

# Renard International Hospitality Search Consultants - November 2020 Newsletter and Opinion

Further to our last correspondence in September, I thought that an update as a result of the USA elections is relevant, as everyone has an opinion on how this election will affect the entire hospitality industry.

We at Renard International, with our continued interaction with senior executives, our clients, and business associates around the world have been given a grass roots perspective on the impact of the USA elections and the pandemic. We do not believe that for the next three months, the USA elections will have a major impact on our industry, especially due to the "Lame Duck" period and the current President's legal challenges, plus the settling in of the newly elected President.



We believe that the managing of the pandemic worldwide will be the most crucial in how our industry will be able to flourish. If the President-elect in the USA keeps his promises (how often does that happen?), we should see global optimism that will help support our industry's recovery.

In addition, the world welcomed the positive announcement from Pfizer about the coronavirus vaccine,. The results look promising, with data suggesting it is 90 percent effective at preventing the virus. **If all goes well, the world should get back to a new normal mid 2021!**

At Renard, we are always trying to deliver "value added services" to all our candidates and clients. We try to remain relevant to the hospitality business's revitalization efforts during this difficult period. In the current global hiring market,

we continue to provide you with the Renard Newsletter and Compensation Studies. Therefore, along with my note to you today, we enclose Salary Surveys, a brief Cruise Industry Update, Career Opportunities, and Viewpoints from Senior Executives in different parts of the world ([www.renardnewsletter.com](http://www.renardnewsletter.com)).

It also appears that the astute are buying based on the true adage, "*Amid every crisis there is a great opportunity!*" Watch for some acquisitions and takeovers by companies like IHG and Brookfield (who just raised a war chest of 150 million pounds for acquisitions), Accor, and Blackstone, as well as other large private equity firms whose capital has remained on the sidelines for months. If investment capital is available, this would certainly be the time to acquire assets as the bargains resulting from this pandemic will not be forever!

Our major focus at this stage is devoted to providing actionable strategies to optimize hospitality employment recovery. We seek to analyze hiring patterns and offer appropriate approaches to enhance the hiring process and to support job searchers to acquire a competitive advantage.

For the first time in our 50 year history, even taking into consideration previous economic and virus/health adversities, 2020 will be the only year of regression on record. Saying this, certain roles that have become critical, such as non-human contact services like software Covid-19 online service protocol developers who have had their salaries increased (some over 50% increase due to the enormous demand for their skills).

Today, many "mid-management operations roles" especially in Rooms Division, Food & Beverage, and Culinary have had their respective salary packages reduced drastically and will remain until the industry returns to normal. We anticipate a drop by about 23% based on "location" and "seniority" right across the board for the next few quarters.

Many senior executives who have not been furloughed have told us that their companies have asked them to take a temporary cut in salary of up to 50%. Most reductions are 25%, in keeping with reductions right across all levels of management. Many executives have been advised that once the COVID-19 pandemic has gone (hopefully soon) and when their hotels or standalone restaurants reopen, they will return to their original salaries. Whether this transpires, who knows? As for senior executives released; major hotel companies and luxury "independents" recognize the uncommon availability of this "top-tier talent" and are taking advantage by picking and choosing "their team". Similar to a sports club ramping up and contracting the best players for the next season.

Additionally, we note that the most drastic deterioration will be for those in lower levels of management, service, or culinary who have been furloughed; and have been advised that they will not be rehired and their jobs may never be replaced or at a much lower salary. However, we envisage this won't materialize even though owners and management companies are trying to put a freeze on hiring. They will soon realize that rehiring these crucial intermediate roles will be indispensable to regain and keep their returning customers. Key roles in Housekeeping and Maintenance management have already started making a comeback, as they are being hired to keep hotels and restaurants safe and sanitary, crucial to attracting business.

With regards to additional company benefits, these were already being reduced prior to the pandemic. Many traditional expatriate benefits have also been further reduced or eliminated; such as schooling, "Rest & Recovery" benefits in hardship locations, extended family health care, housing or accommodation allowance, large bonuses, profit sharing and free share options.

We are optimistic that with this outcome of the USA elections, we will see improvement and hopefully the pandemic will be brought under control. ...by a vaccine. This along with "Revenge Travel" will boost the pent up demand for hotel and restaurant re-openings and benefit our industry getting back on its feet.

We enclose our latest Salary Studies only as a "guide". We believe that it is highly unlikely that incomes for any of the roles outlined in these reports will increase. In all honesty and to be transparent, I would suggest that you markdown salaries for 2020 by 23% to be realistic. *In 2021, when we do our next Surveys, we are confident the curve will be pointed upward again!* [www.renardnewsletter.com](http://www.renardnewsletter.com)

P.S. *When Covid-19 ceases to be in control of our industry, which search firm will you be comfortable working with? Which company will you trust for your own career development or your company's critical hiring needs?*

**Take care of yourself...** We're all in this together!

Best regards,

Stephen J. Renard



President

RENARD INTERNATIONAL HOSPITALITY SEARCH CONSULTANTS

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