

# **Guaranteed Return to Work for Hilton Vancouver Metrotown Workers**

## **Executive Summary**

We argue that Hilton Vancouver Metrotown is unethical in firing a large number of their workers without guaranteeing these workers a right to return to their position, which can be shown to be unethical through the concepts of noxious markets and unequal distributive justice. Since April 2021, Hilton Metrotown has been criticized for terminating almost 100 employees in response to the COVID-19 pandemic, most of them being women and immigrants. Godfrey (2021) reported that the hotel is planning to fire even more in the near future and are not planning to recall them back to work again. We would like to propose that, instead of permanently terminating these workers, Hilton Metrotown should instead place them on a temporary unpaid layoff. When the industry recovers and business picks back up again, Hilton Metrotown should recognize that these workers are entitled to their jobs and recall them back to work.

## **Description of Problem**

In April 2021, in response to the COVID-19 pandemic, Hilton Vancouver Metrotown fired almost 100 of their workers, most of these unfortunate people being women and immigrants. These workers went on strikes to demand their jobs back, but the hotel refused and locked them out of the building (Bailey, 2021). The month after, Unite Here Local 40 (2021), a labour union representing these workers, reported that Hilton Metrotown also decided to stop paying their laid-off employees their EI benefits because of the strikes and lockouts. Additionally, the loss of their jobs also meant loss of healthcare benefits and pension plans for these workers (Bailey, 2021). With the combination of all these losses,

Hilton Metrotown is pushing these workers to the brink of poverty and inability to provide for their families.

The hotel has received backlash for what they did. Zailda Chan, President of Unite Here Local 40, protested these layoffs:

“[Workers] have invested years in these hotels while supporting families and communities on these jobs. Now they are being discarded like workers out of a 19th-century garment factory... The depths to which the industry will go to undermine the job security of women and immigrant workers are astounding” (2021).

Thomson (2021) also reported numerous responses made by other unions and parties. Teri Mooring, President of the British Columbia Teachers’ Federation (BCTF), announced that the federation will not be doing any business with Hilton Metrotown until these workers receive their jobs back. The British Columbia Government and Service Employees’ Union has also done something similar to BCTF and will stop doing business with Hilton Metrotown until their laid-off workers’ rights are restored. The large scope of this problem also caught the attention of Burnaby mayor Mike Hurley, who had also expressed his disagreement with what the hotel did, urging them to reconsider and give these workers their jobs back. It has been 121 days and the lockouts are still in motion. If these situations continue, with more unions threatening to stop doing business with the hotel, Hilton can expect growing losses in the future (Balzer, 2021).

Unite Here Local 40 (2021) has since launched a petition directed towards Chris Perna, Hilton Metrotown’s General Manager. The petition expressed their disappointment at how the hotel treated these workers, after years of their service and care towards the hotel’s guests. The union announced that they will not do any business with Hilton Metrotown, nor recommend the hotel to anyone, until the hotel promises to return these workers to work.

Women and immigrant workers are the two groups that are usually the most disadvantaged in the economy, and the pandemic crisis has made it harder for them. These findings are adapted and illustrated in Table 1 below. UN Women (2020) presents interesting facts about women and OECD (2020) about immigrant workers.

**Table 1**

*Findings on the Disadvantages of Women and Immigrant Workers*

<b>UN Women Findings (2020)</b>	<b>OECD Findings (2020)</b>
Women are losing their jobs at a faster rate than men	Immigrants have less secure jobs and less seniority in the workplace
Women-represented sectors such as hospitality, retail, and entertainment are the industries hardest hit by the pandemic	Immigrants are also significantly represented in the hardest hit industries like the hospitality and tourism industry
Businesses run by women are suffering more compared to those run by men	Immigrants face a higher risk of public backlash and harassment as they are often the ones blamed for the COVID-19 pandemic
Preexisting facts such as poor working conditions, gender pay gap, lack of job security, and societal pressure to care for families have placed women at an even more precarious position	Poor living conditions and work involving face-to-face interactions have increased the risk for immigrants to contract COVID-19
Women will represent the majority of people estimated to be in poverty by 2021	
11 million girls would have had to leave school by the time the pandemic passes	

Note. Adapted from <https://www.oecd.org/coronavirus/policy-responses/what-is-the-impact-of-the-covid-19-pandemic-on-immigrants-and-their-children-e7cbb7de/#section-d1e105> and [ht](https://www.oecd.org/coronavirus/policy-responses/what-is-the-impact-of-the-covid-19-pandemic-on-immigrants-and-their-children-e7cbb7de/#section-d1e105)

[tps://www.unwomen.org/en/news/stories/2020/9/feature-covid-19-economic-impacts-on-women](https://www.unwomen.org/en/news/stories/2020/9/feature-covid-19-economic-impacts-on-women) . Copyright 2020 by UN Women and OECD.

