



THE HOTEL SUCCESS STORY:

From Front Desk to C-Suite,
a New Report on Hotel Jobs

January 2016





From front desk to CEO Suite, new survey shows hotel jobs offer a fast track to management

The American Hotel & Lodging Association (AH&LA) partnered with WageWatch, Inc. to conduct a national survey of hotel pay practices (the “Survey”) and determine the career path of employees who begin their professional path in hotels.

This report highlights the success stories of the hotel industry’s employees, who have been provided with significant opportunities for upward mobility and promotions, with no limitation on how far they can go. The survey reveals that throughout the hotel industry, general managers, senior executives and even many CEOs began their careers in hourly, entry-level hotel jobs. This survey shows that they have the ability to create rewarding life-long careers, and they can do it quickly – with most employees becoming eligible for promotion after only one year of employment.

The lodging industry provides a fast-track to C-Suite jobs

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Over half of respondents have at least one c-suite executive who began their hotel career in an hourly entry-level position.

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More than half of hotel general managers began their hotel careers in hourly entry-level positions.

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More than half of department managers started in hourly entry-level positions.

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Almost all the survey respondents report that at least some of their general managers started their careers in hourly hotel line positions.



People who start their careers in the lodging industry, tend to stay, finding new opportunities and high job satisfaction

The lodging industry provides millions of Americans with rewarding careers that promote long term growth opportunities with an accelerated path to management. Hotel occupancy levels and employment hit record levels in 2015 and this trend is expected to continue in 2016, offering even more job growth and rewards.

90% of respondents said that salaried employees stayed with their company for an average of five years or more.

75% of respondents reported that hourly employees stay with the company more than five years on average.

Overwhelmingly, hourly job earners find the hotel industry a place to grow. Low turnover of hourly employees speaks to competitive pay and benefit practices as well as career opportunities within the organization.

AT-A-GLANCE LODGING INDUSTRY TRENDS 2015



53,432 PROPERTIES



4,978,705 GUESTROOMS



4.8 MILLION GUESTS
EACH NIGHT (AVG)



\$176 BILLION
LODGING SALES REVENUE



\$141.5 BILLION
BUSINESS TRAVEL TAX REVENUE



\$74.12 REVENUE
PER AVAILABLE ROOM (RevPAR)



64.4%
OCCUPANCY RATE (AVG)



1.9 MILLION
HOTEL EMPLOYEES

All figures are for year-end 2014. Figures for 2015 will be available in mid-2016. Sources: U.S. Department of Commerce, International Trade Administration, National Travel & Tourism Office; Bureau of Economic Analysis; Statistics Canada; Banco de Mexico.



Survey of Pay Practices

PAY PRACTICES SURVEY METHODOLOGY

WageWatch conducted a national Pay Practices Survey on behalf of the American Hotel & Lodging Association (AH&LA). WageWatch invited its customers to participate, and AH&LA invited its member lodging and hospitality management companies to participate. Participation was free of charge and was by invitation only. The survey was open to participation from January 19, 2015 to August 31, 2015. The survey participants include 400,000 full-time and part-time employees representing over 21% of the lodging industry labor force and 10,300 hotels across the country.

This report presents the Survey findings in question and answer format. The data was cleaned and aggregated by WageWatch analysts. Answers are reported for both arithmetic mean (average) and median. Both values are presented because when the median and mean are equal or are statistically indeterminate, the distribution curve is considered normal. When the mean is statistically lesser or greater in value than the median, the distribution is skewed in that direction.

Other questions are reported in prevalence format. Prevalence is a measure of universality or commonality amongst survey respondents and is reported as percentage utilization. This type of question is most useful in gauging how widespread pay practices and benefit offerings are amongst respondents.

PARTICIPATION

Total participation in this Survey amounts to nearly 20% of the more than 53,000 hotels in the lodging industry and represents over 21% of the labor force employed in hotels.

By The Numbers

For the corporate office, what percentage of executives (Director, VP, C-suite) began their hotel career at a hourly entry level position?

An overwhelming majority of respondent companies (97%) report that at least some of their top executives began their hotel careers at an hourly entry level line position. A third (31%) stated that half or more of their corporate executives began their hotel career in an hourly entry level line position. An additional 22% of respondents said that between 25% and 50% of their executives began their hotel careers in an hourly entry level line position.

What percentage of your general managers started their careers at an hourly hotel position?

An overwhelming majority of respondents (99.5%) report that at least some of their general managers started their careers in hourly hotel line positions. Additionally, 45% of respondents state that 50% or more of their general managers began in entry level positions.

For the hotel positions, what percentage of managers (all departments) began their hotel careers at an hourly entry level position?

Upward mobility in the lodging industry is evident in other management positions with 99.9% of Survey respondents reporting that at least some of their hotel department heads began their hotel careers in hourly hotel positions. 84.4% of Survey respondents reported that 50% or more of their managers began their hotel careers in an entry level hourly line position.

