

The personnel touch

Recent developments in computer software have brought the power of the microchip to bear on human resources problems. Labour scheduling, productivity and appraisals can now be managed on the PC, bringing huge gains in efficiency and reliability, says **Sara Edlington**

"It's a fact, the use of technology can help organisations cut down on their overhead costs by as much as 50%"

Most people are naturally wary of having their working lives managed by a computer, but this might become a reality if the hospitality industry is to make the most of its workforce.

Bob Cotton, chief executive of the British Hospitality Association (BHA), says that unless hospitality businesses maximise productivity, labour shortages, with the resulting rise in labour costs, will continue to be their weakest link.

The background to his comment comes from the Best Practice Forum's Profit Through Productivity programme, which was set up by the BHA and seven other trade associations with the idea of encouraging businesses to introduce best practice in all areas of their operations.

The hospitality industry needs this more than ever. According to TRI Hospitality Consulting's monthly business surveys, labour costs in hotels have risen from 24.7% of turnover in 1997 to 29.1% in 2002. And they will keep rising because of labour shortages, the national minimum wage, general regulatory measures and so on.

Raymond Simonds, director of Eproductive, agrees with Cotton's comment: "Labour issues are our industry's Achilles' heel. By maximising labour productivity we can start to tackle the prickly problem of labour shortages and rising costs."

Frank Beechinor, chief executive officer of Vizual Business Systems, part of OneclickHR, agrees. "It's a fact, the use of technology can help organisations cut down on their overhead costs by as much as 50%." He goes on to say that well-known hotel chains are using human resources (HR) management software to help them keep track of their employees in terms of productivity, skills, absenteeism, health and safety and performance.

Putting people and technology together this way may come across to some as strange, but there is a great deal to be gained

by being willing to try something new. Jane Sunley, managing director of people-retention company Learnpurple, puts it succinctly: "Think about translating these more established 'necessary technologies', such as accounts and payroll, into other areas. Organisations are sometimes more likely to invest in these functions, though, rather than their people – yet this is a people business."

And since it's a people business, what do staff think of being "managed" by software?

Simonds recalls sitting in on a training session for his company's system. "There were one or two [employees] in the group with reservations. But when it came down to it, their concerns were largely focused on their own skills. Once they saw how the new system was capable of helping them, there was universal acceptance of the benefits."

Among the software available for HR departments is Talent Toolbox, an appraisal package developed by Learnpurple; labour scheduling software Eproductive Scheduling, from Eproductive; and two packages, Personnel Manager and Personnel Director, from Vizual Business Tools.

Talent Toolbox is a performance and employee relationship management system that helps you conduct your review and appraisal processes online. The system allows pre-appraisal planning and monitoring, and the package can be customised to your needs. Talent Toolbox will also produce reports for tracking talent and analysing training needs. An interesting feature is that it allows employees to make comments and supply feedback to management without having to meet face-to-face.

Set-up costs are between £5,000 and £20,000, depending on content development and the level of customisation and implementation support needed. There is also an annual licence to buy. The cost of this depends on how many people will use the system.

Eproductive Scheduling is a labour-scheduling package that works over the internet. It has taken three years to design in partnership with a team from the InterContinental Hotels Group. InterContinental is evaluating several solutions for this type of software.

The package allows non-productive hours paid – including holiday, training and absences – to be counted separately, giving an accurate picture of productive hours worked. It provides reports showing "labour productivity per productive hour" using measures such as rooms cleaned, covers served or transactions made. You access the package over the internet and, as the system is secure, you don't need to worry about others seeing your data.

There are three ways to buy this package: licence fee plus monthly fee based on employees scheduled; monthly fee based on employees scheduled; or outright purchase plus maintenance fee.

