

Hotels Offer Career Growth to Hire Staff -- WSJ

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Opportunities for advancement appeal to housekeepers, front-desk workers

By Kate King | Photographs by Keith King for The Wall Street Journal

When hotel operator Nath Inc. reopened its eight hotels in the summer of 2020, it struggled to fill openings for housekeepers and front-desk employees. The company boosted wages for some positions by more than 30% but was still short-staffed.

Then Nath tried a different tack. The company created a career-development program with cross-department training and leadership workshops. Prospective housekeepers liked the idea that the company offered a path from cleaning rooms to running housekeeping or even managing a hotel, said Chief Operating Officer Bhavik Patel.

"We want to develop you to grow within the company," he said.

Despite a recent jump in the hospitality sector's hiring, hotels and restaurants are still understaffed. The accommodation and food-services sector had nearly 1.5 million job openings as of January, according to seasonally adjusted numbers from the U.S. Bureau of Labor Statistics.

Beyond raising wages and increasing benefits, hotel owners, lodging operators and global brands such as Hilton Worldwide Holdings Inc. are trying to attract and retain employees with the prospect of greater responsibility down the line.

The percentage of job postings on the online hiring platform Wizehire emphasizing career-development programs has increased to 8% from 2% prepandemic.

This approach has become another way for hoteliers to compete with remote jobs, fast-food chains and delivery companies that are hiring from the same pool of workers. The exodus of hospitality employees during the pandemic showed that hotels needed to offer more opportunities for career training and advancement, according to hotel owners.

"There's still a lot of turnover, but it's been more successful for us this way," Mr. Patel said.

Shelby Erdmann, 24 years old, said she didn't receive much career support when she started six years ago as an entry-level maintenance worker at the Hilton Garden Inn in Twin Falls, Idaho.

"There were days I wanted to quit because I didn't get training," she said.

Then McNeill Investment Group, which took over the hotel around the time Ms. Erdmann was hired, began requiring managers to train their staff for higher-level roles. Ms. Erdmann, by then assistant housekeeper, stayed after her shift to learn the hotel's computer systems and how to schedule shifts and order supplies. These skills enabled her to take over the executive housekeeping position last summer.

"Now I really like my job," she said.

Some hotel employees in management positions have also embraced retraining. Lindsey Damron, 41, moved into a sales job at Nath after telling Mr. Patel that she was burned out as a general manager at the company's Best Western property in Kalamazoo, Mich.

Mr. Patel offered her a position selling blocks of rooms and making cold calls to potential customers, as well as the opportunity to shadow a sales director with the intention of promoting Ms. Damron to that level within a year or so. At the same time, Ms. Damron is training her own replacement at the Best Western.

Nath is hoping that career advancement can counter companies offering higher pay. In October, a front-desk associate at a hotel in Traverse City, Mich., told Mr. Patel that she had been offered a dollar more an hour for a job at McDonald's.

Mr. Patel matched the offer but told the employee any additional compensation for that role would come through lump-sum bonuses. Nath has increased starting pay for front-desk employees to about \$16 an hour today from \$12 in 2019, and the higher labor costs are straining the company's bottom line, Mr. Patel said.

Other hoteliers are feeling a similar strain. Wage growth in leisure and hospitality skyrocketed in 2021. But it peaked in December that year, when wages were up nearly 14% compared with the prior year, according to the BLS. Since then, wage growth has moderated but remains above the prepandemic pace, with earnings increasing last month nearly 7% from a year earlier to \$20.83 an hour.

Benefit growth has also leveled off. The number of hospitality job postings that listed benefits, typically health insurance, doubled to 16% but the number hasn't changed much since mid-2022, according to Wizehire Chief Executive Sid Upadhyay.

Some early indications suggest that the promise of career growth is helping hotels hire. Job postings for entry-level roles that emphasize career development are seeing more applications, and interview and hire rates are 5% to 10% higher, according to Wizehire.

At Hilton, a new education benefit launched in May 2022 offers staff at all corporate offices and nonfranchised properties free opportunities ranging from high school and professional certifications to college courses. In the first month following the program's

launch, online job postings that mentioned the program received 20% more clicks than typical ads, said Christine Maginnis, senior vice president of HR Strategy and Talent.

Hospitality Ventures Management Group, which manages 55 hotels across the U.S., is rolling out new in-depth training of operations managers for general-manager roles at select-service properties, a position that has seen high turnover compared with full-service hotels since 2020. The eight-month program includes intensive training in areas such as revenue, financial reporting and people and facilities management, job shadowing and interim general-manager assignments.

The company spends \$60,000 on training each participant, said Sue Sanders, chief human resources officer.

McNeill Investment Group has started lining up training within the first 90 days of hiring chief engineers at its hotels. The company has struggled in recent years to find qualified candidates for the position, which involves building maintenance and repair, planning maintenance employees' schedules, ordering supplies and working with vendors.

McNeill pays for new hires to get certified in areas ranging from pool operation to HVAC repair. The company has found the perk helps them win over candidates who were interviewing with competing hotels, said Valerie Bolton, executive vice president of human resources.

"They have a strong foundation, usually. We just need to add to that to round them out," she said.

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