

# ***Hotel Human Resource Management Strategy During the Pandemic***

## ***---A Case Study of Hilton Hotel***

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**Abstract:** As COVID-19 spreads, an increasing number of industries have become stagnant, especially the hotel industry. Considering safety hazards, lots of hotel employees tend to make a career change. Therefore, the labor shortage and rising operating costs of human resources have gradually become the major issues for the hotel industry under the pandemic. In this circumstance, it is of great significance for the human resource department to think about how to adjust the hotel business strategy, optimize the management structure and reduce labor costs. Taking the renown Hilton Hotel as an example, this paper describes how the hotel should adopt human resources strategies to effectively cope with the crisis brought by COVID-19 and seize new development opportunities in this context. Hilton Hotels is working hard to ensure guaranteed quality of service during the pandemic, lowering corporate labor costs, and earning higher profits. The specific practice is to improve employee satisfaction, launch new employment mode, use artificial intelligence and so on.

**Keywords:** Hilton Hotel, human resource management, COVID-19

## **1. Introduction**

The core content of management is human and the competition between hotels, in the final analysis, is the competition of people. While many people often ignore these two crucial points, they play a vital role in human resource management.

So what is human resource management? Peter Drucker, who is a famous management scientist, points out that compared with all other resources, human resources possess qualities that other resources do not possess, namely coordination, integration, judgement and imagination [1].

Nevertheless, the sudden epidemic had a great impact on the human resource management of the hotel, which also greatly affected the operating conditions of the hotel. But we know that through reasonable allocation of human resources, enterprises can reduce the cost of human resources, improve the quality of service, so that they are able to obtain higher profits.

Therefore, some leading hotels quickly adjusted their strategies and explored innovative and effective operating models. This study will discuss the human resource issues faced by Hilton

Hotels during the epidemic and provide effective measures, in the hope of shedding some light on hotels struggling to find their way out.

## **2. The Negative Impact of COVID-19 on Hotel Human Resource Management**

### **2.1. Low Quality Service**

Since a hotel is a service industry, employees need to get up close and personal with guests. In their daily work, they should clean guests' rooms, provide guests with items they need, such as slippers and take-out and send some refreshments to guests. Additionally, in a valuable attempt to satisfy the diverse requests of customers, it is better for employees to offer face-to-face service, especially for employees in high-star-level hotels.

The motto of Hilton, the founder of Hilton Hotel, is "Do you smile at your guests today?" Therefore, Hilton Hotel is committed to creating a "Feel at Home" cultural atmosphere, paying attention to the cultivation of corporate staff etiquette and reflecting it through "Smile Service" of staff. It is through this corporate philosophy that Hilton Hotel have gained a popularity around the world.

However, the normalization of the epidemic has undoubtedly brought great concern and panic to the hotel staff. With the fear of being infected, staff tend to clean the room as quickly as they can and try not to talk to guests face-to-face, which negatively influences the quality of their work and brings a bad experience to guests. This kind of phenomenon inevitably violates Hilton Hotel's corporate philosophy to some extent. Therefore, if the panic of employees can not be halted in time, it is bound to have a great impact on the operation of Hilton Hotel because the successful development of Hilton is closely related to its service concept.

### **2.2. Labor Shortage**

According to the data, the turnover rate in the hotel industry in 2020 and 2021 was 16.5% and 24.7% respectively, which is the highest among all industries [2]. Cnr.cn reported that Hilton laid off 22% of its employees in 2020. From this data, we can easily figure out how serious the challenges and trials are for hotels. From this data, we can easily figure out how serious the challenges and trials are for hotels.

There are two major reasons for the lack of labor. One is voluntary employee turnover; the other is company downsizing.

First, it is easy for us to understand. Some employees stay home for long periods without pay, so they are trapped under economic pressure. The heavy stress forces them to change careers. For some other employees, they care about safety problems, and the hotel industry has a number of security risks in the event of pandemic. As a result, they submitted the resignation to avoid infection.

On the other hand, because of the high risk of virus transmission in hotels, hotel traffic also dropped dramatically during the pandemic. Consequently, the hotel's revenue is terrible. What's worse, to limit the impact of epidemics, spending on health and safety in hotels is increasing at the same time and the wage bill for the labor force is a huge fixed sum. In this situation, in order to diminish spending, human resource management makes a decision to reduce the staff.

The lack of labor had left some positions vacant and increased administrative costs. Because labor is the most important component of hotel operations, how to solve or compensate for labor shortages becomes one of the most important issues that human resource management must consider.

### 3. Measures Taken by Hotels in Terms of Human Resource Management under the Epidemic

#### 3.1. Employee Care

The health of the staff is the foundation of the normal operation of the hotel, but also the starting point of Hilton work. During this special period, Hilton Hotel fully pays attention to the health of its employees, gives them “big family” care, and takes a number of rewarding measures that arouse the staff’s working enthusiasm.

In addition to ensuring the physical health of employees, Hilton Hotel is also concerned about the mental health of those employees. During the pandemic, Hilton HR management set up Wechat groups for staff working in hotels that receive medical teams to have a good insight into their difficulties in real time and help them resolve their obstacles. Aiming to ensure the basic livelihood of its employees, Hilton Hotel has provided warmth and support by distributing condolence payments to staff on the front line of the COVID-19 response and establishing a team member assistance fund. In addition, during the pandemic, according to Christine Wang, vice president of human resources department, they established a communication mechanism between employees and management, encouraging employees to convey their inner troubles so as to help them relieve their anxiety. Only by ensuring the physical and mental health of the employees can the normal operation of the enterprise be maintained and the service quality be advanced, so as to attract more consumers and increase the profit of the enterprise. At the same time, this kind of employee security plan is also able to appeal to more talents for the enterprise, which provides a rich talent reserve.

