Restaurants are doing whatever they can to attract and retain valuable workers, as are hotels, casinos and travel destinations.

Why? It’s all about supply and demand.

The average employee will have 13 to 15 jobs over the course of his or her career, seven before they are 30 years old. Four years is the average length of time an employee stays in his or her job, foodservice workers stay about 18 months, and 16 to 19 year olds stay less than one year.

In the last year, the number of employees voluntarily quitting their leisure and hospitality job every month increased 18 percent, climbing to 577,000 who voluntarily quit their job in February 2006. On the flip side, the number of job openings in leisure and hospitality increased nearly 25 percent during the same period, up to 536,000 openings in February 2006. With the cost of replacing front line workers two to four months of their salary, turnover is the silent profit killer.

The future doesn’t look any better for employers. According to the Bureau of Labor Statistics, the need for waiters and waitresses, food preparation workers, maids and housekeeping cleaners, customer service representatives and retail salespeople will grow by nearly 18 percent over the next decade, higher than the 15 percent projected increase across all industry sectors. During this same time, new workers will naturally move to the higher paying jobs, even though the demand for low-skilled service workers will jump substantially due to increases in the elderly population. More demand, less supply.

There is a similar supply and demand situation on the customer side of the equation as well. The increased demand for leisure and hospitality products and services has fueled the supply side as well, making it more difficult for suppliers to differentiate their products and services from others. Product and service offerings can be viewed as commodities, where cost, value and convenience are challenging to differentiate.

In many cases, it is the employees, the after sales care and support that can make the difference between keeping customers and losing them to a competitor. Your customers buy products and services from your company but form relationships with your people.

So, how do you keep the cost of turnover low, while ensuring an ever increasing revenue stream from customers? Do a better job of recruiting.

Hiring is easy. Put an ad in the local paper or up on the regional electronic job board. Bring candidates in to fill out an application, call a reference or two, conduct a background screening, and then check for a pulse. If things don’t look bad, make a job offer. However, studies have shown that these limited hiring procedures have little if any correlation with employee performance. The use of structured or behavioral interviews, work samples and valid prehire tests and assessments are significantly more predictive of future performance. Isn’t this exactly the reason you put applicants through a selection process?

Prehire tests and assessments have been around for decades, and have been used to varying degrees across industries. Companies test for mechanical or technical aptitude, personality (emotional stability, extraversion, openness to experience, conscientiousness and agreeableness), and even ethics (shown to dramatically decrease shrinkage among employees). As more and more companies look to make smarter selection decisions, the use of testing and assessment continues to grow, with nearly 50 percent of all companies employing these types of tests and assessments during the recruiting and selection process.

So, what’s innovative in the world of prehire assessments? Although not exactly brand new, the use of online tests coupled with instant scoring is revolutionizing recruiting. In the “old days” candidates would come to your location, fill out a paper application, and hope to see a hiring manager. A paper and pencil assessment filled out by the applicant would be sent to a testing vendor for scoring and interpretation, and then mailed back to the company for use in their hiring decision. Days and weeks could go by before a hiring decision could be made.

Today, candidates have as many ways of contacting you as your customers do. The use of IVR (interactive voice response), kiosks, PDAs and of course the Internet have changed the ways
customers communicate and provide feedback to you, why not provide the same opportunities to applicants and candidates? By moving selection online, companies can streamline the entire process, from job application to pre-employment testing to behavioral interviews to making the formal job offer.

Picture this: a candidate visits your Web site and notices there are current job openings. After reading about the qualifications, she completes an online job application. Because the application contains “vetting questions”, an immediate decision is made to pass her to the next step, an assessment battery that combines a personality test from one supplier and skills-based test from another. As scoring on these assessments is done immediately, predetermined selection decision rules dictate that the applicant can now schedule an appointment with the hiring manager.

A screen displays the locations and times available for an in-person interview, the applicant schedules their time and an e-mail notification is sent to the appropriate hiring staff. The applicant comes in for their in-person behavioral interview, with all their responses entered into the talent management system. Once the personal interview(s) have been conducted, all the applicants’ information is displayed together, making the selection decision a simpler one. Not a decision made on gut feel, but a decision based on facts and data. Not only does technology provide substantial savings in dollars, people and time, candidates prefer an online process.

Employees believe that companies that test or assess their job candidates care more about a quality work environment than companies that don’t (nearly 6 in 10 employees agree). Since these applicants are in most cases current or future customers, the recruiting process can have an impact on their future buying decisions as well.

Perhaps more than other industries, hospitality counts on the connections that are made between employees and the customers they serve. Owners and managers would be well served to ensure this connection through the increased use of valid prehire online tests and assessments. Why would you ever want to hire a sure fire?

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