

Riding out the storm



Hotel companies that radically reduce their staff numbers are likely to survive this recession in the short-term.

The long-term survivors are more likely to be those hotel companies that make sure they have the right executive team, the right management team, the right technical experts and the right service delivery teams in place.

These two HR strategies are, however, not mutually exclusive but, without care, ill-advised action on the first will jeopardise the latter.

Cautionary tale

The last time ABC Hotels Ltd culled its management team (as the economy took a downturn after 9/11), it was bonanza day for the many small management companies. As a result of an ill-considered 'right sizing' programme, scarce talent was unexpectedly available in what was a buyers market.

Not only was the labour market awash with highly employable people but educated savvy middle managers joined the new free-wheeling upstart companies determined in part to get their own back on stuffy old reliable ABC Hotels Ltd. They were doing all the things they'd learnt to do but, this time, as competitors. ABC Hotels Ltd had certainly shot itself in the foot.

It took most of 2008 for ABC Hotels Ltd to right its wrongs and now here it is again facing another downturn.

So is ABC Hotels Ltd. doing anything differently?

Seeking advice from its retained consultancy, the hotel group's HR director was advised to:-

- reduce labour costs without shedding jobs - through salary caps and cuts, reduced hours and enforced vacations
- avoid voluntary redundancy programmes that put power in the hand of the employee not the employer
- cull the lowest performers - probably not more than 10% and all against previously documented appraisals
- make the most of flexibility provisions in the labour law of each jurisdiction
- motivate the stayers to stay
- provide skills training, particularly government funded training
- design the bonusing system so that people understand that there is no payout unless the company hits a certain level of **long-term** profitability. Additional criteria can be the team's success and the individual's success.
- hire talent from outside to fill knowledge gaps for tomorrow's market

Top recruiting tips

Once you have a candidate, conduct behavioural and technical tests first and then do a telephone screening before bringing them in for a face-to-face interview - not the other way around

All interviews should be structured and specific. This gives the candidate the opportunity to show you their skills more effectively and gives you the opportunity to be more objective in your final selection. Often the most-liked candidate is offered the job, rather than the more technically capable candidate. The wrong decision costs a lot of money, time and upset; far better to get it right in the first place.

The moment an organisation employs a new team member is the time to ensure that he/she is properly introduced to the company, given the necessary induction, allocated the resources to undertake their role effectively and given a clear description of their role and KPIs.

Employees also need to feel valued. Formal and informal performance reviews should be carried out and, from that process, relevant training opportunities should be on offer to help staff maximise their potential and develop their careers.

Building for tomorrow

If you are building your business for tomorrow, the core goal from the human resources perspective is to ensure that the organisation has the best people - not just the best 'available' people.

The best 'available' people, whether inside or outside your organisation, may be 'available' simply because nobody can figure out what to do with them. You need to be rigorous in your approach and fill each position with the best person.

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