

## PEOPLE MANAGEMENT DURING COVID-19

*An industry of people taking care of people; Ladies and Gentlemen Serving Ladies and Gentlemen; People, Product, and Profit. Whichever way you phrase it, People are at the core of hospitality. As a service focused industry, our product is inseparable from the person delivering it. Therefore, a hotel's success depends on how motivated, happy, and engaged their employees are as this directly affects its product. So how does a people focused industry take care of their people during COVID-19?*

### 1. COMMUNICATION IS KEY (EVEN WHEN IT'S VIRTUAL)

We've all heard it a million times. Especially now, when we cannot be face-to-face, the way you communicate is crucial in handling this crisis. Your leadership can be defined by how you communicate with your employees, and it will make a difference. Be fully transparent. It may seem difficult to divulge all of your information, but it is necessary to give your employees the facts. Remain positive and realistic. Do not panic but make them aware of the current situation and how it could impact them. This allows them the time to make alternative arrangements if necessary. Involve your staff. Welcome their input, feedback and ideas for combatting this crisis and minimizing the adversity. As the current situation does not offer advanced notice and planning is nearly impossible, communicate on a regular basis and offer support, advice, and updates as they become available. Remain agile and adjust to your individual situation dependent on your location, country's current status and regulations, and current staff accommodation. Be proactive about the choices you make regarding your employees. We are in unprecedented times and now is the time to take the initiative and do what is right for your people.

How to communicate? We are now living in a virtual world. Through Zoom, Cisco Webex, Skype, or whichever platform you choose, Video Conferencing is widely available and accessible for large audiences. Begin by gathering your ExComm. Now more than ever, you need to collaborate and work as a team to make sure everyone is on the same page. Develop your plan, discuss what available information you have, how you can implement it, and how you want to communicate it. If applicable, consult with your labour union to ensure your plan is feasible and find out about alternative options. You can then have the Directors speak with their respective disciplines' management teams, ideally face-to-face (in this case screen-to-screen), to make sure they are aware and can be readily available to answer questions. Then, gather all of your employees, from line staff to GM, and offer the information available and your current plan. This can be dispersed via a recorded video, a live feed, or a conference call, through social media or your chosen platform. Take advantage of your company's internal network, be it email, your employee Facebook page or a company newsletter. If employees are not directly involved in the call, create an open forum, a place employee's can ask all of their questions, voice their concerns, and offer their input. Encourage your managers to be available to all personnel to help answer or direct their inquiries.

### 2. RETAIN, MAINTAIN, OR LAY-OFF

In these tight times of diminishing cash flows and decreasing occupancies, you may wonder if the best and only choice is to lay-off your staff. There are a few measures you can take before coming

to that conclusion. Schedule as much of your staff as possible through rotating shifts among willing employees. Keep in mind that not all employees are ideal, as they may be more susceptible to COVID-19 given underlying or pre-existing conditions and age. How can you schedule teams for a closed hotel? While you cannot employ nearly as many staff as usual, there are several departments that can be partially active during your temporary closure. Security may still have to be present for insurance purposes (check your current policy for vacant property insurance), and as general good practice to keep your property safe. Now is the ideal time for maintenance, and while full renovations are not possible given your current cash flow, routine maintenance can be conducted without disturbing any guests. Housekeepers can be employed to conduct deep cleaning and to install any new hygiene initiatives implemented as a result of Coronavirus. If you are still running with modified occupancies, you can maintain limited operational staff by keeping one F&B outlet open and one receptionist available at the Front Desk. You can also convert your restaurants into carry-out or take away operations dependent on your government regulations.

Another effort to keep staff employed could be partnering with your local hospitals to offer either meals or beds to the healthcare workers and others on the front lines. Many programs have been put in action, such as the AHLA's Hospitality for Hope Initiative, which makes it easy to participate. While this may incur costs for the operating company or owner dependent on the government's involvement, it is an alternative method to keep your employees active, support your local community, and earn goodwill and press for the hotel.

Even though there is little flexibility to preserve operations, many support functions can be maintained through remote working. While you cannot employ everyone by offering available shifts, you can push your employees to take their vacation time. This will reduce your costs while maintaining your employees. This is a more viable option for European Hotels than for US-based hotels given the limited holidays offered. Monitor all government aid and business relief programs that you qualify for. These can help minimize the impact through providing loans and other means of keeping your business intact during the crisis. These may be more beneficial for independent hotels as more support is offered for small businesses.

If the situation continues for several months, other financial measures should be considered. Finding a financial source will be essential to continue to pay your employees and avoid lay-offs. This may include discussions with the hotel's owner to consider all means available. Another method could be the redistribution of salaries, which would require the agreement and approval of higher earning-management. It would involve shifting some of their wages to the lower compensated employees in order to provide more support to those living paycheck to paycheck or supporting larger families.

