

Talegent Whitepaper 2015

Hospitality Validation

The importance of hiring high quality hospitality staff

The service experience that a customer receives is one of the critical factors that will keep them coming back time and again... or never again. A large part of that experience is determined by interactions with hospitality staff. That's why in hospitality, it's not enough for an employee to simply be acceptable. They need to be exceptional in order to keep customers coming back.

If we asked you to describe what qualities your best staff possesses, that's not too hard. You might say, for example, that they are customer-oriented, dependable, and able to positively deal with the numerous stresses that occur every day on the job. But identifying who these people will be, before they start on the job, is a far more difficult matter. Fortunately, according to research, there is a way and personality is the key.

The personality characteristics of high performing hospitality representatives have been the focus of numerous research projects. Previous literature has found that a link exists between a hospitality worker's personality and their ability to perform on the job. Silva (2006) found multiple job attributes including organisational commitment and job satisfaction are significantly related to personality traits. While a meta-analysis by Ones, Viswesvaran, and Schmidt (1993) found that personality is likely to predict an employee's performance, as well as disruptive behaviours.

The Challenges

Finding exceptional staff

Czepial (1985) suggests that the service is just as important as the product offered in predicting customer satisfaction in the hospitality industry and the research shows that customer satisfaction is the cheapest form of promotion for a hospitality company (Knutson, 1988; Naumann, 1995). But finding employees who are focused on customer needs has always been a challenge for the hospitality industry, as there is a perception amongst the public that hospitality offers long hours, low pay, low status, and high staff turnover. This perception is particularly prevalent amongst millennials who comprise a large proportion of front-line staff. (Barron, Maxwell, Broadbridge & Ogden, 2007).

Further, many of the employees in hospitality are likely to see their position as a job rather than a career (Barron et al., 2007), so finding staff who are suitable for promotion to managerial positions is an additional challenge for hospitality.

Teamwork

High-performing teams will consistently give better service than low performing teams, or even teams with individual 'star performers' (Berger & Vanger, 1986). Other research suggests that effective teamwork may also directly impact organisational performance (Katzenbach, & Smith, 1992).

Composure

Those in the hospitality industry are likely to report up to twice as many stressful days as those in other industries, and this is likely to lead to an increased number of sick days (Absenger & De Cuisine, n.d.). Moreover, these working conditions are far more likely to result in employee burnout (Kang, Twigg, & Hertzman, 2010). In Australasia, turnover rates were reported to be up to 300% per year (Deery, 2002). Therefore, it is critical for hiring managers in the hospitality industry to be able to find those employees who are best equipped to manage this stress on a day-to-day basis, and continue to excel in their jobs regardless of the stressors present.

Outline of the Study

Talegent deployed its hospitality solution within Company X, a major Australasian hospitality company who employs nearly 3000 employees across 200 different job-types. Using Talegent's hospitality solution, Company X hired 300 new staff and measured their performance in their new roles. This solution 1) added a pre-screening assessment into the hiring process and 2) ranked candidates based on their scores for a set of competencies that are considered best able to predict candidate performance in a hospitality role, based on leading academic research and the experience of 21 subject matter experts.

Talegent then empirically analysed the relationships between employees' assessment scores and their performance. Managers assessed rated candidates work performance across six key areas including customer orientation, teamwork, and composure and stress resilience. These manager ratings were then compared to assessment scores to determine the relationship between the two.



Objectives

This study aimed to measure the improvement in the quality of hires to be gained by implementing a pre-screening process. Employee performance was focused on four key areas:

- Overall service quality
- Likelihood to progress within the organisational hierarchy
- Ability to work in teams
- Composure

Competencies Measured

Drawing on leading research and the knowledge of industry experts, Talegent's hospitality solution assesses cognitive ability, hospitality skills, and personality tendencies to predict an applicant's performance in a hospitality role. This study aimed to validate the accuracy of the following competency measures used to predict employee performance.

Waged Roles Screening Assessment Competencies

Understanding Information:

The ability to understand instructions, processes and procedures. High scorers are likely to understand new information readily and be capable of communicating information to others.

