

Incentives help attract, retain workers



By Alison Kotch

CONTRIBUTING EDITOR

NATIONAL REPORT—When Roger Young began working for First Hospitality Group as a g.m. four years ago, the concept of “people-focused” incentive programs was new to him. Sitting at the annual awards banquet awaiting the winner of the company’s “Live Free, Drive Free” award—an incentive offered to one employee who had perfect attendance that year—Young had his doubts.

“I was like, ‘Yeah, right—they’re going to give a person a car to drive or free rent,’” Young recalled. “But when you find it’s a room attendant who has earned minimum wage and won this, it

brought a tear to my eye. It’s life changing.”

Today, Young is g.m. of the Hampton Inn and Suites Chicago Downtown and a recipient of First Hospitality Group’s Inner Circle Award. Presented to general managers who’ve been the year’s top performers, the award is a seven-day, all-expenses-paid trip. This year, Young will be cruising the Mediterranean with eight of his fellow general managers.

It might sound lavish, but incentive programs are becoming more common as a way to attract the best employees. If implemented effectively, they can help solve three perennial problems in the

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Gaylord Hotels awards employees, like those at the Gaylord Palms [shown here], on a merit-based system, which translates to financial incentives. For more on Gaylord Hotels’ incentives, visit www.HotelMotel.com/incentives.

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hospitality industry: reliability, retention and recognition.

“In the first four quarters we rolled [Live Free, Drive Free] out, call-offs fell 75 percent,” said Robert Habeeb, president of First Hospitality Group. “It’s become more a novelty than what was a typical problem in our industry.”

Boost retention

Retention is another challenge. The U.S. Bureau of Labor Statistics found that the accommodations and food-service category had a 56.4-percent turnover rate from September 2005 through August 2006, which can be worrisome for a profession that relies on familiar faces to provide outstanding customer service.

To combat this, Fred Cerrone, president and c.e.o. of Hotel Equities,

introduced a 90-day paid sabbatical program for general managers who have been with the company five years or more. Because of this program and the nurturing atmosphere of Hotel Equities, manager turnover is less than 10 percent.

“The hotel business is 24/7—sometimes managers are forced to be away from their families, and are away when hotels are busiest,” Cerrone said. “The sabbatical program is a way to pay them back.”

Other Hotel Equities employees are incentivized by monthly bonuses, based on attention to the company’s three key stakeholders: guests, associates and investors.

The company also offers a chaplaincy program to assist employees with life issues, and

a “culture class” is offered every 90 days to promote company val-

ues among associates. Cerrone also calls himself “head coach” instead of “president.”

“Not everybody cares to have a boss, but I think everybody doesn’t mind having a coach,” Cerrone said. “We refer to g.m.s as quarterbacks, we consider associates teammates; we refer to them and treat them as such. It’s a healthy culture that promotes goodwill and fosters good energy amongst associates.”

Say thanks

Aside from vacations, well-deserved time off and monetary recognition, other companies take care to thank employees for a job well done.

Lisa Perez, v.p. of human resources for Tecton Hospitality, sends personal notes to associates, relaying guest compliments.

Employees can also be nominated for “associate of the month” at the Tecton Hospitality annual awards ceremony, where they receive a gift album, recognition letter and framed certificate, as well as a call from the company’s president, Raul Leal.

“Recognition is important, no matter what industry you’re in,”

Perez said, adding that employees need to feel safe, comfortable and secure. “Once you address that with a paycheck, you need to follow through. Who doesn’t like the proverbial pat on the back?”

Costs pay off

Incentives carry a cost: Habeeb said the price of the Inner Circle Award varies, but can cost up to \$50,000.

“That sounds like a lot of money, but when you have a general manager who does good business, is a good steward of the bottom line and the guests love him or her—that’s money well invested,” he said.

Regardless of how you decide to reward your employees, providing a nurturing environment might be the most important way to keep your top performers.

“I’ve worked for four-star and five-diamond properties before, but after 20 years in the industry, this is probably the first and last company I’d ever choose to work for,” said Young, of First Hospitality Group. “I don’t want to leave. I hope they keep me for another year.”

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