The last resort would be lay-offs. Not only is this the least preferred option as it negates many hospitality companies' core values, taking care of their people; it also is a huge financial burden. In addition to the severance packages you may have to provide, there is a very high cost in hiring and training new team members. There are a few options you can take to minimize the adverse effect of lay-offs. As laying off a high percentage of employees implicates the WARN Act or similar labour laws, speak with your government and union to see if there have been any measures taken given the unique circumstance and severe economic change. Furlough your employees instead of laying them off. This is a temporary termination of one's employment that allows them to maintain benefits and preserve job security for when the crisis subsides while reducing labour cost. Find out what unemployment benefits your furloughed personnel qualify for during their temporary unemployment, and give them the tools and resources to apply for aid. This will minimize the cost of rehiring and give your current employees stability once the situation is mended. Collaborate and

partner with essential businesses such as pharmacies, grocery stores, health administrators, and manufacturers to offer your furloughed employees' access to another job during the hotel closure. If your hotel is part of a chain, you can consider transferring employees to another location depending on the need and availability.

### 3. FROM HUMAN TOUCH TO SOCIAL DISTANCING

Many will immediately think "hospitality and remote working, no way." How are we supposed to preserve an industry that revolves around human interaction from a distance? While the core operational staff will not be able to conduct their key functions during a hotel closure, there are several disciplines that are able to work remotely. Support functions such as IT, Sales, Finance, and Revenue Management should be able to conduct a majority of their work from home, which will allow your hotel to keep these teams employed during the closure. If there is not enough work to be done full time, consider moving these employees to part-time positions during the closure. For the staff that simply cannot work during the closure based on their job requirements such as F&B and Rooms divisions personnel, make online and remote training available. This won't have the full impact as gathering everyone in a room and conducting live training, and it may not be for everyone. However, it can be beneficial for some. Therefore, make it optional for those who don't mind virtual training and want to brush up on some of their skills while they have the time to do so. If your company already has mandatory training in place that are meant to be conducted online, now is the ideal time to have your employees complete them.

The uncertainty of COVID-19 makes it very difficult to plan. However, you will need a strategy for your re-opening, including rehiring your staff and conducting training. This training could be to brush up on their skills or review new initiatives implemented as a result of COVID-19. Therefore, have an action plan for a variety of situations. Whether you're informed you can re-open a month prior, one week, or even a couple of days, have a plan ready to re-engage your staff, conduct the necessary training, and hype up the employees to return to work. Different plans should also be considered based on a partial, gradual, or complete re-opening. Regardless, it is important to be prepared, communicate your positivity, and convey excitement to your employees to ensure a successful re-opening, and overcome the current challenges.

## CONCLUSION

Your hotel's individual situation and people management plan will greatly rely on your country's available aid and government intervention, staff accommodation, and the impact of COVID-19 on your region. This unprecedented situation creates a lot of unknowns, especially regarding the re-opening and continuation of operations per usual. That being said, it is essential that we remain positive as we continue to learn and adjust to the current situation. This experience will prove that our hotels and our employees are capable of handling more than we ever thought possible. When our hotels begin to re-open and return to their lively capacities, ensure to bring along all of the insight, knowledge, and resilience you've gained throughout this experience as you move forward in your operations.

*We encourage you to create an agile People Management strategy as the crisis evolves. Please contact us at [info@globalassetsolutions.com](mailto:info@globalassetsolutions.com), we would be delighted to offer you our assistance and tailor-make an action and implementation plan for optimal closure and future re-opening.*

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Ecole Hôtelière de Lausanne Students and Alumna

Global Asset Solutions, your key partner in hotel asset management, has partnered with a team of five students and one alumna from Ecole Hôtelière de Lausanne, recognized by industry leaders as the best hospitality school in the world. Together, we are working on compiling the best practices to help hotel owners and operators navigate through the COVID-19 crisis. By combining diligent research, expert opinions, and our own experiences, we will be publishing the best practices on the most current topics facing our industry. Team APAC is composed of Paloma Guerra, Mingze Li, and Zhaoyu Zhu, while Eliana Levine, Larina Maira Laube, and Vani van Nielen make up our Team EU & US and Remy Rein (EHL Lecturer).

Co-Published with Alex Sogno (CEO - Senior Hotel Asset Manager at Global Asset Solutions). Mr. Sogno began his career in New York City after graduating with honors at Ecole Hôtelière de Lausanne, Switzerland. He joined HVS International New York, and he established a new venture at the Cushman & Wakefield headquarters in Manhattan. In 2005, Mr. Sogno began working for Kingdom Hotel Investments (KHI), founded by HRH Prince Al-Walid bin Talal bin Abdul Aziz Al Saud member of the Saudi Royal family, and asset managed various hotels including Four Seasons, Fairmont, Raffles, Mövenpick, and Swissôtel. He also participated to the Initial Public Offering (IPO) of KHI at the London Stock Exchange as well as the Dubai International Financial Exchange. Mr. Sogno is also the co-writer of the 'Hotel Asset Management' textbook second edition published by the Hospitality Asset Managers Association (HAMA), the American Hotel & Lodging Education Institute, and the University of Denver. He is the Founder of the Hospitality Asset Managers Association Asia Pacific (HAMA AP) and Middle East Africa (HAMA MEA).

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