

## CASE STUDY

### The Ritz-Carlton Mystique: Professionalism, High Expectations

The Ritz-Carlton Hotel Company's excellent reputation for customer service and its low employee turnover rate compared with other organizations in the hospitality industry is renowned. Its phenomenal success can be summed up in three phrases: a comprehensive employee screening process, significant employee orientation and ongoing training, and a high level of respect and trust in staff that leads to employee empowerment.

These three phrases also embody the Ritz-Carlton credo: creating a memorable experience for customers.

After a bad stay at another hotel in San Francisco, Joseph A. Michelli, Ph.D., author of *The Starbucks Experience*, was so taken with his own Ritz-Carlton experience that he decided to write *The New Gold Standard*, a book about the Ritz-Carlton Hotel Company. He explains that the motto of the Ritz-Carlton, "ladies and gentlemen serving ladies and gentlemen," may seem dated, but connotes that there is a status that goes with service professionalism at these hotel properties. Ritz-Carlton's 30,000-employee workforce has mastered the professionalism expected by this organization, he adds.

The Ritz-Carlton difference starts with employee recruitment and hiring. Every job applicant goes through a long interview process based on the Quality Selection Process (QSP), through Talent Plus ([www.talentplus.com](http://www.talentplus.com)). This Process includes a series of interviews that help to establish a behavioral profile. For example, Dr. Michelli says, "The profile shows whether you're [a job applicant] high on empathy, inquisitive, and [with] the right take on customer service. This profile can be compared to the profiles of the highest functioning people in different areas of the Ritz-Carlton, allowing HR to match applicants with existing employee profiles. When a person is hired, he or she is already held up as someone special from the outset."

That's just the beginning. At Ritz-Carlton, no one begins working until after completing new employee orientation, and every employee undergoes 250 hours of training in the first year of employment, explains Dr. Michelli. Senior level management participates in orientation, stressing the importance of supporting employees in their new roles right from the beginning. Managers and supervisors receive a second level of orientation that helps managers understand their roles, which are largely based on mentoring and coaching, in the organization.

#### Employee Feedback, Suggestions Sought

At the end of his or her first 21 days of employment, a new staffer is invited to participate in a small group discussion with an individual outside the line of command for that employee, possibly the director of Learning or someone in Quality, according to Dr. Michelli.

The discussion focuses on how the Ritz-Carlton is doing as an employer. "Are we giving you the tools that you need to do your job, and are we meeting your expectations?" says Dr. Michelli.

"The input is anonymous, but the results are sent back in aggregate to those areas [that are discussed]." The resolutions are fed back to the people that brought up problems or need for improvement so the employees know that management is taking their opinions, wants, and needs seriously, he explains.

For example, an employee at Day 21 expressed frustration about the unavailability of equipment that he needed to do his job, notes Dr. Michelli. It turned out that two departments shared the equipment, but there was no process in place to make the equipment accessible to both departments. After the employee uncovered the problem, a procedure was put into place to make the sharing more formal and efficient.

<b>Who:</b>	The Ritz-Carlton Hotel Company
<b>What:</b>	Uses careful employment selection, comprehensive orientation and empowerment to create a sense of professionalism and service quality in the staff.
<b>Results:</b>	Ritz-Carlton enjoys a superb reputation for its over 100 international hotels and has an employee turnover rate in the teens in an industry where the turnover rate averages 40 percent to 60 percent.

#### Employees Empowered To Problem Solve

Employees are also empowered to solve problems and make decisions that will result in extraordinary customer service. Upon hire, workers know that they can make decisions to spend up to \$2,000 per guest per day to enhance the guest experience or afford immediate problem resolution, effectively "wowing" a guest, according to Dr. Michelli. The \$2,000 threshold is not the point; the ability to use one's own intellect, awareness, and intuition about what it takes to serve someone and make his experience memorable is, he explains.

During the daily lineup, a brief 20-minute meeting on each shift and in each department, work culture refreshment, group problem solving, and, twice a week, "Wow" customer service stories are covered, says Dr. Michelli. The stories reinforce the employee empowerment to provide extraordinary customer service.

Learning from Ritz-Carlton's Gold Standards is possible for companies in other industries as well. Dr. Michelli says, "Great companies [all] do one thing: they understand specifically what the purpose is of what they do, not just the process of what they do. Ritz-Carlton's purpose is not housing people in a building, it's to create memorable experiences."

For more information about Ritz-Carlton's Gold Standards, visit [corporate.ritzcarlton.com/en/About/GoldStandards.htm](http://corporate.ritzcarlton.com/en/About/GoldStandards.htm). For more information about Dr. Michelli and his book, visit [www.yournewgoldstandard.com](http://www.yournewgoldstandard.com).