



2005 MELT Awards with Xpert Learning

Submitted by: Hilton International – Hilton University

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“Building for Growth”

SETTING

Conrad Hilton once said, "To achieve great things, you must first dream great dreams." With this idea in mind, Hilton University was launched in 2002, and Hilton International joined a growing number of global companies that have established a corporate university. Hilton, however, is one of the very few companies in the hospitality industry to have embarked on such a project. For too long, the hospitality industry has relied upon traditional learning methods like classroom-based instruction, which is costly and time-consuming and therefore had impact on only a few employees. Learning was, in effect, rationed.

Prior to the launch of Hilton University, training was primarily “residential,” meaning that each hotel around the world took responsibility for fulfilling the training needs of its employees. Not

surprisingly, those needs were often not met and the available training programs were purchased

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individually with varying standards for quality or cost-effectiveness. The creation of Hilton University changed our learning environment with new enabling technologies and accelerated the company's progress toward becoming a truly global organization.

With the introduction of e-learning, we turned our reality upside down, and Hilton is now delivering online programs that have a measurable impact on performance, productivity and most importantly, customer service. Hilton University provides our people with all the learning opportunities necessary to develop their careers and realize their full potential. We have created Hilton University to be a "forum" for our employees from which we centrally manage a variety of training options and materials. Starting with a generic library based on individual access, the University has grown to include modern learning technologies such as on-line discussions, web casts, and online tutor support, as well as research tools like CultureActive's cultural profiles.

Accessible, international and contemporary, Hilton University puts the development of our employees at the heart of Hilton's business strategy. Of course, Hilton has long been a leader in training and development and part of the University's remit is to build upon the strong existing base of learning material. Advances in technology, however, have given us the opportunity to portray learning in a much fresher, more accessible and innovative way. We believe that our greatest accomplishment to date has been to transform the learning experience around the world by using technology and to end the rationing that took place when learning was exclusively residential.

Hilton is managed with a balanced scorecard, and the training criteria for every employee is a minimum of 40 hours of training, per person, per year. We believe that as our employees grow, their enthusiasm and talent will improve our company, enabling us to develop new ideas and standards of

excellence. Ultimately, we believe that our highly skilled employees will provide our customers with even better service, making Hilton the benchmark in our industry.

We organize our training programs for the Middle East Asia Pacific (MEAP) region around our “Development Pyramid” (see attached) for the career-long development of our employees. This diagram represents our philosophy of developing very junior people and growing high potential through middle management and senior management positions. In addition to management development, we also maintain a strong “operational” training program that covers our brand standards, best practices for hospitality skills, service delivery, profitability, and more.

Hilton's customers are upper income frequent travelers. They are highly educated professionals and businesspeople that demand the highest level of quality and service in their hotels. Hilton’s brand promise --“Hilton puts back a little of what life takes out”—pledges to consistently deliver the highest level of customer service. Successful delivery of that promise is our primary goal. To that end, executives have declared English to be our official language, and in fact, we believe that our English skills must be consistent and strong in every corner of the organization if we are to be a global brand that delivers on our promise of customer service. However, when human resource executives from each of the regions gathered in October 2002, we realized that the organization could not consistently support this business imperative and that we needed to improve English language skills in many areas of the organization.

We know that the clearest path to superlative customer service is careful staff management and succession planning. Our goals for English language training were to:

- Improve the level of English skills among high potential team members so that they are better able to grow in an organization, which has chosen English to be its business language.

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- Maximize the potential of Hilton’s global business by enabling high potential team members to contribute to the business regardless of geographic boundaries.
- Assist with the effort to diversify the Hilton workforce and develop local nationals to operate our hotels, thereby lessening our reliance on “Western” expatriates.
- Deploy a personalized English learning program to address varying levels of English ability and maximize the investment in learning, while efficiently bringing all participants to a consistent level over the course of the program.
- Deliver on the brand promise by maintaining the highest level of customer service possible.
- Create efficiencies across the worldwide organization and manage costs.

