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Hospitality Company Increases Retention

Profiles International[®] CASE STUDY



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Within the hospitality industry, this management group is known as the “turnaround doctor” for underperforming hotel properties, seemingly waving a magic wand to immediately change a hotel’s brand, standards, and flag. In the process, the organization becomes the operator, partner, and sometimes, the owner of the property.

To outsiders, these transitions appear to happen in mere moments at the stroke of midnight, in a sort of reverse-Cinderella fairy tale. Those on the inside know that fairy tales are just fun stories that fudge the truth, and that turning a hotel in a new direction requires a team with knowledge, skill, the right people, and occasionally, months of hard work. After partnering with Profiles International, the management group has seen, in one year, an 83 percent retention rate of their key workers.

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History

Formed in 2000, the company owns and manages properties from California to Maine, no matter the brand. “We are managers first and foremost,” says the company’s vice president of strategic planning and human resources. The organization has 42 hotels across all brands in its portfolio, and owns one-third of them.

When taking over a property, the hospitality giant institutes a new brand by changing the flag, renovating the real estate to meet new standards, and establishing their own management standards. One reason for their success as turnaround specialists comes from the senior leaders’ combined experience in identifying sluggishly performing properties and dramatically improving their abilities.

Their sharp focus makes the organization’s mission (“To maximize the value of our hotels in any business climate”) and vision (“To be the most sought-after employer, operator, and partner in the hotel industry, and the leading solution provider for underperforming properties”) possible.

Using this vision and mission, the organization has won numerous awards for excellence and top rankings, including recognition for improved market share performance, excellent guest service, and quality renovation projects.

How it is done

One of the first steps the turnaround team takes with new properties is to install the company's operational methods—a set of systems, processes, and tools that senior leaders have developed to drive revenue and reduce costs. "We put these into each property when we take over," the VP says.



Leaders also instill their culture of excellence with employees throughout the organization. To that end, leaders train associates in how to take over a property. "Everyone goes through orientation and excellence training. 'Excellence' is a mindset; you have to live it. You make a difference in your own life and that is how it impacts the guests. It's a cultural thing. This is constantly reinforced."

Although a transition may seem like an overnight thing to outsiders, the hospitality giant knows change is a process, not an event, a philosophy that sets the organization apart. "Too many management companies think, 'You're in, you're out.' Our processes start as soon as we have an indication we are buying a hotel. We go in—90 days in advance sometimes—and begin to map out a transition plan. We have a roadmap, but we tweak it to the nuances of that situation."

The team will examine a property's market share, guest satisfaction scores, and other information. In addition to this corporate oversight, a top general manager from one of the group's best-performing properties will arrive to direct changes. Soon, a new hotel management team is in place. "All of them have day jobs somewhere else in the company, but they all come together," the VP says. This is part of the company's transition playbook, which directs leaders how to charter and launch a team, laying out activities step-by-step. "On the day of transition, we are all on site, and we are there for weeks to months afterward." Ninety days later, corporate leaders study the results to track the upward momentum.

Turning around a property is a great developmental opportunity, says the VP of HR.

"You have leaders now stepping into these roles. In order to be selected [for a transition team], they must be high-

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performing individuals already, and on a career path to another role. In addition, they must have coverage back where they are based.” This means they have developed their own employees to run their hotels successfully in the manager’s absence, making the transition process “a really excellent development tool all the way around. It’s a stepping stone to the next position.”



The company’s VP of HR has more than 20 years’ experience in hospitality and management consulting industries, and leads the strategic business planning and enterprise performance management processes. In this role, she heads a couple of strategic initiatives each year, provides oversight of strategic planning processes, and coaches others in how to perform against the strategic plan.

Her job requires her to lead property transitions, and she also takes the lead in human resources by managing the department, recruiting, and handling employee relations. One of the first things she did after joining the organization was to build a standard hiring process using Profiles assessments, which she had used in other roles and brought into the organization.

The Profiles influence

A priority for the management group was hiring people with the right service fit for their culture. “You can train someone in the skills, but service has to be within that person,” the HR manager says.

She learned this early in her career when, right after college, she worked as quality advisor for a major hotel chain. Every hotel organization she has worked with has used assessments, but she discovered Profiles when she was looking for an assessment that would help her hire a general manager. She found the ProfileXT®, and it helped her discover someone with the right leadership attributes and cultural fit for the position. “I saw it at the right time.”

The organization began using Profiles assessments with general managers, and then with directors of sales. Now they use assessments with all employees, including these:

- **PROFILEXT® (PXT)**—Profiles’ “total-person assessment,” which helps in the hiring of every general manager and every department head.

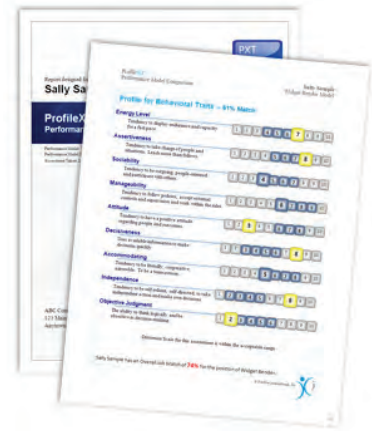
Data Services
Education
Engineering
Financial
Healthcare
Insurance
Manufacturing
Real Estate
Retail
Services
Technology

- **PROFILES SALES ASSESSMENT™ (PSA)**—helps organizations optimize sales performance and assess everyone in sales management.
- **STEP ONE SURVEY II® (SOSII)**—assesses “every single position,” all of the organization’s 2,500 employees. This assessment is key to employee background, employment history, integrity, personal reliability, and work ethic, and is used primarily as a screening tool early in the candidate selection process.
- **CUSTOMER SERVICE PROFILE™ (CSP)**—assesses all front-of-the-house positions, or those that have the most contact with guests, including workers at the registration desks and food-and-beverage servers. The CSP measures how well a person fits specific customer service jobs in an organization, and Profiles offers a specialty version for hospitality workers.

The hospitality giant began with PXT in 2010, and added SOSII in 2011. “In the first year of SOS II use, the turnover rate dropped,” said the VP of HR. That year, the company saw an 83 percent retention rate when the SOSII assessments were used correctly, and a 42 percent retention rate when they were used inconsistently, or when hiring decisions were not based on assessment results.

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“PXT gives us so much insight into an individual, and [the results] are accurate,” she says. “If we second guess the assessments, we find out that they are correct. It took a couple of those [second-guesses] for people to appreciate the information the assessments gave us.” The results the organization realized the first year with SOSII, and what that assessment did for retention, were a major selling point. The VP’s team shares assessment results with managers. “They are the ones who use the hiring questions and drill in, and they love having those questions.”



The assessments offer use beyond hiring, the VP noted. For example, senior managers review PXT results with leaders who have been successful general managers and are under consideration for a new role. PXT gives them insight into an individual’s assertiveness or decision-making ability.

Results and future strategy

After seeing the SOSII’s results, the HR manager wants to see

more employee performance data for her company, and discover where the dots connect to PXT and PSA. That evaluation process is ongoing.

She is also considering using the Checkpoint 360[™], an assessment that evaluates leadership skills and effectiveness of managers and leaders by compiling a feedback system for each employee derived from direct reports, peers, supervisors, and customers.

Meanwhile, the management group saw its portfolio grow by 33 percent in 2010, and 36 percent in 2011. The company added eight hotels and two conference centers in 2012, and continues to spread its culture of excellence broadly.