Customer Focus:

The tendency to be motivated to meet or exceed customer expectations and fulfill obligations to others. High scorers are likely to be friendly, enthusiastic and tactful when engaging customers with a drive to achieve the best outcomes for customers.

Teamwork:

Teamwork assesses how well the candidate is likely to perform in team situations. It examines their relationship building skills, their tendency to share tasks, ideas, and information with relevant others, and their tendency to prioritise the needs of the team.

Self-Motivation:

Tendency to be motivated by challenging goals, strive to achieve them in the face of obstacles and stay focused on work tasks.

Composure:

The tendency to remain calm and level-headed in difficult or stressful situations. High scores are likely to handle difficult customers tactfully and maintain their composure in stressful circumstances.

The Results

Talegent's analysis of Company X hires found that employees' overall assessment scores, as well as their scores on teamwork, composure, and customer focus were significant predictors of manager's ratings of performance.

Overall Score

A candidate's overall score predicted manager's ratings on a variety of characteristics.

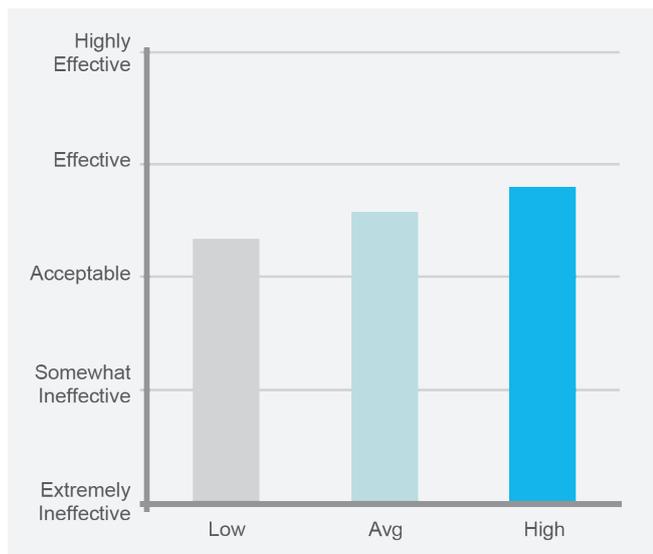


Figure 1 - Overall rating of employee effectiveness

Most notably, a hospitality workers' overall score was found to predict manager's ratings of their overall performance. Those who scored highly overall are more likely to be rated as a high performer by their manager. Furthermore, overall score was linked to predict manager's rating of an employee's ability to progress through the organisational hierarchy. Those who scored highly were rated as much more capable of performing roles one or more positions higher than their current role in the organisational hierarchy, and were **1.6 times more likely to be rated as being capable of progressing within the organisation** compared to those who scored in the low range.

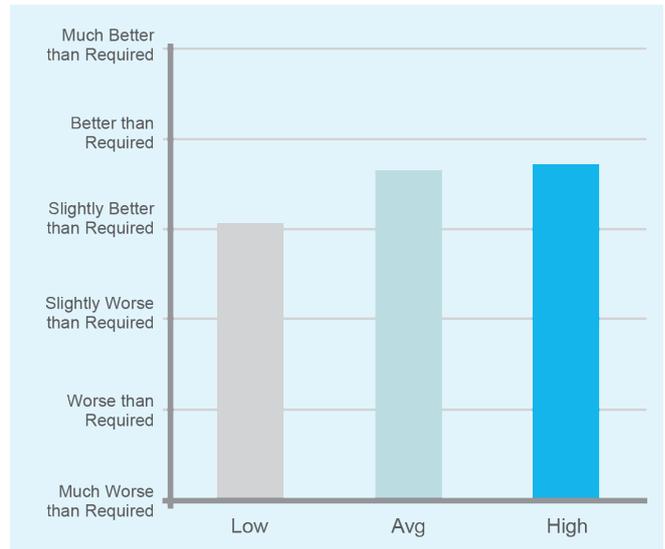
Teamwork

The manager ratings of an employee across teamwork were significantly linked to the following personality scales:

- Accepting ($r = .253$, $p = .016$)
- Desire for Affiliation ($r = .24$, $p = .023$)

Those who scored in the high range in these scales were rated as more likely to be able to build rapport with people, work towards a collective goal, and get along well with others.

