



## WHITEPAPER

### ABM FOR HOSPITALITY

Proper staffing models will determine the future of the hospitality industry

## Guests are back! (But where's the staff?)

In a world where unemployment rates have reached historic lows, the hospitality industry faces unique and unprecedented staffing challenges. Since travel has roared back to post-pandemic levels, the demand for skilled and motivated employees in hotels, restaurants and other sections of the hospitality industry has intensified. As has the need for greater facility sustainability and elevated the guest experiences—forcing hoteliers to explore innovative solutions to balance it all. It's worth noting that, in spite of the recent resurgence in travel, **hotel room occupancy rates are still 4.5% lower than they were three years ago**. Analysts believe that hotels are selling fewer rooms than they could, based on demand, in part because they don't have enough housekeepers to clean them.

But by partnering with a trusted, proven provider of facility services, you'll be able to shift all that burden from you, as the hotel owner/operator, onto another responsible company. Read on to dig deeper into the many facets of this seemingly singular issue—and to see how ABM can help solve for them all.

### Where we work

- Resorts & Hotels
- Country Clubs
- Golf Courses
- Casinos

### ABM Hospitality Services

- Valet, Parking & EV Charging
- Facilities Engineering
- Operations & Maintenance (O&M)
- HVAC & Mechanical
- Electrical & Lighting
- Energy Efficiency
- Power Infrastructure
- Landscape & Grounds
- Painting & Locksmithing
- Janitorial
- Common Area & Back-of-House Cleaning
- Mobile Maintenance Solutions

## Numbers to Extend Your Stay For

- **40+** brands of luxury hotels and resorts rely on ABM
- **25,000+** acres of maintained landscaping and golf courses
- **20%** lower annual energy consumption from properly maintained HVAC equipment
- **23%** lower energy costs through ABM energy procurement
- **\$1.5B** in parking revenue collected for our clients
- **25%** decrease in hiring spend from ABM cross-trained employees
- **100,000+** facility experts on staff and ready to serve
- **300+** recruiters nationwide sustaining our staffing pool

## The costs and impacts of staffing challenges in the hospitality industry

Hundreds of thousands of hotel workers have left the industry since the start of the COVID-19 pandemic. There were about 1.7 million hospitality workers employed nationwide in June 2022, a roughly 16% decline from June of 2019, according to estimates from the [U.S. Bureau of Labor Statistics](#).

As a result, the [hospitality industry faces fierce competition in attracting and retaining qualified housekeepers, food servers and other hotel staff](#) to keep up with the demand of post-pandemic travel.

With job seekers having more employment options available to them now, hoteliers have tried enhancing their recruitment strategies to remain competitive. Offering attractive compensation packages, flexible schedules and comprehensive benefits has become crucial. And yet, many are still finding that those moves aren't enough to get workers to sign on and stay on. Meanwhile, these benefits come at a cost, and businesses must balance financial considerations and guest experience with the need for a satisfied workforce.

As a result of these unresolved labor shortages, many hotels have had to scale back amenities, including daily housekeeping and room service, as well as hours of service for their on-site restaurants. Hotels have also had to defer maintenance, upgrades and repairs due to lower revenues—resulting in mechanical failures and underwhelming rooms for some guests.

Some properties are looking to technology to help bridge the labor shortfall, while others are entirely cutting some of the services they're capable of offering. And it seems travelers have started to notice. Overall, hotel-guest satisfaction fell 8 points over the past year, according to the most recent [J.D. Power North America Hotel Guest Satisfaction Index](#).

Meanwhile, housekeepers and cooks—who already faced tough working conditions in hotels—are now seeing their workload increase since there isn't enough staff to keep up with the uptick in demand.

So, how can you solve this complex issue for your hotel?

By making ABM a key part of your hospitality team.

ABM has a national workforce of over 100,000 employees dedicated to providing solutions for your facility. We specialize in recruiting, training and retaining top-notch operations and maintenance personnel throughout all aspects of the hospitality industry.



