



## Hiring for fit: Eight suggestions for creating an effective interview and selection process

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In the lodging industry, as in every industry experiencing tough competition and financial pressures, hiring the right people to join the team is one of the most important decisions managers make. As a hotel manager, you are one of the lucky ones if you cannot think of one instance of hiring someone for a key position who turned out to be a poor fit for your culture or bad for business.

The cost of a bad selection can be expensive. It has been calculated to be, at minimum, six months to a year of the annual compensation for an hourly employee, and two to three times the annual salary for a supervisor or manager. The cost of a miss-hire may even be as high as ten times the annual salary for mission-critical positions. To create a business case for investing in improved hiring practices, a prudent lodging manager can estimate the true costs of poor employee selections for their hotel by building a “turnover calculator” of their own. For each key position one wishes to analyze, calculate the costs of elements such as:

### Costs Due to Departure (usually 60% to 80% of annual compensation):

- Cost of lost productivity
- Cost of exit activities
- Investments in training exiting employee

### Recruitment Costs (usually 10% to 40% of annual compensation):

- Advertisement, referral, agency fees
- Internal recruiter time
- Administrative time scheduling and processing
- Interview manager and team time

### Training Costs (usually 10% to 20% of annual compensation):

- Orientation time and materials
- Job training – time and materials
- Supervisory time during ramp-up

### Lost Productivity (usually 50% to 70% of annual compensation):

- Cost of lower productivity (e.g., 25% - 75% of desired performance level) during first six months
- Departmental impact on productivity during exiting and retraining
- Cost of ramp-up mistakes (e.g., impact on customer likelihood to repeat or refer business)
- Lost Opportunity Costs (depends on type of position)

Once the key positions that are most costly and where turnover is higher than desired have been identified, focus on re-tooling the hiring and selection process to ensure the right talent is joining the hotel or department. The most important element of the selection decision is the interview. Interviewing is not a simple process; it is a complex skill that most managers don't use frequently.

Here are eight suggestions for creating an effective interview and selection process:

- 1. Good planning and preparation.** A skilled manager needs to know what they are looking for when hiring people, for every position. Create objective plans to assess whether applicants have it. Preparing for the interview may be one of the most important, yet most forgotten, elements of a successful interview. Preparation and planning pave the way for



a focused, well-managed and successful interaction. Planning begins with having a clear set of criteria outlined for the ideal candidate in the position. Having criteria creates the roadmap for the interview.

Recently, a senior executive client talked to us about the importance of hiring people who work out the best in his organization. He said that “looking beyond the technical skills and experience means that you are hiring for fit. This seems to help create a positive domino effect where the on-boarding and assimilation of new employees is calibrated better, and increases employee satisfaction and lowers turnover.”

Not only should one be clear about the functional, day-to-day skills and experience needed in a new employee, you should also be clear about the “career and culture fit” criteria or success factors—the behavioral factors that will help the person perform well in the job and jump-start a longer career in the company.

Then, plan the questions that you might ask in the interview. For example, if a key success factor for the job is having *Interpersonal Skills*, an interviewer might plan to use queries such as:

- Tell me about a situation you have had with a difficult co-worker or customer and how you dealt with it.
- How would you describe your most recent supervisor?
- How would that supervisor describe you?

If looking for a person that is *Customer Focused*, plan to use queries such as:

- What is the worst customer service situation you have ever seen? How did that affect your views of how to deliver customer service?
- How do you balance the needs of the customer with the needs of the business?
- How do you go about setting expectations for customer service?

2. **Create the right environment.** There are three key elements to creating the right environment. Consider the setting first; always make sure you are in a professional and private location that is free from interruptions. Interviewing in a public place is not recommended. Second, make the candidate feel as if it is a friendly conversation so they relax and demonstrate a more natural behavior. The third element is making sure you set the direction and the tone by the way you open the interview. Let the candidate know what you want to discuss and the time you plan to take to do this. Everyone relaxes more when they know the game plan. When interviewees are more relaxed, they tend to be less guarded and more open.
3. **Maintain professionalism.** The best interviewers are professional at all times. They ask appropriate questions and follow legal guidelines to avoid any appearance of discrimination in the hiring process. Questions should relate only to the established criteria and should avoid such areas as:
  - Age
  - Religion
  - Ethnic heritage
  - Marital/family status
  - Arrests (convictions are a different story)
  - Disability or medical record
4. **Navigate the discussion.** The best interviewers control the direction and flow of every interview – guiding it so they can gather the most critical information in order to make the best hiring decision. When interviewing someone, essentially you are trying to assess how well he or she would fit with the position and the organization. The candidate should be doing at least 80 percent of the talking. This will afford the interviewer plenty of time to observe them.
5. **Recognize your own biases.** We all have some sort of bias when it comes to evaluating applicants. These biases tend to subtly sway us to favor one candidate over another for reasons that are not related directly to the ability to do the job. Bias by interviewers is a key reason for interviewing failure. Making decisions based upon gut feelings or intuition does not always work. Instead, using data points from observed behaviors against your predetermined success criteria provides a much more reliable result.



6. **Take good notes.** The notes that experienced interviewers take consist of patterns of behavior observed in the candidate; not just what the candidate says. That is why these notes are often called pattern maps. As behaviors are observed, the interviewer keeps a record of the patterns—five instances of a particular behavior. These patterns will almost certainly show up in on-the-job behavior.
7. **Observe the candidate's behavior.** To observe patterns of behavior in a candidate you must listen for the words *and the behaviors* the candidate displays. Look for facial expressions, nervousness, interpersonal warmth, depth of knowledge, and other non-verbal behaviors. These give real insights about the candidate more than the words used.
8. **Decide on fit.** Best hiring organizations use core teams of interviewers to assess a candidate from multiple perspectives. Research indicates the validity of consensus ratings is significantly higher than other approaches.

Hiring the right people pays dividends in the short and long term. Short-changing the hiring process is at worst a performance time bomb waiting to happen, and at best a lost opportunity to enrich your hotel. There are few responsibilities any hotel manager has that impact the hotel and its success more than who you bring on board. ✧

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