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The ROI Of Hiring Right In The Luxury Business

To achieve company goals, identify and invest in your top performers.
By Kimberly Rath, President and Managing Director, Talent Plus

In the October 2009 ***Wealth Report***, I asked the question, "What does it cost when you lose a lifetime customer?" Horst Schulze, CEO of the West Paces Hotel Group, calculates the figure at $150,000. Have you calculated the number for your business? When making decisions in any economy to reduce services, eliminate amenities, or sacrifice quality, consider what customers will have to do to adapt. Will those changes cause a customer to drop your brand?

Remember, the winners in this recession will be the ones who maintain the integrity of their brand while creating increased customer engagement. This article details the second lesson in talent management and acquisition decisions:

Invest In Your Top Performers
Are you known as a company who carefully assesses potential employees for talent and fit? A company where both human resources and hiring managers work strategically together to select individuals to work on their teams? Do your employees feel a sense of pride when they join your company? Does the mission of your company truly put the development of people at its center, realizing your employees are your greatest assets?

If you answered "no" to any of these questions, you may have little chance of retaining your best employees as we move into economic recovery. You've implemented a policy of "people are expendable, talent doesn't matter." Your best may not leave today but will be open to new opportunities as they appear. The results of a June 2009 survey show the majority of working Americans are planning to launch a job hunt when the economy turns around. According to Adecco's latest workplace survey, 54 percent are getting ready to start looking elsewhere.

"There are likely a couple of things at work here," reports Adecco. "American workers have displayed a growing proclivity for job-hopping in recent decades, and the recession has forced most to take a break from their otherwise unending search for new/better/different work … many American companies have done themselves no small amount of harm (in talent retention) during the downturn. The recovery may be hardest for employers that clipped wages, slashed payrolls, snipped benefits — and neglected to preserve a healthy workplace morale."

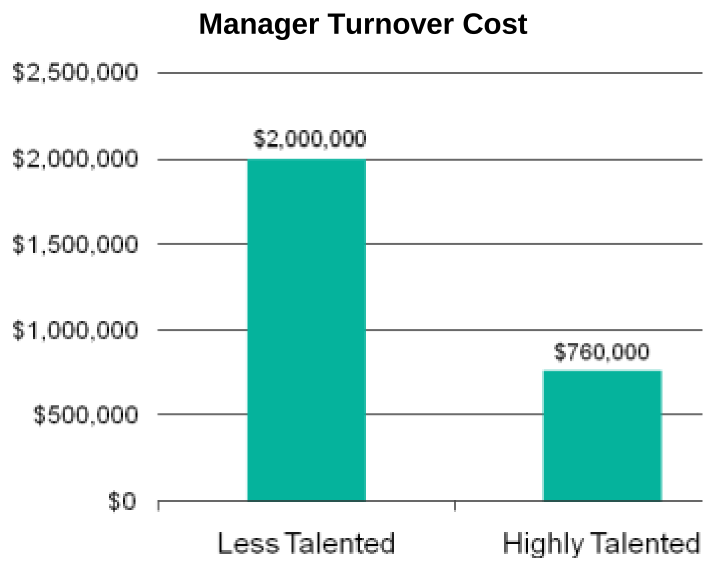
You may not even know who your top performers are, but here's a way to find out: Ask your competition. I guarantee that they know who your best are, and they are interested in them!

Take one small step now: *Discover your top performers and rehire them every day*.

If you answered, “yes” to any of the posed questions, what you have promised your employees applies as much today as it did during times of growth. Employ an “abundance mentality” through the relationships you form with each of your top performers. You may not have the same budget for training as you did last year, but you can have career investment discussions with your best employees, create a management action plan individualized to their needs, discuss and agree to practical steps that will help the employee achieve their objectives — emotionally rehire them! Highly talented individuals need input, recognition and coaching to help them achieve even greater productivity.

You’ve heard the saying “employees don’t leave companies, they leave managers.” How do you avoid this predicament? Educate, train and develop top performers through an individualized analysis of their talents. Focus on strengths and manage weaknesses. If you know what the career goals of your best employees are, what they aspire to, what they want to learn, what they want to do more of, and what their passions are that lead to almost perfect performance, then your best will not leave you.

This kind of investment does have a cost to you and your management team in terms of time. ROR, Return on Relationship, is just as important as ROI. As a manager, what you give of yourself through your time, mentoring and personal investment will create exponential growth for you, your employees and your corporation.



With a highly talented management team of 400, this client saved over $1.25 million through their retention of highly recommended managers. As a company that leads their industry, they have long held the belief that management talent is worth holding out for and holding on to.

It’s easy to rush to fill an opening, but consider what the choice of an underperformer means if you settle for someone rather than looking for top talent. In this company’s world, the difference was in the millions in terms of sales. Your difference could be in sales; it could be in retaining customers. Keep in mind that top performers produce top results and holding out for talent could be profitable for you and your company.

Next time: Kimberly Rath's final lesson in this series offers recommendations for defining your rules of engagement. Many managers have never managed in an environment like our current economy. The rules have changed. How will you navigate when it comes to talent and preserving not only your talent pool but your customer pool as well?

Kimberly Rath, a graduate of the University of Nebraska-Lincoln and Nebraska native, has nearly 25 years of experience in human resources and a recognized leader in executive training and development. Prior to founding Talent Plus, a global human resources consulting firm, Rath worked with the Gallup Organization for seven years, developing relationships with clients through training and development programs.

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