## The 3 biggest benefits of talent outsourcing

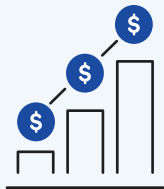
Tapping into outsourced maintenance and operations talent can transform how your hospitality facilities operate in many ways—as well as complement the capabilities of your existing team.



### Expand your capabilities without hiring

Outsourcing widens the pool of resources, reduces workloads for existing team members and brings a wider variety of skillsets to your table. In-house workers can focus on tasks and projects that capitalize on their strengths, while outsourced professionals bring their own talents and connections to the site to create a robust, cross-functional and collaborative facilities team.

In fact, **ABM cross-trained employees result in a 25% decrease in hiring spend.** And since working with a trusted third-party talent provider like ABM removes burden from your employees, it can also improve their satisfaction and help you retain the talented in-house workers you already employ.



### Maximize your budget

In addition to eliminating the costs associated with recruiting, training, hiring and onboarding, talent outsourcing also leads to other cost benefits. For instance, general liability insurance costs decrease for hotel properties once a provider assumes liability. And by accurately determining demand planning at your building, ABM can **staff only as needed—ensuring that employee overtime is correctly managed to help reduce overhead costs.**

Plus, there's the massive additional benefit of implementing a preventive maintenance program, which shifts your hotel away from operating with a run-to-fail model. This not only keeps guest rooms fully functional and up-to-date, but it also prevents costly downtime and unpredictable equipment-replacement scenarios.

Depending on the scale of your talent outsourcing partner, you may also be able to use their **volume buying and group bargaining power** to purchase facility products and systems for lower prices. With over 100,000 facility experts on staff, ABM absolutely operates at that level—for your benefit.

## The 3 biggest benefits of talent outsourcing (cont.)



### Alleviate your administrative burdens

When you outsource your operations and maintenance labor needs, a trusted third party vets the talent, selecting people who will work well with your guests, staff and property. ABM even provides cultural training that aligns with your hotel property's mission and vision, all to ensure guests have a memorable, seamless experience with your brand.

Our professionals can also manage other administrative responsibilities that come with managing a team. As a result, you no longer need to worry about the **hiring and onboarding process, skills training and certification, employee healthcare and benefits, union accruals, workers' compensation risks, OSHA compliance or labor revenue management.**



ABM has over 300 recruiters nationwide, and we work with the military, trade schools, local market labor and maritime academies to source the right talent.

## Sustainable staffing practices in the hospitality industry

Sustainability is a key consideration for modern businesses, and the hospitality industry is no exception. Adopting sustainable staffing practices involves optimizing your workforce to minimize energy and water waste, reducing your property's carbon footprint and more.

Moreover, in a labor market where employees have more choices, prioritizing employee well-being is crucial. Burnout and turnover can have a significant impact on both service quality and guest satisfaction. Offering work-life balance initiatives, mental health support and employee-recognition programs can improve job satisfaction and bolster staff retention.

While financial considerations often take the forefront, it is also essential to consider the social impact of staffing decisions in the hospitality industry. Treating employees with fairness and respect, promoting diversity and inclusion and offering opportunities for career advancement all contribute to a positive work environment and the overall well-being of your staff members. By fostering an inclusive culture like ABM does, we are able to attract and retain top talent for your hotel, ultimately benefiting both employees and guests.

One approach to pulling all this off is to implement technology solutions, such as automated scheduling and workforce management systems, which can improve efficiency and decrease the need for excessive staffing. By striking a balance between labor needs and sustainability goals, businesses can contribute to a greener future while maintaining operational excellence.

Hotel operators may not know they can outsource their facilities services staffing to flex as needed to keep up with unexpected spikes and lulls in demand. Our team of specialists provides long-term solutions to complex staffing requirements, allowing ABM to solve many facility problems and reducing the need for costly outside consulting services when it comes to maintenance, valet and more.



