



# BECHTEL-CONSULTING

## CORPORATE GOVERNANCE IN TIMES OF INSTABILITY

## A HOSPITALITY PERSPECTIVE

**AN ANALYSIS ACROSS EUROPE**

**2025-2026**

## Corporate Governance in Times of Instability: A Hospitality Perspective

In an international environment shaped by political, economic and social instability, a lack of long-term visibility, and subdued European growth, corporate leadership bodies are seeing their responsibilities expand and their remit become more complex.

As a result, the knowledge, capabilities and leadership attributes expected of CEOs, Supervisory Board members, Board Directors and executive teams have evolved significantly, enabling organisations to respond more effectively to the full range of contemporary challenges.

Against this backdrop, our firm pursued a twofold ambition. First, to document with precision the tangible evolution of governance practices observed in the field, beyond theoretical models and formal frameworks.

Second, to translate these changes into talent implications: what they mean, in concrete terms, for the CEO profile, the Chair, the executive team and board composition, in order to strengthen resilience, enhance decision quality and sustain value creation in periods of instability.

- 1 - The major shifts reshaping hospitality
- 2 - The structural forces at play
- 3 - The governance moves observed in practice
- 4 - Talent and leadership implications
- 5 - Onboarding, development and care: securing leadership continuity

### 1. The major shifts reshaping hospitality

The hospitality sector is undergoing profound transformation. Customer expectations are evolving rapidly, competition has intensified with the arrival of new entrants, and innovation in the guest experience has become a permanent imperative. These dynamics require a continuous reassessment of op-

erating models and a stronger ability to differentiate.

In a more volatile environment, forecasting has become more difficult, yet the need for a clear short- and mid-term direction has only grown stronger. Such direction provides a collective point of reference: it sets priorities, structures execution and supports alignment. It must also be combined with the ability to adjust continuously. This capability — often described as organisational resilience — has now become a critical driver of both performance and sustainability.

On the ground, this evolution translates into tighter steering of leadership teams: support to the executive committee is intensifying, and the quality of communication has become strategic. In a context where certain decisions fall outside traditional frameworks, every decision — strategic as well as operational — must be explained, contextualised and understood in order to secure execution.

The hospitality market is also showing increasing structural resilience. Despite more frequent shocks, recovery cycles are becoming shorter. Tourism demand, particularly from the US, remains robust, and the growth in traveller volumes (approx. +10% p.a.), combined with a more limited increase in capacity (approx. +4% p.a.), continues to support occupancy levels and pricing.

The interviews reveal differentiated governance postures. Some leaders favour continuity: a long-term vision, managerial stability, gradual integration of ESG priorities and the maintenance of a clear course, without disruptive decisions. Others stress the need for governance to evolve continuously, notably to meet the expectations of investors and shareholders with differing time horizons — institutional investors, family offices and banks — and to strengthen Boards' understanding of both value-creation levers and risk exposure.

In hospitality, performance and resilience are built on end-to-end alignment between oversight governance (Board), corporate steering (holding company/head office) and execution on the ground (hotel units).



This study analyses these three complementary levels and the interfaces between them, which ultimately determine decision quality, speed of execution and value creation.

## 2. The structural forces at play

### A — Customer experience as a strategic differentiator

The transformation of the hotel market and changing customer expectations are increasing environmental complexity. Since 2018, new concepts and new entrants have intensified competition, while post-Covid recovery has accelerated demand for differentiated experiences. In this context, governance must constantly arbitrate between innovation — particularly digital innovation — the quality of human interaction, and economic performance. Offer differentiation, innovation and talent retention are becoming structural priorities.

One Managing Director highlights a turning point: *“The group’s rebranding has gone hand in hand with a stronger anchoring of purpose. Beyond visual identity, it reflects a renewed focus on why we exist. This shift has a direct impact on governance, as strategic decisions are assessed not only through the lens of financial performance, but also in terms of their impact, meaning and contribution to broader value creation.”*

### B — Human capital: capabilities, leadership stability and responsible governance

The rapid pace of market evolution is making certain skills partially obsolete. Digital marketing is a particularly strong illustration of this shift, given the transformation of distribution platforms, data capabilities, tools and customer behaviours. Governance bodies and executive teams must therefore identify critical capabilities and steer learning and development efforts in order to ensure sustainable upskilling.

