness to give extra | Revenue per Employee |
|  300% | Customer Satisfaction | Count on People to Cooperate | CSAT scores |
|  128% | Retention | Intent to stay a long time | Regrettable Turnover |

CLOSING THE GAP:

Close the Gap Between Leaders and Employees, See Revenue Soar

- Hilton (HLT)
- 100 Companies with Largest Gaps



What to Tell Your CFO

To Hilton, it's obvious that their thriving business is supported by all its thriving team members. Their industry awards, increasing profitability and growing shareholder returns reflect what goes right with their people in each hotel around the world.

According to Hilton's own analysis, hotels that raised their "Heart of House" pride scores in the wake of the facility upgrades mentioned above also improved on critical business metrics.

Year-over-year, these hotels:

- Increased their revenue per available room (RevPAR) an average of 1%
- Improved their guest customer satisfaction score an average of 0.78%
- Reduced turnover by 3%

Any organization that relies on customer service to keep its competitive edge can learn from the impact Hilton's team

member focus has on their success. In fact, a cross-industry study Great Place to Work conducted analyzing the revenue performance of companies with wide divisions in Great Place to Work For All scores found powerful benefits for closing these gaps. Companies in which leaders and employees share a closer experience on key metrics grow their annual revenue 3 times faster.

Great Place to Work has also documented clear business benefits when individual leaders create a great workplace experience across their team. In a study of 10,000 managers and 75,000 employees, we found that leaders who foster the most consistently positive culture for their direct reports score much better on indicators for talent retention, productivity and customer satisfaction on their teams. Compared to a "Level 1 Leader" where only about 3 in 10 employees experience a great workplace, "Level 5 Leaders"—also known as For All Leaders—see measures of productivity and team cooperation at least 4 times higher. (See CHART: For All Leadership Lifts Performance).

Travel For All: Go Hilton Team Member and Family & Friends Travel Programs

Another program available to Hilton's people literally puts team members on the same level as guests, as they become one and the same. Go Hilton enables team members to stay at Hilton properties around the world at steeply discounted rates, with benefits extending to Family & Friends.

This gift of travel—which Hilton upgraded with more generous discounts in 2016—is highly valued among team members. Many are able to fulfill life-long dreams, or simply to visit a loved one or attend an important event such as a high school reunion. One person shared:

“Go Hilton has provided me the opportunity to fulfill a lifelong dream. As a little girl, I watched movies and dreamed of the opportunity to vacation at the Waldorf Astoria. This hotel was featured in *Coming to America*. Recently, my fiancé experienced some health challenges. We decided to take a trip to Orlando to celebrate his recovery. We were blessed to visit the prestigious Waldorf Astoria Orlando. We relaxed in a cabana by the pool, enjoyed five-star dining options, and enjoyed a moonlight stroll during the Disney fireworks. I am blessed to be a part of the Go Hilton experience.”





FACES OF HILTON: ANDREW DIXON

Cooking Up a Great Team Culture

Andrew Dixon was a different kind of leader before he came to Hilton.

As a chef in the Washington, D.C. area, Dixon managed a number of kitchens and was used to dishing out orders and judging performance severely. But since joining Hilton four years ago, the 38-year-old has adopted a kinder, less hierarchical flavor of

“Without being side-by-side with my team, I lose that engagement and that nurturing aspect,” Dixon says. “It becomes more of an inspection and less of a collaborative effort.”

leadership. Encouraged by his leaders at Hilton and the hospitality giant’s people-first culture, Dixon now embodies what we at Great Place to Work call “For All Leadership.” Currently the executive chef of the DoubleTree Hilton property near Reagan National Airport, Dixon has built relationships based on mutual respect throughout his 35-person team.

“In the past, I took a hard line. I’d say, “You do this, or else!” he recalls. “I don’t feel that way at Hilton. We have a dialogue.”

That dialogue involves asking his team of sous chefs to generate ideas for new menus. Recently, his team came up with a spread inspired by Spanish cuisine—

even though no one on the staff is Spanish or had experience with the tapas dishes they were cooking up. They did a lot of research and then he gave staffers “creative freedom.” The food was a hit with guests. Dixon said, “I wanted my team to be proud of the product they’re serving. I wanted them to have ownership over it.”

