



## Leadership Profile: Conrad Hilton

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## Background and History

Conrad Hilton was a giant in the hotel industry and will forever be remembered as a leader of one of the largest hotel companies in the world. From humble beginnings, Hilton demonstrated how a leader can take a small business and make it a global corporation. Hilton became known as “the inn keeper to the world” (A Leader, 2014). This is a title that demonstrates how large an influence he had on the hospitality industry. However, he was much more than just a businessman, but a truly giving and charitable person. His leadership style, values and approach, especially the company culture gives a clear picture about the person who led the Hilton Hotel’s for over 30 years.

Conrad Hilton was born in New Mexico in 1887. At 21, he took over the general store his father owned in New Mexico. Hilton also served two terms in the New Mexico state legislature. In the early 1920s, Hilton purchased his first hotel, the Mobley Hotel, in Texas (Conrad, n.d.). He originally planned to purchase a bank, but when the deal fell apart, Hilton decided to purchase the hotel. He faced many adversities while trying to start his hotel empire, especially since he was so new to the industry and lacked experience. The struggles of the great depression led to him losing almost everything and needing to start all over again. By 1946, Hilton was back on his feet and slowly repurchased the hotels he lost during the depression and started the Hilton Corporation (Conrad, n.d.). In 1949, he began leasing the Waldorf-Astoria in New York (Conrad, n.d.). Once he saw the Waldorf-Astoria in a photograph he knew

he wanted to own this hotel. These were the first stops on his path to moving the Hilton Hotels into an international hotel company. In the 1960s, Conrad Hilton handed over the reins of the company over to his son Barron and became Chairman of the Board.

Strategies to deal with unique challenges within the Hospitality Industry.

Hilton implemented many strategies over the past decades to stay competitive and relevant within the hospitality industry. It stayed competitive in both its products as well as services. In 1940, Hilton was the first hotel company to install TVs in all of its guest rooms. Nine years later, in 1949, the Pina Colada was created at one of their properties in Puerto Rico. Hilton has also stayed competitive by creating HILCRON, a reservations system created in 1955. The reservations system was the first in its time that allowed reservations to be made by telephone, telegram, or Teletype.

Not only was Hilton competitive in the hospitality field, it also had ventures outside of Hotels. In 1958, he created the Hilton Carte Blanche credit card. This card had an annual fee of \$6 and users could use the card at accepted establishments like a regular credit card, with Hilton backing. In 1970, Hilton went into the gaming industry and purchased the Hilton Flamingo.

## Leadership Style

As a leader, there is not only one style that describes Conrad Hilton. Hilton possessed three or four different types of leadership styles. He was direct in his

approach, and through his style and various accomplishments, can be seen as a command and controlling, visionary, charismatic, as well as transformational leader. As a command and control type of leader, Conrad Hilton adapted to his role taking over the general store. As a young leader, he needed to protect his business and grow his skillset. He came from managing his father's store and had to be more of a taskmaster. As he moved into politics, he probably had to soften his approach but let people see that he would not have an issue getting his hands dirty. Over the years, he learned to adapt his leadership style and integrate his skillset from politics and the general store.

As a visionary leader, attributes include possessing the spirit of great leadership in order to take visions and to influence others to do more than they would ever have done on their own. As for Conrad Hilton, he did it. In 1940, he was the first hotelier to put televisions in rooms. He needed "buy in" from those around him to show the benefit for guests.

Conrad Hilton can also be described as an innovative leader. When growing his business, he thought *outside of the box* to create value. He was a politician and had to be creative in how he built loyalty to the Hilton Brand. He created a credit card as well as created buzz around the Pina Colada. Characteristics of an innovative leader include grasping the entire situation, going beyond the usual course of action, and seeing what is not working and brings new thinking and action into play (Blanken, 2013). Innovative leaders create a work environment to solve problems while developing new products and services.

Lastly, Conrad Hilton can be viewed as a transformational leader. He used his charisma to motivate employees, so that staff can provide a quality service to guests. He had been known to lead a group of people under his inspiration, passion, and vision. He was detail oriented and had a strong business sense. He worked with employees to implement a more transformational leadership style that showed he cared for the employees. In order to guide individuals to perform better on their job, Hilton paid attention to his employees' concerns and mentored them (Alef, 2009). During Hilton's leading period, he enhanced the communication between subordinates and him, so that employees can better express their opinions. Even though controversies existed, Hilton would tolerate differences when he thought employees' views were constructive.

Hilton also had a vision for transforming the entire hotel industry. He saw an opening in the market for a new type of hotel company. He wanted to create an international hotel company, which he accomplished in 1948 (Guyah, 2013). Conrad Hilton's son, Barron Hilton, once said, "my father was a visionary and imagined a worldwide travel industry before one actually existed" (Mink, 2013). This demonstrated how Hilton could see what the industry's future direction would be and come up with a plan to get there first. Overall, Hilton was a transformation leader who wanted to turn what was a solely local or domestic hotel industry to an international based model.

## Social Responsibility

Conrad Hilton had a fundamental philosophy of contributing back to society and positioned the company culture upon the principle of giving back. During 1949, Hilton set up the Conrad N Hilton Foundation aimed to “relieve the suffering, the distressed, and the destitute” (Hilton Foundation, 2014). With his great wealth that he earned and his mother’s influence, Hilton felt he was compelled to set up an organization that would work to help the world. In 2013, the Hilton Foundation awarded more than \$92 million to organizations working to fight for the causes that it is passionate about. A few of these focus areas are chronic homelessness, HIV/AIDS, clean water, and supporting older youth in foster care.

Over the past seven years, Hilton Hotels has created a formal Corporate Social Responsibility program. In an open letter from the CEO, outlined were a listing of the programs in which Hilton participates. In terms of its carbon footprint, Hilton Hotels and Resorts reduced energy use by 13.6 percent, carbon output by 20.2 percent, waste output by 26.8 percent, and water use by 13.1 percent – all between 2009 and 2014. Hilton also supports the environment by launching their “Open Doors” commitment that aims to impact at least 1 million young people by 2019 by helping them to reach their full potential, and by achieving ISO 50001 certification for energy management across their entire portfolio of hotels.

Hilton Hotels also supports hiring veterans and helping them get back to the workforce. In 2013, they hired over 2,000 veterans. They have also heightened awareness on child trafficking by training nearly 2,000 general managers and

department heads on child trafficking awareness and reaching more than 45,000 team members.

## Conclusion

Conrad Hilton had great vision of what he wanted to accomplish and then kept moving. He believed that success starts with action and successful people do not quit although they may have failed along the way and made some mistakes. He had great energy, tenacity, and dedication. No matter how many challenges he met on his way in the hospitality industry, he never gives up at any particular moment. The reason why he opens his first hotel is his initial plan of being in the bank failed. Right after he achieved some success in the hotel business, the Great Depression almost made him file for bankruptcy, and he lost five of his eight hotels. However, this did not discourage him from his interests in the hospitality industry. He kept his dedication to developing the Hilton Hotels and he planned to buy back all the lost hotels during the depression, which he subsequently did. Hilton's desire of building a worldwide empire of hotels motived him to move forward, and that he certainly accomplished

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