HUGHES COMMUNICATIONS, INC.

PRESIDENT & CEO™

# Screening Makes Sunstone Employer Of Choice

**by President & CEO Magazine**

When you walk into any property managed by Sunstone Hotel Properties Inc., you'll see a small sign prominently displayed near the front desk that says: "We are concerned about violence in the workplace, theft and falsified employment applications. We conduct full background checks on all candidates for employment through InfoLink Screening Services Inc."

The plaque shows guests, employees and, most importantly, prospective new hires that Sunstone is serious about its expanded background-screening program.

Sunstone Hotel Properties Inc., San Clemente, Calif., is jointly owned by Robert A. Alter, former chairman and CEO of Sunstone Hotel Investors Inc. and Sunstone Hotel Investors, which is majority owned by Westbrook Real Estate Fund, Boston. The company employs approximately 5,600 associates to operate 57 properties and a portfolio of 11,200 rooms in 10 states throughout the Western and Midwestern United States.

Sunstone's recent emphasis on background screening is a reflection of Sunstone's credo of creating value in its properties by attracting and retaining the best associates possible.

Sunstone initiated its background-screening program in 1997, but the program was limited to senior positions. Sunstone's leaders wanted a dramatically different system that would screen all employees according to their role in the company. They wanted the responsibility for administering and maintaining the system to belong to each property.

Within Sunstone, the initiative and responsibility for implementing an expanded screening program fell upon two individuals, Barbara Cook, senior vice president of human resources, and Nida Palpall-atoc, human resources manager.

"It's no secret that turnover is a challenge to our industry," says Cook. "We felt that an expanded program of background screening would reduce turnover by deterring some applicants, while at the same time assisting our efforts to attract and retain A players. We also felt that improving our security would provide added benefit to

guests and employees. A more secure environment could also be expected to enhance Sunstone's appeal as a magnet employer."

"Sunstone, in my experience, has always had a strong orientation toward its associates with many training programs and advancement opportunities," adds Palpallatoc. "Even though we can't retain every employee, our goal is to help associates to advance in the industry and be known as a company desirable to work for."

With these concepts in mind, Sunstone sought a vendor with whom the company could collaborate to achieve its objectives. Among the factors considered were the variety of screening services offered, the availability of online services, the user-friendliness of online services, a report format that was easily understood and an overall orientation toward delivering excellent service in multiple states.

InfoLink Screening Services Inc., a nationwide firm headquartered in Chatsworth, Calif., met all of Sunstone's criteria.

Part of the implementation was to select a contact person from each property who would be entrusted with password access to the system. InfoLink's setup coordinator used an Excel spreadsheet to obtain and record the contact information and passwords for all 57 Sunstone properties as well as for supervisory personnel from the central maintenance service office, such as Cook and Palpallatoc, who would also have access.

To help those doing the screening at each property, policies were written up to ensure both accuracy and efficiency in using the new system.

• An application booklet was prepared which included Sunstone's standard four-page application and related forms in a tear-out binding. Included were the needed applicant authorizations for general background screening, credit screening and a summary of the applicant's rights under the screening program. The booklet even included the voluntary Equal Employment Opportunity forms for those who wished to use them.

• Sunstone policy was drafted to set guidelines for the types of screening to be done for each position. For instance, all prospective employees received criminal checks. Those who would be driving also got department-of-motor-vehicle (DMV) checks. Those who handled money were to get credit checks. Those considered for a general manager position received criminal, credit and DMV checks. In some circumstances, a social security trace was advised for employees.

• Equally important was a decision matrix designed to assist property managers to assess and handle, in a legally appropriate way, those applicants found to have negative background results.

The program was launched in February 2001. Initially, screening was limited to new hires only but could apply to existing employees for transfers or promotions. In the first four months of the program, more than 1,600 searches of various types were performed. That's about 400 per month for all properties, or an average of 28 per property.

Despite the many concerns of such a massive program, all went smoothly and reaction to the system has been very positive.

"The majority of properties appreciate added assistance in making the right decision," says Cook. For instance, some applicants were found to have criminal records including felony theft or grand theft, felony possession of dangerous drugs and misdemeanor corporal injury to spouse.

One of the most impressive aspects of the new program has been its results. In 2000, the company had experienced a turnover rate above the industry average. With the program in place, turnover has dramatically decreased. The company is now targeting a turnover rate significantly below industry average.

Palpallatoc is optimistic about the benefits of such a program both for hotel enterprises and other industries.

"Delivering good guest service starts with your people, and that is something that applies to any business, not just hotels," she states.v

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