

# *Fit for the Ritz*

STORY BY MATT DAMSKER



Gracing swank hotels and resorts from Bahrain to Boston, the **Ritz-Carlton** brand is synonymous with quality. As it expands, HR chief **Sue Stephenson** makes sure that Ritz-Carlton employees have the training and support they need to maintain the highest standard of hospitality.





In the world of upscale hospitality, few names have the cachet of Ritz—to the point where the familiar adjective “ritzy” extends the aura of legendary hotelier César Ritz to all things luxurious. Ritz lent his name and style to the peerless Paris hotel on which he built his reputation, as well as to London’s Carlton Hotel, and by the time the Ritz-Carlton brand came to Boston in

1927, a global concept in elegance had been born.

Today, with 57 Ritz-Carlton hotels worldwide and some 25,000 employees, the brand is considerably bigger and more corporate than César Ritz could have imagined. William B. Johnson bought the Boston hotel in 1983, along with the rights to the Ritz-Carlton name; and before the 20th century was over, **Marriott Interna-**

**tional** had acquired the whole chain. But just ask **The Ritz-Carlton Hotel Co.**’s senior vice president of HR, Sue Stephenson, if the old-world gloss has faded, and she’ll set you straight.

“We’re in the business of creating exceptional memories for our customers,” Stephenson says. “It’s more than a lodging experience; it’s a matter of treating each customer as an individ-





ual.” Speaking from the company’s headquarters in Chevy Chase, Md., Stephenson—with her British accent—certainly brings a European flair to any discussion of Ritz-Carlton.

She hails from Liverpool, actually, and has been with the company for 15 years. She began as an HR director in the aforementioned Boston flagship, then took over HR for the North Ameri-

can region before heading to Singapore in 1995 to help manage the start of Ritz-Carlton’s ambitious global expansion. Since then, with hotels and sprawling new resorts everywhere from Bahrain to Florida, Stephenson has played a proud role in the company’s steady snagging of quality awards.

Impressively, Ritz-Carlton is the first and only hotel company to garner

the prestigious Malcolm Baldrige National Quality Award, and the first and only service company to win it twice, in 1992 and 1999. Stephenson is even prouder of the fact that last year *The Asian Wall Street Journal* and the *Far Eastern Economic Review* named three Ritz-Carlton properties among the Best Employers for Asia, China, Hong Kong, and Singapore. She relates these triumphs directly to the caliber of employee Ritz-Carlton attracts and to the HR focus on development.

### **Sustainable Excellence**

“We execute around systemic and sustainable processes,” Stephenson says. “Whatever our selection process, though, if we don’t select someone with a passion for service, everything we do around that is wasted. When it comes to the training we provide, particularly with employees who will interact with customers, the focus is on the talents of the individual, less so on the technical skills. We can teach those, but we can’t really teach them to smile and to want to provide great service.”

Partnering in the selection process with Lincoln, Neb.-based consulting firm **Talent Plus**, Stephenson’s HR approach is built around process improvement and solid metrics. She notes that the company has gone from 55 percent turnover rate in 1991 to an exceptional 24.7 percent in 2003. To Stephenson, the high levels of customer and employee loyalty go hand in hand. There’s also the issue of imparting consistent service, and training standards and practices across a global and diverse range of properties.

“There has to be training uniformity,” she affirms. “The personality and level of service has to be the same, regardless of location; so in using the selection process globally, we have orientations focused around our commitment and the type of work environment we are going to provide.

“Importantly, the general manager of each hotel does the orientations—it’s not delegated to a training manager. Outside companies have said that that’s a lot of time spent by the GM training junior employees, whether housekeepers or valet parkers, or door people; but

if we don't get them to understand the culture of the business from the general manager's perspective, and if we're not uncompromising as a company, service can be diluted." The company's Employee Promise, affirming a work environment that values diversity and individual respect, adds importantly to the mix.

While Ritz-Carlton culture may be imparted by management from the top down, each hotel also has a director of training—"not just to deliver training," Stephenson adds, "but to bring training programs together and be better able to update them."

More globally, there's Ritz-Carlton's School of Performance Excellence, which overarches the broad range of training needs, such as certification programs, Web-enabled approaches, language issues, and the marketing of product lines. And the School of Leadership Excellence focuses on development programs such as executive certification—"a great enhancement," says Stephenson, "to enable our executives, many of whom have grown up through specific disciplines, such as beverage and food or HR, to understand all aspects of the business."

At an even higher level, there's the company's Leadership Center, opened in 1999, with a mix of benchmarking seminars and leadership development workshops. Originally created to support the Ritz-Carlton's expansion, it has broadened into a resource for other organizations interested in benchmarking the

sort of business practices that have won Ritz-Carlton its Baldrige awards. The emphasis is on innovative ways to increase employee/customer retention and loyalty, among other initiatives.

### **Daily Lineups and Monday Wow**

Indeed, when it comes to puttin' on the Ritz from the standpoint of reinforcing company values and service priorities, Stephenson describes Ritz rituals that make simple sense. There is, for example, the Daily Lineup, which doesn't necessarily require a lot of time, just a commitment to communicating with hotel staff before they set off on their duties of the day.

