

Breakout Session: Addressing the Global Labor Shortage

Tuesday, May 22nd

2:15PM – 3:30PM

Empire Room

Scribe: Mariana Pires

Moderator: **Ken Greger**, CEO and Managing Director, Greger/Peterson Associates, Inc, Oregon

Panelists:

Emanuel Berger, CEO, Victoria-Jungfrau Collection, Switzerland

Christoph Schmidinger, Regional Vice President, Four Seasons Hotels & Resorts, New York

Elaine Fenard, Partner & Vice President Spa Development & Operations, Spa Strategy, Colorado

Mary Tabacchi, Professor, Cornell University, New York

Contributors:

Marc Cohen, Foundation Professor, Complementary Medicine, RMIT University and President, Australasian Integrative Medicine Association, Australia

Brian Goldstein, President, Canadian College of Massage & Hydrotherapy, Inc., Canada

Angela Jeantet, Associate Director, University of California, Irvine, California

Gary Matkin, Dean, Continuing Education; University of California, Irvine, California

Elizabeth Pizzinato, Vice President, Public Relations; Four Seasons Hotels and Resorts, Canada

Jack Morrison, Managing Director, Elmcrest College, Canada

Helene Weber-Bramwell, President, CIDESCO, Switzerland

Companies are not paying enough attention to labor shortage. In the US, for example, those in their 60's and 70's represent a good part of the labor force moving forward, as they don't want to retire. Also, it is predicted by the US Bureau of Labor Statistics that young people will become entrepreneurs much sooner after college graduation, taking them out of the labor force. Globally, there needs to be a higher commitment to finding and keeping the best and brightest.

In the hospitality industry, we are competing with all other industries, not just with other spa/wellness organizations. We must position our spa companies to attract, train, grow and retain our people.

College graduates have many choices and they don't always see spas as a profession. We must partner with Academia and with each other to promote this industry. We must maintain quality as our business grows and we must cultivate fresh talent instead of relying on recycling. The industry must commit all the necessary resources for this to happen. Together we can make our industry compelling for these students.

According to Mary Tabacchi, Cornell produces many students for the hospitality industry and there is a huge competition for these students. If we want them, we need to figure a way to attract them.

At Four Seasons, staffing is done conservatively, and new openings are only filled with recruitment from within. The company prefers to take the time needed to develop leadership talent from within. This helps maintain cultural values and service standards on a consistent basis. There is a belief that the company should hire the right people and coach and teach them so they "walk the talk". There is a transparent management to make people accountable. Four Seasons cares about them as if they were family.

Elaine Fenard indicated that there is also an issue with technicians and therapists developing into management positions. This is hard, and many times companies force them into that and in the end they are not happy and successful. Elaine has referred many of Mary's students to industry companies for management and these students have proven to be very well prepared; but there need to be more

academic institutions training students to manage managing the business of spa, not just offering courses for therapists.

Mr. Berger mentioned how he has a luxury hotel in a classical resort area and the challenges are different: his employees are committed to a long-term employment, so they are trained and educated for that. But there is a quality issue because no clear standards have been set in the world for education and there needs to be a stricter control.

Many times, labor costs are over 70%, and to stay on top you need to constantly train and educate. Given the demand in the industry and the labor shortage, the current education institutions are not able to generate enough talent to meet that demand.

The spa specialists in this room need to get involved with schools as teachers and mentors. Helping young people as trainees, treat them fairly and they will stay.

Satisfaction, recognition and financial remuneration to them are very important. Staff should be invited to participate in the financial return of the spa, for example. Motivate them constantly. Find and build careers for people in the industry; from locker room attendant and up, train them and give them the opportunity to go to school, to move their way up.

Don't mix people that are trained to be therapists and managers. Many cannot be both. Focus on all levels of training and on respective career paths. Partner with Academia for internships for example, while students are at school.

Industry executives should spend more time getting together with schools and work with them as to how to get people and develop the needed talent.

There should be a PR campaign for the industry that presents Spa as a career profession, targeting high schools, colleges, career counselors, etc.

Some feel that international qualifications of therapists should also become universal. There should be an accredited professional recognition for spa therapists, making it easy to transfer a therapist from A to B. The problem is not only about management skills.

The spa industry cannot rely on the training provided by product line vendors.

The hotel/resort GM must understand what a spa is and who needs to be hired for the different positions. It could be argued that the shortage is nobody's fault but our own. Failing to listen to employees and practitioners is a mistake in planning for the future of this industry.

There is also the need to partner more with Academia for research. One example given was the new online program for spa management offered by the University of California – Irvine which has recently started an innovative program for the industry.