By The Numbers

What is the minimum amount of time a new hire hourly employee has to stay in the job before being eligible for a promotion?

The lodging industry is quick to promote their employees, with a vast majority of companies (94.4%) responding that new hire hourly employees are eligible for promotion within their first year of employment.

What is the average length of time an hourly employee stays with your company?

Overwhelmingly, hourly job earners find the hotel industry a place to grow. Low turnover of hourly employees speaks to competitive pay and benefit practices as well as career opportunities within the organization. The majority of respondent hotels (74.8%) report that hourly employees stay with the company more than 5 years on average.

What is the average length of time a salaried employee stays with your company?

Like hourly employees, a significant 90.2% of salaried employees stay with their company an average of 5 years or more, which is higher than the national average.

By The Numbers

Of those that participated in your most recent employee engagement survey (within the last three years), what percentage of participants rated the company higher than average in overall job satisfaction?

It's not surprising that turnover is low within the lodging industry. An astounding majority, 79% of respondents, rate their overall job satisfaction higher than average.

In the next 6 months, does your organization expect to hire additional full-time employees in order to grow or increase the size of your team?

Signaling the lodging industry's strong continued growth, an overwhelming majority, 80.2% of respondents, plan to hire additional full-time employees in order to grow or increase the size of their team.

About AH&LA

Serving the hospitality industry for more than a century, the American Hotel & Lodging Association (AH&LA) is the sole national association representing all segments of the 1.9 million-employee U.S. lodging industry, including hotel owners, REITs, chains, franchisees, management companies, independent properties, state hotel associations, and industry suppliers. Headquartered in Washington, D.C., AH&LA provides focused advocacy, communications support, and educational resources for an industry of more than 53,000 properties generating \$176 billion in annual sales from 5 million guestrooms.

About WageWatch

For over a decade, industry associations, trade groups and employers have recognized WageWatch, Inc. as a leader in providing detailed, accurate Web-based compensation surveys reports. WageWatch conducts compensation and benefits surveys for a number of industries including lodging, healthcare, gaming, non-profit, and universities. Our PeerMark™ compensation survey enables subscribers to retrieve detailed industry and geo/market specific compensation reports that are customized to each company's needs.

Our lodging salary survey is conducted with employers and disseminated via the WageWatch website (www.wagewatch.com), and is the most comprehensive database with over 5,000 hotels reporting wages for over 400,000 incumbents in our 2015 Hospitality PeerMark™ Survey.

Our consulting team is comprised of accounting, compensation, and information technology professionals who provide wage and salary reports and analysis to our clients in multiple industries. WageWatch routinely conducts compensation studies and analysis of market competitiveness for its subscribers and association partners. We help our clients understand the metrics and explain what the data and related statistics mean for their business so they can make informed decisions.

Appendix Job Titles and Descriptions

FRONT DESK AGENT

Performs guest check in and check out. Makes reservations or adjustments to existing reservations. Informs guests of special events, in-house groups, occupancy, and other situations affecting front desk operations. Handles cash and credit transactions.

MAINTENANCE TECH I, ENTRY LEVEL

Performs basic repairs and preventive maintenance on facility equipment and systems, including plumbing and electrical systems. Repairs or replaces electrical switches, receptacles, fuses, small light fixtures, and vacuum outlets. Adjusts thermostats to desired temperature. Hangs pictures, bulletin boards, cabinets. May do light painting and other miscellaneous work.

HOUSEKEEPER/ ROOM ATTENDANT

Cleans rooms, bathrooms, and fixtures. Changes bedding, vacuums and dusts. Performs miscellaneous duties such as replenishing supplies. May clean public areas.

STEWARD/ DISHWASHER

Cleans and sanitizes plate ware, silverware, glassware, pots/pans, utensils and equipment; places clean items on specified shelves; cleans kitchen area; may assist with set-up and storage of kitchen items.

LAUNDRY ATTENDANT

Processes soiled and clean linen using a variety of equipment including commercial-sized washing machines, dryers, flatwork ironers, folding machines and heat transfer machines.

RESTAURANT HOST

Greets and seats customers. Maintains accurate waiting list as needed. Calls customers when tables are available. Assembles tables for large parties. May clear and reset tables and assist with maintaining restaurant cleanliness throughout shift.

PREP COOK

Assists with food preparation by washing, cutting, chopping, grinding, weighing, and measuring fruits, vegetables, meats, poultry, seafood, and other food items. Carries pans, kettles, and trays of food to and from work stations, stove, and refrigerator. Stores foods in designated areas. Cleans work areas, equipment and utensils.

BUS PERSON

Clears and resets tables to standards. Cleans and sanitizes tables. May assist with dishwashing and restocking of napkins, silverware, and table condiments and organizing inventory.

BARBACK

Assists bartenders with restocking items in the bar. May take inventory, do basic organizing, and may assist with serving patrons.

BELL PERSON

Assists guests with the transportation and storage of luggage and packages.



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