

Resorts increasingly turning to foreigners for service jobs

But search for labor is complicated by limited visas, low pay and difficulties recruiting American workers

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You don't see people lining up to become hotel housekeepers.

Maybe that's not shocking, but it's a growing problem for Tucson's resort hotels, industry executives say, and it's at the heart of the national debate about a guest-worker program.

Hospitality is a major industry here. Combined, the largest seven resorts need around 4,500 workers to keep tourists comfortable.

Increasingly, the resorts rely on foreign labor for the daily work of cleaning rooms, washing sheets and dishes, and preparing food.

At Loews Ventana Canyon Resort and Westin La Paloma Resort & Spa, foreigners with seasonal work permits, called H-2B visas, make up 7 percent of the staff.

A 2005 law increased the number of available H-2B visas by allowing businesses to re-hire their seasonal foreign employees. Returning workers didn't count against the annual cap of 66,000 new visas nationwide.

Now that provision has expired, so resorts across the country again will have to compete for the 66,000 workers or find housekeepers elsewhere — something they see as nearly impossible.

"Those positions are constantly open. I never turn down a qualified person for a housekeeping position who is legal," said Brian Johnson, managing director of Loews.

Industry groups are lobbying for more visas, but in an election year when the temporary visa issue has been tossed in with the hot topic of illegal immigration and the economy may be entering recession, the climate isn't favorable for change.

Some argue the resorts should allow the free market to correct the problem.

Loews Ventana Canyon started hiring H-2B visa workers in 2006, starting with 20 housekeepers and dishwashers from Jamaica, Johnson said.

Now the company has 42 guest workers, including 16 who have returning-worker H-2R visas under the now-expired exemption to the law. They are housekeepers, dishwashers, laundry workers, spa attendants and entry-level cooks among the resort's 600 employees.

But all the visa-holders can only stay until June.



Joseph Gilbert Liwanag of the Philippines, cleaning dishes at the Westin La Paloma Resort & Spa, has a visa to temporarily work in the United States. However, such visas are due to expire this summer, leaving local resorts to scrounge for service workers wherever they can find them.

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Before the resort started hiring guest workers, there was constant turnover, Johnson said.

Advertising, job fairs and extra recruiting in schools and churches brought in few applications. To get by, the company paid overtime and used a temporary-labor contractor to fill staffing holes.

The company doesn't hire illegal entrants, Johnson said. Loews began checking the legal work status of all new hires five years ago using E-Verify, a federal program made mandatory under the new Legal Arizona Workers Act.

It's the same story at the Westin. For the first time, the company is employing 30 seasonal visa workers from the Philippines, making up 7 percent of the resort's 425 employees. General manager Bill Petrella said he'd like to hire 50 H-2B workers next year to fill more seasonally vacant jobs.

Seeking willing workers

Petrella would rather hire American workers, he said.

He's trying to recruit some from the Grand Hotel on Mackinac Island, Mich., where the peak tourism season is the opposite of Tucson's.

Westin and Loews offer a variety of incentives: higher wages, health benefits, free meals and bonuses for workers who recruit a friend or family member.

"For every dollar we spend, there's probably another 40 cents going out in benefits," Johnson said.

Still, starting pay is low compared with other jobs. A housekeeping position at the Hilton Tucson El Conquistador Golf & Tennis Resort is listed in the Pima County One Stop job bank at \$7 an hour, 10 cents above the state minimum wage.

The average wage for housekeepers in Tucson is \$8.30 an hour, according to the Arizona Department of Commerce Research Administration. The average wage for housekeepers has grown faster than inflation most years, increasing an average 3.4 percent a year for the past six years.

The H-2B workers cost employers more. The company must pay a recruiter, pay application fees, secure housing for the workers and shuttle them to and from work.

Guest worker visas

The number of seasonal, non-agricultural visas issued to foreign workers has doubled in six years because of a 2005 law. That provision says returning H-2B workers don't count toward the annual cap of 66,000 H-2B visas. But that rule has expired.

Returning H-2B workers were issued an H-2R visa. Employers who sponsor H-2B and H-2R guest workers must prove capable American workers are unavailable.