The concept of the university is not to run an in-house learning and development function but to ensure a cohesive approach worldwide for learning and development. To accomplish this, we have engaged different best-of-breed partners for training that will ensure that we continue to elevate our service to the customer and deliver on our brand promise. After we identified the need for English training, we set out to find a vendor to support our needs and maximize the resources of Hilton University.

For the purposes of this submission, we will focus our discussion on the program for Hilton International in the Middle East and Asia Pacific (MEAP) region, as we found the need for English skills most poignant in those areas. MEAP employs 20,000 people in 12 countries .

LINK TO BUSINESS PRIORITIES

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What we are trying to accomplish is nothing less than reshaping the culture of our organization to align consistently and globally to the brand promise. This is more than a program; it is a way of doing business. We call it "Esprit." Esprit is the name we give to the spirit in which Hilton people are recruited, developed and managed. We show the world who we are by how we behave with each other and with our guests. All around the world, the Esprit philosophy lives in every hotel, so that our people truly feel they are part of an international family. We believe that if we treat our people in a way that makes them feel special, they will also be encouraged to go the extra mile and deliver exceptional service to our customers.

Quality learning and development opportunities are a key element of this treatment, and an English language program is at the foundation of our success. Although English is not the native language for the majority of MEAP team members, it is the common language in our global company because we know that English skills are crucial for delivering excellent customer service.

Our front-line employees interact with our global customers daily in English. Managers in our organization are expected to govern an international brand and comply with Hilton's high standards for operation; this requires confidence when speaking, writing and listening to English from them and their teams. According to a recent query of managers, English skills were crucial to the daily operation of the organization:

"English language is needed on a daily basis. It is used in negotiations with tour operators, daily faxes, letters, mails to all agents and companies. Contracting meetings also require [her] to make presentations in English."

“Because he is a guest contact employee and he interacts with guests on a daily basis; also, he provides information to all guests via telephone or at the concierge desk.”

“Communication with non-Arabic speaking GM [General Manager], participating in operation meetings which are all in English. Reading company mail... translating government documents. Translating GM speeches at training sessions. Interacting with customers when duty manager. Participating in Management Centre Europe seminars conducted in English.”

“As over 50% of our staying guests are foreign clients, it is important that our team members have a solid base in communicating in English when checking-in/out, taking messages and other daily operational requirements.”

“We require our team members to handle telephone enquiries, write messages and read-mails from guests who have stayed with us (e.g. lost and found enquiry). Of course, basic communication ability while on duty on guestroom floors, delivering laundry to guestrooms is very important to acquire.”

In fact, 97% of learners told us that English skills are “important” or “required” for their jobs daily. Ninety-six percent of learners said that English skills were “required” or “important” to get a promotion. And nearly 80% of learners said they needed to improve their English skills in the next 12 months.

Universal English skills also make our organization function better: Our corporate intranet, policies, business conferences, etc., are all in English. More importantly, English proficiency creates the opportunity for a broader range of people to contribute to the corporate debate and share ideas, perspectives and knowledge. Diversity strengthens our organization.

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Employee mobility is very important to Hilton International. Not only does it allow us to roll out new products more quickly and provide an opportunity to standardize management excellence, but it also helps us retain the best talent who seek new challenges and opportunities around the world. For example, if we have a Thai or Chinese national who is interested in becoming part of our mobile workforce, their ability to speak English would be one of the criteria for consideration. It is not enough that they can demonstrate technical or operational excellence; they must be able to communicate in global meetings and presentations, as well as prepare budgets and strategic business plans in English. In fact, we have found that English business communication skills are a more urgent need than hospitality-related conversation because they are more difficult to acquire.

Lastly, we want to be the employer of choice and attract and retain the best hospitality talent around the world. Learning English is a highly desirable benefit in nearly every culture and offering this training gives Hilton a point of difference from our competitors that do not.

