

# **A MAJOR CHALLENGE FOR HOTEL OWNERS: MANAGING EMPLOYEES AND LABOR ISSUES**

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**LAWRENCE COHEN  
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# INTRODUCTION TO LABOR AND UNEMPLOYMENT ARTICLES

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The largest ongoing expense for a hotel is, of course, payroll. Whether your hotel is union, non-union, five-star luxury or limited service, managing your employees and their costs are one of the biggest challenges a hotel owner or operator can face.

Those of us who have been in the business for a long time all have horror stories to relate. I myself still shake my head about the General Manager who was upset with an employee and locked him in a closet, or the lawsuit that wrongfully accused one of my properties for age discrimination despite the majority of the work force having over 20 years of tenure!

My colleague, Dr. Josefina Tranfa-Abboud, has been retained as an economic expert in many employer-employee situations and has published several articles and thought pieces on the subject. Below are two articles she has authored that I believe a hotel owner or operator will find interesting.

The first addresses the “novel” concept of identifying problems before they happen. The second article discusses the economic model for estimating lost wages from discrimination, workplace injury, etc. Hopefully we can all follow the first article’s advice so that the nuances of the second article can be prevented, minimized or handled with the appropriate economic model.

- *Employee Relations Law Journal*, December 2010 - “[An Alternative Approach to a Critical Issue in Employment: Identifying and Correcting Potential Disparities in Employee Selections Before They Happen](#)”
- *Human Resources Management Ideas & Trends*, October 2011 - “[Model for Estimating Lost Wages May Be Incomplete](#)”

## ABOUT LAWRENCE COHEN

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Lawrence Cohen is the Hospitality Group Leader at Marks Paneth & Shron LLP. He rejoined the firm after having served for many years as the President and Chief Executive Officer of The Griffin Group, the investment and management company of the late Merv Griffin.

Mr. Cohen has strong roots in the hospitality industry. The Griffin Group and its affiliates owned and managed properties that ranged from high-end resorts to limited service properties. Mr. Cohen spearheaded all aspects of the business including acquisition, development and redevelopment, financing, management team hiring, supervision of operations and eventual sale.

At Marks Paneth & Shron, Mr. Cohen draws on his deep experience and serves his clients as a business “coach.” For mature companies, he will advise entrepreneurs, CEOs and CFOs on strategies to reposition their companies in the current business environment. For start-up companies, he will delve into the company’s business plan and advise on the growth of its infrastructure. While Mr. Cohen will usually directly assist in the business plan preparation process and support the money-raising process, he will also often “roll-up his sleeves” and assist with the execution of his advice including negotiating the business points of lender agreements, leases, distribution agreements, etc. as well as hiring and/or terminating employees.

In addition, Mr. Cohen has had business interests in the Los Angeles area for more than 25 years and shares responsibility for the firm’s operations on the West Coast.

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