# Travel Is Back, but Airline and Hotel Workers Are Not; Southwest, Wyndham, others work to staff up to meet rising demand

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## FULL TEXT

The long-awaited travel revival is here, but airlines and hotels can't take full advantage of it.

For two years, travel businesses have fretted about demand, wondering when—or even if—it would recover after Covid-19 pandemic. Now they say appetite for travel is insatiable, undeterred by rising fares or an uptick in Covid-19 infections around the country.

Aircraft manufacturer Boeing Co. and General Electric Co., which makes jet engines, this week highlighted the travel rebound . Google parent Alphabet Inc. said travel searches were abov e what the company saw in the prepandemic first quarter of 2019.

The travel rebound has been robust, with daily traffic at U.S. airports off less than 10% from comparable days in 2019. People are traveling more for leisure than they did before the pandemic, with spring and summer bookings setting records.

Even business travel, which has been slower to return, is showing signs of life, airline executives have said. Momentum in corporate bookings has reversed before when companies changed course on bringing employees back to offices, but airlines say business travel volumes have reached their highest levels since the pandemic began.

Southwest Airlines Co. said it expects corporate travel revenue this month to come in at about 70% of what they were in April 2019, with continued improvement in May and June. American Airlines Group Inc. said last week that business travel revenue is on track to reach 90% of 2019 levels in the current quarter.

The challenge will be handling the surge .

Airlines, for instance, have been tempering growth plans as they contend with staffing shortages.

Southwest said it has cut flying through Labor Day to give itself more of a staffing buffer to handle unexpected problems. "We continue to work through lower available staffing and training constraints to keep pace with rebounding travel demand," Chief Executive Bob Jordan said Thursday during a call with analysts and reporters.

Southwest on Thursday, however, was the latest carrier to predict it will again become profitable in the current quarter, and through the rest of 2022.

The problem isn't necessarily getting people in the door. Southwest is hiring at a rapid clip and boosted its goal for the year to 10,000 new employees, net of attrition, from about 8,000 previously. But working through training logjams and getting an entirely new workforce up to speed takes time, Mr. Jordan said.

"I'm cautiously optimistic that we can get to a good balance of head count to operate our planned flight schedules for the remainder of the year while setting ourselves up for resuming more material growth in 2023," he said.

JetBlue Airways Corp. came into the year planning to grow its schedule by as much as 15% above 2019 levels. But the airline ran into problems this month: bad weather in Florida resulted in air traffic slowdowns that threw its operation off track. Turnover in key employee groups including pilots and customer service agents has been high. Airline executives realized they had to cut back to focus on hiring and training. The slowdown will help the airline fix its operation, but will also delay its return to profitability, JetBlue Chief Executive Robin Hayes said earlier this

week.
"This is the first time that I can remember where we'll be flying less capacity in June than April. It's a much more conservative planning assumption," Mr. Hayes said in an interview.
Alaska Air Group Inc. and Spirit Airlines Inc. have also shrunk schedules in recent weeks, while United Airlines Holdings Inc. and Delta Air Lines Inc. said they'd planned more conservatively to avoid having to make similar calls.
"We're realizing that the whole infrastructure is not set up to snap back to these rapid growth rates," United Chief Executive Scott Kirby said last week.
Hotels are also struggling to staff up to meet the recent surge in travel. Executives at Pebblebrook Hotel Trust, a real-estate investment trust that owns hotels and resorts across the U.S., said they were caught short-staffed as business picked up in March.
"It wasn't anticipated and therefore we kind of had to make do because it does take time to hire people and get them to be productive," Chief Executive Jon Bortz said Wednesday on a call with analysts.
Hotels are retooling operations so that they don't need as many employees as they had before the pandemic. Some restaurants at Pebblebrook properties have changed their kitchen operations so that they require fewer cooks, which are hard to find right now. And executives at Wyndham Hotels &Resorts Inc. said they are working on services like digital check-in and check-out to reduce the need for more workers.
Still, Wyndham said it is working with franchisees that operate the hotels on new recruiting, hiring and retention strategies as they continue to face staffing shortages.
For travelers this summer, the result will likely be pricier fares and more expensive rooms, executives and analysts said. Hotels are struggling with staffing levels, but are able to charge higher prices due to demand, says C. Patrick Scholes, a lodging analyst at Truist Securities Inc. But because staffing is an issue, some hotels might not mind sacrificing a small percentage of their occupancy to maintain the high room rate, he says.
Airlines have been boosting fares to cover the rising cost of fuel, with no signs that the higher prices have dented demand.
"Demand for air travel, especially for leisure, is above 2019 levels...however, supply is not," Andrew Watterson, Southwest's chief commercial officer, said Thursday. "A backdrop of demand exceeding supply is what can give broad-based price increases that we've seen."
Airlines are hoping to avoid the problems that several of them encountered last summer, when demand returned more quickly than they'd anticipated and before they could rebuild their ranks. What should have been routine disruptions such as poor weather became dayslong snafus. Travelers faced cancellations, delays and hourslong waits for customer service help by phone
Airlines got billions of dollars in government funds during the pandemic to continue paying workers so they could avoid massive layoffs. But facing a murky outlook, carriers also encouraged thousands to retire early and take buyouts.
Southwest said its head count still hasn't returned to where it was before the pandemic, and about 15% of its workforce is new since the fall, Mr. Jordan said.
"So they're out there working, but you know what it's like to have a new job. They're just not proficient yet. They're not efficient. They're still learning their positions," he said.
The pandemic also accelerated a shortage of pilots that has been looming over the industry for years. Airlines are trying to bring on pilots at a faster clip than ever before, but training infrastructure can't keep pace.
The result has been fierce competition for the pool of available pilots and for the flight instructors needed to train them. Smaller regional airlines have had to cut routes, unable to keep pace with hiring by bigger airlines. JetBlue cited turnover among pilots as one of the reason's it is throttling back growth this year.
"Some of the high levels of attrition that we've seen could stay or even get worse," Mr. Hayes said.
Alaska Airlines is halfway to its goal of hiring 600 mainline pilots this year, Chief Executive Ben Minicucci said last week. The challenge is getting them all trained and ready to fly. The airline never caught up after the Omicron

strain slowed training at the start of the year, and found itself this month with about 60 fewer pilots than it had anticipated, not enough to fly the schedule it had planned.
"Pilots were stuck in the school house," Chief Executive Ben Minicucci said last week. "We're just putting a little more conservatism into the plan."
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