DESIGN AND DELIVERY

The launch of Hilton University represents a new journey for our company, and one of our most important goals is to provide the field with multiple solutions for all of their learning and development needs, but in particular, English. In the year preceding the launch, the senior human resource management team often discussed the struggle to ensure that employees across the regions were getting the English skills that we deemed sufficient to support the brand. When we considered classroom options, we found that in addition to geographical challenges, in some cultures, pride was getting in the way and others made excuses about time. After the Hilton University rollout and education about e-

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learning the previous year, we saw an opportunity in 2003 to create a global online English training program.

When we set out to identify an online provider for English language training, we knew that we needed a sophisticated product if we hoped to engage the interest of “high-potential” employees who were bound for senior levels in the organization. Our success would be predicated on a superlative product that would be perceived as less threatening and easy to use. An online solution would also give us the opportunity to know what people were being trained, what they are learning, and the demonstrable impact it had on their capability within the organization and across the network.

We met with and had demonstrations from a variety of established language providers who said they had an on-line facility and found they were either not user friendly or were lacking in quality content. Of all the products we saw, the GlobalEnglish Corporate Learning Service™ was the best by far. At the end of the demonstration, we all agreed that if we can get something like this, we’d “be cooking with gas.” After a long struggle to find a product that could really have an impact on our organization, finding GlobalEnglish was the first important milestone in our success.

The GlobalEnglish Corporate Learning Service had the best functionality and navigation by far. It was highly interactive, the support was excellent, and we saw the results GlobalEnglish had already achieved with other clients. The interactive elements were very important to us, and we were impressed that the GlobalEnglish service taught all the necessary English skills: reading, writing, listening and speaking (see Exhibit #1: “Activity 7”), with courses and a variety of resources, such as translation tools and a magazine. We appreciated the breadth of personalization, with a study plan (see Exhibit #2: “My Plan”) and feedback that matched each user’s learning needs.

The interactive tutor (“Talk with the Teacher”) is one of the key differentiators for this product because it was available 24/7/365 in ten native languages. The system for tracking and reporting was very easy to use and required only limited resources to keep the entire global organization updated on its progress. We were also able to reallocate licenses as necessary. GlobalEnglish provides us a much higher level of flexibility than any other e-learning vendor we are currently working with. And the thorough GlobalEnglish assessment looked to be a key element for benchmarking and measuring our success.

When we introduced e-learning to the global organization the previous year, we had problems with usage because most of the courseware was in English and not accessible to a great portion of our organization. This point about access is important because we introduced Hilton University in order to expand learning opportunities for the entire organization. We invested in a technological infrastructure because we wanted to be able to provide the same high-quality training to every corner of the organization. Our intention was for Hilton University to help us become a more global organization. But if we’re offering 300 courses and only 50 of them are available in Japanese, we are simply not providing that Japanese employee with the same learning opportunity as an English speaker. GlobalEnglish, however, supports their service in ten native languages and eliminated those barriers to success and helped accelerate achievement of our business goals.

IMPLEMENTATION

We launched a GlobalEnglish pilot program in February of 2003 and tested employees at different levels of English ability. People from throughout the Middle East and Asia were able to access up to 750 hours of on-line language learning. IT was involved from the start, working in partnership with GlobalEnglish to ensure that specifications matched and to overcome any technical issues. As a first step, IT used the system themselves and after testing, gave us the approval to deploy worldwide. Because the

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GlobalEnglish Corporate Learning Service was so easy to integrate and the documentation was precise and clear, the entire process was accomplished flawlessly in a matter of weeks. We had immediate results in terms of participation because the system, although robust, was clear and easy to maneuver. We also didn't lose many learners because of technical issues. Lastly, we engaged mentors for the English training program that proved to be instrumental in our success.