Several executives also emphasise the value of a stable, committed and aligned leadership team as a driver of trust and collective effectiveness. At corporate level, the Covid crisis accelerated structural shifts, particularly the introduction of remote working for support functions. This has helped retention and performance, but does not replace the primary determinant of operational excellence: managerial proximity, attention to teams and the quality of human relationships.

In this context, responsible governance requires strengthening the representation of women in leadership and improving cultural diversity within governance bodies, while above all translating these commitments into concrete, measurable practices embedded in governance processes — a key lever for both credibility and sustainable performance.

Finally, the increasing load carried by senior leaders heightens the risk of weakening leadership continuity. A responsible approach consists in securing this continuity through structured onboarding, ongoing support, and targeted coaching and mentoring programmes.

### C — An investment economy shaped by discipline, risk and reduced visibility

Renovation projects and investment decisions are taking place in an environment marked by uncertainty and weakened investor confidence. Significant financial commitments are now subject to longer, more demanding processes, sometimes with shorter return horizons and heightened expectations around ROI. Governance must therefore provide greater strategic clarity, strong financial discipline and tighter risk oversight in order to secure decisions and preserve long-term asset attractiveness.

## 3 The governance moves observed in practice

A large majority of interviewees converge around one central idea: governance has broadly evolved from a primarily formal framework into a more strategic and dynamic lever for steering performance, risk and resilience in a more complex environment.

## A — New expectations of Boards

**More substantive governance: from compliance to value creation** Professionalisation continues to advance through committees, structured agendas, self-assessments and training. Yet the most significant shift lies in the Board's greater involvement in strategy and in its deeper understanding of value drivers.

### Committees, capabilities and expertise: the Board's new toolkit

- **The creation or strengthening of targeted committees** — strategy, innovation, risk, advisory structures — depending on organisational maturity and complexity.
- **A reshaping of Board capabilities**, with broader profile diversity across international exposure, industry expertise, finance, digital/AI/cyber and ESG, combining business-driven strategic leaders with more specialist expertise.
- **Greater use of external expertise**, through Senior Advisors and specialist experts where required capabilities are too specific or not needed on a permanent basis.
- **Improved information quality**, with more structured materials, greater transparency, and decision-oriented reporting focused on options and trade-offs.

**Innovation and cadence:** balancing long-term priorities with short-term pressure. Innovation is now firmly embedded on the agenda, with a clear challenge: dedicating sufficient time and depth to long-term topics while maintaining performance discipline.

**CEO–Board dynamics: strengthening the sparring-partner role while avoiding micromanagement.** Interactions are becoming more frequent and more substantive in order to address risks earlier, accelerate trade-offs and secure major decisions. The key watch-point is the boundary between strategic proximity and micromanagement.

**Digital, AI, cyber and ESG: now full governance topics** These issues are increasingly positioned both as value-creation levers and as core areas of risk oversight, spanning reputation, compliance and business continuity. The ESG trajectory is also being assessed more and more as a driver of financing access and competitiveness, beyond reporting requirements alone.

Senior Advisor testimony — M&A / Private Equity &

family-owned businesses: *“Cybersecurity requires organisations to adapt their structures. We created a risk committee. It does not prevent an attack, but it changes the level of preparedness, the impact, and the credibility of the company in the eyes of insurers.”*

**Shareholder dialogue: a greater role for the Board and the Chair.** Shareholder–Board interactions are becoming more direct and more frequent, particularly when uncertainty rises and shareholders seek greater understanding of the company's trajectory.

## B — Heightened shareholder and investor expectations in relation to governance

In hospitality, shareholders play a decisive role, and dialogue with governance bodies has intensified markedly in recent years.

Long concentrated around the CEO and CFO, this relationship is now broadening: the Chair and, in some cases, certain Board members are becoming more directly involved in discussions with investors. This evolution reflects a higher level of expectation around the sector's key structural topics: capital allocation, asset management, development, brand portfolio, customer experience, transformation and business-model resilience.