2023 DiversityInc Noteworthy Company



One of Newsweek 2023 America's Most Responsible Companies



One of Barron's Top 100 Most Sustainable Companies for 2023

## Addressing skills gaps and training needs

With the high demand for skilled hospitality professionals, addressing skills gaps and training needs becomes paramount. The industry must invest in comprehensive training programs to ensure employees possess the necessary skills to meet customer expectations.

Partnering with educational institutions, offering apprenticeships and providing ongoing professional development opportunities are effective ways to bridge the skills gap and retain top talent. However, investing in training requires substantial resources, and businesses must carefully evaluate the return on investment.



The ABMUniversity learning management system (LMS) has over 900 hours of technical training and soft skills training, and we provide in-person leadership and management training to our staff throughout the year. In short, we help our employees grow so they can always deliver for your hotel.

## Exceeding expectations for a heightened guest experience

The hospitality industry is built on the foundation of exceptional customer experiences. And travelers who've returned are now expecting greater conveniences and new services. Innovative hotels have responded by upgrading their properties and offering new features and amenities such as:

- **Greater digitization** – Making more personalized services possible, such as hotel apps and room preset preferences like temperature and lighting
- **Pet-friendly policies** – Allowing vacations to last longer and helping to preserve travelers' mental health
- **Contactless services** – Promoting health safety among guests
- **Seamless parking experiences** – Creating what customers are accustomed to enjoying elsewhere in their lives—and expect at hotels
- **Experiences unique to the property** – Differentiating their hotel or resort, instead of just having the standard set of expected offerings

Embrace your property having its own culture and brand experience—one that influences every part of the operation and maintenance from design to services to staffing decisions—and the ability to adapt in the face of evolving consumer demands

Implementing the features listed above requires months of planning, new operational standards and tons of technical knowhow. So, lean on a reliable facility services and engineering partner to plan, install and maintain them, like ABM does for hundreds of properties owned by more than 40 brands of luxury hotels and resorts across the U.S. Ideally, all facility operations and maintenance should be managed holistically by a single, end-to-end facility services provider.



“The past is to have a cookie-cutter hotel. The future is to have something that no other hotel has.”

- Mark Maddox, Regional Engineering Manager, Hospitality at ABM



ABM does regular analysis of internal and external rating services to determine solutions to ongoing guest problems, as well as predict future guest needs (and demands) to guide you in preparing your hotel to meet them. By helping you align staffing decisions with your guests' expectations, ABM can provide **personalized experiences that leave a lasting impression.**



**ABM parking management programs typically earn hotels 10-15% more revenue.** We deploy smart parking technologies that integrate with your hotel's front desk to help your guests (and employees) spend less time and energy on parking so that they can spend as much time as possible happy with your hotel experience. All while our mobile parking app, online reservations and payments, frequent-parker programs, EV charging solutions and more are constantly increasing your parking revenue.

## Eco-friendly hospitality features

In late 2022, the [American Hotel and Lodging Association \(AHLA\)](#) created guidelines for what it calls a "Responsible Stay." These guidelines address carbon dioxide emissions, indoor air and water quality, energy efficiency, waste management and responsible sourcing. ESG and sustainability features may also expand outward to include electric vehicle (EV) charging stations, vegetarian menu options and conservation efforts.

Not only does [ABM publish an annual ESG report](#), we reduce the use of resources and streamline waste programs so hotels can meet and exceed their ESG goals. We also help clients benchmark for things such as compliance for EV charging, zero waste and energy ordinances—and then report that to local governing bodies. All to help you meet consumer demand and applicable regulations for environmentally sustainable practices throughout your hotel property.

## What to look for when outsourcing operations and maintenance talent for hospitality

To ensure a seamless relationship between your in-house team and outsourced workers, look for a proven partner that can provide all of the following for your operation.

### **A wide variety of service offerings**

Hospitality facilities often need support that extends beyond maintenance and operations to include front door and lobby services, security, cleaning and even specialized services and infrastructure for facility systems, such as EV charging. A single facility services partner that offers all these services can streamline operations and minimize the number of vendors and middlemen you need to manage.