Table 1: Hilton Hotels Corporation’s PR campaign in 2020[4].

Media public relations	Launch of “Team Member Assistance Fund”	In January 2020
	Win the title of “Best Employer in Travel Services”	In September 2020
	Win the title of “Best Workplace” in Greater China	In December 2020

Table 1 reflects Hilton’s achievements in caring for its employees. Hilton Hotel’s measures undoubtedly motivate employees to work. Such an employee care strategy can maximize the retention of employees and cultivate their corporate identity as well as loyalty. During the pandemic, Hilton Hotel staff always stay at the front line of the fight against COVID-19, conscientiously learning the intensive training of health, epidemic prevention, cleaning and other services, and carrying out strict sterilization in every room under the guidance of professionals. The Hilton Hotel warmly welcomes foreign visitors, medical staff and other special groups. As there are women, the elderly, children and other groups in the isolated group, the staff spare no effort to meet the requirements of the guests under limited conditions. Therefore, the workload of the staff has increased a lot, and they often work until the early morning, which once again highlights the service concept of Hilton Hotel in the special period. In special periods, if an enterprise can guarantee service quality and maintain business philosophy, then it has the ability to establish a good corporate image and win the favor of more consumers.

#### 3.2. “Odd Job” Mode

In September 2022, Hilton officially launched “Odd Job” mode, taking the lead in seven cities, including Beijing and Shanghai. Under “Odd Job” mode, hotel staff are able to apply to other pilot

hotels in the same region of the group through an internal platform established by the hotel to try out different positions and working environments.

This mode is similar to the shared employee employment mode launched by some enterprises under the pressure of COVID-19. It is actually a tripartite cooperation between enterprises that demand labor and enterprises that export employees and employees on the basis of not changing the labor relationship between the original employers and employees.

Sharing mode allows human resources to flow flexibly and reasonably among each hotel's human resources, allowing redundant labor from one hotel to be transferred to a hotel with a labor shortage. Besides, some employees are capable of finding more suitable positions, which enables them to take full advantage of their abilities and contribute more efforts to the hotel's smooth operation. We can safely draw the conclusion that this flexibility in personnel turnover can not only ensure the income of employees, but also save labor costs for enterprises.

“‘Odd Job’ is more of a ‘Flexible Job’. From the pilot, we hope to continue to enhance the sense of belonging of team members through this project, so as to better fulfill the corporate purpose of Hilton Group and deliver sunshine as well as warmth to guests.” Christine Wang said.

### 3.3. Artificial Intelligence

In today's technology-enabled era, artificial intelligence has been prevalent in various fields. Artificial intelligence greatly facilitates people and promotes people's life quality. During the pandemic, the application of artificial intelligence in the hotel not only diminishes the number of contacts between hotel staff and guests, reducing the difficulty of epidemic prevention, but also improves the working efficiency as a labor force, alleviating the situation of labor shortage.

Hilton actively cooperated with Huizhigan Company, applying a touch-free button it had invented into the elevator system. With this AI, elevator passengers only need to tell the system which floor they want to go to after the AI senses them. Another way is to suspend their hand in front of the target floor button, which lights up when the system senses it. Both methods avoid employees or guests directly touching the elevator buttons, getting rid of cross-infection. More significantly, these methods avoid the situation where one or more employees are quarantined, which undoubtedly reduces the labor loss of the hotel during the pandemic and provides a basis for ensuring stable enterprise income.

In addition, Hilton also teamed up with IBM's Watson supercomputer program to create a concierge robot called Connie. Connie is able to use not only Watson's powerful system to understand what guests say and communicate with them effectively, but also Wayblazer's travel information to provide real-time recommendations concerning local attractions. Other than the concierge robot, like many other hotels, Hilton takes advantage of food delivery robots, which focus on sending take-out to guests. These robots greatly reduce the possibility for employees to contact guests, which is a safety net for both of them. Stable and high-quality service can quickly establish a good corporate image, attract more potential consumers, capital investment and so on, creating a fantastic atmosphere for the continuous increase in revenue of Hilton.

## 4. Conclusion

This paper concentrates on the human resource management measures of Hilton during the epidemic. Through the discussion in this paper, we are able to clearly see how Hilton Hotel can recover its operations and establish a good corporate image through human resource management. In order to placate employees, Hilton Hotel provides good benefits to motivate them and enhance their work efficiency. It also introduces an innovative training system to promote employees' ability. To solve the labor shortage problem, Hilton Hotel adopts the "odd" model, so that human resources can realize

the full flow. In addition, Hilton Hotel has further developed artificial intelligence in the hotel to serve guests instead of employees, which not only alleviates the labor shortage, but also adapts well to the general background of the epidemic and reduces the risk of personnel infection. And all these measures ultimately help Hilton to save costs and increase revenue in diverse ways, which is definitely beneficial for the sustainable development of the enterprise. However, this paper only stays at the theoretical level and does not do field research, so many details are not presented and some phenomena are not analyzed in depth. However, it is still expected that the measures summarized in the paper can enlighten some hotels in distress during the pandemic.

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