

Summary of Input on Laid Off Staff Status in Convention and Corporate Hotels

August 29/2020

Background: The Provincial government is discussing the current status of the lay-off provisions and asked for input on the situation. The Saskatchewan Chamber contacted four large convention hotels in the province to ascertain their status and seek their input. The responses are reported in a combined format and names of the properties are kept confidential. These properties were selected as they represent a good focus group of businesses who have been, and remain, greatly impacted by Covid 19. The tourism sector has been hit very hard and its medium- to long-term revenue projections remain soft, therefore all available support to ensure they remain operational is critical. Each property also generates hundreds of other jobs through services like taxis, independent restaurants, retail stores and contractors.

Consolidated summary of data collected:

- There are still approximately 400 employees on layoff.
- These hotels have a combined 975 guest rooms.
- Some workers have been brought back on a part-time basis to allow them to earn up to the amounts allowed and still receive CERB.
- Most properties have faced challenges/refusals from employees when they have been called back and these vary but include: no childcare; feeling unsafe working in a public workplace; discomfort from about them returning to work. In most cases when an employee refuses to return, these employers do not consider this a resignation and have allowed as much flexibility as possible.
- Years of Service of remaining laid off workers:
 - 1-5 years – 200
 - 6-10 years – 100
 - 11+ years – 100
- Accrued dollar amount for wage in lieu of notice - \$921,000. Severance, which is a separate cost from wages in lieu, could increase this amount but would depend on court orders or negotiated amounts. Clearly the risk is well over \$1 million.
- Some properties anticipate more layoffs including restructuring of all departments.
- All properties have found new methods of operation and these may reduce future staff needs.
- While they are hopeful of a return to a normal level of business, none see that happening within the next 1-2 years.

Summary:

The high cost to terminate these staff will force significant hardship on all these businesses should that come to fruition. And while these four hotels are large employers, they reflect a small part of the picture in the hotel sector. In smaller properties, the numbers may be less but their ability to afford any large wage payments is also very challenging. Therefore, consistency in policy and regulation is critical to the sustainability of the sector. And while this a look into the hotel sector, restaurants, many retail and other sectors are equally hard hit and would face dire consequences if the policies change for the negative.