Here are the numbers of visas issued

	H-2B	H-2R	Total
FY-2007	60,227	69,320	129,547
FY-2006	71,687	50,854	122,541
FY-2005	87,492	1,643	89,135
FY-2004	76,169	0	76,169
FY-2003	78,955	0	78,955
FY-2002	62,591	0	62,591

Source: U.S.State Department

Resort executives respond to critics' arguments

The Star asked Brian Johnson, managing director at Loews Ventana Canyon Resort; Bill Petrella, general manager at Westin La Paloma Resort & Spa; and Tom Tracy, president of The Lodging Co., to respond to common arguments against businesses using foreign guest workers.

ARGUMENT:

If wages were higher, people would take the jobs.

Response: "How do you feel about \$10 a head for lettuce? How much do you want to pay for a product?" Tracy said. He insisted the issue has nothing to do with low wages; rather, he can't find anyone who wants to do service work at any price.

ARGUMENT:

Foreigners take jobs away from Americans.

Response: "I don't have applications coming in," Johnson said. The latest unemployment statistics show less than 5 percent of Tucsonans are jobless. American workers don't want seasonal work, Tracy said.

ARGUMENT:

Hiring foreigners keeps wages low for all workers.

Response: Petrella said he has increased wages to attract more workers. Labor statistics show the average wages for housekeepers have grown faster than inflation most years, increasing an average 3.4 percent a year for the past six years. Petrella and Johnson both said they offer health benefits, paid holidays and a free meal each day to employees. "For every dollar we spend, there's probably another 40 cents going out in benefits," Johnson said.

— Becky Pallack

"It would be more economical if we had regular, full-time employees," Petrella said.

Local workers who pick up resort and hotel jobs through the job bank usually do so out of desperation, and on an interim basis until they can find higher-paying work, said Sean Lopez, program coordinator at Pima County One Stop.

There are vacant jobs year-round, she said, because they don't pay well and require hard work. The job bank doesn't push hotel jobs or provide training for them because it tries to place people in jobs that pay at least \$10 an hour, Lopez said.

Additionally, few people are looking for jobs. Although the unemployment rate is rising, the state's latest unemployment statistics show 4.7 percent of Tucsonans are jobless.

Resorts can increase wages and still not see applicants, said Debbie Johnson, president of the Arizona Hotel and Lodging Association, which is lobbying for more H-2B visas.

If the resorts can't hire visa workers, they'll likely be forced to increase wages. Rising labor costs would be passed on to customers, she said. That could mean lost business.

"It's not about wages; it's about finding workers willing to do the job," she said. "These H-2B workers are willing."

'Cheap, obedient labor'

Not everyone agrees government should intervene on the resorts' behalf.

The perceived labor shortage is the market's signal that the resorts should start scrambling to find new sources of labor and ways to use their existing staff more efficiently, said Mark Krikorian, executive director of the Center for Immigration Studies, a Washington, D.C.-based group that supports tighter immigration controls.

"In the short run, they've backed themselves into a corner," because their business plans require foreign labor, he said. "They're saying it's Congress's job to procure cheap, obedient labor for their companies."

As illegal workers and returning visa holders are squeezed out of the work force, the economy will adjust, Krikorian said, but it won't happen overnight.

Saying that housekeeping and dishwashing are jobs Americans won't do is gibberish, he said.

People who might want the jobs include racial-minority workers, college students, single moms who need flexible work schedules, older workers who want part-time jobs, refugees, high school dropouts, ex-prisoners and homeless people.

Marshall Vest, an economist with the University of Arizona's Eller College of Management, said there is a real long-term issue of where to find workers in a country with a low birthrate and an aging population.

Employers' top concern in recent economic surveys has been the ability to recruit workers with the right skills, he said. That real or perceived labor shortage pushed up wages for some occupations, Vest said.

Beyond raising wages, businesses can also improve the skills and efficiency of their existing staff or entice workers to stay longer, he said.

But other than that, Vest said, businesses look for labor in foreign countries, where birthrates are higher and people need work.

Vest said those workers are "a valuable commodity in the world labor market."

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