Hilton University mentors are typically people who are one level removed from the learner and are not the manager. They provided a support system for the GlobalEnglish program from the beginning. We educated the mentors first about the GlobalEnglish Corporate Learning Service and then asked them to introduce it to their learner. As the program progressed, the mentors were front-line support for keeping learners engaged and using the service regularly. If usage or motivation was low, they assessed the challenges and suggested solutions to their learner for reaching individual goals. If problems persisted, mentors were the first line of defense to ensure that we were maximizing the value of our GlobalEnglish licenses by recommending when a seat should be reallocated. They were also a communication conduit with training, HR and GlobalEnglish, providing the feedback necessary for continual improvement.

Overall, we found that generating utilization was easy for three reasons: 1) The program received attention and support from the highest levels of the HR community who pushed it down to the entire organization; 2) MEAP team members and managers showed a real hunger for English training and understood its value for themselves and supporting the brand; and 3) The competitive nature of our culture and organization. We provided a league table to area vice presidents during their bi-monthly meetings, and if they were not in the top of the list, we found that these executives—who value service excellence and winning over all else--would immediately prompt their HR staff and general managers, to resolve the situation. Shortly thereafter we would see a surge in utilization and results in that area. That

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competitiveness has served this organization well, allowing us to maximize the value of learning and development tools, because our management understands that the worst thing we can do is make an investment in a program that goes unused.

BUSINESS IMPACT

Hilton University has placed a premium on results and the numbers tell the story of our success: around the world—in every hotel, in over 70 countries—2,500 Hilton learners together have completed over 30,000 e-learning programs in 2003, which means more than 80 courses were completed every day, up from only 5,000 completed courses in 2002. As mentioned, we have a balanced scorecard and at the beginning of each year, the hotel has to declare the total number of employees and commit to 40 hours per year minimum training for every team member. In 2003, we beat that expectation for the first time by 20% with a per-person annual average of 49¼-hours.

In 2002, the year we launched Hilton University, the average number of e-learning courses completed was three. We were disappointed with those numbers and convinced that we could do better. In early 2003 we set a new target: for every e-learning license, 20 courses must be completed. We knew such levels have never been accomplished before, but by the middle of the year it was clear that the target was not unreasonable. The organization's competitiveness prevailed once again, and when Europe saw the results that MEAP was delivering, they dramatically increased their commitment to the learning and development program. By the end of 2003, we accomplished our goal with an average use, per e-learning license of 20 courses per year. Our training programs have become so robust, in fact, that when we surveyed our employees, we found 80% of MEAP team members believe that Hilton is committed to training and developing team members to do their job well, up from dismal numbers on the same topic in

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the years prior. And consistent with our Esprit philosophy, our employees also believe that how well they do their job affects how well the hotel performs.

Hilton is a management company, meaning that we often don't own our hotels and therefore must attempt to influence--we cannot mandate--that managers invest in training. Generally, available funds are directed to the guest area before they improve the "back of house." We're proud of the fact that we've been able--through the efforts of Hilton University and partners like GlobalEnglish--to influence the organization and individual owners of the hotels to spend money on training and development. In fact, the demand for the GlobalEnglish program has been high and driven from the bottom up from our hotel owners who are dramatically increasing the number of seats. The results are clear, and in the last couple of years, the entire Hilton learning environment has changed for the better.

The GlobalEnglish results have been remarkable. In addition to regular reporting, we conducted a survey in cooperation with GlobalEnglish at the end of the pilot year to measure our success. We earned high satisfaction ratings for the GlobalEnglish Corporate Learning Service because it is a sophisticated, high-quality product that is flexible to the needs of our employees. Eighty-seven percent of learners rated the service "good, very good or excellent." A sample of learners said:

"Very satisfied; good design and structure of the service."

"Because it's a time-convenient learning tool including a variety of activities."

"I can improve my English in a comfortable way since I have access anytime, anywhere."

"Very good platform, easy to use, very effective."