Of those who scored in the high range, **93% were rated as meeting their manager's expectations for teamwork ability.**



Assessment Score Range

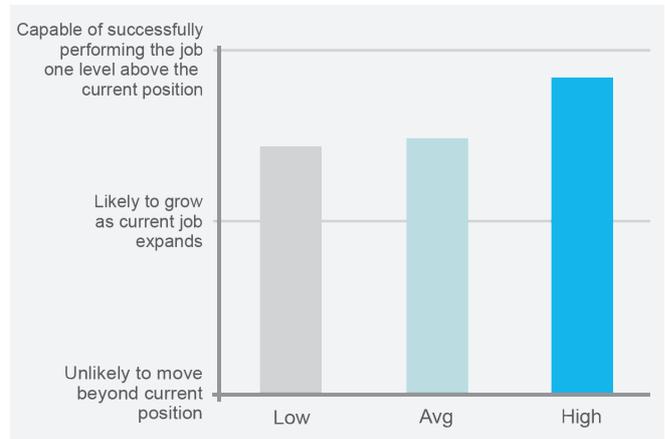
Figure 2 - Manager ratings of an employee's ability to work in a team

Composure

Composure was significantly linked to the following personality scale:

- Trusting ($r = .237$, $p = .024$)

Employees who scored highly on trusting were rated by their managers as more likely to stay calm and composed under stressful situations, while adapting to changing work demands and staying optimistic. Further, employees who scored highly on composure were rated as more likely to be able to advance within the organisation. Applicants who scored in the high range were rated as **1.4 times more likely to have capability to successfully perform the job one level above the current position** compared to those in the low range.



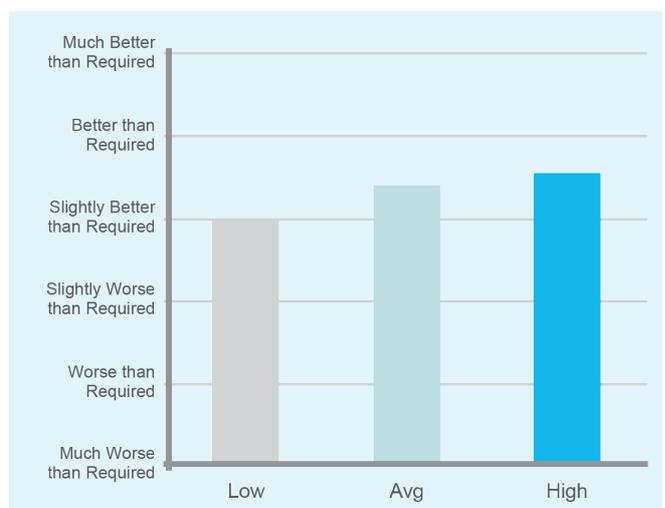
Assessment Score Range

Figure 3 - Manager ratings of employee's ability to progress within the organisation

Customer Focus

An employee's score on composure was significantly linked to managers ratings of an employee's ability to meet or exceed customer expectations and fulfil obligations to others ($r = .23$, $p = .031$).

Those who scored in the high range were rated as **1.3 times more likely to stay composed in stressful situations** than those who scored in the low range.



Assessment Score Range

Figure 4 - Manager ratings of an employee's customer focus

Conclusion

The addition of a pre-screening assessment as provided by Talegent's hospitality solution was shown to be predictive of managers ratings of an employee's ability to progress within the organisation, work in a team, remain composed in stressful situations, and focus on customer needs. Applicants who scored highly on the Talegent hospitality solution were proven likely to excel in their current position, as well as in positions above their own, should they be promoted. In short, Talegent's metric-based assessment measures accurately predicted those candidates who, in their managers' experienced judgment, would perform best on the job.

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