Central to this approach is the management philosophy Dixon experiences from his own bosses at Hilton. They listen to his ideas, show concern for his career path and speak about giving team members the benefit of the doubt. “You start with trust,” Dixon says. “And then you have to feed the team and nurture the team.”

Dixon now views mistakes by his cooks and sous chefs as opportunities to learn. He makes sure his people take time off to recharge—fostering work-life balance that the food and beverage industry is notoriously bad at. And you’ll often find him helping out in a hands-on way.

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In effect, Dixon shares Nassetta’s belief that leaders need to get their hands dirty with those on the frontline. “Everyone would be better served with the senior leadership there on the floor.”



FACES OF HILTON: CHRISTINE HIMPLER

Making Housekeepers Feel At Home

Not long ago, Christine Himpler started crying in front of her team.

Himpler's housekeeping staff had just finished cleaning the rooms of Hilton's top executives, who were staying in her hotel for a company leadership conference. In the wake of the visit by Chris Nassetta and 2,000 other Hilton leaders, the executives shared their feedback. It was glowing. Himpler read the reviews to her team of some 265 housekeepers and laundry department employees, and the tears just came. It was her proudest moment at Hilton, and she was overcome with joy that her people's hard work had been recognized. "We wanted to shine," she recalls. "The execution that our team did was flawless."

Crying in front of her staff, though, is a far cry from what Himpler was like as a leader decades ago. She joined Hilton in 1993 and within several years became a supervisor who prided herself on high standards and little patience for errors. But, as she puts it, "I mellowed." That's not to say her standards have slipped, but she leads with more of a human touch.

"I've become more engaged with the team and want to learn about them," she says. "I'm more of a coach. I'm here to develop people. That's my job at Hilton."

The change has something to do with her own maturation. But she's also been influenced by Hilton's broader policies and programs. For example, Hilton's Thrive program (which emphasizes healthy minds, bodies and spirits) played a role in Himpler taking

two full weeks off for the first time in as long as she can remember. By the same token, she makes sure all her people can take off the time they need. She ensures that is the case even if her team members don't have the seniority that governs time-off priorities according to a union contract. "It's your son's wedding," she says, by way of example. "You're going to go."

As mentioned before, Hilton's "Heart of House" facilities upgrades have affected the way Himpler relates to her staff. The Housekeeping Department's living room-like lounge on the 15th floor fosters a homey feel and more collaborative conversations. And even a relaxation of the company's dress code has helped Himpler loosen up. Hilton's "Dress for your Day" policy means Himpler and other team members can wear casual clothes if they aren't slated to have a business meeting. "I always wore a business suit up until three weeks ago," she said, on a day she wore jeans and a striped top.

Although she got emotional reading the feedback from Hilton executives about her housekeepers' work, the praise didn't come as a surprise to Himpler. She trusts her team—not only to clean rooms impeccably but to make judgement calls and communicate with anyone at the company regardless of rank. In fact, she encourages her people to speak directly with the hotel general manager.

"If the GM stops by, I don't want them to be a nervous wreck," she says. "So I put them in front of those people."



FACES OF HILTON: DENNY CHAVEZ

From Houseperson to Lunch Host

Every day at 11:29 a.m., you can find Denny Chavez checking his silverware and napkin supply.

Not for guests of the Doubletree Boston Downtown, the Hilton property where Denny is Director of Operations.

No, Denny does this daily napkin inventory for his team members. Just before his team of maintenance staffers, housekeepers and front desk agents comes to the staff restaurant for lunch, he makes sure everyone will have a pleasant, comfortable experience. It's part and parcel of his focus on treating the frontline workers of his hotel with five-star service.

"We definitely want the team members to see us as hosting the lunch for them," Denny says.

Denny has come a long way to playing host to those in the hotel trenches. He was once there himself. He started at Hilton 16 years ago as a "houseperson"—in charge of cleaning public spaces in the Hilton Miami Airport. Over time he moved through a range of roles, including parking lot cashier, bell hop and valet. Later he became a housekeeping supervisor, and eventually took his current role where he oversees the engineering, housekeeping and front desk departments.

