

PARISIAN LUXURY HOTELS ARE DOWNSIZING



It is a scenario that was unimaginable even a year ago: in the French capital, some of the jewels of the hotel industry are laying off large numbers of staff. A situation that is causing concern to the City Council about the conditions and repercussions of such restructuring.

The Parisian luxury hotels are multiplying social plans threatening several hundred jobs, while these establishments have received financial aid, such as the coverage of partial unemployment or loans guaranteed by the State.

Marriott Rive Gauche Closed until 2024

The Marriott Rive Gauche, after announcing extensive work at the end of July 2019, had to close in March 2020, obliged by the Covid crisis. **In February 2021, the management of this powerhouse located in the 14th arrondissement, a giant in business tourism, announced a job protection plan (PSE) concerning 260 employees.** That is 95% of the workforce. And the closure of the establishment is planned until 2024. "This PSE is only due to the economic and health crisis that forced the hotel to close its doors. The activity, mainly driven by a foreign and business clientele, will not return to its pre-Covid level until 2023-2024," assured the management. "The hotel was initially supposed to maintain part of its activity throughout the work, but the crisis does not allow it."

The unions (CFE-CGC, UNSA and CFDT) and employees criticize however the minimal conditions, according to them, accompanying their dismissal, and denounce the switch to subcontracting when the establishment reopens, scheduled for 2024. The management assured stakeholders that it would not resort to subcontracting once the work is finished.

Subcontracting in Sight

At the Westin Paris Vendôme, a four-star luxury hotel in the heart of Paris also belonging to the Marriott galaxy, 168 of the 367 employees of this century-old hotel are affected by a redundancy plan, according to the social and economic committee (CSE). This social plan would aim to replace the staff of the concierge, housekeepers and switchboard by subcontractors. Tensions are high. The PSE has been ratified by the union delegates against the opinion of the secretary of the CSE and that of the employees.

According to an audit addressed to the CSE, the plan (notably indemnities) is weak for the employees concerned since it will cost "less than 10%" of the savings it will allow. In conflict with their representatives, employees gather every week in front of the Parisian establishments because they fear the dismissal of all staff. "Discussions between management, unions and employees are really difficult, but the plan has improved since the announcement of the layoffs," believes for his part the deputy LREM Sylvain Maillard.

At the Méridien Etoile, the largest hotel in the capital with approx. 1000 rooms, they are also restructuring. The luxury hotel has closed one of its wings, which represents 50% of its

accommodation capacity, according to management. This closure led to the announcement of a voluntary redundancy plan (PDV) and then a PSE involving 245 jobs out of 478, which was implemented in February. Among the jobs lost are floor staff, housekeepers, customer agents and security, according to the CFDT. "Positions will be removed to recreate others with a notion of increased versatility," Pascal Pedrak, CFDT-HCR, said. A fear that the management has not been able to confirm or deny.

At Melia Paris-La Défense, a PSE concerning 32 employees has been announced for February 2021, as well as the conversion of 54 positions to subcontractors, mainly cleaning ladies. The two trade unions represented (CGT and CFDT) have not validated the PSE, and are calling for further rallies in front of the Spanish chain's Parisian establishments.

33 Million Fewer Tourists in Paris in 2020

Finally, while the Intercontinental has been able to welcome a few customers in the summer of 2020 and hopes to reopen at the same time as the Café de la Paix - owned by the same group - the Intercontinental has reorganized its workforce and is cutting 88 positions. The management plans a "reduction in the number of staff, rather than a recourse to interims", assures Frédéric Hocquart, deputy for tourism at the Paris City Hall, who has contacted the hotel management.

In a letter sent in mid-March to the directors of the five luxury hotels mentioned above, the Paris City Council shared its "concerns" with the employees about the conditions and repercussions of their dismissals.

The capital has been heavily impacted by the health crisis. With 17.5 million tourists welcomed in 2020, including 12.6 million French, Paris Île-de-France recorded a historic drop in attendance with a loss of 33.1 million tourists compared to 2019. At the same time, €6.4 billion in tourism revenue was generated, a loss of €15.5 billion compared to 2019.

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