### **The ability to mesh with your team**

Just because you outsource doesn't mean it should be obvious that a third party is onsite. Look for a partner that can quickly and seamlessly become part of your hotel's culture and team. For example, ABM experts are regularly onsite to take accountability for and ownership of their work, and to serve as a reassuring presence for hotel guests and owners alike.

### **Specialized industry knowledge**

Look for a provider that will bring tried-and-true maintenance and operations standards to your hotel to ensure quality and consistency across both a single property and your entire portfolio. Building on a century of experience, ABM facility experts have honed a set of best practices and standard operational procedures specifically developed for hotel facilities.

### **Continuous training**

Maintenance and operations professionals must be able to work with all kinds of people—from building owners and tenants to janitors and technicians. Find a partner that prioritizes ongoing training to improve technical skills and soft skills for everyone working at your properties, including your in-house teams who can learn from our staff.

All in all, customized maintenance and operations solutions—and the outsourced talent that delivers it—help you develop a competitive edge, attract and retain tenants and drive up the value of your hotel properties. Choose wisely when selecting your facility services partner: They can create critical differences for your entire operation.

ABM specializes in maintenance work, management of service workers, has excellent parking programs and inherently knows how a facility should be run, allowing our hotel clients to focus on their guests' experience instead of the condition of their property.

Facility outsourcing from ABM delivers cost efficiencies and shifts the burden of staffing so hotels can focus on the guest experience.

The benefits of outsourcing with ABM:

- **Energy services** that improve your infrastructure efficiency
- Help **procuring energy** to hedge against price fluctuations
- **Project management** systems and consumption monitoring that operate your properties at a lower cost
- **Preventive maintenance** that extends the life of infrastructure, upholds room quality and enhances the guest experience



ABM delivers greater hotel experiences for guests and reduced costs for you.

## Where the staffing trend is heading next in hospitality

According to the AHLA's most recent State of the Industry Report, staffing is expected to remain a significant challenge for U.S. hotels throughout 2023, with a projected employment of 2.09 million people in 2023, down from 2.35 million in 2019.

Staffing trends in the hospitality industry must adapt to the challenges posed by low unemployment rates, sustainability goals and customer expectations.

According to the Society for Human Resource Management (SHRM), when it comes to recruitment, the average cost per hire is nearly \$4,700. Thus, striking a balance between financial considerations, employee well-being and guest satisfaction is certainly difficult, but it's also crucial for the long-term success of your hotel.

Not getting this part of the business right can lead to expensive employee turnover. Replacing a mid-level employee tends to cost at least 150% of his or her annual salary. Replacing entry level workers is cheaper, at 30% to 50%, but losing a highly skilled, specialized worker could cost up to four times his or her annual salary.

Ultimately, the decisions made in staffing trends have a profound impact not only on the industry but also on individuals, communities and the future of hospitality as a whole. And by choosing a facility services partner like ABM that's investing in employee training, adopting sustainable practices and prioritizing employee well-being, hoteliers can **create a thriving work environment that delivers exceptional guest experiences.**

### About ABM

ABM (NYSE: ABM) is one of the world's largest providers of facility services and solutions. A driving force for a cleaner, healthier, and more sustainable world, ABM provides essential services and forward-looking performance solutions that improve the spaces and places that matter most. From curbside to rooftop, ABM's comprehensive services include janitorial, engineering, parking, electrical and lighting, energy and electric vehicle charging infrastructure, HVAC and mechanical, landscape and turf, and mission critical solutions. ABM serves a wide range of industries – from commercial office buildings to universities, airports, hospitals, data centers, manufacturing plants and distribution centers, entertainment venues and more. Founded in 1909, ABM serves over 20,000 clients, with annualized revenue approaching \$8 billion and more than 100,000 team members in 350+ offices throughout the United States, United Kingdom, Republic of Ireland, and other international locations. For more information, visit [www.abm.com](http://www.abm.com).



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