

## Human Resources

# Retention, diversity and tech headline labor concerns

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Labor took center stage during general sessions at the NYU International Hospitality Industry International Investment Conference, and brand executives, recruiters and hotel owners shared different perspectives.



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NEW YORK—Labor dominated the conversation at the recent [NYU International Hospitality Industry International Investment Conference](#).

Leaders from brands and ownership groups talked not only about the future of the hotel workforce and its leadership, but also about the intersection of labor and technology when it comes to industry disruptors.

Speakers on two conference panels, “The leaders’ forum” and “The leaders check in -- Part two,” shared more details on how their companies are recruiting and retaining line-level employees, the growing importance of diversity in corporate leadership and also how tech disruptors like artificial intelligence and blockchain could have an impact on the future hotel labor landscape.

### Focus your labor goals

Speakers agreed that the industry as a whole is challenged by recruiting and retaining entry- to mid-level employees, particularly because of regional wage pressure and other trends making hotel operations a less-attractive career path than it’s been in the past.

“It’s so important for all of us to think about how we can further protect our industry and help it grow,” said \_\_\_\_\_

Best Western Hotels & Resorts President and CEO David Kong on the topic of promoting the hotel industry as a preferred employer. “We have to support the efforts of (American Hotel & Lodging Association) and the U.S. Travel Association.”

Radisson Hotel Group President of the Americas Ken Greene said that for his company, culture is a tool it uses to make the business attractive.

“It’s not just about attracting talent but retaining it,” he said. “We bring people in and we don’t mentor them, we don’t have the right leadership programs and we do a lousy job of identifying the up-and-comers,” he said about the industry as a whole. “It’s not always about the money. I think if you have a culture that recognizes performance and recognition, it’s a very important thing.”

James Allen, chairman of Hard Rock International and CEO of Seminole Gaming, said he focuses his labor efforts on one influential group in particular—middle management.

“A lot of focus is on senior executives, but our philosophy is different,” he said. “Senior executives may work 7 a.m. to 7 p.m., but our business is 24/7. Who is running the store most of the time? So my focus is on middle management, supervisors and below—those who are the people influencing the line staff most.”

Stephanie Linnartz, global chief commercial officer for Marriott International, has a similar focus strategy.

“We have 750,000 employees globally and 96% work at hotels,” she said. “So increasingly, regional offices are important for us.”

She said the company, like its peers, often finds itself competing not against fellow hotel companies for workforce, but with tech companies.

“We’re competing with the Googles and Amazons for data scientists, IT and tech,” she said. “We, candidly, can’t pay as much as some of these digital superstars and I often think we all could do a better job at employment marketing.”

Getting back to basics, Trump Hotels CEO Eric Danziger reinforced that at the end of the day, wages are a key issue.

“Solving the issue of pay is critical,” he said. “If you want to disrupt something, disrupt what you’re spending on something elsewhere in the hotel that you’ve been doing for 20 years that may not be what the customer wants anymore,” he said, citing in-room coffee makers as a possible example. “Are there other things in the people arena that could be done that are a better value for the money?”

### **Labor and diversity**

Speakers acknowledged the growing share of conversation and action around women in industry leadership roles in particular.

“I don’t care what business you’re in, it’s all about the people,” said William Ferguson, CEO of executive recruitment firm Ferguson Partners and co-chairman and co-CEO of FPL Associates. “Our industry has to continue to embrace this idea of diversity. The more perspective you have at the board table and in management, the better the discussion and decisions.”

Ferguson shared anecdotes about trends his firm has seen around increasing the number of women in C-suites and on boards of directors.

“Each industry has a career path to the top, and what each industry has to do is make sure that pipeline remains diverse,” he said. “You need an enlightened CEO and a board willing to mentor the entire leadership pipeline.”

Thomas Morey, EVP, general counsel and secretary for real estate investment trust Park Hotels & Resorts, said the industry must break some traditional molds to help enable more diverse leadership.

“Some silos of this industry are so male-dominated,” he said, citing examples of golf tournaments and steakhouse business dinners dominated by men. “At Park we’re very focused on leadership development for all leaders. We’re trying to make it a reality and hoping others in the industry do it as well.”

### **Labor and technology**

Tech disruptors entered the labor conversation, as speakers discussed ways they and others are exploring the balance between useful technology that can have an influence on how people go about their jobs.

Colleen Keating, COO of the Americas for InterContinental Hotels Group, said [IHG](#) spends a lot of time exploring that fine line.

“We embrace big data and technology in the industry as an enabler of delivering more personalized service, but hospitality at its core is people taking care of people,” she said. “I look at technology as the enabler to deliver more personal service or be more efficient, but in concert with our associates.”

Kong agreed, adding that [Best Western](#) also is exploring ways it can adopt tech that enables people to do better work, rather than replace them.

“You have to think about how you can provide better service and provide what the guest wants,” he said. “Many of us are testing chatbots to allow the guest to request things on their phone rather than picking up the phone to call. We’ve found there’s a tremendous lift in guest satisfaction when people are empowered to text their request rather than call someone.”

Greg Mount, president and CEO of RLH Corporation, said some of the next iterations of technology are poised to help this goal of maximizing people to their fullest while letting technology enable streamlining.

“Smaller hotel companies like ours have the ability to be more mobile and a little more disruptive,” he said. “I think it would be criminal to not start to understand blockchain, for example, and how it will be a revolution in many industries. We’re using it now in our loyalty program in small ways so we start to understand it. It’s going to be critical for all hotel companies.”