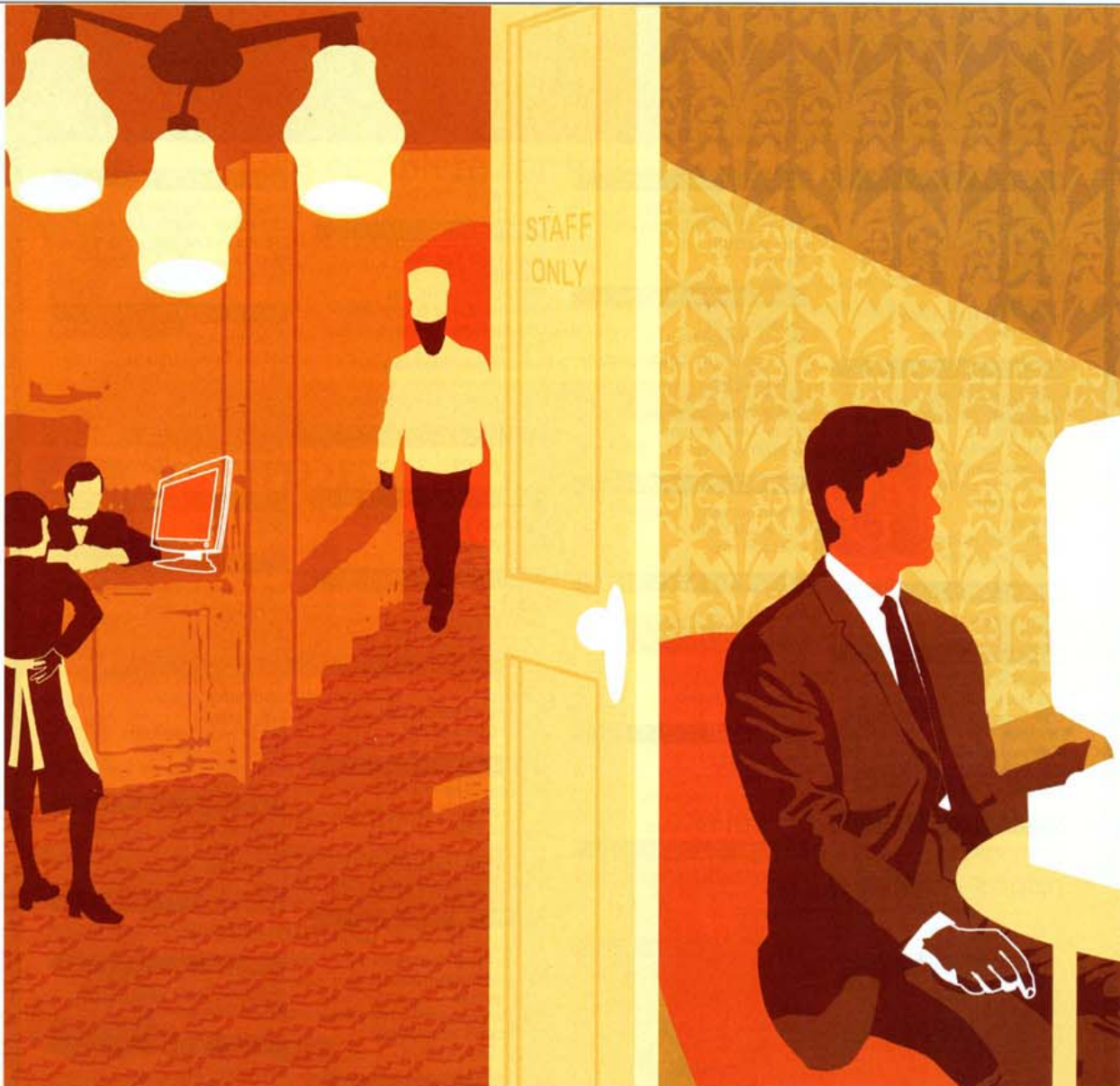
Personnel Manager and Personnel Director are programs that you install on your local computer. Hilton Group is currently using both these packages. Personnel Manager is for businesses with fewer than 250 employees, and Personnel Director is aimed at larger concerns such as hotel groups.

Personnel Manager stores data such as absence tracking, accident records, career history and pay and training records. It has an in-built diary for key employee dates, and 170 predefined reports and graphs that you can adapt to your needs. You can also customise its screens so they display information in a way you like.

Personnel Director stores data on holidays and absences, disciplinary records, bank details, employee appraisal and employment history, and much more.

Cost depends on the number of users, the amount of support needed and any extra modules required. As a rough guide, each package starts from £499. ■

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CASE STUDY

The Brookwood Partnership, based in Surbiton, Surrey, has 26 clients and 240 staff. Its aim is "to provide the children, teachers and staff at independent schools with 'a food standard that cannot be bettered'".

Sue Parfett, managing partner at Brookwood, explains why they decided to use Talent Toolbox from Leampurple: "We had a performance review system for managers in place but we wanted to expand this to all of our people."

Parfett is already well versed in appraisal systems and the drawbacks they can bring. "I have operated appraisal systems in previous companies and I know the administration involved can overshadow the benefits. Talent Toolbox takes away all of that, and the feedback is immediate."

The software has also allowed the partnership to do more. Parfett explains: "The quality of information we have gathered, about individuals and collectively, we probably would never have

achieved with a manual system. It definitely speeds up the standard time it would normally take to complete appraisals and makes a huge reduction in administration."

But what do Brookwood's employees think of the system? "The company's managers think it's great," says Parfett. And the other employees? "Naturally, as within any group of people, there have been the sceptics. Only three people who were extremely nervous about being appraised were told it was not compulsory and were allowed to opt out. This was a shame, however. Now they have seen others participate, we are hoping they will decide to be included this time."

And the future? "We have just started our second phase of reviews, with a deadline in six weeks. Then we will have an immediate summary of how the workforce views Brookwood and be able to see their development potential together with all the

training needs in the organisation. This would have taken hours in a manual system and probably be out-of-date when it is collated."

How much has it all cost? "Less than £10,000 for development and set-up and then an annual licence fee per person."

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