## Industry Weekly Digest

School of Hospitality & Tourism Management

AI-driven transformation of hospitality workplaces

Artificial Intelligence has been utilised for years to cut costs, optimise processes, and enhance customer experience in numerous sectors, but only lately by the hotel industry. Recently, it is becoming more evident that some AI applications termed "algorithmic management" that allocate, optimise and evaluate the work of hospitality associates seem to harm workers, rather than help.

In this digest, **Brana Jianu**, PhD candidate at the School of Hospitality and Tourism Management expands on this rising trend.

Have a great Weekend!

## Algorithmic Management – friend or foe for hospitality workers?

## <u>Brana Jianu</u>

"The term "algorithmic management" describes the rise of algorithms to managerial responsibilities inside organisations and their ability to exert effective command over the workforce. In hospitality, it is not uncommon to find **hotel housekeeping attendants** rushing through the halls at top speed to complete the chores assigned by their algorithmic manager. Algorithmic systems now automate **scheduling** of workforce and even make **hiring** and **firing** decisions.

Algorithmic management revolves around a central idea of power. Datafication, or the recording of social reality in computer-friendly format, is a necessary first step in this direction. During this step, algorithms remodel and reduce social realities into clusters of processable, numerical information. Next, embedded mechanisms of direct control work to provide narrow corridors of action for the workers, limiting workers' agency. Finally, workers' actions, in response to algorithmic control, feed into the closed-circuit feedback loop of the algorithm, continuously providing it with raw behavioural data, only to be used by the algorithm to tighten its grasp on the workforce. As a result of this process, numerous negative outcomes for workers have been reported: reduced choice, loss of control over work, loss of privacy, work intensification, reduced voice and social support, stress and frustration.



Yet things need not be this gloomy. Other forms of algorithmic control may be more supportive of workforce well-being. For example, forms of normative control are positively associated with higher levels of employee motivation and seek to elicit desired behaviors by attempting to direct members' underlying experiences, thoughts, values and emotions (Kunda, 1995). Gamification may be an example of such type of control, increasing employee engagement and satisfaction with their job. Continuous needs assessment analysis and delivering appropriate training via the platform may also prove more beneficial. Motivating messaging that engages workers in a positive way with the platform may also elicit positive feelings. Since hospitality is all about engaging with people, new human-in-the-loop work configuration in which humans and algorithms augment each other might be critical in hospitality workplaces. Studies on this topic are under progress, so stay tuned for updates...

## Further reading on this topic is available <u>here</u>