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“The site is really enjoyable, and the approach is very fun. Everything is explained very clearly. It is very easy to navigate.”

“Process is practical. This is not boring.”

“Easy to use, saves transportation time.”

The majority of learners reported improved performance:

- 81% improved in ability to respond to questions/requests and offer assistance in English.
- 86% improved in ability to understand documents in English, 68% improved in ability to produce documents in English.
- 77% have improved in ability to understand and produce email in English.
- 77% improved in ability to participate in 1-1 business phone calls in English.
- 78% improved in ability to participate in meetings in English.
- 68% improved in ability to participate in conferences or training in English.

“Better reading and understanding since I started to use the service.”

“It supports my private studies and this system helped me improve my grammar which it was bad.”

“I think this service is excellent to improve my writing and speaking skills. It is very easy to use, interesting, and varied. It helps me to improve my pronunciation, grammar and reading skills.”

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92% of learners reported they have already applied what they have learned to their jobs:

“In conversations with clients.”

“When I am talking to my suppliers on the phone and when I talk to my staff on daily basis.”

“Sending emails and having telephone conversation.”

“During the transition between 2 general managers. All speeches were in English and allowed me to understand much better than before.”

“The training helped me a lot in one to one discussion.”

“Communication with the hosts.”

“In a big presentation for the top management.”

Employees have even been able to quantify their productivity improvements:

- The average time savings reported due to improved English skills is more than 5 hours each week.
- 31% of respondents say they are saving 1-3 hours each week.
- 15% of respondents say they are saving 4-5 hours each week.
- 25% of respondents say they are saving 5 or more hours each week.

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Managers also say that employees using the GlobalEnglish service have improved their performance in areas such as:

- Dealing with customers
- Conducting negotiations
- Interacting with the management team
- Participating in meetings
- Reading and writing emails
- Talking on the telephone

“The on-line GlobalEnglish has built up her confidence in using both written and verbal English for correspondence and communications. This improvement eases the internal and external communications that saves time on administrative and follow up works. Her advanced results are noticeable by the team as well as the hotel business contacts.”

“He is more able to understand guest needs in order to meet guest expectations.”

“He is now more confident when dealing with customers and his participation during meetings and training have increased.”

“He is now involved in delivering revenue proposal presentations, actively participating in business negotiations.”

“The participant improved his English language skills especially in dealing with customers. This is mainly because he became more active with guests in his duty manager day and more professional in business writing and reading.”

“It was noticed that his writing ability and letter answering skills and even the language has changed since he started the course. Less grammatical mistakes were noticed. New terminology was properly used.”

“Now more confident with one on one English discussions. Able to follow the e-learning programmes of Hilton University. Now more active and involved in group meetings. Shows more confidence in front of peers when talking in English.”

“The noticed impact was mainly in the correspondence used on a daily basis such as e-mails, faxes, letters. The grammar is improving . Understanding documents is as well in progress. Oral English needs more improvement in terms of pronunciation and phrases.”

“GlobalEnglish Improved his motivation level and had a positive impact on his language ability. He is continuing with GE in 2004.”

We have learned a great deal from the GlobalEnglish process. It has helped us to influence our hotels to take a greater interest in the benefits of English proficiency. The GlobalEnglish assessments proved to be an effective tool for improving our customer service worldwide, and this has, in turn, inspired insight into our overall customer service evaluation process. We are now investigating using the GlobalEnglish assessment tool as a standalone product to test employees’ and candidates’ English skills

because we have seen that the assessment process has dramatically improved results and finally given us a benchmark from which to measure outcomes and performance.

GlobalEnglish Corporation is a unique e-learning provider in that it has understood the challenges of running a global business and provided solutions that are helping us improve our team, our culture and ultimately, our competitive advantage. The program has proved extremely popular around the world and has delivered results that exceeded our expectations. Therefore, we recently made the wise business decision to double the number of seats with GlobalEnglish and have signed a new, three-year contract.

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