Table 1 proves that women and immigrant workers share similar disadvantages. Those that both groups have in common include being overrepresented in industries that are most damaged by the pandemic, having unstable jobs and job security, and poor living and working conditions. UN Women (2020) and OECD (2020) concludes that with all these disadvantages mentioned, women and immigrant workers are more vulnerable to layoffs, proven in real life by this ongoing Hilton Metrotown case.

In light of the COVID-19 pandemic and its impact on the Canadian economy, the hotel industry along with other sectors found in the market become part of what economists call the K-Shaped Recovery. Just like the letter K, the two lines start at a singular point, but then start to diverge, one line going up whereas the other going down. The two lines symbolize the wellbeing and recovery of every industry found in the economy. The line going up represents the industries that are recovering or keeping afloat in the pandemic, whereas the line going down represents the hard-hit industries that are drowning, or not recovering yet. The hotel and accommodation sector is one of those unfortunate industries. Border restrictions, travel bans, social distancing, stay-at-home rules, and the inability to gather in groups have dried up all business prospects, leaving these establishments hanging on by a thin thread (Ross, 2021). Holyoke (2021) added that the industry is expected to experience a late recovery around the years 2022-2023.

### **Analysis of Problem**

The concept of distributive justice and noxious markets concepts will be used here to show why these layoffs are unethical. According to Rawls' principles of justice, justice

should be impartial, fair, and blind. The equality principle says that things should be distributed as equally as possible and these things are basically primary goods such as rights, liberty, income, power and wealth. The difference principle says that it is alright to have some inequality in income and wealth if it is in everyone's advantage. The Hilton issue violates both the difference and equality principle. There is a violation of the difference principle as there is inequality due to which not everyone benefited, the weaker people are at a disadvantage especially those who have been fired because they lost their jobs without getting anything in return. Furthermore, the equality principle has also been violated since the economic impacts of the pandemic were not equally shared among the employees. Majority of the population fired were female and immigrant workers and they were disproportionately harmed compared to everyone else in the organization. Their EI, healthcare benefits, and pension plans were also cut off, signifying an unequal distribution of resources.

This can be considered as a noxious market as well, since it reflects a harmful market and society. According to the equality principle and the difference principle, power asymmetries should be more balanced in the labour market so that those with fewer socioeconomic resources such as women and immigrant workers have stronger economic agency in society making them less vulnerable. However, Hilton has cut off the workers' EI payments, healthcare benefits, and pension plans, making them weak agents in a power asymmetry. The outcome of this noxious market is extreme harm for individuals, when the hotel's actions caused a major impact on the terminated workers' wellbeing. We have seen how these people are pushed to the brink of poverty, unable to provide for their families. This issue places the workers in a position of vulnerability, where they are living in borderline poverty and not having equal access to market goods and services.

### **Policy Recommendation**

The approach which Hilton chose to deal with the economic crisis was firing 100 employees and taking away their EI benefits when they started raising their voices. The solution to this problem can be placing them on unpaid layoffs but guaranteeing to bring them back on board once the economic situation improves and the business picks up pace. From a legal point of view, significant changes should be made in the Employment Standards Act of British Columbia, which would guarantee workers who lost their jobs due to the pandemic and economic downturns, the right to rejoin the same job with similar wages and benefits once things start getting back to normal.

From an ethical theory perspective, the power asymmetry should be balanced so that their vulnerability can be reduced. This can be done by maximization of minimum positions. A higher severance pay can be given to the employees or the right to join back can be given after the hotel starts regaining profits. This will balance both sides' power, thereby increasing workers' agency and protecting them in their vulnerability.

### **Objections and Replies**

One possible objection to our argument can be that as the economy is down due to the pandemic, keeping workers employed may be very costly for management.

Our response to this objection would be that the hotel management would not be burdened unduly because management could have temporarily put the workers on unpaid leaves. The BC Government (2020) defines this as a temporary layoff. Temporary layoffs are unpaid and the workers are not harmed as they receive temporary benefits from the government during the layoffs. Once the business starts again, hotel management could recall them back to work. This way it is beneficial for both the workers and hotel management.

Another objection to our argument could be that as per the laws set by the government of British Columbia (2020), an employer cannot lay off a worker for more than 13 weeks in a

period of 20 weeks. If the layoff exceeds, the government may decide that the work has ended and the employer will be told to pay compensation for each laid-off employee's length of service, thereby incurring even more costs for the hotel. Our response to this objection is that it is important to make the laws and policies more flexible to accommodate scenarios where the economy can experience cyclical downturns of an uncertain length.

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