"The idea of the Daily Lineup is that at every hotel we cover the same topic, whatever may be the key points to communicate that day," Stephenson explains. "It's an education tool, on one hand, that helps bring new employees into the family more quickly, and also a way to disseminate information to focus people on service. You have to do it on a daily basis, though, because employees get so busy, they need processes like this to keep them focused. It's also a good way to recognize and reward."

For service organizations that like the idea of the Daily Lineup but haven't introduced it, "It can be difficult to retrofit," Stephenson acknowledges, "but we've had complete leadership commitment to the value of it." There's also the Ritz practice of enhancing the Monday Daily Lineup with stories of Ritz employees who went the extra mile for customers.

*The Ritz-Carlton's Stephenson:  
From Liverpool to luxe life.*

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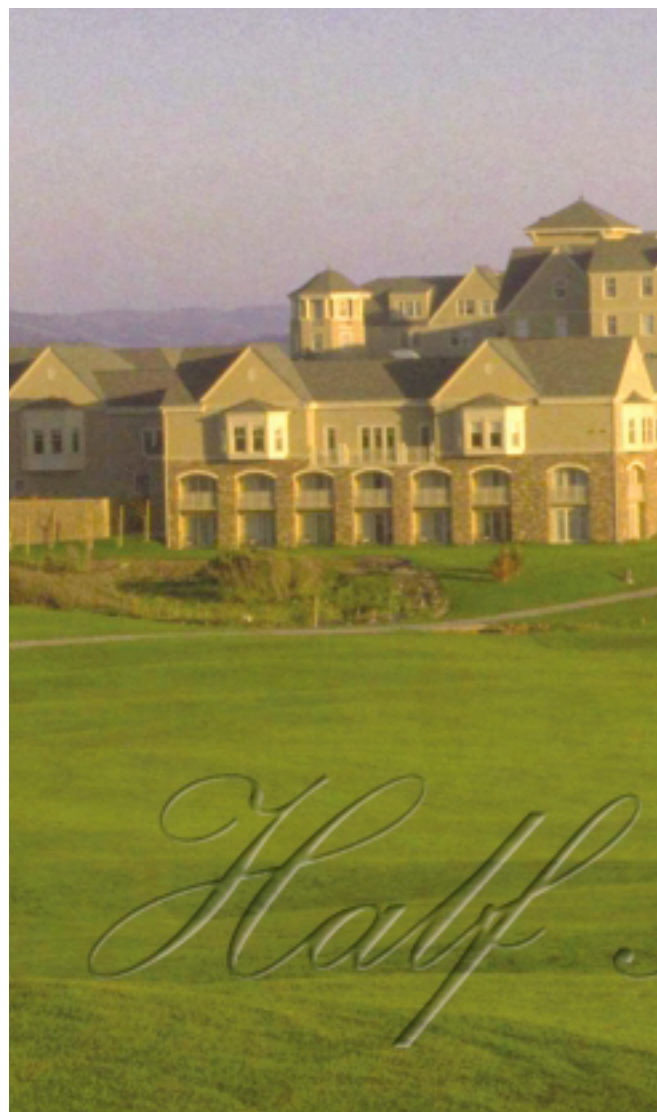
# Boston





"It's a good time, at the start of each week, to share success stories," Stephenson says. "They're our 'Monday Wow Stories' about going above and beyond. For example, one of the employees at the Philadelphia hotel—an overnight engineer sent to a guest room on a maintenance call—learned that the guest in the room didn't have a pair of dress socks and really needed them. The engineer went home and came back with dress socks for the guest. Another employee headed out to **Wal-Mart** at the end of a shift and purchased a pair of shoes for a guest who was in dire shoe need for some reason."

The key differentiator, Stephenson adds, is that neither Ritz employee asked permission from or discussed their rescue missions with their supervisors because they knew it was the kind of behavior encouraged by Ritz-Carlton. "We can't mandate that employees do that sort of thing," Stephenson notes. "They have to want to go above and beyond. But those





customers will be loyal to Ritz-Carlton for the rest of their days. And the employees love the recognition of the Monday Wow Stories; they're talked about by our people all over the world."

Stephenson reiterates that such behavior can't be trained, although the encouragement of personal initiative on behalf of customer needs is something that sharp employees pick up on quickly enough. At the end of the day, Stephenson puts her faith in the selection process by which Ritz-Carlton searches and screens for the ideal employee—a process that's only enhanced by the input of workers already on the payroll.

"We've worked with Talent Plus for over a decade, and the results have been excellent, but HR has always been responsible for the selection process," Stephenson says. "And one of the things we've learned is that the involvement of the employees in the process is crucial. Our employees have high standards regarding whom they want to work with. So, depending on the size of the property, as much as 10 percent of the workforce could be involved in the interview process. The point is, our employees want the person working next to them to be as committed as they are."

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