The central challenge is to align, upstream, the governance framework for the most material decisions and to adjust governance cadence accordingly. Where possible, this framework is formalised through dedicated mechanisms such as shareholders' agreements, reserved matters or approval rights.

For investors, the quality of dialogue with the Board remains a critical success factor. That dialogue must be transparent, fact-based and forward-looking, grounded in trust, in order to shed light on performance gaps, enable rapid trade-offs and secure sustainable value creation.

## C — New demands on executive teams

**Pace: accelerating without creating disorder** Instability requires a change in tempo: moving from planning to active steering when external conditions intensify, without tipping into agitation. This calls for simple but robust mechanisms: sharper priorities, faster trade-offs, and a steering approach capable of distinguishing the essential from the noise.

**Routines and communication: securing execution through structure** More frequent routines and more structured communication help secure execution. Resilience is built through short- and mid-term clarity, continuous scenario-based adjustment and organisa-

tional consistency.

**Internal alignment: maintaining coherence when the outside world accelerates** The executive committee carries a critical responsibility: making choices explicit, sustaining a stable narrative around direction, priorities and trade-offs, and preventing each function from re-optimising its own perimeter at the expense of the collective.

## 4 . Talent and leadership implications

**B**ehind every shift in corporate governance lies a leadership question: who decides, with what capabilities, what checks and balances, and with what execution capacity. This study highlights what these shifts mean in practical terms for the CEO and Chair profiles, for Board and management composition and assessment, and for the onboarding, development and succession mechanisms that underpin resilience in periods of instability.

## C EO: a broader, more exposed role

The role is becoming more complex at an accelerating pace: more frequent trade-offs, a growing number of stakeholders, intensified interactions with the Board, and rising exposure to risk, regulatory, digital and ESG matters.

### Key evolutions in the CEO success profile

- **Strategic clarity in a moving environment:** maintaining a clear direction while preparing activatable options through scenarios, thresholds and alternatives.
- **Speed and execution discipline:** deciding faster without compromising quality, and translating decisions into robust operating routines.
- **Ambidextrous leadership:** combining collaboration with high standards, preserving cohesion without weakening performance.
- **Risk and reputation maturity:** managing exposure across cyber, compliance and geopolitics as both a resilience issue and a value-creation topic.
- **Board orchestration:** helping shape a Board with the right capabilities, optimising directors' time, creating transparency and productive challenge, and avoiding tick-the-box governance.
- **Individual engagement with directors:** investing in one-to-one relationships in order to activate contributions more effectively.

- **Exposing the Board to the executive team:** trust is strengthened when the Board has direct access to the leadership team; the CEO must prepare and coach leaders for credible interactions.

### Watchpoints

- **The risk of paralysing governance:** excessive compliance can over-rigidify trade-offs, slow decision-making and dampen strategic boldness.

**The risk of human fragility:** solitude, intensity and pressure — hence the importance of structured onboarding, targeted coaching and mentoring, and, depending on the context, a stabilising Board role without blurring responsibilities.

## B oard performance must be actively managed — and the Chair is its guarantor

As the Board becomes more involved — through a more proactive stance, a stronger sparring-partner role and a faster cadence — the Chair becomes a pivotal role.

- **Designing interactions and rhythm:** deep dives, workshops, small-group sessions and ad hoc committees; knowing how to change pace in a crisis.
- **Facilitating debate:** decision-oriented agendas, productive challenge, avoiding both polite consensus and sterile confrontation.
- **Orchestrating contributions:** mobilising directors' talents and managing group dynamics effectively.
- **Clarifying roles:** enabling strategic proximity without micromanagement, a critical issue especially in two-tier structures.
- **Managing the shareholder interface:** strengthening trust and clarity and organising governance dialogue.

The core question is whether the Chair generates pace, debate quality and better decisions — or merely compliance.

## E xecutive Committee: collective leadership, pace and a culture of openness

The faster the environment moves, the more the Executive Committee is expected to operate as a decision-making team rather than a mere collection of functions. The first requirement is cross-functional coordination. The leadership team must therefore establish more frequent and more structured routines: short but regular check-ins, decision follow-up, trade-offs made at the

right level, and explicit clarification of responsibilities through owners, milestones and indicators.

