

How much should we spend recruiting for any given job? How do I best sequence the spending starting with the cheapest option possible?

A. Formula to determine how a current vacant position at a property will impact profits each week the job is vacant.

1. Title of position:
2. Salary/Wage and any bonus you expect to pay this position in the next 12 months:
3. For all positions except sales positions: Multiply line 2 by 5. (Example: \$30,000 salary and bonus x 5 = \$150,000)
4. Divide line 3 by 50 weeks in a year to determine how much this position will reduce profits each week the position is vacant. (Example from above: \$150,000 divided by 50 weeks = \$3,000 profit reduction every week the job is vacant.)

NOTE: Sales positions multiply line 2 by 10 times and then divide by 50 weeks.

B. Formula to determine how a current vacant position at a Regional office or Corporate office will impact profits each week the job is vacant.

1. Title of position:
2. Salary/Wage and any bonus you expect to pay this position in the next 12 months:
3. Multiply line 2 by 10 times. (Example: \$75,000 salary and bonus x 10 = \$750,000)
4. Divide line 3 by 50 weeks in a year to determine how much this position will reduce profits each week the position is vacant. (Example from above: \$750,000 divided by 50 weeks = \$15,000 profit reduction every week the job is vacant.)

C. The weekly lost profits from A. or B. above is your guide to the importance of this position to your property/company.

Knowing the impact on profits each week also makes it easier to identify how aggressive your recruiting effort needs to be.

Rules of Thumb:

- No hourly job should be vacant more than 3 weeks. (From the day the incumbent gives notice or is terminated until the start date for the new employee.)
- 90% of your management jobs should be filled within 5 weeks. (From the day the incumbent gives notice or is terminated until the start date for the new employee.)
- 10% of your management jobs can take up to 13 weeks to fill.

The average management position in the hotel industry is vacant 13-17 weeks. (Depending on the department)

How should you sequence your recruiting efforts based on lost profits?

1. Tell the department head how much profits in their department are being reduced per day or week this position is vacant.
2. Tell the department head the average days or weeks jobs were vacant in their department in the last year. Compute the expected loss from this position based on the department average.
3. Ask the department head what an acceptable dollar loss in profits is. (See Rules of Thumb)
4. Subtract the acceptable loss from the average lost profits for this position at your property to determine how many dollars are available for recruiting, interviewing, and relocation expenses.

If the dollars available are less than \$3,000:

1. Review previous candidates who have applied for the same job in the past.
2. Place an ad on the Hospitality Online.
3. Print out the Jobs Flyer Hospitality Online provides and distribute it to local sources that are frequented by people you would consider for this job.

If the dollars available are between \$3,001 - \$15,000:

Immediately initiate steps 1-6.

1. Review resumes/applications from people who have previously applied to your company.***
2. Referrals from your current employees and/or other people and organizations you know.***
3. Internet employment ads on niche job boards that attract passive job seekers.*** (Avoid job boards with "searchable" databases. People who are employed and successful rarely are willing to jeopardize their current job. Would you?)

4. Print flyers that can be distributed within your local community.***
5. Automated email employment marketing.***
6. Targeted local, regional, or national direct mail. Ads targeted to the exact job you are looking for at companies/properties similar in size, quality, and market to yours.

If the dollars available are \$15,001 and above:

Immediately initiate steps 1-6, but go to step 8 if 1-6 have not filled the position within 2 weeks.

1. Review resumes/applications from people who have previously applied to your company.***
2. Referrals from your current employees and/or other people and organizations you know.***
3. Internet employment ads on niche job boards that attract passive job seekers.*** (Avoid job boards with "searchable" databases. People who are employed and successful rarely are willing to jeopardize their current job. Would you?)
4. Print flyers that can be distributed within your local community.***
5. Automated email employment marketing.***
6. Targeted local, regional, or national direct mail. Ads targeted to the exact job you are looking for at companies/properties similar in size, quality, and market to yours.
7. Newspaper ads.
8. Search and placement.