

Creating and Rebuilding Organizational Culture to Recruit and Retain Employees in The Hotel Industry

By Cynthia Schuler Principal, IntegriStar HR Consulting | February 2023



The term "The Great Resignation" was coined by the Texas A&M professor, Anthony Klotz in May of 2021.

The movement has impacted the hotel industry heavily.

It began in April 2021 when approximately four million employees left the workforce. At the onset of the pandemic, travel came to a halt, and the hotel industry was forced to conduct layoffs. Because of the level of uncertainty and the need for stability, employees also began to quit and pursue opportunities to upskill and move to other industries. Others were

burned out and took a break or started their own businesses, and some retired early. During a time of great uncertainty, employees began to evaluate their satisfaction with their current job or career.

While the hotel industry was, and remains, one of the hardest hit industries during "The Great Resignation," there is an opportunity to create and rebuild healthy organizational cultures to attract and retain talent. A few ways for brands to begin to do this is to promote diversity, equity, inclusion and belonging, to identify gaps in the current recruiting and retention strategy, and to provide professional development and training opportunities to current and future employees.

Diversity, Equity, Inclusion, and Belonging

Organizational culture attracts and retains employees. In 2016, Millennials became the <u>largest population</u> in the workforce. Prior to Generation Z, Millennials were the largest and most <u>racially and ethnically diverse</u> generation.

In a 2021 Deloitte blog, it is stated that "these employees-collectively born over the two-decade period from 1983 to 2003-account for nearly half (46%) of full-time US workers." What does that mean? That means that employers need to make education on generational wants and needs a priority, and particular attention should be paid to the wants and needs of those who make up almost half of the current workforce.

In understanding the wants and needs of multiple generations in the workplace, the hotel industry must promote diversity, equity, inclusion, and belonging to attract and retain employees. It is one thing to talk about fostering a climate of diversity, equity, inclusion, and belonging, but it is another to practice it and to live the values that are written in a strategic plan or on a website. And it is important to think beyond gender or race. Diversity includes other factors. It encompasses the "human" experience. Each individual has a unique life

experience or perspective to contribute to the workplace, and employees are demanding that they be valued for those unique contributions.

The first thing brands must do is assess their current diversity, equity, inclusion, and belonging strategy. They must ask, "What does the current diversity, equity and inclusion strategy look like?" "Is the brand promoting diversity, equity, inclusion and belonging?" "How?" Before developing a new or revised strategy, it is imperative to assess the current environment to identify gaps and create goals and initiatives. One way of doing this is conduct an internal or external engagement survey to make certain all employees have a voice regarding their experience with the brand.

The feedback will allow senior leadership to identify gaps in the current diversity, equity, inclusion, and belonging strategy (if there is one). And once those gaps are identified, the brand can begin to create solutions that will foster a diverse, equitable and inclusive environment where all employees feel a true sense of belonging. Success will be dependent on how well the plan is executed.



Recruiting and Retention

"The Great Resignation" also presents an opportunity to review and assess the current recruiting and retention strategy. First, review current job descriptions. The highest number of exiting employees during "The Great Resignation" were Millennials. In May of 2022, it was reported by hotelspeak.com, that 21% of millennials had reported leaving jobs. In addition to organizations who value their worth, Millennials are seeking organizations who promote diversity, equity, inclusion, and belonging, promote professional development, and who promote well-being.

In addition to the support of promoting social issues, Generation Z are also seeking organizations who promote diversity, equity, inclusion, are seeking employers who will offer hands-on informal and formal

professional development and training. Most importantly, they are digital natives who are tech savvy which means that manual or antiquated systems may drive them away. This is an opportunity for the hotel industry to analyze their current recruiting and retention strategy to welcome the newest generations to their brands. Creating and rebuilding a brand that is attractive to Millennials and Generation Z, while remaining attractive to other generations, is essential for recruiting and retention purposes.

The Recruiting Process

Reviewing the current recruiting is first priority. What are the processes and procedures in recruiting talent? How efficient is the process? Posting jobs where there is a URL that takes an applicant straight to a site where their information is populated through an Applicant Tracking System (ATS) is the most efficient way to apply for a job. Developing an efficient process in a market where applicants are receiving offers on-the-spot or receiving multiple offers is essential. In addition, automated systems that generate automatic responses, allow for an automated process to set up interviews, generate offer letters, and onboard employees will contribute to winning the war for talent.