**Executive Search reading:** the maturity of an executive team can be seen in its ability to reduce internal friction and produce decisions that are ready to execute, without multiplying approval loops.

• **Cultivating openness and learning** through benchmarks, outside perspectives and targeted expertise. Avoiding insular decision-making.

**Executive Search reading:** openness is also a leadership capability — it requires humility, curiosity and the ability to absorb dissonant information without destabilising the team.

Watchpoints

The risk of reinforced silos, with each function protecting its own perimeter.

The risk of over-acceleration, where pace increases without sufficient structure.

The risk of misalignment, leading to a loss of clarity for middle management.

## **O**perational management at hotel unit level: execution, alignment and proximity leadership

**Proximity leadership, grounded in customer reality and operational execution.** Performance depends on leadership teams' ability to stay close to the reality of the business: weak customer signals, operational irritants, service quality and consistency of standards. Leadership is becoming more participative, based on active listening and team mobilisation, while maintaining high standards of execution.

**Structured communication and alignment routines.** In an unstable environment, execution depends on constant alignment. This requires short, regular routines — operational check-ins, rapid trade-offs, cross-functional coordination — and clear communication: every decision must be explained, contextualised and translated into concrete priorities that are understood by all.

**Demanding care and empathy as a performance lever.** Managerial empathy is no longer a leadership style; it is a governance tool. It helps secure engagement, reduce wear and tear, strengthen cohesion and improve service quality. It is expressed through demanding care: support, feedback and recognition, combined with the ability to stay the course, arbitrate and decide, even under pressure.

## **5**. Onboarding, development and care: securing leadership continuity

**T**he testimonies are consistent: as governance intensifies and the environment becomes more unstable, the leadership role becomes more exposed, denser and more solitary. This intensification mechanically increases the risk of weakening leadership continuity, whether through fatigue, reduced judgment, tensions with the Board or unanticipated departures. The most mature organisations now treat onboarding, development and care not as peripheral HR measures, but as resilience mechanisms.

**T**hree structural levers

• **Governance- and risk-oriented onboarding:** mapping key stakeholders, clarifying the rules of the game — roles, Chair expectations, committees, decision processes — and reviewing major risks such as cyber, compliance, reputation and geopolitics, together with the routines used to manage them.

• **Targeted coaching and mentoring:** professionalising leadership posture under pressure — decision speed, delegation, tension management — strengthening the quality of interaction with the Board through transparency, anticipation and productive challenge, and maintaining personal discipline in terms of prioritisation, energy and judgment.

• **Support mechanisms (“care”) without blurring roles:** external sparring partners, peers, and stronger bilateral exchanges with the Chair. The Board can play a stabilising role — by requiring transparency and protecting the quality of debate — without slipping into micromanagement.

**T**he challenge is straightforward: preserve the leader's ability to sustain performance over time, and avoid a situation in which governance identifies too late a fragility that has already become critical.

**Executive Search reading:** in periods of instability and transformation, onboarding, development and care become governance instruments in their own right: they secure continuity, reduce disruption risk and strengthen decision quality at the top.

## The BECHTEL-CONSULTING Team

This study was conducted by BECHTEL-CONSULTING, a pan-European Executive Search and Advisory Firm with offices in Cannes, Frankfurt, and Paris.

We partner with CEOs, shareholders, and Boards on leadership selection, assessment, and succession, combining a nuanced understanding of governance dynamics with a rigorous approach to leadership in times of instability.



### **Geneviève Joassard**

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As an Executive Search Consultant, Geneviève Joassard brings ten years of experience at BECHTEL-CONSULTING GmbH, where she leads senior executive search assignments and advises on talent management for both international groups and companies with more tightly held governance structures. Her approach combines sharp leadership analysis with a deep understanding of governance dynamics, supporting appointment decisions in transformation contexts.



### **Herbert Bechtel**

Founder & Managing Partner  
Executive Sponsor

Founder and Managing Partner of BECHTEL-CONSULTING GmbH, Herbert Bechtel brings more than twenty-five years of experience in Executive Search and talent management. He advises Executive Committees, Chairs, and Boards on governance, succession, and leadership team strengthening.



HERBERT BECHTEL, 30 YEARS OF EXPERIENCE AS HEADHUNTER  
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