



# Fair Work in the Hospitality Industry

Fair Work Convention Hospitality Inquiry 2024 Case Studies

# Fair Work Convention Hospitality Inquiry -Case Studies

As part of the Hospitality Inquiry, case studies from across the hospitality industry in Scotland were gathered to highlight good practice in the sector. The following organisations and businesses were identified through Hospitality Inquiry Group Members, the Fair Work Convention, and wider networks:

- The Social Hub, Glasgow
- The Stand Comedy Club, Glasgow, Edinburgh and Newcastle
- Springboard, UK wide
- Grassmarket Community Project, Edinburgh
- The Glen Mhor Hotel, Inverness
- Hospitality Industry Trust (HIT), Scotland-wide
- Glasgow Film Theatre (GFT)
- Whitbread, UK-wide
- Arran Development Trust, Isle of Arran
- Highlands and Islands Enterprise (HIE)

The case studies are not representative of all good practice that is currently taking place across the hospitality sector. Rather, they highlight some examples of fair work being delivered in the hospitality industry.



Case study: The Social Hub, Glasgow

Fair work practice: Fair work supporting resilience and growth

**Activity:** The Social Hub, which operate in locations across Europe, opened their first UK business in Glasgow, in April 2024. The Social Hub champions a 'hybrid hospitality' concept, providing hotel, extended stay and student accommodation alongside co-working, events and community spaces, as well as a restaurant and cafe/bar.

Adopting this business model means the company is not confined to providing one hospitality service and can flex, adapt and grow in response to seasonality, demand and customer and staff needs. This makes the job variable and interesting for staff, delivering a range of services to a wide community of people means that no two days are the same.

The Social Hub's ethos focuses on sustainability and social impact, working to create a welcoming and inclusive space – from the way staff and customers are treated, to the design of the building. In line with this, all workplace policies are centred around care for staff. For example, disagreeing fundamentally with the use of zero-hours contracts, The Social Hub ensure every member of staff is provided with a contract which sets out minimum working hours, is mutually agreed, and signed before any work commences.

To gather feedback from staff, management at The Social Hub use an online platform to engage with their teams. Feedback prompts focus on asking staff how they are feeling, if they feel supported, and if not, what they would change about their role, working environment and the wider business. Feedback and data from the platform is regularly used to make changes at The Social Hub.

Alongside the staff feedback process, and recognising the importance of protecting staff wellbeing, all staff also have access to an online therapy tool. This helps those who may be experiencing personal or work-related issues by allowing them to book session(s) with a trained therapist, free of charge.

The Social Hub invest in and develop their teams, working to build positive working relationships and a fun atmosphere. Staff can access a diverse events programme as well as various facilities, including gyms, health and wellbeing classes and gaming areas.

**Impact:** The Social Hub demonstrate that a business model grounded in fair work practice is not only sustainable but can deliver rapid growth – launched as one venue in Amsterdam in 2006, The Social Hub now have 21 locations across Europe, and continue to grow, with plans for more locations in the UK.

As a company, The Social Hub focus on career progression for staff, providing access to a range of internal and external training programmes, supported by tailored learning and development plans for staff. The company strive to recruit internally when opportunities for progression arise, and encourage staff to develop within the company. Since opening in Glasgow, The Social Hub report experiencing high rates of staff retention and wellbeing, which they recognise is thanks to their approach to supporting staff.

Through customer feedback and reviews, The Social Hub see that their customers enjoy this 'reimagined' approach to hospitality, which provides a fun, vibrant and welcoming experience for guests. They recognise this is a cyclical process, whereby when staff are looked after, enjoy their job and have variety in their tasks, a positive environment is created, which keeps the business thriving. Key to this is the hybrid approach, which creates a diverse, and evolving, community space.

Case study: The Stand Comedy Club, Glasgow, Edinburgh and Newcastle

## Fair work practice: Real Living Wage

**Activity:** The Stand have been an accredited Real Living Wage (RLW) employer for 9 years, recognising the importance of paying all staff (which includes front-of-house, office and seasonal workers) a fair rate of pay that reflects living costs.

