



Data-Driven Solutions: Invest in People, Improve Profits

Planning today for the talent you will need tomorrow is more than a human resources issue: it is a profit-focused business strategy. Resorts can proactively address the challenge and improve retention by (1) learning why their most valuable employees stay; (2) managing turnover, not just reducing it; and (3) outlining succession plans for high potentials.

Ask Your Employees: Take Action

An organization-wide assessment, customized for your resort, will identify how to keep the people you have by building on your strengths and targeting areas for improvement. An outside research firm that is expert at gaining the confidence of employees can get a higher quality and quantity of data than your own human resources team can access.

Such experts can gather anonymous answers with a high response rate and ensure that management will act on employee feedback data, taking these candid responses to questions and then making sound business decisions. Why are people staying? How can you improve your strengths? What quick fixes will communicate to employees early on that they have been heard? What locations have high employee satisfaction scores that directly correlate to high productivity and profits?

Develop a Turnover Management Strategy

While “more money,” “better job,” or “personal reasons” are reasons many employees give to managers or human resources for leaving, a trained outside interviewer can learn the real causes behind why a person first began the new job hunt. Remember that people mentally exit a company long before they physically exit.

So, how do you get exiting employees to take valuable time on surveys,

or exit interviews? Most people don't want to burn bridges so should be willing to participate. Also, when they hear that the former employer/company wants to know why they left and will pay an outside firm to conduct this research, they are more open to providing candid, complete information about their employment. They also need to hear that management will implement retention strategies and that their data will help to improve the workplace for co-workers they left behind.

First, there must be enough data to sort by small groups (i.e., women, ages 20-25, tenured one to two years, in food & beverage, etc.). What motivates these different groups will definitely be different than what motivates your six-figure income salesmen at a specific location who report to a certain sales manager. You will get better results less expensively by targeting your resources to what small groups value than by spreading your limited resources over large groups.

Collecting data, however, is worthless without acting on it. To reduce turnover, most managers think they should just “improve job satisfaction” for all employees—this is neither smart nor cost-effective. High-performing employees are often de-motivated by strategies that work for low performers: one size does not fit all. Productivity and profits can spiral upward by encouraging low performers to leave,

while motivating the best people with high potential to stay. This also brands you as a great employer.

Focus on High Potentials

Retaining top talent is vital to positive organizational morale and high productivity for profitability. High performers often leave if their less competent coworkers are not held accountable for results and yet receive the same compensation. Communicating expectations up front and measuring performance can improve morale and positively impact retention. Setting job-specific, measurable goals and a timeline for achieving them, and then supporting the employee's ability to achieve those goals with regular reviews along the way, motivates high-achievers, who appreciate professional development opportunities. Outlining their career path with a focus on succession planning keeps them further engaged.

Costs of Research and Analysis

Outsourcing costs should be compared to the cost of disengagement among current employees, plus turnover costs, which grow in proportion to the salary. Research shows that:

- Losing a \$30,000 person costs about \$15,000;
- Losing a \$60,000 person, about \$60,000; and
- Losing a \$100,000 person, about \$150,000 or more.

Employee engagement, exit research, and retention analysis costs can be offset by improving productivity and reducing turnover by a small percentage. (continued p.74)

Invest in People (cont)

The impact of data-driven retention strategies is usually reported quarterly, and the ROI can easily be calculated. One company with 115-percent turnover and 16,000 employees sorted its exit interviews into small populations, and tailor-made small group solutions. The remedies were adjusted for each small group based on data, not guesses. In three years, they reduced turnover to 49 percent, which they translate into \$50 million saved per year.

Conclusion

With a diminishing workforce and the demand for quality service in the resort industry, investing in people by “keeping the best and turning the rest” has proven to increase profits.

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Developments

2007 Editorial Calendar

April/May – Convention Issue; Industry Innovations

Articles Due	2/1/07
Ads Closed	2/14/07
Ad Art Due.....	2/15/07

June – ACE Project of Excellence Award 2007 Winner

(Convention Wrap-up)

Articles Due	4/2/07
Ads Closed	4/20/07
Ad Art Due.....	4/30/07

July – Alternative Vacation Products

(Luxury: Fractionals, PRCs, Condo Hotels, etc.)

Articles Due	5/1/07
Ads Closed	5/18/07
Ad Art Due.....	5/31/07

August – Design/Architecture/Construction

Articles Art Due	6/1/07
Ads Closed	6/22/07
Ad Art Due.....	6/29/07

September – Resort Management

(HR & Operations)

Articles Due	7/2/07
Ads Closed	7/20/07
Ad Art Due.....	7/31/07

October – Sales and Marketing

Articles Due	8/1/07
Ads Closed	8/19/07
Ad Art Due.....	8/31/07