And finally, time to hire is critical in recruiting and retaining talent in today's market. Senior leaders and managers should be aware of the fact that good talent is identified quickly. Their ability to free up schedules to interview and make decisions quickly will impact the ability to secure good talent.

Job Descriptions and Requirements

It is important to craft a job description so that it stands out from other job descriptions. Consider creating and drafting intriguing, unique, and clear job descriptions. Consider "wants" and "needs" when preparing job descriptions. Assessing true "wants" and "needs" and requirements regarding education is important. Does the job truly require a four-year degree or can someone who has "x" number of years of equivalent experience or experience in the same industry (or a different industry) make up for a college degree? Think about relaxing the education component unless it is absolutely necessary to perform the essential functions of the job.

The phrase "College degree preferred" is the appropriate wording to use in a job description if the brand prefers a college degree but consider relaxing the education requirement unless absolutely necessary. Consider whether or not a front desk clerk really needs to have prior experience managing a front desk at a hotel. Can it be someone who has worked in a Call Center or who has provided customer service in another industry? These are key factors to consider in securing talent in a tight market.

A job description must also include things that are attractive to all generations. Millennials and Generation Z are looking for collaboration and a brand that promotes individual growth. Boomers value face-to-face connections and having real-time conversations. They have strong interpersonal skills enjoy making connections with the people around them. Generation X values autonomy and clear goals and deliverables. The key is to write job descriptions in a way that attracts all generations, keeping in mind that Millennials and Generation Z make up more than half of the workforce – and attracting and retaining the newest generations is going to require a level of collaboration, mentorship, and/or an opportunity for intellectual growth as well as hierarchical growth.

Resume Gaps

In reviewing resumes, one should be aware that a gap on a resume does not necessarily mean that an employee is not a great candidate. Remaining non-judgmental and open-minded will contribute to winning the war on talent in the future. According to McKinsey & Company's "Mind the Gap," in an article published in March of 2022, it states that Business Insider reports that young people are taking time off to plan, network, and figure out who they are and what they want before committing to a career...".

Understand this fact before passing on a candidate who has a gap on their resume. A candidate may also have a legitimate response to explain a gap on their resume. Allow the time to inquire if the candidate's resume reflects great skills and experience. And finally, a piece of paper does not portray the full picture or experience of a candidate. Sometimes there is a needle in a haystack of resumes, even if there is a gap or two on a candidate's resume.

Professional Development and Training

The brands who provide an opportunity for professional development and training will be most competitive and have an advantage in acquiring and retaining talent. While there is an extremely high turnover rate in the hotel industry because of low wages and the lack of flexibility, providing an opportunity for professional development will help to acquire and retain employees. Professional development and training will provide a feeling of confidence and empowerment, and if an employee feels they are valued, there is a greater chance of retaining that employee.

Next, identify the employees who remained with the brand throughout the storm, identify those employees who have promise, and create professional development and learning opportunities for them. Can those employees be upskilled and promoted? Can they be reskilled and promoted or moved laterally if a more challenging or different position is desired? These employees have institutional and historical knowledge that is invaluable, and they will continue to be loyal to the brand if professional development and training opportunities are offered.

Finally, all employers should provide education on generational collaboration and the wants and needs of Millennials and Generation Z who make up almost half of the workforce. Millennials are looking for healthy organizational cultures and want to have pride in their employer, and training and development is important to them. Generation Z values daily interaction with their manager and they prefer to communicate digitally. But they also like to meet in-person when possible. They are looking for training that is informative and engaging and quick and "to the point". These characteristics warrant the need for management training and development in communications, effectively building cross-generational teams, and other core skill areas. Provide the education to managers so that they can build and effectively manage productive teams.

Conclusion

While the pandemic and "The Great Resignation" affected the hotel industry in ways that it may not have affected other industries, the opportunity to assess and build (or rebuild) healthy organizational cultures is staring the industry in the face. And while the hotel industry was hit hard and many employees were laid off or resigned due to the uncertainty in the hospitality business altogether, there is an excellent opportunity for brands to make an immediate impact on their organizational culture to attract and retain employees.

Support for the promotion of diversity, equity, inclusion, and belonging, identification of gaps in current recruiting and retention processes and procedures and providing professional development and training opportunities to current and future employees are several ways to move the needle in the right direction.

The important thing to remember is that each employee (current and future) has something unique to contribute, but it is the employer's responsibility to educate their workforce and build effective strategies to attract and retain employees across all generations.

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