The Stand review their pay policy annually, to ensure that rates of pay continue to reflect inflation and cost of living increases. Over the last 2 years, The Stand increased the lowest rate of pay in their staffing to above the Real Living Wage rate - their lowest rate of pay is now £12.50 i.e. 50p per hour more than the RLW, and more than £1 per hour higher than the minimum wage.

The Stand's approach to pay for staff sits alongside a wider package of support that ensures that their workforce are treated fairly, valued and listened to. For example, no zero hours contracts, a recognition agreement with Unite Hospitality (signed in December 2023), taxis home for staff working late-night shifts and ensuring that 100% of tips go to staff.

**Impact:** The Stand have seen the positive impact that guaranteeing staff receive good, competitive, pay has on both recruitment and retention rates – people are attracted to work for the company and often remain working there for long periods of time. This is also the case for their seasonal workers, who The Stand report often remain loyal to the company and return to work each season.

The Stand regard their staff as 'an asset rather than a liability' and recognise that when staff are valued and paid fairly, a positive environment and ethos is created for both workers and customers. This directly impacts the experience of the audience and acts at their venues, thus ensuring that the business continues to grow, meaning that the investment in staff remains affordable in budgetary terms.



Case study: Springboard, UK wide

Fair work practice: Employment and training support

**Activity:** The Springboard Charity are a training and education charity who support careers in hospitality and tourism for young people, people facing barriers to work, and those most at risk of long term unemployment.

Programmes offer training and work placements and are free to participate. They cover soft skills, building confidence, hospitality-related training, one-to-one mentoring and coaching and support to find a job. Springboard also run 'FutureChef' – an educational programme – and CareerScope – a careers hub.

**Impact:** In 2022/23 alone, across the UK, Springboard trained 3,357 young and disadvantaged people through employability programmes. Of these trainees, 73% of these trainees were supported into hospitality jobs, and 74% of the trainees stayed in their roles for more than 12 months.

In the same period, 45,240 pupils and 661 schools, colleges and universities engaged with Springboard educational programmes, including 14,173 participating in FutureChef and 1,287 attending Hospitality takeover days. Also, 161,57 people benefitted from careers and information and guidance, including 109,785 through CareerScope use, activities delivered by 2,152 Springboard Ambassadors.

Source: <u>Springboard</u> (2023); <u>CareerScope</u>; <u>FutureChef</u>



### Case Study: Grassmarket Community Project, Edinburgh

### Fair work practice: Social enterprise

**Activity:** Grassmarket Community Project (GCP) supports Edinburgh's most vulnerable people whilst providing high quality customer service through hospitality, catering, furniture-making and textile social enterprises which generate income that is reinvested back into the charity.

GCP are a real living wage employer with a strong value base and ethos – the staff team work alongside their trainees and members, who are volunteers, providing valuable workplace opportunities for the community.

Most of GCP's social enterprises are in the hospitality sector, including their events space, award winning ethical cafes 'Coffee Saints' (which operate in two locations in Edinburgh), catering for private and professional events, as well as university catering.

A fundamental part of GCP is their members, who can volunteer and gain experience within their hospitality social enterprises, and are often marginalised individuals facing a range of social issues. GCP strive to create a working environment that is calm, welcoming and where staff and volunteers feel valued and respected.

As well as being able to volunteer within their enterprises, GCP provide support to their volunteers through a diverse learning, training and apprenticeship programme which offers opportunities for accredited employability outcomes, as well as soft skills. The programme supports volunteers through a clear pathway to external positive outcomes and destinations, or onto paid employment as a staff member at Grassmarket Community Project.

**Impact:** GCP's enterprises involve, support and grow the talents of their members, allowing members to develop work-related skills and experience that often lead to further opportunities such as volunteering, training or employment at GCP and elsewhere. GCP are embedded within the local community, working with over 300 people a year and delivering, on average, 800 hours of support per month.

GCP has a significant impact on young people they support (members aged 16-30) – in 2022-23, GCP delivered 401 hours of training, and 117 accredited qualifications were achieved.

However, the impact that GCP have on their members is profound, and goes beyond specific achievements, with GCP reporting that members often acknowledge that the support provided has 'saved their life', or made their life significantly better.

