

## Competing on Service: The Case for Good Jobs at the Omni Hotel

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In Boston's increasingly competitive hotel industry, what does it take to stay on top? The Omni Parker House, America's longest continuously operating hotel – and proud originator of the Boston cream pie – earns its four-star Trip Advisor rating by investing in its most important asset: its people.

The first step is meeting basic employee needs through generous wages and full benefits. But the key to the Omni's exceptional customer service lies in recruitment, training, and performance management systems that empower frontline staff to make decisions, solve problems, and advance to management roles.

The Aspen Institute recently spoke with **Alex Pratt**, Area Director of Human Resources at Omni Hotels & Resorts, a chain of 53 hotels that includes Boston's Omni Parker House. Alex brings more than 25 years of experience in hospitality, and has achieved industry-leading retention and high employee satisfaction at the Parker House.

Alex is quick to credit partners for the Parker House's success. He works closely with **Local 26**, the hospitality worker's union, and with **Boston Education, Skills & Training (BEST) Corp**, a model workforce training organization also **profiled by the Aspen Institute**. BEST provides high road hotels like the Omni with skilled talent. BEST graduates excel in quality jobs where they have the autonomy to shine.

In 2021, the Omni will open its second Boston hotel, a 1,054-room property in the Seaport district. One secret to winning the city's competitive bidding process was a first-of-its kind proposal for an onsite BEST training center where current and prospective employees will develop exceptional hospitality skills.

We spoke with Alex to learn more about how the Omni's innovative people practices and partnerships are delivering winning outcomes for frontline workers, guests, and the hotel's bottom line.

## How would you describe trends in Boston's hotel industry? Is it hard to find talent?

**Alex Pratt:** It has gotten a lot harder. Many years ago, I was in the city working with another hotel company and we would run an ad and get maybe 40 to 50 applicants for every position. What's happened over the years is – certainly right now unemployment is very low – there's been a massive expansion of the hotel industry in the city. When you look at the sheer numbers, it's obvious that we need to be looking at different ways to source candidates and we need to be looking at ways to find people who can be trained to do the jobs we have available.

## If competition is that steep, is providing quality jobs an important part of your talent acquisition strategy? If so, why is working at the Omni Hotel a good job?

**AP:** First of all, every associate is a valued member of the family. We provide fair wages that start at \$15 an hour, and starting wages can be as high as \$21.43 for

new BEST trainees. Employees also receive full benefits, including medical, dental, disability and life insurance, and a 401K, for our full-time employees.

Another thing that's special about Omni is that it's owned by one individual, and under that individual there is a very professional group of corporate executives who manage the day-to-day operations of the company. It's less complicated because you're not dealing with a corporate office, an asset manager or an asset management company, and an owner. The senior people in the company pretty much know the names of most, if not all, of the management talent in the company, and I think they know many of the long-serving associates. There's a strong sense of family cohesion. We work very hard at speaking to people the way we would want to be spoken to and treating them the way we'd want to be treated.

One of our pillars is called Mirror Image, which is essentially a play on the golden rule. I'm sure a lot of companies have the same thing, but Omni really does exhibit it. You can tell when you walk into the lobby of the Parker House, and the associates are warm,

friendly, and very genuine. They're also very long-serving. When you look at our staff of about 350 people, I think we have about 35, literally 10 percent, who are in a group we call the "30 Plus Club" who have been there 30 years or more, and we have about 10 to 12 of those who've been there 40 years or more. So that speaks immensely to loyalty to the company, as well as to the hotel.



**The Omni has a reputation for empowering frontline employees to make management decisions. Tell me about The Power of One, the Omni's staff empowerment philosophy.**

**AP:** Essentially, it enables employees to make decisions. You go in to some places, you check in, and if you don't like your room, you have to go down to the front desk, talk to the desk clerk, and the desk clerk gets you to a manager. It takes 20 minutes to get a room change. But in our situation where everybody's empowered to make a decision to benefit the guest, the desk clerk can make a decision right there.

Customers don't want to be burdened with wasting a lot of time. If you give them immediate decisions and immediate satisfaction they're going to be happy and go on their way. The longer somebody who has a problem lingers waiting for the problem to get resolved, the unhappier they're going to be. That will manifest itself in their business going elsewhere, or in their complaining, or on social media. If they're mad at an interaction with somebody in an establishment they're going to post that, and who knows how many people will see. The key is to make sure you satisfy every conceivable guest as fast as you can so that you don't have negative feedback and you do get positive feedback. Employees have to be given autonomy to be able to keep customers satisfied. And this autonomy also helps with job satisfaction.



**Tell me about the growth opportunities available to employees. Do you look to promote internally, and how do you set employees up to take advantage of those career ladders?**

**AP:** In terms of promoting people from within, at Omni we get measured every month on how many internal promotions were made from associates into management jobs. At the end of the year everybody gets a score. You are measured not only on the internal promotions within your hotel, but also how many promotions you made from your hotel to another company hotel.

