Hotel Executives Stress Importance of Workplace Culture, Diversity

Hoteliers Say Technology Should Make Employees More Productive, Not Replace Them



Patel, of EV Hotel, at the Americas Lodging Investment Summit. (Bryan Wroten)

By <u>Bryan Wroten</u> Hotel News Now February 1, 2023 | 8:33 AM

LOS ANGELES - U.S. hoteliers still struggling with attract and retaining frontline and corporate staff say that a big part of the solution is workplace culture, and that requires being in the workplace.

"You lose that ability to have that energy if everybody's remote," Peachtree Group Managing Director and CEO Greg Friedman said during a "Boardroom Outlook" session at the Americas Lodging Investment Summit.

"Personally, I think everyone's got to be together in order to innovate and collaborate. You've got to collaborate to innovate."

Peachtree has brought everyone back to the office, where it holds quarterly town hall meetings and lunch-and-learn sessions every two weeks, he said.

The 20-year-olds at Peachtree were the first to come back, followed by the older employees, he added.

Chris Ropko, CEO of McNeill Hotel Co. and McNeill Investment Group, said his company is more flexible, offering an in-office and work-from-home hybrid model. McNeill doesn't have a firm number of days employees are required to be in the office, but most people are in three days a week, working from home on Mondays and Fridays, he said.

Along with giving people the ability to ease back into the workweek and have a more casual transition to the end of the week, the approach empowers employees to manage their own workflows at any level, he said.

"We found — and again, we're a smaller subset, we're definitely a smaller subset, and I don't know how well this scales — but we found that is a form of empowerment," he said. "It's like, 'Look, we trust you to get your work done. We're not going to micromanage you.' And you know, we can do that."

Instilling a company culture is difficult without being in person, but being in the office less opens the opportunity to be on the road together more, Ropko said.

"Get people on the road, meet up on the road," he said. "Do case studies on the road. Visit with each other in that form, in that fashion. I think that creates a pretty powerful dynamic as well in developing the whole employee."

Importance of Diversity

Clearly there are a lot of groups who are underrepresented, not just in hospitality but in leadership positions across all companies, Friedman said. Roughly 7.5% of executive leadership positions at Fortune 500 companies are filled by women.

Peachtree set up an internal program that pairs young female employees with mentors to help them develop their careers, he said.

A diverse workforce gives the company a broader view into investment opportunities and better ways to operate or develop hotels, he said.

Without it, "we'd miss those opportunities because we wouldn't see things from a different set of lenses," he said.

Citing a report from McKinsey & Co., Asian American Hotel Owners Association President and CEO Laura Lee Blake said unemployment is currently at 3.5%, the lowest it's been since 1969. There are currently 11 million job openings but only 6 million unemployed workers. In hospitality, there are 1.4 million openings.

While the number of men who are working increased by 400,000 to pre-pandemic levels, the number of women in the workforce is down by 1 million. There are also fewer minority employees in the workforce than before.

"What do we do to attract and retain the ones that we have, maybe invite the ones who stepped away from work during the pandemic — often to care for children or many people who are suffering from COVID, elderly parents — how do we start bringing them back?" Blake said. "That's my key question."

The Role of Technology

Technology should drive guest satisfaction, the bottom line and culture, but it's not supposed to replace employees, said Ken Patel, founder, Chairman and CEO of EV Hotel.

EV Hotel uses technology to create a task-driven system that takes care of smaller responsibilities, freeing up employees to use their time more efficiently. While the approach brings the labor percentages down, it increases employee morale, he said.

"This is all about helping the industry and how do we move that forward," he said. "Let's get up with the current trends, because the new age of employees that we have, and all the great students that we have here at this conference, they want technology, and they understand what it can do, but it's not going to happen overnight."

Ropko said hospitality is a tangible business with the ethos of personally serving another person.

"To extent that we can harness that technology and those advancements, not to act as a surrogate for the people or degrade or diminish the guest experience but to act as a productivity tool for our people — we embrace that wholeheartedly," he said.

Hoteliers should use technology to bring their people to the front line and enhance the guest experience through engagement instead of stuffing them in the back and making them do tasks they don't want to do, he said.

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