### Case study: The Glen Mhor Hotel, Inverness

## Fair work practice: Staff wellbeing

**Activity:** As part of their implementation of fair work, the Glen Mhor hotel are committed to diversity, inclusion and equity, with a primary focus on wellbeing.

The mental health of all employees is paramount and mental health training and supports are put in place before any practical, role specific, training is introduced – a process which is supported continually through staff training as mental health first aiders, as well as a HR manager who has a purely pastoral role in the business.

Around a fifth of staff need additional supports, and time is taken to have conversations with workers to understand their lived experience, and any tangible changes that can be implemented to support them to do their job. Health passports are available for staff, a document which provides a framework to discuss employee's health and wellbeing, and to subsequently 'job sculpt' to suit each individual's needs. For example, an individual might work specific shifts due to side effects of their medication.

Glen Mhor place significant value on working to meaningfully support employees and guests with disabilities and additional needs. Working with a range of external partners, such as Enable, the Scottish Union of Supported Employers, and Apt, Glen Mhor have transformed their approach to supporting disabled people, providing work placements, staff training and accessible digital communications and recruitment. For example, the hotel provide support resources, such as ear defenders, sensory backpacks, as well as 'social stories' for staying at the hotel or taking part in a job interview.

Glen Mhor also started their own work experience programme in 2023 with local special schools, supported by Highland Council. The programme aims to inspire young people to overcome perceived barriers and to build their confidence, both generally, and in relation to the hospitality industry. Sessions involve learning about the different roles within a hotel – housekeeping, waiting, cheffing, events – as well as 'reverse interviews' where young people interview the business owner and feedback as to whether they seem like an employer they would want to work for, a process which helps Glen Mhor continually improve.

**Impact:** Adopting this approach required upfront investment, operational changes and significant training for staff, at all levels, which was challenging at times. However, Glen Mhor have witnessed the positive impact of putting people's wellbeing first, finding that when people feel valued, productivity and staff retention rates go up. Indeed, they have found there's a real 'pull' for people to work with them due to the culture that they have created.

One of the greatest impacts has been felt as a result of prioritising mental health at management and senior management level, a group who often face significant burnout in the industry. Focussing on the mental health of staff at all levels, including leaders, has meant staff feel looked after and respected at work.

Creating a strong staff community with a foundation of wellbeing, openness and engagement has also allowed for a constant feedback loop, where staff meaningfully bring about change and growth in the business. For example, staff recently put forward business planning options to improve productivity and save energy, which fed into Glen Mhor's climate action plan. Case study: Hospitality Industry Trust (HIT), Scotland-wide

### Fair work practice: Scholarships

**Activity:** HIT Scotland have been providing support to the hospitality industry since 1994, evolving in line with the needs of the sector and taking a collegiate approach to skills development.

The charity supports those working in or studying towards a career in hospitality through their fully funded scholarship programme which, through short learning experiences, aims to give people new skills and knowledge, to experience best practice, or to refresh their learning and industry outlook. The content of each scholarship varies depending on personal development objectives and the scholarship applied for (business, operational or inspirational) and can vary from a bespoke skills course created especially for HIT Scotland, to spending time in the field shadowing industry experts.

HIT Scotland are guided by their board, made up of industry leaders, who share their professional expertise and strengthen HIT's international networks in the sector, ensuring high quality experiential learning is available for scholars.

HIT also deliver their 10-week online Tourism & Hospitality Talent Development Programme (THTDP), which was designed during the pandemic when in person programmes weren't possible and covers courses on management and leadership.

**Impact:** HIT Scotland provide significant support in developing the skills of the hospitality workforce, reporting that, on average, around 80% of scholars are people currently working in the hospitality industry, and 20% are full time students. In their 2024 application round, HIT gave out 319 fully-funded scholarships. HIT Scotland estimate that, in an average year, their scholarship programme returns approximately £1 million worth of training and development back into the industry in Scotland.

Since launching in 2021, THTDP has trained over 3500 people. HIT Scotland report that in a 2021-22 survey of 1500 participants who completed their online training programme, 79% believed they had improved their career prospects as a result of the training.

HIT Scotland's impact on the sector is wide reaching, in that it provides a strong network and space for industry led collaboration. Hospitality colleagues, at every level, often work with HIT to give their time and resources as a way to 'give back' to their industry.



