

Why are Some Hotel Workers Not Returning to Their Industry

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Image from pond5.com

The sudden and decisive impact of the COVID 19 Pandemic on the hospitality industry resulted in roughly 3 million hotel workers losing their jobs with no definitive timetable as to when or if they would be asked to return. Tenured and those new to the industry were treated alike, and for many it created a lack of trust, job security and confidence that their former employers truly cared about their well-being. Now flash forward 14 months later, and that same employer is reaching out and asking for some, but not all, workers to return. The extended period of layoffs required many of the workers to seek out alternate work in other industries, which were less impacted by the pandemic. Others felt slighted and perhaps even a little offended, that the impact of the COVID pandemic resulted in their employer so quickly discarding them. This was particularly true for salaried managers and more tenured hourly workers who, for the first time in their career, felt they had to seek work in other non-hospitality industries.



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This article will review the types of decisions made by hotel owners and operators when the pandemic started and some of the factors influencing why some laid off workers have strong concerns about returning. HPS will review ways in which employers might want to approach past workers. Strategies on addressing their concerns and identifying what further actions can be taken to secure this talent will be discussed. Increasing current staffing levels within your hotel will be necessary to meet returning demand.

Hotel owners and operators faced one of the most difficult and challenging periods in recent history when the COVID 19 pandemic caused world travel to come to a standstill. Individual and group room cancellations quickly followed. The reduction of each hotel's variable or hourly labor was immediately adjusted, but further cost containment was evident when it was initially projected the pandemic might last 3-6 months. Salaried managers were initially told their positions were being furloughed, but a short time later, many were advised they were officially laid off, with no guarantee of when or if they might be asked to return. No one could foresee that the pandemic would impact demand for an extended period of 12-14 months. And, for larger convention city-center hotels, that business might not return for 24-36 months.

From the hotel workers perspective, it seemed that their history of success within the hotel management company and loyalty to the owners had little or no value. Hourly staff were used to daily or even weekly fluctuations in business levels impacting their schedules. But the prolonged lack of demand placed many of these workers in serious financial distress. When salaried managers were first furloughed, they may have understood the circumstances, but they were still being presented with challenges and anxiety they had never faced previously in their career. Most appreciated that their job was furloughed rather than laid off, until a few weeks later the release was modified to a permanent lay off. These individuals now struggled to support themselves and their families, while also working through feelings of frustration from being so quickly discarded by their employers. They now lacked self-confidence and questioned their career choices.

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As the weeks turned into months with no signs of the hospitality industry returning to any sense of normalcy, these workers had no choice but to consider other industries and professions. They had to retool their skills and find new sources of income to make a living. For those choosing to wait for a possible call requesting they return to their hotel, fear of a restructured business model and declining demand levels created anxiety around returning. Given the above concerns of these workers, it would be naive for owners and operators to assume that past workers would be willing to return without hesitation.

Getting selected workers to return to their hotels, is a current challenge facing many hotel owners and operators. Early indications suggest that leisure and some group demand is building and the need to shift your hotel from its long-standing cost-containment mode to basically a reopening mode is needed. Speaking with several of our clients, some operators chose to first reach out to the workers they felt would be most appropriate and needed initially. Their intent was to increase staffing to 50-75% of pre COVID levels and then continue to build in conjunction with future demand. If these workers were unwilling or unable to return, the operators then sought applicants externally. Other operators viewed this extended period of layoffs as an opportunity to explore what other talent was in their market and advertised their select job vacancies. This action also sent the hotel's past workers the perceived message that they were not wanted nor of any value to their hotel, since they were not being given the opportunity to return.

Regardless of whether you, as a hotel operator, reach out to laid off workers and ask them to return, or seek out what hospitality talent might be available in the market, it is logical to assume much of this talent secured alternate employment or is questioning their job security and willingness to return if invited. Your hotel must develop a plan to fill this staffing void, and it will probably include securing a less experienced workforce. These new workers will require training and additional time to ramp up to the proficiencies needed to truly service returning guests.

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Below are some of our initial recommendations in terms of defining what your hotel's current and future staffing needs will be, and some of the actions to take to fill these needed positions:

1. Make sure that your hotel is staffed properly to complete proactive sales efforts. Competition for the same business has increased. You need strong negotiators and multi-taskers to respond to the new ways your customers are conducting meetings and regain the market share lost during the pandemic.
2. Assess your current and desired mix of business and increase your staff accordingly. If workers were unwilling or unable to return, operators should target applicants from external, but related, industries.
3. Reach out to your past workers and see if they will return. The ramp up time is quicker and the need for training is less. But a word of caution, be prepared for some hesitancy and lack of trust from these past workers. In fact, they will probably want some types of assurances related to their future job security.
4. Identify and recruit within your market and feeder markets labor pool. Remember that your competition will most likely have disgruntled workers. Those workers may believe it's time for a change and want to feel valued again. Having a competitor pursue you is always a confidence builder for these sales individuals!
5. If there is still a need for further talent externally, the hotel will need to make their offer attractive with some possible added inducements, such as waiving the wait period for when benefits will start, or possibly offer a retention bonus if they stay with the hotel for the next 6 or 12 months. Keep in mind, your hotel is attempting to ramp your staffing along with all of your competitors. All hotels in your market are going after the same potentially limited talent pool.

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6. If the hotel needs to hire new inexperienced talent, the hotel should have a well-defined training plan and ramp up schedule. This plan needs to clearly define who, on your team, will coordinate and conduct this training. If the hotel's resources are stretched, the utilization of a third-party service, such as HPS, might be beneficial and cost effective.

In summary, we reviewed some of the dynamics at play for the owners and operators of hotels during the extended period of the COVID pandemic, and how cost containment decisions may have impacted their workforce both financially and emotionally. We further discussed that understanding these worker concerns will play a key role when reaching out and asking them to return to their jobs. HPS recommends that every hotel develop a staffing ramp up plan that will strongly resemble what the hotel did when it first opened. A plan that will define the hotel's minimum opening staffing needs with specific demand and revenue benchmarks of when further will be needed. The hospitality industry currently faces a serious crisis in securing talent. Preventing the failure of having this talent on board, trained and ready to serve your customers, should be a top priority at this time. And, if you require assistance, HPS can help.

About Hospitality Performance Systems, Inc. (HPS)

Hospitality Performance Systems (HPS) was created to provide operational and sales support to the hospitality industry globally. Founded in 2009 this enterprise takes advantage of its founder and President, Stanton D Jacobs, CHA, with over 30 years of proven success in the hospitality industry and strategic relationships globally, HPS is affiliated with a wide array of professionals specializing in their respective disciplines, enabling HPS to provide a wide range of services. <https://www.hps-strategic.com> <https://www.linkedin.com/in/stantonjacobs/>