To get people ready, we have in-house training programs and we use tuition reimbursement or educational assistance where we can. For anybody who is in an entry-level position, when they want to apply for a position to be a manager we would put them through the screening process, similar to somebody from outside. If they're eligible, then we'll give them a customized training program in the area



It's really great to have a program like BEST. One of the great things they do is job shadowing. As the students are going through BEST, part of their program is to go into hotels, observe for a week, and participate to a limited extent. That gives them real life exposure to what it's like in laundry or stewardship or housekeeping or whatever the job it is they're interested in. And it gives the hotel teams the opportunity to evaluate them. We communicate with BEST when somebody's done a great job, and we communicate with them when somebody may have an issue. We're giving feedback in real-time, and BEST can provide

they want to be in. We have a leader-in-development program for people like I just described, or for college students graduating. Then we have programs as you move up the ladder, so you can be a manager-in-development and you can be an executive-in-development. You can also do a thing called a self-directed development program, which is more comprehensive, to round out your skills. These are all good ways to give people the information they need while they're actually doing a job. What's unique about Omni is that those programs are all self-paced and based on individual competencies.

### **When and why did the Omni decide to partner with BEST and what has changed at the hotel as a result?**

**AP:** We work with BEST to find people. It's an awesome organization because of what it's doing to teach people the skills they need to get a job or potentially to transfer to another position in the industry.

feedback to students that helps them be more successful as they get a real job. Our last group, by the way, was awesome. These guys came in every morning, shook my hand, and said "hello" and "How are you today?" I hope all of them get a job at my hotel.

BEST also runs a job fair with each class, which is great, and we participate in those. That gives you a chance to meet the graduates. The people going into their program, who knows what they came from or what their previous experience is. But when you see them graduate they have such a sense of pride in their eyes.

As we look to the future, the 35 people I have that have been here 30 years are going to retire, and finding people to fill their jobs is going to be very difficult. First of all, this is because of low unemployment and because of all the saturation in the hotel market. Second, it's challenging finding people who really want to do these jobs and to be in this field long-term. Most of the people who come in

through the management training program are looking to either become managers fairly quickly or they're going to go use that skill somewhere else. They won't stay in the industry. When you have organizations training people and teaching them what it is to be a banquet server or a housekeeper, those are skills that we have to have or the business isn't going to be able to run.

**Say a little more about the business benefits of being an employer that provides good jobs. How does your performance management system impact employee retention and satisfaction?**

**AP:** For the Omni Parker House, each year we do an annual associate engagement assessment, and we use a four-point scale. The last year's score was a 3.53, which was the Parker House's statistically highest in history. Within Omni Hotels the overall average score was a 3.49. On a 100-point scale, that's 87 percent. It is significant to have a score that high. The Parker House has done a great job. It really is a good environment to work in.

In terms of turnover and retention, I will say that when I started the turnover was around 10 percent, and this year it was up around 13 percent or so, compared to an industry average of over 70 percent. That's a function of some people leaving due to retirement, as well as inevitable turnover. I think turnover is only going to increase in all of the city hotels because of the age of many of the workers. That gets right back to needing BEST to expand and to

help develop well-prepared candidates.

**Those turnover numbers are impressive. Why do employees choose to stay and make a career at the Omni?**

**AP:** They get to know each other, and they feel part of the Omni family and the Parker House family. I know that's corny but there is really something about that property, where people have a huge amount of identification with it. Whenever you have a bump in the road, I think that we're very fair in trying to sort it out. We're not out to make radical changes to staffing based on somebody doing something wrong. We never say just, "get rid of him." It's "What happened? How can we fix it? What do we need to do better?"



## What role does Local 26, the hospitality workers' union, play in preserving job quality? Tell me about the labor-management partnership.

**AP:** One of the good things about the Parker House is we have historically had really good relations with Local 26. The inherent relationship between management and a labor union is going to be contentious, but we really don't have much of that. The number of grievances filed with the Parker House is not high. I've worked in places where it was over 100, and at the Parker House I have never seen over 15 or maybe 16 in a year. One or two years it's been in the single digits. What that says is that people are working together to work out problems. I think part of that is that there's a very good group of shop stewards in the Parker House who have been there a long time and who want to make sure that problems are solved. That's helpful. They can be very much of a resource.

In a non-union environment, you're missing that extra layer of questioning. When you decide that someone has to be spoken to about an issue in a union hotel, the union will come in and ask you, "Did you do this? Did you know that?" They give you more information, and that sometimes helps you to make a better decision. Either way I enjoy working with unions. I respect the union reps, and they try to do their best for the associates, as we do.

## How does that policy of respecting and trusting employees ultimately impact guest experience?

**AP:** Clearly the way our associates treat guests has an impact on them returning. Many of our buildings are towards the middle to a later part of a renovation cycle. But people keep coming back. Whenever we see a positive comment, it's going to be about the staff. I always say that what keeps the Parker House going is the people who work there.

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