Case Study: Glasgow Film Theatre (GFT)

Fair work practice: Collective bargaining

**Activity:** In August 2023, the GFT signed a landmark voluntary recognition agreement with Unite Hospitality, covering their front of house and cleaning teams – the first of its kind for a Scottish cinema. This formalised collective bargaining and negotiation on pay, hours and relevant workplace policies. Guided by ACAS' Code of Practice, the agreement includes facility time for staff who are union representatives.

The agreement forms part of a suite of policy and practice at the GFT that ensures staff are treated fairly. For example, all staff are paid the real living wage, no zero hours contracts are used and there are a range of routes for staff engagement and representation (staff diversity committee, staff surveys and forums). Staff engagement and discussions have resulted in staff curating some film programmes.

**Impact:** The impact of introducing the voluntary recognition agreement has been positive, giving front of house and cleaning staff a route to collectively engage with leaders and improve the business. The GFT have reflected on the value of introducing the agreement at present, a time which is precarious for the wider arts and hospitality sector, recognising the need to formalise the process of listening to staff at a time which is tough for many. Indeed, the GFT report experiencing low rates of staff turnover for the sector.

Workers at the GFT have also reflected on the positive impacts of introducing the recognition agreement with Unite. Workers value feeling they can collectively raise any issues within the workplace, and that suggestions made will be discussed, and acted upon, where possible. Union representatives meet regularly with senior management to discuss any emerging issues, policy changes and pay (which is discussed annually). Since the introduction of the voluntary recognition agreement with Unite, a range of changes to improve fair work have been made at the GFT:

- Living Wage increase brought forward from April to February

- Formal annual review of hours, resulting in an agreement/discussion that current staff will be offered an uplift in hours before new staff are hired

- A reduction in the probation period for new staff (from 6 months to 3 months) – this resolved issues relating to staff re-starting their probation period when moving from a temporary to a permanent contract



#### Case study: Whitbread, UK wide

#### Fair work practice: Staff networks

**Activity:** Whitbread, a multinational hotel and restaurant company (it's largest division being Premier Inn) work to their diversity and inclusion strategy which has four commitments around inclusion. To support these commitments, there are four, self-organised, networks in place which support the whole business:

- enAble: strives to remove the barriers to access for employees and guests with hidden or visible disabilities

- GLOW LGBTQIA+ Network: focuses on ensuring working practices to enable all staff to bring their best self to work, regardless of sexual orientation and gender identity

- Gender Equality Network: aims to ensure equality of representation, reward and opportunity across all gender identities

- Race, Religion and Cultural Heritage Network: with a mission to ensure all workers feel free to be their authentic self regardless of race, religion or cultural heritage

The networks provide a safe space for people from these communities and their allies, as well as a function to drive change in the business – through consultancy on policy or practice, or to educate the business on how to become more inclusive, both for staff and guests.

Staff choose to what extent they want to engage with a network and any level of engagement is welcomed, either through a network's digital communications channel, a face-to-face hub, or as part of a steering committee. Each of the networks has a steering committee and sponsorship from an individual on Whitbread's Executive Committee – a crucial part of the governance of the networks, allowing resource and budget to be unlocked.

Whitbread recognise the importance of using independent expertise to support their inclusion networks, from bringing in external organisations to facilitate listening sessions, to using existing indexes as a robust foundation for each network (e.g. Stonewall Workplace Equality Index, Disability Confident, Investing in Ethnicity Matrix).

**Impact**: The networks have introduced and managed significant changes to make Whitbread a more inclusive workplace, including:

<u>enAble</u> – one of the key workstreams for the disability network has been refreshing the adjustments policy, introducing a centralised process and significant training for 3000+ managers, to ensure the needs of people with disabilities and additional support needs are met, from workplace equipment, to shift flexibility. The adjustments process sits alongside the Hidden Disabilities Sunflower lanyard scheme, which helps staff feel supported to have better conversations about adjustments. This approach has contributed to good retention rates for disabled staff, which are on par with non-disabled staff.