Denny's career progress is something that he treasures about Hilton. "It's a company that opens the door to a lot of opportunities," he says. "You see a big

picture. You see the next step in your career. You can go as far you want to go."

But for Denny, Hilton isn't just about striving. It's about enjoying coworkers. His lunchtime preparation work sets the stage for bonding that runs deep—nearly half of his staff have been there 10 years or more. The staff come from many countries, speaking languages including Chinese, Albanian, French and Creole. "I spend more time with my room attendants than with my kids," he says. "We know jokes in other languages."

Denny does more than socialize with and serve his staff at lunch. He rolls up his sleeves with them. Like Andrew Dixon does in the kitchen, Denny will do in guest rooms. For example, he'll pitch in with the cumbersome task of rotating mattresses.

The Doubletree Boston Downtown was recently renovated as part of the Heart of the House initiative. Formica tables were swapped out for restaurant-quality wooden tables and bar stools, among other changes. These improvements make a difference to his team and his ability to lead, Denny says. "It a good place to relax, recharge and enjoy time with our teammates," Denny says. "That's where the trust comes from."

And that trust-building treatment of those on the frontlines translates to business success, he says. "If you care for your team members," Denny says, "they will take care of the customer."

Three Takeaways

What does Hilton's story of driving business success by building a For All culture mean to your organization?

Hilton credits its progress over the last years to a sequential set of steps that build on the foundation of its values and purpose. They design programs and empower leaders to act in ways that are consistent with those values. And make sure to measure their results to continuously refine and improve. (See Side Bar: Hilton's Path to Success.)

In addition, based on studies of many best workplaces, Great Place to Work finds that there are pivotal changes leaders at each level of your organization can make to maximize your organization's human and business potential.

HUMAN RESOURCES

Push Your Programs

1. **Stop designing traditional training programs**—design experiences and programs that give leaders the experience you want them to create for their teams. Training will be forgotten; experience changes behavior.
2. **Review benefits and programs to make sure they (radically) reflect your view that all employees matter.** Push yourself to do more than your industry expects. This signals leaders and employees it's okay to act in the right way – and gets the employees' attention. Put benefits programs in context of your values.
3. **Change doesn't have to begin at the top.** Even if your CEO won't plunge the toilets like Chris Nassetta, your HR team can inspire leaders and programs and as your success grows your leaders will lean in more. Tie business performance metrics with adoption of your programs and new leadership behaviors and your executives will get on board faster.

EXECUTIVE C-SUITE

Provide a For All Purpose

1. **Identify the experience you need customers to have, and deliver the same experience to your employees.** *Showing* people what to mirror is infinitely more effective than *telling* them. Evaluate your investments against how they change behavior and day-to-day lived experiences in the same way you would assess product and service changes for customers.
2. **Tolerate small, temporary dips in managers' survey scores** as you focus on improving frontline employees' experiences. Managers' perspectives may be right-sizing with that of their teams – or their expectations may be rising. This means you are headed in the right direction.
3. **Fuel what's working.** Share stories of your best people at all levels of the organization and their impact on the business—directly from employees and your customers. Hearing it from the 'horse's mouth' gives the testimonials more credibility and will increase buy-in from managers on the focus on front-line employees.

INDIVIDUAL LEADERS

Prioritize People & Peers

1. **Start where you are.** Make your team a For All team.
2. **Understand that the company's investment in your people will ultimately make your personal and professional life better.** Be patient if resources go elsewhere and your experiences go down in the short-term. It will come back to you ten-fold.
3. **Create a community of peers.** Leading can be lonely, but it doesn't have to be. This gets even more pronounced when leading in a way that doesn't fit the current norms of a business. Find peers that reinforce that you are not alone in striving to be better and remind you that your efforts are contributing to a bigger goal.
4. **Get up close with your team to create engagement.** This work can't be done at arms' length. Build one-on-one relationships. Spend time working side-by-side. Worry less about sanctions and more about conversations. Study barriers people experience trying to make improvements, even incremental ones, and remove them. Be available and listen to the concerns of your team.



About Us

For 30 years, Great Place to Work® has worked with leading companies from around the world to identify and build high-trust, high-performance workplace cultures. Our research has proven that building great workplaces to work for all isn't just the right thing to do, it's better for business.

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