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HYB

People analytics: Opportunities and challenges for the hospitality industry

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PEOPLE ANALYTICS AND DECISION MAKING

Business numbers are everywhere: we use them in finance, economics, statistics and marketing. There are, however, certain domains where numbers are new to the game. When we talk about employee management, numbers are relatively unseen. For a long time, there was a belief that each human and each company was unique, and while I cannot wholly disagree, there are benefits to looking at people and organizations based on a certain number of variables. For instance, we can compare companies' profitability, turnover rate and staff engagement. Similarly, we can compare employees on several performance metrics, degree of job satisfaction and amount of pre-hire experience.

People analytics is described as using people's data to make the right decisions in a company and gain a competitive advantage. Descriptive analytics attempt to describe the present (e.g., What is the voluntary turnover rate in this company? What is the percentage of employees who are satisfied by their salary? How many employees fall in the category of being poor performers?), but they do not provide any guidance to companies about the best course of action; they just indicate a problem to be solved.

On the other hand, prescriptive people analytics attempt to provide solutions to the most pressing problems a company is facing. They provide responses to questions such as: Why do employees leave our company? How can we make our employees more engaged? Who are the employees who deliver the highest value to our customers?

SAYING GOODBYE TO TRADITIONAL INTERVIEWING AND HIRING

Most companies still rely on old-school interview methods and biographical information such as years of experience that do not always relate to the competencies required for the job. The evidence collected so far in many companies demonstrates that these information sources do not really help in identifying individuals who will succeed later on the job. On the other hand, structured interviews or cognitive ability tests are two selection techniques that predict quite well how people behave and perform at work.

Platforms such as LinkedIn and Glassdoor are current examples of centralized databases that function across borders, so that data about people and companies is easily accessible. If the popularity of these apps continues to rise, organizations will soon be able to transfer relevant employee data, such as performance metrics and the type of tasks performed. Profiles can also choose whether to include results obtained on psychometric tests measuring work interests, values, personality traits, cognitive abilities and competencies.

FROM GREAT TO HUMANE PLACES TO WORK

The past years have demonstrated that employees have more power than ever. This new situation is due to several major disruptions; probably the most important has been the COVID-19 crisis that engendered 'the great resignation'. Employees, especially from the hospitality sector, left their companies in droves to find better jobs elsewhere.

Companies now have to be creative and cannot afford to ignore employee satisfaction or their work-life balance. Employees expect the grass to be greener somewhere else. Some experts speculate that certain companies might disappear because their employees resign en masse (e.g., Twitter).

Today, and probably even more tomorrow, companies have to compete aggressively not for being 'great places to work' but for being 'humane places to work'. These workplaces could be environments that fulfil each individual's need for competence, autonomy and relatedness. In the past, it was difficult to do so because it was too challenging for companies to care about each individual; now the ease of access to people data and the automation of many tasks makes it possible for companies to devote more time to employee needs.

FACING THE HOSPITALITY LABOR SHORTAGE

One of the current challenges the hospitality industry faces is the talent shortage. Some hotels and restaurants cannot find sufficient labor to open their establishments as they might have in pre-Covid times. Here are a few ideas on how companies can leverage the power of data to attract and retain employees:

1. By using engagement surveys, hotels can identify reasons employees are not staying in the company.

2. Analyzing employee flows on external platforms such as LinkedIn. For instance, companies can analyze former employees' career paths. Identifying that former employees are more likely to stay in the hospitality industry but go to work for competitors or transition to other industries could provide relevant insights on how to retain employees.

3. An analysis of work experience or educational backgrounds contained on résumés of former and current employees (or even from rejected candidates) might indicate potential hire sources.

4. Companies might consider analyzing unemployment rates in different countries, the number of hospitality schools, or other demographic differences that could help companies decide in which countries they could find potential hires.

In conclusion, the hospitality industry can benefit from people analytics on many levels: Identifying where to source candidates, how to select best leaders and how to retain employees. Companies can start by hiring one person that will be in charge of analyzing available data, (the job of 'Data Collector' might soon become the most important role in HR). With the right support and trust from employees and leaders, these data can then be transformed into actionable insights and effective talent decisions.

AT A GLANCE

WHAT MIGHT HOSPITALITY JOB HIRING LOOK LIKE IN 10 YEARS' TIME?

Sarah, F&B manager at the Mandarin Oriental in Geneva, is informed that the senior sommelier, Riccardo, will resign at the end of October. In coordination with Stefan, the People Engagement Manager, she meets Riccardo to better understand why he has decided to leave.

During the interview, they review his tasks, assessing what did and didn't work. Sarah activates the updated job offer on LinkedIn; within a few seconds, she has access to 148 candidate profiles who fit the job. She can manually analyze every profile, but she trusts the algorithm that identified Michael D with a 90% match for the job. He works as a sommelier not far from Geneva and speaks Cantonese. She sends a private message via the app to tell him about the available position. Three days later, Michael is hired.

SIMILARLY, HOW MIGHT A HR DEPARTMENT FUNCTION IN THE FUTURE?

Former HR Business Partners and HR directors could well become People Operations Managers. Work certificates, letters of recommendation and traditional interviewing techniques belong to the past, replaced by information gathered by the Data Collection Manager. In large corporations, the People Operations function could be split into three specialized roles :

- People Acquisition Managers ensure the smooth selection, onboarding and training of new employees up to their first year on the job.
- People Engagement Managers are responsible for staff retention, employee coaching and conflict management.
- People Decisions Managers focus on helping line managers in tasks related to performance management and promotions.

WHAT ARE THE ULTIMATE WIN-WINS OF PEOPLE ANALYTICS?

More rational, more time-effective decision-making processes. People Analytics is key to understanding important information about the work and the worker, e.g., where and why time is lost, what are the most draining duties, what the staff love/hate doing the most, and how to better match the task to the person. Value creation is enhanced thanks to fruitful discussions that then emerge from the data. The staff feels that their voice has been heard.

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