<u>GLOW LGBTQIA+ Network</u> – GLOW has been instrumental in aligning Whitbread to the Stonewall Workplace Equality Index, where Whitbread were ranked 53rd in 2023, and given a Gold Award for Excellence in both 2022 and 2023. This involved a thorough review of the entire employee journey, alongside a guest review and working with their supply chain. Part of this has involved listening, understanding more about how teams identify through data, and working with partners such as Trans in the City to support minority communities.

<u>Gender Equality Network</u> – working towards menopause friendly accreditation, the Gender Equality Network introduced menopause guidance and training across the organisation, and worked to ensure it was disseminated meaningfully and effectively. For example, they ensured that all housekeeping staff (who are predominantly female) were aware of the guidance, as well as translating it into several languages.

<u>Race, Religion and Cultural Heritage Network</u> – the RRCH network led on a policy to allow people that don't celebrate Christian holidays to take different days as bank holidays. This

policy was introduced three years ago and the network continue to champion the policy to ensure that new employees are aware of it. Staff have fed back how much they appreciate the policy, and how significant a small policy change like this can be.

Whitbread have also found a direct correlation between introducing the networks and staff retention rates, recognising that engaged people stay in the business.



Case Study: Arran Development Trust, Isle of Arran

Fair work issue: Accommodation for workers

**Activity:** Arran lacks affordable housing options, meaning workers may be unable to relocate to the island, an issue which is exacerbated by high proportions of second and empty homes on Arran. Businesses on the island see this as the biggest single driver of staffing shortages they are experiencing.

To help address this, the Arran Development Trust (ADT) are building homes on the island to rent to workers, and hope to offer a minimum of 200 homes to people, thanks to a mixture of public and private financing (including £1.5m from the Rural & Islands Housing Fund and £2.1m from Crowdproperty Finance).

The ADT are also planning to construct two- and three-bed rental properties specifically for workers (in the identified key sectors of health and social care, education, local authority and hospitality).

**Impact:** The ADT's first 18 homes, at the Rowarden affordable housing development in Lamlash, Arran, are under construction and will be ready for allocation by the end of summer 2024. It is hoped that this will help remove this key barrier to recruitment and retention of staff on the island.

Arran Development Trust will be working in partnership with North Ayrshire Council to identify people from the housing register for the new homes, as well as using the Arran Local Lettings Initiative, which prioritises homes for people already resident on Arran, but in unsuitable or unaffordable housing.

Undertaking a building project of this scale has been a challenging process for the ADT due to a range of factors, such as the additional costs of building on an island (which ADT estimates to add at least 40-50% compared to mainland construction costs), as well as the unreliability of the ferry network, which has resulted in significant delays to the project, in turn increasing costs.

**Source:** North Ayrshire Council (2023), <u>Strategic Housing Investment Plan 2023 - 2028</u> Arran Development Trust (2023), <u>Input into Arran Affordable Housing Task Force</u>

Case study: Highlands and Islands Enterprise (HIE)

**Fair work practice:** Support and resourcesActivity: HIE works with communities, enterprises and partners to help the Highlands and Islands region grow and progress, whilst driving fair work and net zero practices.

Fair work conditionality plays a central role. Any organisation applying for grant funding with HIE must comply with fair work conditions which include: paying the Real Living Wage, having a flexible working policy, and being able to demonstrate support for workforce development and employee engagement.

HIE also provides support and resources to help hospitality businesses in the region improve their fair work practices. In 2022, the agency held focus groups with hospitality and tourism businesses to gauge awareness of fair work and the Fair Work Framework, and to understand any barriers or misconceptions businesses may have. Based on this consultation, HIE produced the guide <u>'Fair Work: An introduction for tourism employers in the Highlands and Islands</u>' which provides friendly and relatable guidance for businesses on how to introduce fair work practices, with case studies from across the Highlands and Islands.

Following this, HIE rolled out a fair work programme to provide tailored and specific support to hospitality and tourism businesses. This included workshops, one-to-one sessions and customised reports for businesses.

**Impact:** As set out through several case studies on HIE's website, a range of businesses consistently report positive impacts as a result of improving their fair work practices. Benefits include improved staff recruitment and retention rates which are particularly important in the Highlands and Islands where low population and workforce availability are key challenges.

In addition, businesses recognise that being a fair work employer generates bottom-line benefits, with higher levels of staff retention and morale driving improved productivity.

